

IOWA HOUSE REPUBLICANS

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IowaHouseRepublicans.com

Appropriations

January Revenue Remains Strong as Tax Cuts Go Into Effect

The implementation of last year's major tax reform has not slowed state revenue as it continued to outpace projections in January. According to the nonpartisan Legislative Services Agency, state tax collections virtually mirrored January 2022 levels with the state again taking in over \$1 billion in tax payments.

Through the first seven months of the fiscal year, state revenue is 4.2 percent higher than in Fiscal Year 2022. This figure continues to run well ahead of any forecast from the Revenue Estimating Conference.

Personal income tax collections did experience a decline in collections when compared to the previous year, but that would be expected as personal income tax rates were reduced and the tax on pension and retirement income was eliminated on January 1. For the month, collections totaled \$493.2 million – a decline of \$36.7 million from FY 2022. But thru seven months, personal income tax payments continue to outpace projections with the category growing by 6.2 percent. The REC forecast for the year is a 3.5 percent decline.

Sales and use tax collections bounced back from a sluggish December. Sales tax collections came in \$118.6 million higher than what the state collected in January 2022. And for the first time this fiscal year, actual sales tax collections are now outpacing the REC projection. Through seven months, sales and use tax payments have risen by 5.9 percent. This is higher than the 3.4 percent growth forecasted by the REC.

Like personal income tax, corporate income tax rates were reduced starting on January 1. But unlike personal income tax, corporate tax collections rose in January. For the month, payments totaled \$72.9 million. This was \$15.2 million higher than January 2022 and kept actual receipts (+10.1%) ahead of the REC's forecast (+3.6%).

The strong numbers were somewhat offset again by very strong school infrastructure payments to districts. While sales and use tax collections have grown by 5.9 percent so far this year, school infrastructure payments (which is based on sales tax) are up 14.9 percent.

(Contact: Brad Trow 1-3471)

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Agriculture

2023 Century & Heritage Farm Applications Due June 1

On Monday, February 6, 2023, the Iowa Department of Agriculture and Land Stewardship (IDALS) issued a press release in which Secretary of Agriculture Mike Naig announced that his department is encouraging eligible Iowa farm

owners to apply for the 2023 [Century](#) and [Heritage](#) Farm Program now through June 1, 2023. The program was created by the IDALS and the Iowa Farm Bureau Federation to recognize families who have owned their farms for 100 years and 150 years, respectively.

To apply, download the application on the Department's website at iowaagriculture.gov/century-and-heritage-farm-program. Please complete the application and return it to:

Century and Heritage Farm Program
Iowa Department of Agriculture and Land Stewardship
Wallace State Office Building
502 E. Ninth St.
Des Moines, IA 50319

To be included in the 2023 Century or Heritage Farm Program, completed applications must be received by the Department by 11:59 pm on June 1, 2023. This year marks the 47th anniversary of the Century Farm Program, which started in 1976 as part of the Nation's Bicentennial Celebration. To date, more than [20,000 farms](#) from across the state have received this recognition. The ceremonies recognizing the 2023 Century and Heritage Farm families will be held at the Iowa State Fair on August 17, 2023 in the historic Livestock Pavilion.

(Contact: Lew Olson 1-3096)

Commerce

Commerce Committee Advances Legislation

This week, the House Commerce committee passed six bills out with bipartisan support. The bills do the following:

- **Amusement Park Payment** – House File 82 allows for credit cards to be used at amusement parks.
- **Franchise Tax** – House Study Bill 34 makes clear that streaming services like Netflix and Hulu do not need to pay franchise tax since they are not utilizing right-of-ways.
- **Unclaimed Property Notification** - House Study Bill 33 allows for electronic communication for abandoned property held by a financial institution. Current law allows for financial institutions to determine property has been unclaimed when for more than 3 years, the owner has not made any changes in the account. The custody of the account then moves to the Treasurer of the State.
- **Autism Coverage** – House Study Bill 74 strikes the age and benefit limits from the current autism coverage requirements of health insurance.
- **Emissions Plans** – House Study Bill 73 strikes the requirement that coal facilities have a multiyear plan and budget filed every two years, and instead requires a contested case proceeding with the Iowa Utilities Board when there is an update to their existing plan.
- **Life Insurance Investment** – House Study Bill 96 comes from the Iowa Insurance Division to update life insurance investment laws. The Division utilized two different models from the National Association of Insurance Commissioners to write this language.

(Contact: Natalie Ginty 5-2063)

Economic Growth

January Economic Development Board Awards

Recently, the Iowa Economic Development Authority (IEDA) Board approved awards for three companies, which will assist in the creation of 579 jobs and result in nearly \$156 million in new capital investment for the state. These projects are located in Cedar Rapids, Des Moines and Lime Springs.

International Paper–Cedar Rapids

International Paper is one of the world's leading producers of renewable corrugated packaging and cellulose fibers, with their Iowa locations focused on creating material for fiber-based packaging products. The company plans to install package boilers for onsite steam production, which includes the construction of a new 48,500 square foot two-story building, to supply the needed process steam and continue operations at the facility. The project represents a \$103 million capital investment and is expected to create seven jobs incented at a qualifying wage of \$30.24 per hour. The board awarded the company tax benefits through the High Quality Jobs (HQP) program.

OpenLoop Health–Des Moines

OpenLoop Health, Inc. provides a platform for comprehensive digital health operations. The service is designed to streamline and simplify telehealth care delivery. The company plans to lease and renovate a 40,000 square foot building to accommodate growth and expand its headquarters in Des Moines. The board awarded this \$4.8 million capital investment project direct financial assistance of \$500,000 through the HQJ program. It is expected to create 400 jobs, of which 60 are incented at a qualifying wage of \$34.25 per hour.

Upper Iowa Beef–Lime Springs

Opened in 2017 to provide local food production, Upper Iowa Beef works with family-owned and operated farms, which includes purchasing livestock from more than 400 independent cattle producers in northeastern Iowa. Located in Howard County, the company plans to expand and upgrade its facility in Lime Springs to increase capacity. The board awarded the company tax benefits through the HQJ program. The estimated \$48 million capital investment is expected to create 172 jobs, of which 33 are incented at a qualifying wage of \$23.53 per hour.

Contact: Kristi Kiious, 2-5290)

Education

House Passes Increase of \$106.8 Million for Schools

House File 171/Senate File 192 sets Supplemental State Aid (SSA) at 3.00% for Fiscal Year 2024 for both the Regular Program and the Categorical Supplements. It also extends the Property Tax Relief Payment (PTRP) an additional year which has the state pick up any property tax growth in the Additional Levy portion of the school funding formula.

This amounts to an increase of \$106.8 million for the 2023-2024 school year.

The State Cost Per Pupil (SCPP) amount on which the school aid formula is based increases from \$7413 to \$7635, a \$222 increase.

Here is a picture of state aid increases over the past 13 years:

Fiscal Year (school year)	Percent Growth	State Cost Per Pupil	State Foundation School Aid	School Transport. Fund	State Aid Increase	One-time Funds
FY11 (10/11)	2%	\$5,883	\$2,444,144,299			
FY12 (11/12)	0%	\$5,883	\$2,623,826,586		\$179,682,287	
FY13 (12/13)	2%	\$6,001	\$2,652,633,798		\$28,807,212	
FY14 (13/14)	2%	\$6,121	\$2,716,133,473		\$63,499,675	\$57,100,000
FY15 (14/15)	4%	\$6,366	\$2,865,029,554		\$148,896,081	
FY16 (15/16)	1.25%	\$6,446	\$2,952,004,924		\$86,975,370	
FY17 (16/17)	2.25%	\$6,591	\$3,089,422,722		\$137,417,798	
FY18 (17/18)	1.11%	\$6,664	\$3,179,629,446		\$90,206,724	
FY19 (18/19)	1%	\$6,736	\$3,207,571,601	\$11,200,000	\$27,942,155	
FY20 (19/20)	2.06%	\$6,880	\$3,285,449,646	\$19,000,000	\$77,878,045	
FY21 (20/21)	2.30%	\$7,048	\$3,381,273,449	\$26,690,088	\$95,823,803	
FY22 (21/22)	2.40%	\$7,227	\$3,408,570,509	\$27,457,935	\$27,296,969	
FY23 (22/23)	2.50%	\$7,413	\$3,565,567,415	\$29,423,645	\$156,996,906	
FY24 (23/24)	3.00%	\$7,635	\$3,675,385,727	\$30,340,068	\$106,764,954	
13 year total increase					\$1,228,187,979	

House Republicans believe that a quality education for every child and every family is important, which is one of the reasons why funding has consistently increased for public schools.

(Contact: Kristin Rozeboom 1-3015)

Environmental Protection

House Environmental Protection Committee hears Two Presentations on Carbon Sequestration for Iowa Ethanol Production

On Wednesday, February 1, 2023 and again, on Tuesday, February 7, 2023, the Iowa House Environmental Protection Committee hosted panel of experts concerning both the opportunity to sequester carbon from Iowa ethanol production in Iowa bedrock (February 1st) and that carbon capture from ethanol production may be a ‘life or death’ factor for Iowa’s nation leading ethanol industry (February 7th).

The February 1st panel of experts was comprised of several University of Iowa- Iowa Geological Survey experts (Keith Schilling, Ryan Clark) who relayed to the Committee that Iowa has potential areas in the state where it could sequester/capture carbon dioxide produced while manufacturing ethanol from grain/corn. The panel said that each gallon of ethanol produced from corn grain produces 3 pounds of carbon dioxide. On average, Iowa produces over 12 million tons of carbon dioxide gas from ethanol production. While some of this gas is commercially sold for other industrial and food use, most of it is emitted into the atmosphere.

The geologist illustrated that Iowa has a deep enough saline (not drinkable) water aquifer in southwest Iowa (Mount Simon formation and extreme southwest Jordan aquifer) where carbon dioxide gas could be compressed into a liquid form and injected at depth (>2,500 feet below the Iowa surface) into the target saline aquifer where the liquid carbon dioxide gas would remain in solution for a time frame exceeding 1,000-years. Research on a similar saline aquifer in Illinois near Decatur indicates that more than 50% of the liquid carbon dioxide will mineralize within the aquifer over time and another quarter of it will stay in close proximity to where it was injected. The Illinois aquifer was researched over a decade ago and has been approved by EPA as a EPA Class 6 injection field and has. Mr. Clark also highlighted another possible way Iowa ethanol producers could sequester carbon dioxide beneath more than one-half of Iowa’s 40-plus ethanol plants, by injecting the liquid form into both the red clastic rock formation abutting the Mid-Continental rift (MRS) and the rift rock itself. The MRS bisects Iowa from just south of Council Bluffs to the Worth-Mitchell

County border or Minnesota and the rift itself where because these formations are comprised of basalt liquid carbon dioxide would rapidly mineralize into calcite formation. Both of these options should be safe for injecting carbon dioxide liquid because it will have the depth to keep the CO₂ in liquid and have several layers of confining rock formation highly impervious to fluid movement.

The February 7th panel was a crew of Iowa Renewable Fuel Association folks with ethanol CEOs, IRFA Executive Director Monty Shaw and well-known Creighton University economist Ernie Goss who were in Des Moines attending the 17th Iowa Renewable Fuels Summit. The primary speaker was Mike Jerke CEO/GM of Southwest Iowa Renewable Fuels and he conveyed to the Committee both the opportunity to continue to grow Iowa's renewable fuel industry and the danger of being priced out of the national renewable fuel market because of U.S. coastal state motor-fuel/climate change regulation requiring lower carbon intensive biofuels and huge economic tax incentives for low carbon intensive fuel which could provide up to a 60 cent an ethanol gallon advantage for a producer who can capture and sequester CO₂. Earlier on Tuesday, Monte Shaw said at the organization's annual summit in Des Moines stated-- "I honestly don't think it's hyperbole to say that capturing and sequestering carbon will be life or death for most ethanol plants over the next five years."

The panel further discussed the great economic importance of ethanol production in Iowa, likely increasing corn grain prices more than a dollar a bushel. They observed that while the Biden Administration's primary component to its climate change effort is electrical vehicles, it has been quietly supportive of greener liquid fuel efforts and appreciate that for at least a couple of decades, there will be sizable fleet of older existing internal combustion engine vehicles. The recent Inflation Reduction Act has been "game-changing" for ethanol because of its tax credits and \$500 million in funding to update fuel infrastructure to accommodate higher-percentage ethanol blends. The 2022 federal legislation also increased the tax credit rate for capturing and storing carbon dioxide, from \$50 per ton to \$85. Ernie Goss commented that while Iowa corn farmers are now riding high with high corn prices, the horizon has dark clouds lurking because of both Mexico's impending ban on the import of genetic modified corn by 2025 and the huge competitive advantage through market access and federal tax credits that ethanol produced with sequestered carbon will possess. Mr. Shaw added that an imminent IRFA report will show that the new federal tax scheme for low carbon fuel will likely produce a 60 cent a gallon advantage for ethanol produced with sequestered carbon.

Research by House Republican Caucus Staff has found information that the likely cost to capture/sequester carbon from ethanol production in Iowa is between 2 to 10 cents per gallon of ethanol produced, depending on the distance to injection site and whether there is a value for further energy recovery because if liquid CO₂ is injected into fossil fuel basins it can increase the fossil hydrocarbon yield. Some discussion occurred at the Committee on whether the CO₂ could be used as an ingredient in synthetic 'blue-energy' and the panel admitted that it could, but it would be expensive. 'Blue energy' is combining CO₂ with hydrogen derived from electrolysis of water into its component hydrogen and oxygen with a catalyst to produce a synthetic methanol molecules that can be further linked by refining operations into so-called 'drop in fuels' that could replace fossil liquid fuels used in internal combustion engines. Research surveys suggest that the current cost of such fuels using current commercial electrical prices is about 4-times the cost of gasoline or diesel motor fuel.

(Contact: Lew Olson 1-3096)

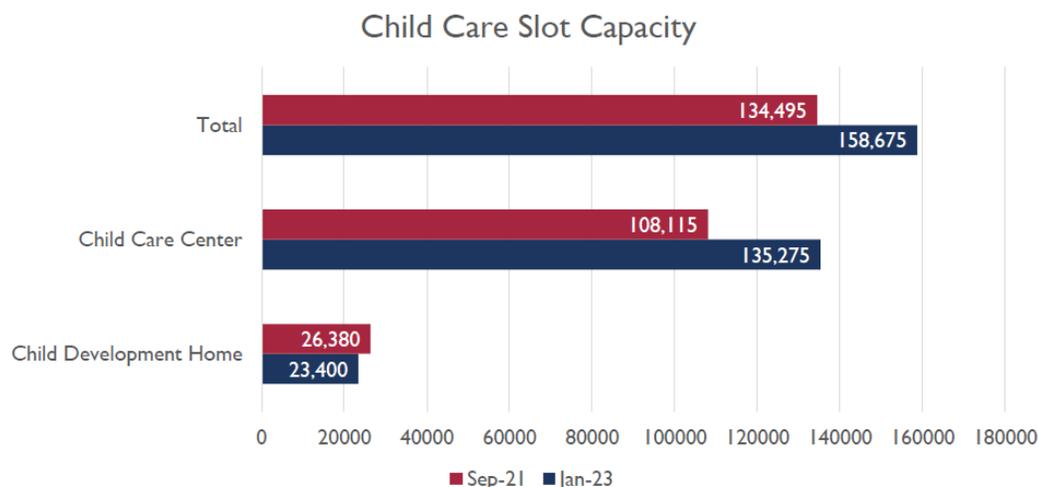
Health and Human Services

House Republicans Continue to Prioritize Access to Child Care

This week, the House Health and Human Services Budget Subcommittee heard a presentation from the Iowa Department of Health and Human Services on child care. The below chart shows the expansion of over 24,000 slots

since September 2021.

■ Iowa child population younger than five years old: 187,257



Additionally, this week, a subcommittee advanced House Study Bill 50, to create a two-year pilot program to make child care workers eligible for child care assistance for their own children. Child care facilities discuss the significant problems finding child care staff, and this bill will help recruit and retain parents to the profession.

Over the last two years, House Republicans have prioritized expanding access and lowering the cost of child care throughout the state. Below is an expansive list of the bills signed by the Governor during the last general assembly.

- Child Care Off-Ramp (HF302) – established a state funded off-ramp program from Child Care Assistance that will gradually increase cost-sharing from families as they increase their income.
- Child Care Ratios (HF2198) – opens additional child care slots by establishing new minimum child-to-staff ratios in child care centers of 1:7 for children aged 2 and 1:10 for children aged 3
- Child Care Tax Credit (SF619) – doubled the income eligibility for Iowans receiving the child dependent and development tax credit
- CCA rates (HF891) provided a \$13.4 million increase by moving all CCA providers below 50% of the market rate survey up to that level
- Child care homes (HF260) – Allows individuals providing child care in their homes to remain nonregistered with DHS if they increase from 5 or fewer children to a 6th child that is school-aged
- Additional workforce (HF2198) – allows child care center employees who are 16 years of age or older to work without additional supervision
- Employer incentives (HF2564) - tax credit to assist businesses with expanding child care options for their employees
- HF2127 incentivizes child care providers to accept more Child Care Assistance (CCA) families by allowing parents to pay the difference between CCA rates and rates charged to private pay families
- HF 2252 – allows a parent with a permanent disability to access CCA so the other parent can pursue employment
- SF 2385 – allows chiropractors, podiatrists, and optometrists to perform physicals for children in child care and personnel that work in child care facilities

Iowa House Passes Bill on Medical Malpractice

This week, on a bipartisan vote, the Iowa House passed House File 161, a bill to limit the total amount to of noneconomic damages for a medical malpractice claim at \$2 million for causes of action involving a hospital, and at \$1 million for all other causes of action. This bill does maintain an existing limit in law for noneconomic damages at \$250,000 when there has not been a substantial or permanent loss or impairment of a bodily function, substantial

disfigurement, loss of pregnancy or death. This bill **does not** limit economic damages – those that are quantifiable like lost wages, loss of future earning capacity, past and future medical bills.

28 state currently have either a limit on noneconomic or total damages, including all of Iowa’s surrounding states, with the exception of only Minnesota and Illinois. Illinois did pass a \$500,000 noneconomic damage cap, but it was overturned by their state court.

This bill will help Iowa recruit and retain physicians. Iowa already ranks 44th in the nation of physicians per capita, and it is even worse for needed specialty care like psychiatry and OB/GYNs.

This bill will also help Iowa maintain the existing medical residency programs that are needed to train future physicians to serve every part of Iowa. The state now funds the liability insurance for Sioux City’s family medicine residency program after they were unable to find coverage without taxpayer assistance. Iowans also saw the Cedar Rapids family medicine program close in 2020 after they faced 60% increases in medical malpractice premiums. Every single medical provider in Iowa registered in support of this bill. The Iowa Chamber Alliance is also registered in support. Health care is a necessary component to every community, and the Chamber knows the extreme difficulty Iowa communities are having recruiting physicians to their area.

No amount of money can ever make up for the loss of a loved one. But in Iowa, massive noneconomic damage awards have increased exponentially. Iowa’s liability environment continues to get worse as juries are awarding bigger damages than we have ever seen. Last March, there was an award of \$97.4 million with \$40 million for noneconomic damages – unquantifiable amounts toward pain and suffering.

This bill compensates people for medical injuries, while also keeping Iowa’s health care industry intact, and maintaining access to health care for all Iowans.

(Contact: Natalie Ginty 5-2063)

Labor

Third Quarter 2022 Quarterly Census of Employment and Wages Released

The third quarter 2022 Quarterly Census of Employment and Wages (QCEW) data has been released. This data is a census of jobs covered by unemployment insurance and is available for Iowa and the 99 counties by sector and subsector. The available data now covers the first quarter of 2011 through the third quarter of 2022.

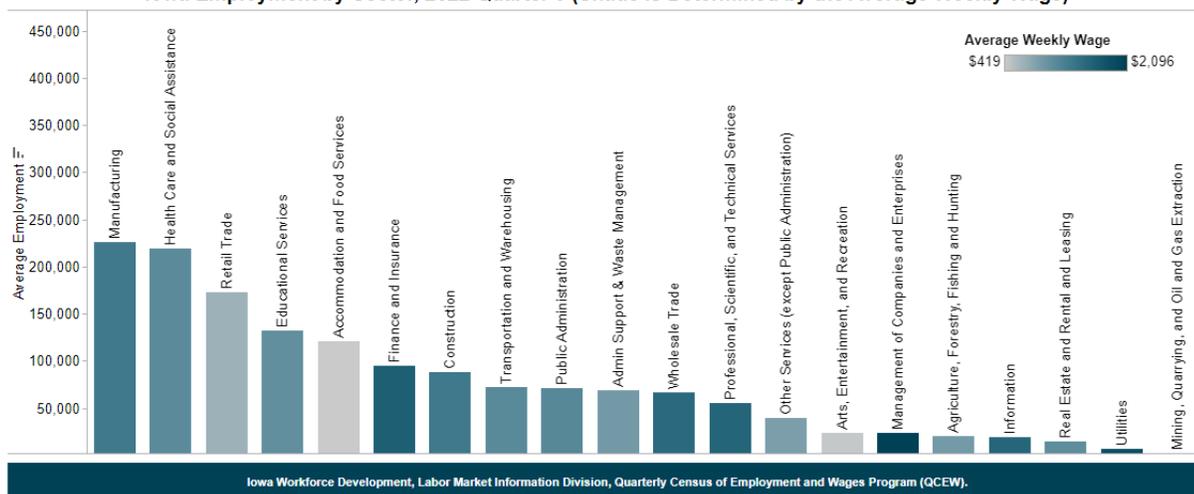
To view the updated data visit the [Quarterly Census of Employment and Wages](#) page.

This data is very helpful to see what employment sectors and subsectors look like across the state of Iowa as a whole, as well as broken down by county. Below you will see graphs of Iowa Employment by Sector for 2022 Quarter 3.

Iowa Employment by Sector (All), 2022 Quarter 3

Sector/Subsector	Total Locations	Employment Month 1	Employment Month 2	Employment Month 3	Average Emp	Ave Weekly Wage
Grand Total	112,038	1,543,639	1,538,068	1,543,451	1,541,720	\$1,118
Manufacturing	4,333	227,238	226,043	224,759	226,013	\$1,331
Health Care and Social Assistance	12,797	219,886	219,599	218,478	219,321	\$1,109
Retail Trade	11,475	173,443	172,537	171,306	172,429	\$673
Educational Services	3,051	123,108	124,367	148,308	131,928	\$1,062
Accommodation and Food Services	7,415	120,629	120,923	119,596	120,383	\$419
Finance and Insurance	7,436	94,990	94,566	93,499	94,352	\$1,662
Construction	9,985	89,276	88,798	87,310	88,461	\$1,331
Transportation and Warehousing	5,132	71,850	71,653	73,153	72,219	\$1,124
Public Administration	3,059	73,875	72,218	67,492	71,195	\$1,140
Admin Support & Waste Management	6,274	69,981	69,918	68,574	69,491	\$938
Wholesale Trade	7,829	67,044	66,541	66,207	66,597	\$1,522
Professional, Scientific, and Technical Services	12,174	56,222	56,100	54,996	55,773	\$1,587
Other Services (except Public Administration)	7,820	40,275	40,156	39,474	39,968	\$885
Arts, Entertainment, and Recreation	1,580	25,727	25,279	21,783	24,263	\$447
Management of Companies and Enterprises	1,572	24,371	24,270	24,121	24,254	\$2,096
Agriculture, Forestry, Fishing and Hunting	2,766	21,284	20,678	20,579	20,847	\$930
Information	2,609	19,722	19,626	19,379	19,576	\$1,573
Real Estate and Rental and Leasing	3,927	15,066	15,164	14,827	15,019	\$1,088
Utilities	600	7,349	7,321	7,293	7,321	\$1,904
Mining, Quarrying, and Oil and Gas Extraction	204	2,303	2,311	2,317	2,310	\$1,320

Iowa Employment by Sector, 2022 Quarter 3 (Shade is Determined by the Average Weekly Wage)



(Contact: Kristin Rozeboom 1-3015)

Natural Resources

Iowa Hunters Harvest Nearly 110,000 Deer During 2022-23 Season

On Tuesday, February 7, 2023, the Iowa Department of Natural Resources (DNR) issued a press release announcing that Iowa's 2022 deer harvest increased seven percent over the 2021 season, due, in part to the new Excess Tag January Antlerless Season approved by the Iowa Legislature last spring.

The far western counties and southwest region saw a decline in harvest, likely due to the recent outbreaks from EHD and from floods in the Missouri River valley. The deer population model indicates the herd size is stable to slightly increasing and is within the goal of the Iowa deer study advisory committee. The Iowa DNR has deer harvest information by county by year dating back to 2006 online

at <https://gooutdoorsiowa.com/RealTimeHarvestReport.aspx>. The 2022 total deer harvest is the largest since 2012 when 115,608 were harvested. The record harvest since 2006 was in 2006 when 150,552 were taken. Antlered buck harvest for 2022 was 46,465 which is at the high-end of the average for the last decade of 45,240 and has ranged from a low of 38,555 for the 2013 season and 48,699 in the 2020 season.

DNR To Hold Public Meetings Recapping Hunting, Trapping Seasons, Discuss Possible Rule Changes

On Tuesday, February 7, 2023, the Iowa Department of Natural Resources (DNR) issued a press release announcing that DNR is hosting a series of town hall-style meetings where local staff will provide updates on recently completed hunting and trapping seasons, discuss possible changes, and address other topics as requested. The meetings are open to the public. Comments collected from these public meetings will be considered along with other related comments received by the Iowa DNR prior to proposing changes to hunting rules and regulations.

Meeting date, time and location

- DeWitt, February 20, 7 p.m., DeWitt Community Library, 917 Fifth Avenue
- Waverly, February 20, 6 p.m., Waverly Public Library, 1500 W Bremer Avenue
- Bloomfield, February 21, 6 p.m., Wapello County Conservation Board Pioneer Ridge Nature Center, 1339 Hwy. 63
- Creston, February 21, 6 p.m., Multi-Purpose Room, Southern Prairie YMCA, 1201 West Townline Street
- Des Moines, February 21, 6:45 p.m., Des Moines Izaak Walton League, 4343 George Flagg Parkway
- Lake View, February 21, 6:30 p.m., Speaker Park Shelter House, 418 North Blossom Street
- Perry, February 21, 7 p.m., Forest Park Museum Building, 14581 K Avenue
- Toledo, February 21, 7 p.m., Otter Creek Lake & Park Nature Center, 2283 Park Road
- Algona, February 22, 6:30 p.m., Waters Edge Nature Center, 1010 250th Street
- Okoboji, February 22, 6 p.m., Maser Monarch Lodge, 22785 Nature Center Road
- Onawa, February 22, 6 p.m., Lewis and Clark State Park visitor center, 21914 Park Loop
- Ventura, February 22, 7 p.m., Iowa DNR Wildlife Office, 15326 Balsam Avenue
- Chariton, February 23, 6:30 p.m., Chariton Community Center Rooms A & B, 502 North Main Street
- Council Bluffs, February 23, 6:30 p.m., Council Bluffs Fish and Game Club, 531 Comanche St.
- Decorah, February 23, 7 p.m., Franklin W. Olin Building, Room 102, Luther College, 700 College Drive, next to the Prues Library
- Dubuque, February 23, 7 p.m., EB Lyons Nature Center at Mines of Spain, 8991 Bellevue Heights Road
- Iowa City, February 23, 7 p.m., Johnson County ISU Extension Office, 3109 Old Hwy. 218 South
- Wapello, February 23, 6 p.m., Langwood Education Center, 14019 H Ave.

Grant Funds Available for Communities Impacted by the 2020 Derecho

On Tuesday, February 7, 2023, the Iowa Department of Natural Resources (DNR) issued a press release announcing that the Iowa Legislature appropriated state infrastructure funds to DNR to be used for a community-based tree planting program for derecho recovery tree planting in 27 impacted counties.

Additionally, through the USDA Forest Service & National Association of State Foresters 2022 State Urban Forest Resilience Grant Program, the DNR received Emerald Ash Borer Reforestation funds. The Community Forestry Grant Program provides reimbursable grants to be used to purchase and plant trees suitable to Iowa in counties impacted by both the August 2020 Derecho and Emerald Ash Borer. A total of \$125,220 in funds are available to state and local governments, schools and volunteer organizations, and service organizations in the 27 impacted counties. Award recipients will be reimbursed \$1,000 to \$10,000 for the purchase of trees and materials from Iowa businesses. Qualifying public planting lands include, but are not limited to, street rights-of-way, parks, school grounds, courthouse lawns, public buildings, fairgrounds, cemeteries, libraries, and trails (DNR lands are not eligible). Applications are due by 4 p.m. on Friday, March 3, 2023. The spring application and rules are available online at www.iowadnr.gov/urbanforestry.

(Contact: Lew Olson 1-3096)

Oversight

Age-Appropriate Material in Classrooms Topic of Oversight Meeting

On Wednesday, the House Oversight Committee invited five parents who had questioned the content of books used in school curriculum and stocked in school libraries. The parents cited the graphic sexual images, explicit sexual content and disturbing accounts of violent sexual assault, rape and pedophilia as not age appropriate.

The parents, all mothers, read aloud the graphic content while the graphic images were shown to the committee on a monitor. They argued their right to protect their children from age inappropriate material is bypassed through cumbersome and one-sided book reconsideration policies and committees which always determine the material the parents have questioned is, in fact, age appropriate. The parents lamented the erosion of formerly agreed upon standards into political posturing and the seemingly obvious violations of obscenity laws and House File 802 approved in 2021.

Among the material distributed to committee members were images and passages from books such as *Let's Talk About It*, *Gender Queer* and *Push*.

Let's Talk About It is graphic novel described as “The Teens Guide to Sex, Relationships and Being a Human.” School Library Journal states the book is appropriate for grades 9 and up. The book contains sexually explicit illustrations with instructions, tips and suggestions on how to perform various sex acts along with masturbation. The book also suggests safe ways to consume porn.

Gender Queer is a graphic novel about gender identity and sexual orientation written to relate to others who are struggling with gender identity. The book also explores the use of pronouns and hormone-blocking therapies. It contains graphic illustrations of oral sex.

Push is described by Booklooks.org as a “A heavily sexually abused teenager’s life circumstances change when a new mentor teaches her to read.” The book contains detailed and disturbing instances of incest and sexual molestation.

One parent described the book reconsideration process in her school district which required her to go through an eight-step process which included at least four different administrator selected committees and other boards. Eventually she hired an attorney to help guide her through the process.

Another parent described the retaliatory action from her school after she questioning the content in required material in a language arts class. An editorial, approved by a teacher, appeared in a yearbook identifying the parent by name and vilifying her as racist and homophobic and compared her and parents with similar concerns to Nazis.

A third parent described the reconsideration process with the school administration in her local district in which the actual word for word obscene content was never discussed. Instead of reviewing the specific content, the committee charged with reviewing her objection discussed the instructional value versus the harmful effects on students. Members of the panel acknowledged the material could be harmful to children but decided the material should still be available to students despite that.

The Oversight Committee is planning to invite school administrators to testify in defense of this material in the near future.

(Contact: Jeff Mitchell 1-5137)

Public Safety

Anamosa and Ft. Madison Prisons Making Changes

Changes are coming to the Iowa Department of Corrections (DOC). Maximum security inmates in the Anamosa State Penitentiary will soon be serving the remainder of their time at the Iowa State Penitentiary in Ft. Madison. This will make Ft. Madison the only maximum-security prison in the state. These changes are the result of an overall review to DOC policies and practices after two corrections staff were murdered in Anamosa in 2020.

The Iowa Department of Corrections is responsible for the nine prisons throughout the state. These facilities hold almost 8,000 individuals convicted of various crimes. Inmates are sent to facilities based on their risk assessment and conviction. Anamosa and Ft. Madison can both hold maximum security inmates.

The Anamosa state penitentiary was built in 1874 and has gone through significant changes in the past 148 years. Most recently the facility was designated for medium to maximum security inmates. After an extensive review of policies, practices, and procedures the DOC determined that in order to create a safer environment for both staff and inmates, most maximum-security persons should be moved to the Ft. Madison. There is no set timeline for this move and the DOC does not announce official dates of prisoner movement.

The original Iowa State Penitentiary was built in 1839 and held the distinction of being the oldest prison west of the Mississippi. In 2015 a new facility was constructed a short distance away. This new facility provides housing for over 700 maximum security inmates and employs around 430 staff.

By moving the most challenging inmates to Ft. Madison, corrections officers and staff can better serve both facilities and ensure there are enough officers on every shift. The DOC continues to hire Corrections Officers and other personnel at most facilities, those interested can find out more here <https://doc.iowa.gov/careers-doc/job-openingsapplication>

(Contact: Amanda Wille, 1-5230)

State Government

Gubernatorial Line of Succession Passes House

The House passed [House Joint Resolution 3](#), a proposed Constitutional amendment to clarify and update the line of succession for the office of Governor. Article IV, Section 17 of the Iowa Constitution states in the case there is a vacancy in the office of Governor, that the powers and duties of the Governor devolve upon the Lieutenant Governor.

Following the appointment of Governor Branstad as the Ambassador to China there has been legal debate over the line of gubernatorial succession and what that means for filling vacancies and powers of the offices.

In 2009, when Democrats controlled both chambers of the legislature and the Governor's office, they amended Iowa Code to say that "An appointment by the Governor to fill a vacancy in the office of Lieutenant Governor shall be for the balance of the unexpired term." However, in 2017 when Governor Branstad resigned, Iowa Attorney General Tom Miller issued a legal opinion that Kim Reynolds would assume the powers and duties of governor, but she did not have the authority to appoint a new Lieutenant Governor. In 2018 and again in 2022, Governor Reynolds won election along with Lt. Governor Adam Gregg.

Addressing this legal issue is important for Iowans to know that in the case of a vacancy in the office of Governor what the legal line of succession is. HJR 3 would replace and update Section 17 to clarify that the Lieutenant Governor or Lieutenant Governor-elect assumes the office if a vacancy occurs. The ascension to Governor then creates a vacancy in the office of Lieutenant Governor, which can be filled by the new Governor as the Democrats wrote into Iowa law in 2009.

Amendments to the Iowa Constitution are required to pass both legislative chambers in consecutive General Assemblies. Last year, both the House and Senate passed the language. If the legislation passes the Senate, the proposed amendment will appear on the ballot in November 2024 for Iowans to ratify.

(Contact: Jason Covey 1-3626)

Transportation

Inflation Becoming an Issue with DOT Budget

While some in Washington try to convince Americans that the threat of inflation is now behind us, many are still dealing with the reality of rising costs. During its presentation to the Transportation, Infrastructure, and Capitals Budget Subcommittee, the DOT talked about how inflation was impacting both its operating budget and road construction costs.

Anyone who drives a car or truck knows the price of gasoline or diesel fuel has gone up dramatically since 2021. And for an organization with as many vehicles as the Iowa Department of Transportation, fuel price increases can have a big impact on the budget. For Fiscal Year 2024, DOT is expecting to spend \$11.8 million on fuel for vehicles. This is a \$3.7 million increase over the three-year average that DOT uses as a baseline. The FY 2024 DOT budget would increase fuel funding by \$2.84 million and repurpose and additional \$800,000 from within existing line items to help cover the increased costs.

Replacing equipment is also being impacted by rising costs. The DOT is replacing equipment on a 12-year schedule. And in FY 2024, the replacement cost has taken a big jump. The budget line item for equipment replacement has risen by \$11.1 million, with the total cost of this year's new equipment coming in at \$34.3 million.

The impact of inflation is not limited to operational costs. The Department reported that construction costs for projects in the past year rose by 24 percent. While the increased costs did not force the Department to reduce its project list last year, it is probably going to have an impact over the next five years.

Washington might try to pretend that inflation is no longer a problem for the American economy. But for the Iowa Department of Transportation, inflation is a real problem today and probably well into the future.

(Contact: Brad Trow 1-3471)

Veterans Affairs

Governor Selects New Adjutant General of the Iowa National Guard

This week, Governor Reynolds selected Brig. Gen. Stephen E. Osborn as the 28th Adjutant General of the Iowa National Guard. The press release provided the following:

Osborn is a native of Davenport, Iowa. He enlisted in the Army in July 1984 prior to commissioning as an infantry officer through the University of Alabama in 1990. He transferred to the Iowa Army National Guard in 1992 and has served in a variety of command and staff positions, to include: commander of the 1st Battalion, 168th Infantry Regiment; deputy operations officer, 34th Infantry Division; director of operations, Joint Force Headquarters; commander of the 2nd Infantry Brigade Combat Team, 34th Infantry Division; and director of the Joint Staff.

Osborn is a graduate of the Infantry Officer Basic and Advanced Courses, Combined Arms and Services Staff School, Command and General Staff College and the U.S. Army War College. He deployed to Saudi Arabia and Kuwait in 1991 in support of the Persian Gulf War. He deployed to Kosovo in support of Operation Joint Guardian in 2004 and to Iraq in 2009 in support of Operation Iraqi Freedom.

His significant awards and decorations include the Legion of Merit, Bronze Star Medal, Meritorious Service Medal, Expert Infantryman's Badge and Pathfinder Badge.

He has served as the Iowa Army National Guard's deputy adjutant general since August 2018 and as the deputy commanding general of the Army National Guard at the Maneuver Center of Excellence at Fort Benning, Georgia.

Osborn holds a Bachelor of Arts degree from the University of Alabama, a Master of Public Administration from Drake University and a Master of Strategic Studies from the U.S. Army War College.

The adjutant general is the highest-ranking position in the Iowa National Guard. Osborn will manage more than 2,000 federal and state full-time employees as well as nearly 9,000 part-time Soldiers and Airmen.

Osborn will replace Maj. Gen. Benjamin J. Corell, who has served as the adjutant general of the Iowa National Guard since September 2019. Corell announced his retirement from the position in January 2023.

(Contact: Natalie Ginty 5-2063)

Ways & Means

House Ways and Means Fixes Property Tax Calculation Error—Saves Taxpayers Millions

This week the House Ways and Means committee passed Senate File 181. The bill fixes an error that allowed local governments to budget as if they would take collect more in property tax revenue than they really should have been. The bill fixes this mistake and ensures that Iowa property tax payers do not have to pay for it.

So how will this error be fixed? Remember, property taxes are paid in arrears, so the “extra money” has not been collected yet—the local governments just made their budgets based on the thinking that this money was coming. The bill provides implementation provisions requiring the director of the department of revenue, within two business days following the effective date of the bill, to issue an amended order certifying to the county auditor of each county the

percentages of actual value at which residential property, commercial property, industrial property, and property valued by the department of revenue pursuant to Code chapter 434 shall be assessed for taxation.

Senate File 181 also requires each county auditor to determine revised assessed values based on the amended order and report the revised values to the department of management within 15 days after issuance of the order. Then the bill provides that in order to implement this change, budgets for fiscal year 2024 are given an extension and now must be certified on or before April 30, 2023.

So much money are we talking? The fiscal note gives a rough range because many factors are still in flux (tax rate changes, etc). The fiscal note provides that there will be \$21.4 million in guaranteed reduction of property taxes because of the school aid formula. Additionally, taxes owed by residential and multi-residential taxpayers could be reduced by an additional amount of \$111.8 million. That potential amount is if the same property tax rates are applied as would have been without Senate File 181.

The bill makes two other tax-related corrections:

- Makes it clear that only child care expenses in Iowa are eligible for the Employer Child Care Tax Credit.
- Clarifies that there should be no withholding on retirement income that is now exempt from tax.

The bill is now ready for consideration by the full House Chamber before being sent to the Governor.

(Contact: Kristi Kiou, 2-5290)