



MINUTES

Iowa Legislative Council

July 18, 2013

First Meeting of the 2013-2014 Biennium

MEMBERS PRESENT:

Senator Michael E. Gronstal,
Chairperson
Senator Jeff Danielson
Senator Bill Dix
Senator Robert E. Dvorsky
Senator Pam Jochum
Senator David Johnson
Senator Amanda Ragan
Senator Roby Smith
Senator Steven J. Soddors
Senator Mary Jo Wilhelm

Speaker Kraig Paulsen,
Vice Chairperson
Representative Peter Cownie
Representative Chris Hagenow
Representative Dave J. Jacoby
Representative Mary Mascher
Representative Kevin M. McCarthy
Representative Steven N. Olson
Representative Mark D. Smith
Representative Chuck Soderberg
Representative Linda L. Upmeyer

MEETING IN BRIEF

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- I. Procedural Business
- II. Consideration of the Report of the Fiscal Committee
- III. Consideration of the Report of the Legislative Tax Expenditure Committee
- IV. Consideration of the Report of the Service Committee
- V. Consideration of the Report of the Studies Committee
- VI. Attachments



I. Procedural Business

Call to Order. The first meeting of the 2013-2014 Legislative Council was called to order by Temporary Chairperson Gronstal at 11:00 a.m., Thursday, July 18, 2013, in Room 22, State Capitol, Des Moines, Iowa. Senators Danielson, Johnson, Smith, and Wilhelm and Representative Soderberg attended the meeting via a telecommunications connection. Copies of the membership of the Legislative Council and the Legislative Council committees are attached to these minutes as Attachment A.

Election of Chairperson and Vice Chairperson. Senator Sodders moved that Temporary Chairperson Gronstal and Temporary Vice Chairperson Paulsen be elected chairperson and vice chairperson, respectively. The motion was approved by a voice vote.

Adoption of Rules. Representative Smith moved adoption of the proposed Rules for the Legislative Council, and the motion was approved by a voice vote. The rules, as adopted, are attached to these minutes as Attachment B.

Minutes of Prior Meeting. Senator Ragan moved that the minutes of the meeting of June 28, 2012, be approved without additions or corrections. The motion was approved by a voice vote.

Consideration of Reports. Council actions are summarized in these minutes.

Adjournment. The meeting was adjourned at 11:09 a.m.

II. Consideration of the Report of the Fiscal Committee

Chairperson Gronstal recognized Senator Dvorsky, who presented the Report of the Fiscal Committee. There being no objection, the report was received and filed. A copy of the report is attached to these minutes as Attachment C.

III. Consideration of the Report of the Legislative Tax Expenditure Committee

Chairperson Gronstal called Council members' attention to the Report of the Legislative Tax Expenditure Committee. There being no objection, the report was received and filed. A copy of the report is attached to these minutes as Attachment D.

IV. Consideration of the Report of the Service Committee

Chairperson Gronstal recognized Vice Chairperson Paulsen for the Report of the Service Committee. Vice Chairperson Paulsen explained that the report contains annual personnel reports from the Legislative Services Agency and the Office of Ombudsman, including recommended promotions. The report recommends that the Legislative Council approve the proposed budgets for FY 2013-2014 for the Legislative Services Agency and the Office of Ombudsman. The report also recommends an increase in the annual salary of the Director of the Legislative Services Agency, effective July 19, 2013, and the reclassification of editor/supervisor positions for employees in the Computer Services Division of the Legislative Services Agency.



Vice Chairperson Paulsen moved adoption of the report. The motion was adopted by a voice vote. A copy of the report is attached to these minutes as Attachment E.

V. Consideration of the Report of the Studies Committee

Chairperson Gronstal recognized Vice Chairperson Paulsen for the Report of the Studies Committee. The report recommends that the Legislative Council approve the proposed Guidelines for Interim Study Committees for 2013 and 2014 interim studies. The report also recommends that the Legislative Council approve the enumerated studies mandated by law, permanent committees, and the establishment of other committees and their charges. The report also contains a request by the Council to the Public Safety Advisory Board that information and recommendations relating to crimes against children be provided to the General Assembly.

Vice Chairperson Paulsen moved adoption of the report. The motion was adopted by a voice vote. A copy of the report is attached to these minutes as Attachment F.

VI. Attachments

- A. Legislative Council Membership and Legislative Council Committee Memberships.
- B. Rules of the Legislative Council.
- C. Report of the Fiscal Committee.
- D. Report of the Legislative Tax Expenditure Committee.
- E. Report of the Service Committee.
- F. Report of the Studies Committee.

LEGISLATIVE COUNCIL COMMITTEES 2013

IOWA LEGISLATIVE COUNCIL

Senator Michael E. Gronstal, Chairperson
 Senator Rick Bertrand
 Senator Jeff Danielson
 Senator Bill Dix
 Senator Robert E. Dvorsky
 Senator Joni K. Ernst
 Senator Pam Jochum
 Senator David Johnson
 Senator Amanda Ragan
 Senator Roby Smith
 Senator Steven J. Sodders
 Senator Mary Jo Wilhelm

Speaker Kraig Paulsen, Vice Chairperson
 Representative Ako Abdul-Samad
 Representative Peter Cownie
 Representative Chris Hagenow
 Representative Dave J. Jacoby
 Representative Mary Mascher
 Representative Kevin M. McCarthy
 Representative Steven N. Olson
 Representative Thomas R. Sands
 Representative Mark D. Smith
 Representative Chuck Soderberg
 Representative Linda L. Upmeyer

ADMINISTRATION COMMITTEE

Senator Pam Jochum, Chairperson
 Representative Chris Hagenow, Vice Chairperson
 Senator Joni K. Ernst
 Senator Mary Jo Wilhelm
 Representative Peter Cownie
 Representative Kevin M. McCarthy

SERVICE COMMITTEE

Speaker Kraig Paulsen, Chairperson
 Senator Michael E. Gronstal, Vice Chairperson
 Senator Bill Dix
 Senator Pam Jochum
 Representative Kevin M. McCarthy
 Representative Linda L. Upmeyer

CAPITAL PROJECTS COMMITTEE

Senator Matt McCoy, Chairperson
 Representative Chuck Soderberg, Vice Chairperson
 Senator Robert E. Dvorsky
 Senator Randy Feenstra
 Senator Pam Jochum
 Senator Jack Whitver
 Representative Chris Hagenow
 Representative Dave J. Jacoby
 Representative Mary Mascher
 Representative Thomas R. Sands

STUDIES COMMITTEE

Speaker Kraig Paulsen, Chairperson
 Senator Amanda Ragan, Vice Chairperson
 Senator Michael E. Gronstal
 Senator Pam Jochum
 Senator David Johnson
 Senator Tim L. Kapucian
 Representative Peter Cownie
 Representative Kevin M. McCarthy
 Representative Mark D. Smith
 Representative Linda L. Upmeyer

FISCAL COMMITTEE

Senator Robert E. Dvorsky, Co-chairperson
 Representative Chuck Soderberg, Co-chairperson
 Senator Joe Bolcom
 Senator Jeff Danielson
 Senator Randy Feenstra
 Senator Jack Whitver
 Representative Peter Cownie
 Representative Dave J. Jacoby
 Representative Jo Oldson
 Representative Thomas R. Sands

INTERNATIONAL RELATIONS COMMITTEE

Representative Mark S. Lofgren, Chairperson
 Senator Daryl Beall, Vice Chairperson
 Senator Rick Bertrand
 Senator Dennis H. Black
 Senator Rita Hart
 Senator Tim L. Kapucian
 Representative Deborah L. Berry
 Representative Jack Drake
 Representative Daniel Kelley
 Representative John Landon
 Representative Mary Mascher
 Representative Walt Rogers

**LEGISLATIVE COUNCIL COMMITTEES
2013**

**LEGISLATIVE TAX EXPENDITURE
COMMITTEE**

Senator Joe Bolkcom, Co-chairperson
Representative Thomas R. Sands, Co-chairperson
Senator William A. Dotzler, Jr.
Senator Randy Feenstra
Senator Herman C. Quirmbach
Senator Roby Smith
Representative Chris Hagenow
Representative Jo Oldson
Representative Steven N. Olson
Representative Sharon S. Steckman

RULES**IOWA LEGISLATIVE COUNCIL**

2013-2014

1. Thirteen members shall constitute a quorum.
2. At least thirteen affirmative votes are required for final action on any motion except a motion to recess or adjourn.
3. A substitute motion may be offered in lieu of a pending motion at any time unless the question has been called on the pending motion. A substitute motion takes precedence over any pending amendment to the original motion and, if adopted, disposes of the original motion and any pending amendments to the original motion.
4. Whenever Mason's Manual of Legislative Procedure does not conflict with the rules specifically adopted by the Council, Mason's Manual of Legislative Procedure shall govern the deliberations of the Council.
5. Meetings shall be set by motion before adjournment, or by call of the Council Chairperson with the approval of the Vice Chairperson if meetings are necessary before the date set in the motion.
6. Rules may be changed by a majority vote of the Council as provided in Rule 2.
7. The Council upon its motion may create committees in addition to those provided by statute to carry out its duties and shall designate the members of those committees. The committees shall include members of both political parties. The actions of the committees shall be reported to the Council at each meeting.
8. Legislative Council committees shall be organized so that a majority of all members of a committee shall constitute a quorum and an affirmative vote of at least a majority of all members of a committee shall be required for final action on any motion except a motion to recess or adjourn. However, for the International Relations Committee, a majority of the committee members of each house shall constitute a quorum and a majority of the Committee members of each house shall be required for final action on any motion except a motion to recess or adjourn.
9. The Speaker of the House, Majority Leader of the Senate, and Minority Leaders of the Senate and House of Representatives shall appoint the members of their respective caucuses to interim study committees created by the Legislative Council or by statute or resolution.
10. If the appointing authority for members of permanent legislative committees, committees created under Rule 7, statutory bodies, and other bodies is the Legislative Council, the Speaker of the House, Majority Leader of the Senate, and the Minority Leaders of the Senate and House of Representatives, shall make the appointment or appointments.

Adopted: July 18, 2013

**Report of the Fiscal Committee to the Legislative Council
July 10, 2013**

The Fiscal Committee held one meeting during the 2012 Interim on October 18, 2012. A second meeting scheduled for December 20, 2012, was cancelled due to inclement weather.

The Legislative Fiscal Committee meeting on October 18, 2012, was held at Iowa State University. The committee heard presentations from representatives of the Board of Regents and the Regents universities. The presentations were on the following subjects:

- The Board of Regents overall budget request for FY 2014
- FY 2014 budget request for Iowa State University
- FY 2014 budget request for the University of Iowa
- FY 2014 budget request for the University of Northern Iowa
- Economic and practical impact of the 2012 drought
- Update on the flood recovery at the University of Iowa
- 30-year capital plan for the University of Iowa Hospitals and Clinics
- Proposed tuition set-aside program for Regents universities

At the conclusion of the Regents presentations, the committee was provided a tour of the Iowa State University campus. The Legislative Services Agency was scheduled to present on various fiscal-related topics; however, due to time constraints the presentations were postponed.

Materials distributed to the committee at the meeting are maintained at the Fiscal Services Division office and are available upon request. These documents can also be found on the LSA website at:

<https://www.legis.iowa.gov/Schedules/committeeDocs.aspx?GA=84&CID=46>.

Respectfully Submitted,

Senator Bob Dvorsky
Co-chairperson

Rep. Chuck Soderberg
Co-chairperson
(on behalf of former Rep. Scott Raecker)

**REPORT OF THE LEGISLATIVE TAX EXPENDITURE COMMITTEE
TO THE LEGISLATIVE COUNCIL
June 2013**

Meeting. Members of the Legislative Tax Expenditure Committee of the Legislative Council met on December 12, 2012.

Tax Expenditure Review. The committee received presentations and conducted a review of all of the following:

I. Iowa Fund of Funds Program, Agreement to Cure Default

Dr. Amy Rehder Harris, Manager, Tax Research and Program Analysis Section, Iowa Department of Revenue (IDR), provided a history of the Iowa Fund of Funds Program, described the structure of the program, and updated the committee on the program's current status. The program was established in 2002 to encourage venture capital investment, increase business development in Iowa, and leverage funds for venture capital investment with state backing through tax credits. The amount of \$100 million in contingent tax credits was originally authorized, with not more than \$20 million redeemable in any single fiscal year. The contingent tax credits were limited to an amount equivalent to any difference between the scheduled rate of return authorized by the Iowa Capital Investment Board and the actual return received.

The program consists of several entities and actors. The Iowa Capital Investment Board, a public entity, was responsible for establishing the contingent tax credits to back investments in the Iowa Fund of Funds, Fund A, LLLP (fund). The Iowa Capital Investment Corporation, a tax-exempt entity, acts as the general partner of the fund, selects the fund manager (Cimmaron Capitol Associates I, LLC), and receives returns for reinvestment. Finally, Iowa Designated Investor, Inc., is the entity which makes the investments in the fund and holds the contingent tax credits.

Each portfolio fund in which the fund invests is required to make a commitment to consider equity investments in businesses located within Iowa and maintain a physical presence within Iowa. To date, \$26 million has been invested for the fund in venture capital funds. The investments were funded by a revolving loan with contingent tax credits as collateral. In 2010, the tax credit cap was reduced from \$100 million to \$60 million. In February 2011, \$57 million in contingent credits were issued to secure the \$40 million revolving line of credit with a February 22, 2012, maturity date. However, in fall 2011, the fund's board learned that lenders might not renew the line of credit. Following a maturity date extension and the fund defaulting on the line of credit, the lenders and the fund entered into negotiations. IDR and the Iowa Attorney General's Office assisted in the agreement negotiations. The resulting agreement cures the loan default, avoids an immediate call on the full \$57 million in contingent credits at \$20 million per year, includes a seven- to nine-year restructuring of financing for the existing investment portfolio, preserves the \$26 million investment portfolio, caps future fund expenses, and creates a second lien in favor of the state for redeemed tax credits.

In addition, the agreement provides for no new partners in the fund, no new portfolio investments, no expansion of investments as of December 2011, and provides for distributions to lenders to satisfy loans. The agreement provides that a total of \$25.6 million in tax credits will be redeemed, but the redemption is limited to \$4 million each year. The fund will expire in December 2027, instead of 2052.

II. Review of School Tuition Organization Tax Credit

Ms. Angela Gullickson, IDR, summarized Iowa's School Tuition Organization (STO) Tax Credit and provided data on the tax credits and scholarships awarded to date. The nonrefundable tax credit is awarded to taxpayers who make voluntary cash contributions to a qualifying STO that provides scholarships to low-income students. The school tuition organization tax credits are capped at a total of \$8.75 million for tax year 2012 and subsequent tax years. Ms. Gullickson provided information on similar tax credit programs in other states. The average tax credit award in Iowa for the last six years was \$2,427 and the median award was \$650. Between 2009 and 2011, the average number of tax credit awards each year was 3,008. Since 2006, nearly \$43.8 million in donations has been received, generating over \$41.4 million in scholarships for an average of 9,209 students each school year. The average scholarship has been \$899. Ms. Gullickson also stated that 5.4 percent of donations have been used for administrative expenses. Effective July 1, 2009, tax credit awards could be made to corporations. In the two full tax years that corporations could make donations, they averaged less than 2 percent of all tax credit awards. Ms. Gullickson also analyzed the distribution of tax credit awards by taxpayer type, number of dependents, and geographical distribution.

III. Review of Tuition and Textbook Tax Credit

Mr. Bob Rogers, IDR, summarized Iowa's Tuition and Textbook Tax Credits. The credit is equal to 25 percent of the first \$1,000 of eligible education expenses per dependent. To be eligible, the dependent must be in grades kindergarten through 12th grade at an accredited Iowa school. The credit is nonrefundable.

Mr. Rogers provided information on similar tax credit programs in other states. Mr. Rogers also analyzed the distribution of tax credit claims by income level, number of dependents, and geographic distribution. In 2010, there were 121,393 households (233,986 eligible dependents) that claimed the credit for a total of \$15.3 million in credits. The average credit claim was \$126, with 9.4 percent of all the claimants claiming the maximum credit possible (\$250). Mr. Rogers noted that credit claimants were concentrated at the middle and upper levels of income and offered possible explanations for such concentrations.

IV. Report on the Maximum Aggregate Tax Credit Limit for Certain Economic Development Programs

Mr. Tim Whipple, Economic Development Authority (EDA), provided a summary of the maximum aggregate tax credit cap that is placed on certain economic development programs. The cap was enacted in 2009 and originally set at a maximum amount of \$185 million per fiscal year. The cap was subsequently amended to reduce the cap to

\$120 million and to add more tax credit programs under the cap. The programs currently subject to the cap include the High Quality Jobs Program, Enterprise Zone Program, Housing Enterprise Zone Program, assistive device credit, Brownfield Program, innovation fund credit, and community-based seed capital fund credit. Mr. Whipple also provided information on the maximum aggregate cap allocations and awards for fiscal years 2009-2010 through 2012-2013. The total actual credit awards made for fiscal years 2009-2010 through 2011-2012 for programs and credits under the cap were \$104,400,000, \$68,600,000, and \$119,409,708, respectively. The total credit awards made through November of fiscal year 2012-2013 are \$65,270,320.

V. Review of the Targeted Jobs Withholding Tax Credit Program

Mr. Zhong Jin, IDR, summarized the Targeted Jobs Withholding Tax Credit (TJC), which was enacted in 2006 as a pilot program to help Iowa border cities compete with cities in neighboring states in attracting business investment and creating new jobs. The pilot project had an initial sunset date for new agreements of 2010, but was later extended to June 30, 2013, and amended to allow two eligible cities within the same county with a population of fewer than 45,000 to be considered one pilot project city, to prohibit pilot project cities from using the TJC to compete with other Iowa cities, to allow retained jobs to be eligible for the TJC, and to prohibit governmental entities from participating in the program.

The current pilot project cities are Sioux City, Fort Madison, Council Bluffs, Burlington, and Keokuk. In order to qualify for the TJC in those cities, a business must relocate to Iowa, create at least 10 new jobs, retain at least 10 new jobs, or make an investment of at least \$500,000. Businesses must secure matching financial support from a private donor, a business, or the pilot project city. Also, wages of eligible employees must equal or exceed the average county wage. Retail businesses are excluded from program eligibility. The TJC operates by diverting 3 percent of the gross wages paid by an employer to each employee in awarded businesses located in urban renewal areas to pilot project cities for 10 years. All amounts credited to the pilot project cities are to be used for an urban renewal project related to the employer.

Mr. Jin provided data on the TJC awards. There have been 39 TJC awards made totaling \$37.6 million. For fiscal years 2006-2007 through 2011-2012, the total TJC awards were \$800,000, \$5.7 million, \$8 million, \$2.6 million, \$14.7 million, and \$5.7 million, respectively. Mr. Jin also provided data on the actual TJC claims made on the awarded amounts and provided data based on the type of industry. Mr. Jin also provided comparison data on the investment and jobs pledged over the life of these 10-year agreements and the amount of investment actually made and jobs created to date by the awarded businesses. Businesses have pledged \$550.7 million in investment and have invested \$138.1 million, have pledged to create 1,034 new jobs and have created 574, and have pledged to retain 2,340 jobs and have retained 1,855. Mr. Jin estimates that the jobs created and retained attributable to the TJC have resulted in a positive net fiscal impact on the general fund of \$2,612,963 in fiscal year 2011-2012.

VI. Review of Local Option Sales Tax Increment Financing

Mr. Joel Phipps, IDR, analyzed the funding of urban renewal projects by cities with increased local sales and services tax revenues, commonly referred to as Local Option Sales Tax (LOST)-Tax Increment Financing (TIF). To be eligible, a city must have a LOST ordinance in effect and must have established an urban renewal area. The cities of Spencer, Davenport, and Red Oak have each established a LOST-TIF in Iowa. Only Spencer currently has any LOST-TIF receipts. Illinois, Kansas, Minnesota, Missouri, and South Dakota also have some form of sales tax TIF.

Mr. Phipps explained the administration of a LOST-TIF. IDR establishes the base year LOST revenues and is responsible for calculating and distributing TIF funds in future years. IDR calculates the amount of LOST revenues generated by retail businesses in the LOST-TIF for each quarter and deposits any amount over the base year amount in a special fund to be used for urban renewal projects located in the urban renewal area. In absence of the LOST-TIF, all regular LOST revenues would have been distributed among the participating areas of the LOST according to the existing population and tax levy-based formula. A LOST-TIF may remain in effect until the urban renewal area ends, or 20 years after the base year, whichever is earlier.

VII. Urban Renewal and Tax Increment Financing Reporting Demonstration

Mr. Jeff Robinson, Fiscal Services Division, Legislative Services Agency, and Ms. Carrie Johnson and Mr. Ted Nellesen, Iowa Department of Management, provided the committee with an update of the internet site development for the urban renewal reporting requirements enacted in 2012 Acts, chapter 1124 (HF 2460). The committee was provided a brief demonstration of the internet site's functionality and a summary of the data being collected from the jurisdictions required to report under the new law. The presenters noted that a large majority of the local governments have already completed or substantially completed their reports for the first fiscal year. The public internet site can be viewed at <https://solr.legis.iowa.gov/tif/public>.

Respectfully submitted,

Senator Joe Bolkcom, Co-chairperson

Representative Thomas R. Sands,
Co-chairperson

REPORT OF THE SERVICE COMMITTEE TO THE LEGISLATIVE COUNCIL

July 18, 2013

The Service Committee of the Legislative Council met on July 18, 2013, and makes the following report and recommendations to the Legislative Council for approval:

I. PERSONNEL REPORTS

A. The Service Committee received and filed the annual personnel report from the Legislative Services Agency, including changes to the employee handbook of policies and procedures concerning the Capitol Tour Guides, and recommends that the following employees be promoted, subject to performance review with approval of and effective date set by the director of the agency:

- Ms. Teri Souer, from Administrative Services Officer 2, grade 29, step 8, to Administrative Services Officer 3, grade 32, step 6.
- Ms. Talya Culbertson, from Administrative Services Assistant, grade 20, step 5, to Administrative Services Officer, grade 23, step 3.
- Ms. Amy Lynch, from Administrative Services Assistant, grade 20, step 5, to Administrative Services Officer, grade 23, step 3.
- Ms. Emily Meyer, from Computer Systems Analyst 1, grade 27, step 6, to Computer Systems Analyst 2, grade 29, step 5.
- Mr. Mitch Rykhoek, from Computer Systems Analyst 1, grade 27, step 4, to Computer Systems Analyst 2, grade 29, step 3.
- Mr. Jeff Karns, from Computer Systems Analyst, grade 24, step 3, to Computer Systems Analyst 1, grade 27, step 1.
- Ms. Estelle Montgomery, from Legislative Analyst 1, grade 29, step 3, to Legislative Analyst 2, grade 32, step 1.
- Mr. John Parker, from Legislative Analyst 1, grade 29, step 3, to Legislative Analyst 2, grade 32, step 1.
- Mr. Adam Broich, from Legislative Analyst, grade 27, step 3, to Legislative Analyst 1, grade 29, step 2.
- Mr. Mike Mertens, from Legal Counsel, grade 30, step 3, to Legal Counsel 1, grade 32, step 2.
- Ms. Amber DeSmet, from Legal Counsel, grade 30, step 3, to Legal Counsel 1, grade 32, step 2.

The Service Committee recommends the reclassification of editor/supervisor positions for employees in the Computer Services Division from grade 36 to grade 39 and authorizes the filling of the positions.

The Service Committee recommends that the annual salary of the Director of the Legislative Services Agency be increased to \$139,568 effective beginning July 19, 2013.

B. The Service Committee received and filed the annual personnel report from the Office of Ombudsman and recommends that the following employees be promoted, subject to performance review with approval of and effective date set by the director of the agency:

- Ms. Angela McBride, from Assistant Ombudsman 2, grade 32, step 7, to Assistant Ombudsman 3, grade 35, step 5.
- Mr. Charles “Andy” Teas, from Legal Counsel 1, grade 32, step 5, to Legal Counsel 2, grade 35, step 3.
- Mr. Bert Dalmer, from Assistant Ombudsman 3, grade 35, step 5, to Senior Assistant Ombudsman, grade 38, step 3.
- Ms. Elizabeth Hart, from Assistant Ombudsman 2, grade 32, step 8, to Assistant Ombudsman 3, grade 35, step 6.
- Mr. Jason Pulliam, from Assistant Ombudsman 1, grade 29, step 3, to Assistant Ombudsman 2, grade 32, step 1.

The Service Committee recommends the reclassification of the intern position from grade 19 to grade 17.

II. CENTRAL STAFF AGENCY FY 2014 BUDGETS

The Service Committee recommends that the Legislative Council approve the proposed budgets for the fiscal year beginning July 1, 2013, pursuant to Code section 2.12, as submitted by the following agencies:

- Legislative Services Agency
- Office of Ombudsman

Respectfully submitted,

Speaker Kraig Paulsen
Chairperson

**REPORT OF THE STUDIES COMMITTEE
TO THE LEGISLATIVE COUNCIL
July 18, 2013**

The Studies Committee of the Legislative Council met on July 18, 2013, and makes the following report for approval by the Legislative Council:

Guidelines. That the attached guidelines for 2013 and 2014 interim studies be adopted by the Legislative Council.

2013 Studies. That the attached proposal for studies for the 2013 Interim be adopted by the Legislative Council.

Respectfully submitted,

Speaker Kraig Paulsen
Chairperson

GUIDELINES FOR INTERIM STUDY COMMITTEES

2013-2014 INTERIMS Submitted July 18, 2013

ADOPTION OF RULES

Interim study committees must have a majority of the members representing each house voting affirmatively in order to adopt rules.

COMPENSATION OF PUBLIC MEMBERS

Persons serving as public members of study committees are eligible to receive actual expenses only, if they are not eligible for expense reimbursement by an organization that they represent. In order for a public member representing an organization to be eligible to receive actual expenses, the organization must submit a letter to the Legislative Council indicating that the public member is not eligible for the reimbursement from the organization. Payment of the expenses is subject to the approval of the Chairperson and Vice Chairperson of the Legislative Council.

STAFF WORK FOR PUBLIC MEMBERS

After consultation with, as appropriate, the Legislative Services Agency (LSA) Director and legislative leadership, a study committee chair may authorize research or legislative drafting work by the LSA for public members of study committees.

APPROVAL OF NOMINEES

Public members of study committees may be nominated by designated organizations, subject to Legislative Council approval or subject to the approval of the Chairperson and Vice Chairperson of the Legislative Council in consultation with the Minority Leaders of the Senate and House of Representatives.

MEMBERSHIP CHANGES

Any change in membership numbers and voting status of the members of a legislative interim study body approved by the Legislative Council requires the approval of the Studies Committee and Legislative Council or legislative leadership.

GENDER BALANCE

Appointment of public members to study committees shall be gender balanced.

APPROVAL OF ACTIONS

A majority vote of a study committee's voting members present is necessary to carry any action; however, recommendations to the Legislative Council or General Assembly must be adopted with the affirmative votes of a majority of the committee's members of each house.

VOTING BY PUBLIC MEMBERS

Unless otherwise provided by the General Assembly or the Legislative Council, public members of study committees are nonvoting.

APPROVAL OF ADDITIONAL MEETINGS AND MEETINGS OUTSIDE DES MOINES

Any additional meeting or a meeting or public hearing by a legislative committee held outside of Des Moines requires the prior approval of the Studies Committee or legislative leadership.

PUBLIC HEARINGS

When authorization is given for a study committee to hold a public hearing, the committee may hold one hearing as a body or individual members may each hold a public hearing or groups of two or more members may hold public hearings. However, for each authorized public hearing, no members of the study committee may receive compensation for attendance at more than one session.

APPROVAL OF EXPENSES FOR SPEAKERS AND CONSULTING WORK

Any expenditure by a study committee for a speaker or presentation or for any other purpose either requires the prior approval of the Studies Committee and Legislative Council, or legislative leadership, or requires inclusion of the expenditure in a budget proposed by the study committee and approved by the Studies Committee and the Legislative Council, or legislative leadership. Contractual consulting work for a study committee requires the prior approval of the Studies Committee and the Legislative Council. Expenditures shall only be made in accordance with legislative expenditure policies and procedures.

SCHEDULING GUIDELINES

For the 2013 Interim, the deadline for completion of interim study committee meetings is November 29, 2013, and for the 2014 Interim, the deadline is December 12, 2014. An interim study committee must meet the deadline or receive an exemption or a revised deadline date from the Legislative Council or legislative leadership.

2013 Legislative Interim Studies

A. Statutory Committees

1. **Legislative Fiscal Committee** (Iowa Code §§2.45(2) and 2.46)

Charge: The committee is a permanent body under the Legislative Council. Direct the administration of performance audits and visitations. Study the operation of state government and make recommendations regarding reorganization to the General Assembly. Conduct studies as assigned by the Legislative Council.

Members: 5 Senate / 5 House

Meeting Days: 3

2. **Legislative Tax Expenditure Committee** (Iowa Code §§2.45(5) and 2.48)

Charge: The committee is a permanent body under the Legislative Council. Duties include approving annual estimates of the cost of tax expenditures by December 15 each year, and performing a scheduled review of specified tax credits so that each credit is reviewed at least every five years. The third scheduled review is in 2013.

Members: 5 Senate / 5 House

Meeting Days: 1

3. **State Government Efficiency Review Committee** (Iowa Code §2.69)

Charge: The committee is a permanent legislative committee with five Senate and five House members appointed by legislative leaders at the beginning of a new General Assembly. The committee is required to meet as directed by the Legislative Council, at least every two years, to review state government organization and efficiency options and receive state government efficiency suggestions offered by the public and public employees. The first report was submitted in 2013 and the second report is due in January 2015.

Members: 5 Senate / 5 House

Meeting Days: 1

4. **Public Retirement Systems Committee** (Iowa Code §97D.4)

Charge: The committee is a permanent legislative committee that is required to review and evaluate all public retirement systems in place in Iowa, including the Iowa Public Employees' Retirement System (IPERS), the Municipal Fire and Police Retirement System of Iowa (Code chapter 411), the Department of Public Safety Peace Officers' Retirement System (PORS), and the Judicial Retirement System. The committee typically meets during the legislative interim of odd-numbered years.

Members: 5 Senate / 5 House

Meeting Days: 2

5. **Integrated Health Care Models and Multi-payer Delivery Systems Study Committee** (2013 Iowa Acts, SF 446, §§182 and 183)

Charge: Review and make recommendations for the formation and operation of integrated care models in Iowa; review integrated care models adopted in other states that integrate both clinical services and nonclinical community and social supports utilizing patient-centered medical homes and community care teams; recommend the best means of incorporating into integrated care models nonprofit and public providers that care for vulnerable populations; review and make recommendations regarding development and implementation of a statewide medical home infrastructure to act as the foundation for integrated care models; review opportunities under the federal Affordable Care Act for development of integrated care models; address consumer protection, governance, performance standards, data reporting, health

information exchange, patient attribution, and regulation issues relative to integrated care models; and perform other duties specified in the legislation. In addition, serve as a legislative advisory council on multipayer health care delivery systems to guide the development by the Department of Human Services of Iowa's design model and implementation plan for the State Innovation Models Initiative Grant awarded by the Centers for Medicare and Medicaid of the United States Department of Health and Human Services. The study committee may request that legislative leaders authorize supplementing the study committee membership to ensure there is a comprehensive review process and adequate stakeholder participation.

Members: 5 Senate / 5 House

Meeting Days: 2

B. Other Interim Studies

1. **Mental Health and Disability Services Redesign Fiscal Viability Study Committee** (Continuation of study committee initially created by the Legislative Council in 2012)

Charge: In addition to monitoring implementation of the mental health and disability services redesign and receiving reports from stakeholder groups engaged in implementation of the redesign, the study committee shall propose a permanent approach for state, county, and regional financing of the redesign and identify potential cost savings and service improvements that may be realized by working with community-based corrections services and other programs and services that address common needs or populations (2013 Iowa Acts, SF 452, §184). The study committee shall also study the provisions for implementing mental health and disability service Medicaid offset amounts and repayments by counties relating to the Iowa Health and Wellness Plan. The study committee shall consider the potential effects of the repayment provisions on the ability of the mental health and disability service regions to adequately fund the initial core services and additional core services and to make recommendations to address funding insufficiencies (2013 Iowa Acts, SF 446, §181).

Members: 5 Senate / 5 House

Meeting Days: 2

2. **Elder Abuse Prevention and Intervention Study Committee.** (Request in 2013 Iowa Acts, SF 446, §51)

Charge: Monitor the progress of, and provide direction to, the Task Force on Elder Abuse Prevention and Intervention created pursuant to 2012 Iowa Acts, chapter 1056, and continued pursuant to 2013 Iowa Acts, SF 446, §50. The study committee shall review the task force progress report and approve the final report of the task force and shall submit the committee's recommendations and a final report to the General Assembly following completion of the committee's work.

Members: 5 Senate / 5 House

Meeting Days: 1

3. **Medical Malpractice Study Committee.** (Request in 2013 Iowa Acts, SF 446, §184)

Charge: Study current standards and potential options for the submission of certificate-of-merit affidavits by plaintiffs and defendants in medical malpractice actions and limitations on the number of expert witnesses that may be called by both plaintiffs and defendants involving health care providers.

Members: 5 Senate / 5 House

Meeting Days: 1

4. All-terrain and Off-road Utility Vehicle Study Committee

Charge: Collect information from stakeholders and make recommendations to the General Assembly concerning the use of all-terrain and off-road utility vehicles.

Members: 5 Senate / 5 House

Meeting Days: 1

5. Iowa Rivers and Waterways Study Committee

Charge: Consult with interested parties in considering options for restoring the quality of Iowa's rivers and waterways. Interested parties may include engineers, local watershed partnerships, persons who farm near rivers and waterways, anglers, boaters, and other interested parties. Develop recommendations for an initial plan to prioritize river and waterway projects and provide defined goals and measurable improvements.

Members: 5 Senate / 5 House

Meeting Days: 1

6. Administrative Costs in Higher Education Study Committee

Charge: Examine administrative costs at higher education institutions and the impact of these costs on Iowa students and their families. The committee shall compare the growth in administrative costs and instructional costs at Regents institutions, community colleges, private colleges and for-profit colleges. The committee shall identify fragmentation, overlap, or duplication of administrative services on a campus-wide and system-wide basis, and look for ways to reduce the financial impact on students and their families. The committee shall also examine the manner in which fee rates charged to students are established.

Members: 5 Senate / 5 House

Meeting Days: 1

7. Iowa Skilled Worker and Job Creation Fund Study Committee

Charge: Examine the planning and implementation of programs and appropriations made from the Iowa Skilled Worker and Job Creation Fund. The committee shall hear from relevant agencies that are charged with running each program and fund. The committee shall examine the goals of each agency with special emphasis on current Iowa Code language and legislation approved during the 2013 session pertaining to metrics, reporting, and goals. All recommendations from the committee shall be reported to the Economic Development and Education Appropriations subcommittees.

Members: 5 Senate / 5 House

Meeting Days: 1

8. Emergency Medical Services Study Committee

Charge: Research the current status of Iowa's emergency medical services (EMS) and make recommendations to ensure the future availability of EMS statewide. Consult with stakeholders in conducting the study.

Members: 5 Senate / 5 House

Meeting Days: 2

9. Stray Electric Current and Agriculture Study Committee

Charge: Study the issues associated with claims that stray electric current or voltage is affecting dairy cattle milk production. Work with stakeholders in considering options to address the issues and make recommendations to resolve the issues.

Members: 5 Senate / 5 House

Meeting Days: 1

C. Studies-related Requests

1. Request to Public Safety Advisory Board Relating to Crimes Against Children

The letter below shall be sent to the Public Safety Advisory Board on behalf of the Legislative Council requesting that the advisory board provide information and recommendations to the General Assembly relating to crimes against children.

Proposed Letter from the Legislative Council

Public Safety Advisory Board
Tom Ferguson, Chair
c/o Criminal and Juvenile Justice Planning Division
Iowa Department of Human Rights
Lucas State Office Building
Des Moines, Iowa 50319

Re: Request for Recommendations Relating to Current Sentencing Provisions Regarding Crimes Against Children (Klunder case)

Chairperson Ferguson and Members of the Board:

Pursuant to Iowa Code section 216A.133A, this letter is a request from the Legislative Council to the Public Safety Advisory Board to provide recommendations to the Legislature relating to crimes against children. With the recent kidnapping of two girls that resulted in the tragic murder of Kathlynn Shepard, the Legislature would like to take appropriate action to help protect Iowa's children. We are aware that since Michael Klunder was sentenced in 1992, there have been numerous changes in Iowa's criminal law, including many penalty enhancements. Specifically, we are asking that you provide information regarding what changes have occurred and whether any of those changes could have impacted any aspect of Klunder's sentencing. In addition, we are looking for specific legislative proposals relating to crimes against children that would help avoid someone like Klunder having the opportunity to commit more heinous crimes against our children.

The diverse makeup of the Public Safety Advisory Board, along with the assistance of Criminal and Juvenile Justice Planning Division staff and your statutory charge to "provide the general assembly with an analysis of current and proposed criminal provisions," and to "review and make recommendations relating to current sentencing provisions" will help us in our efforts to address potential "cracks" in our criminal justice system.