



MINUTES Legislative Council

July 11, 2019

MEMBERS PRESENT

Senator Jack Whitver, Vice Chairperson
Senator Jerry Behn
Senator Joe Bolkcom
Senator Jake Chapman
Senator Randy Feenstra
Senator Pam Jochum
Senator Jim Lykam
Senator Janet Petersen
Senator Amanda Ragan
Senator Amy Sinclair
Senator Dan Zumbach

Representative Linda L. Upmeyer, Chairperson
Representative Wes Breckenridge
Representative Dave Deyoe
Representative Pat Grassley
Representative Chris Hagenow
Representative Chris Hall
Representative Lee Hein
Representative Jo Oldson
Representative Todd Prichard
Representative Sharon S. Steckman
Representative John H. Wills
Representative Matt W. Windschitl

LSA CONTACTS: Organizational staffing provided by: Glen Dickinson, Secretary to the Legislative Council, 515.281.4616; and Timothy McDermott, Division Director, 515.281.8090; Minutes prepared by: Rachele Hjelmaas, Legal Editor, 515.281.8127

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I. Procedural Business

Call to Order. The first meeting of the 2019-2020 Legislative Council was called to order by Temporary Chairperson Upmeyer at 11:46 a.m., Thursday, July 11, 2019, in Room 22, State Capitol, Des Moines, Iowa. Senators Feenstra, Jochum, Ragan, and Sinclair and Representatives Hein, Steckman, and Windschitl 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. Representative Hagenow moved that Temporary Chairperson Upmeyer and Temporary Vice Chairperson Whitver be elected chairperson and vice chairperson, respectively. The motion was approved by a voice vote.

Adoption of Rules. Vice Chairperson Whitver 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. Vice Chairperson Whitver moved that the minutes of the Legislative Council meeting of June 25, 2018, be approved without additions or corrections. The motion was approved by a voice vote.

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

Adjournment. The meeting was adjourned at 12:12 p.m.

II. Consideration of the Report of the Fiscal Committee

Chairperson Upmeyer recognized Vice Chairperson Whitver for consideration of the Report of the Fiscal Committee. Vice Chairperson Whitver moved to receive the report, and the motion was approved by a voice vote. The report was received and filed by the Legislative Council. The report is attached to these minutes as Attachment C.

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

Chairperson Upmeyer recognized Vice Chairperson Whitver for consideration of the Report of the Legislative Tax Expenditure Committee. Vice Chairperson Whitver moved to receive the report, and the motion was approved by a voice vote. The report was received and filed by the Legislative Council. The report is attached to these minutes as Attachment D.

IV. Consideration of the Report of the Service Committee

Chairperson Upmeyer recognized Vice Chairperson Whitver for consideration of the Report of the Service Committee. 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 2020 for the Legislative Services Agency and the Office of Ombudsman. The report also recommends that the Legislative Council approve the proposed changes to Legislative Council Policies and Procedures relating to the creation of a new archival process for bill drafting files and approve the receipt of changes to Legislative Services Agency Policies and Procedures relating to banked holiday leave, personal vehicle reimbursement, laptop checkout computer policy, and job descriptions and titles for certain computer services, fiscal services, and editor positions. In addition, the report recommends that the Legislative Council approve



a 1.5 percent increase in the legislative staff pay matrix effective with the pay period beginning June 28, 2019. Vice Chairperson Whitver moved adoption of the report, and the motion was approved by a voice vote. The report is attached to these minutes as Attachment E.

V. Consideration of the Report of the Studies Committee

Chairperson Upmeyer recognized Vice Chairperson Whitver for consideration of the Report of the Studies Committee. The report recommends that the Legislative Council approve the proposed Guidelines for Interim Study Committees for the 2019 and 2020 Legislative Interims. The report also recommends that the Legislative Council approve for the 2019 Interim permanent statutory committees established by law and the establishment of one other committee and its charge.

After Vice Chairperson Whitver moved adoption of the report, Senator Bolkcom noted that the Tax Expenditure Committee and the Tax Credit Review Committee are both required to evaluate tax credits under Iowa law, but each committee has different charges, and he questioned whether both committees will meet during the interim. Chairperson Upmeyer responded that both committees will meet and that the committees will coordinate to avoid a duplication of efforts.

Senator Bolkcom moved to amend the Studies Committee report to include an interim study committee relating to reforming and improving Iowa's medical cannabidiol program. Senator Bolkcom stated that due to the Governor's veto of House File 732 proposing changes to Iowa's Medical Cannabidiol Act, it is necessary to establish this interim committee to bring legislators, policymakers, and patients together through an open and transparent process that facilitates public discussions and proposes legislative solutions about the issues raised by the legislation, including the amount of THC patients would be allowed to have access to, prior to the 2020 Legislative Session. Representatives Hall and Breckenridge spoke in favor of this motion, reiterating the need to study and discuss all relevant issues prior to the next legislative session. Senator Whitver agreed that the issues raised by the legislation are on the forefront of legislative issues that need to be addressed this interim, but nothing precludes legislators and stakeholders from continuing the discussions on this issue with the Governor. Senator Bolkcom requested a roll call vote and the motion failed on a 10 to 12 vote.

Senator Petersen moved to amend the Studies Committee report to include an interim study committee to review programs and facilities under the purview of the Department of Human Services. In making this request to hold meetings to review the conditions, policies, and staffing of such programs and facilities, which would include site visits, Senator Petersen expressed concern about the recent deaths of severely disabled Iowans at the Glenwood Resource Center and the injuries suffered by staff due to violent outbursts from patients at the Independence Mental Health Institute. Chairperson Upmeyer and Vice Chairperson Whitver both acknowledged the concerns, but responded that an interim committee is not necessary at this time because the Government Oversight Committee will provide the necessary review and oversight to monitor these programs and facilities. Senator Peterson requested a roll call vote and the motion failed on a 10 to 12 vote.

The original motion to adopt the Report of the Studies Committee was approved by a voice vote. The report is attached to these minutes as Attachment F.

VI. Additional Business

A. County Supervisor Redistricting

Pursuant to changes in Iowa law in 2018 relating to county supervisor redistricting plans and the manner in which certain redistricting plans for county supervisors are adopted, Chairperson Upmeyer moved that



the Legislative Council direct LSA to prepare county supervisor representation plans unless otherwise provided by the Legislative Council. The motion was approved by a voice vote.

B. Native American Flag Display

Noting previous discussions from the June 28, 2018, Legislative Council meeting, and ongoing discussions concerning the establishment of a display of Native American flags in the Capitol building, Chairperson Upmeyer moved that the Legislative Council direct the Chief Clerk of the House and the Secretary of the Senate to work with the Iowa Commission of Native American Affairs to establish such a display in the Capitol by December 31, 2019. The motion was approved by a voice vote.

VII. 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 2019

IOWA LEGISLATIVE COUNCIL

Senator Jack Whitver, Vice Chairperson
Senator Jerry Behn
Senator Joe Bolkcom
Senator Jake Chapman
Senator Randy Feenstra
Senator Pam Jochum
Senator Jim Lykam
Senator Janet Petersen
Senator Amanda Ragan
Senator Charles Schneider
Senator Amy Sinclair
Senator Dan Zumbach

Speaker Linda L. Upmeyer, Chairperson
Representative Wes Breckenridge
Representative Dave Deyoe
Representative Pat Grassley
Representative Chris Hagenow
Representative Chris Hall
Representative Lee Hein
Representative Jo Oldson
Representative Todd Prichard
Representative Sharon S. Steckman
Representative John H. Wills
Representative Matt W. Windschitl

ADMINISTRATION COMMITTEE

Representative John H. Wills, Chairperson
Senator Jack Whitver, Vice Chairperson
Senator Jerry Behn
Senator Janet Petersen
Representative Dave Deyoe
Representative Sharon S. Steckman

SERVICE COMMITTEE

Senator Jack Whitver, Chairperson
Speaker Linda L. Upmeyer, Vice Chairperson
Senator Janet Petersen
Senator Charles Schneider
Representative Chris Hagenow
Representative Todd Prichard

CAPITAL PROJECTS COMMITTEE

Representative Pat Grassley, Chairperson
Senator Michael Breitbach, Vice Chairperson
Senator Joe Bolkcom
Senator Randy Feenstra
Senator Craig Johnson
Senator Jim Lykam
Representative Wes Breckenridge
Representative Lee Hein
Representative Brian Meyer
Representative Skyler Wheeler

STUDIES COMMITTEE

Senator Jack Whitver, Chairperson
Speaker Linda L. Upmeyer, Vice Chairperson
Senator Waylon Brown
Senator Janet Petersen
Senator Amanda Ragan
Senator Charles Schneider
Representative John Forbes
Representative Chris Hagenow
Representative Brian Meyer
Representative John H. Wills

FISCAL COMMITTEE

Senator Michael Breitbach, Co-chairperson
Representative Pat Grassley, Co-chairperson
Senator Joe Bolkcom
Senator Randy Feenstra
Senator Pam Jochum
Senator Tim Kraayenbrink
Representative Dave Deyoe
Representative Chris Hall
Representative Lee Hein
Representative Dave Jacoby

INTERNATIONAL RELATIONS COMMITTEE

Senator Zach Nunn, Chairperson
Representative Terry C. Baxter, Vice Chairperson
Senator William A. Dotzler, Jr.
Senator Jeff Edler
Senator Tim L. Kapucian
Senator Kevin Kinney
Representative Ako Abdul-Samad
Representative Karin Derry
Representative Thomas D. Gerhold
Representative Brian K. Lohse
Representative Heather Matson

LEGISLATIVE COUNCIL COMMITTEES 2019

TAX EXPENDITURE COMMITTEE

Senator Randy Feenstra, Co-chairperson
Representative Lee Hein, Co-chairperson
Senator Joe Bolkcom
Senator Michael Breitbach
Senator Pam Jochum
Senator Roby Smith
Representative Jane Bloomingdale
Representative Dave Jacoby
Representative Amy Nielsen
Representative Matt W. Windschitl

HEALTH POLICY OVERSIGHT COMMITTEE

Senator Mariannette Miller-Meeks, Co-chairperson
Representative Joel Fry, Co-chairperson
Senator Mark Costello
Senator Liz Mathis
Senator Amanda Ragan
Senator Mark Segebart
Representative John Forbes
Representative Shannon Lundgren
Representative Ann Meyer

PROPOSED RULES
IOWA LEGISLATIVE COUNCIL

2019-2020

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 and the Majority Leader of the Senate shall appoint the members of the majority and the Minority Leaders of the Senate and House of Representatives shall appoint the members of the minority 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 11, 2019

Report of the Fiscal Committee to the Legislative Council July 11, 2019

The Legislative Fiscal Committee held one meeting during the 2018 Legislative Interim on September 19, 2018, at the former Iowa Braille and Sight Saving School facility in Vinton, Iowa. The Committee heard presentations from various State agencies as well as representatives from the City of Vinton. The presentations are summarized below:

- **Board of Regents, Vacant Property.** John Nash, Director of Facilities for the Board of Regents, discussed current vacant property at the Regents institutions. Mr. Nash reported that all vacant property is currently spoken for, has been intentionally left for green space and campus beautification, or is earmarked for future facilities for medium- and long-range planning through comprehensive master plans at all five Regents institutions.
- **City of Vinton.** Representatives from the City provided statistics and an update regarding the Iowa Braille and Sight Saving School. The current campus size is 48 acres, 11 buildings, and 200,000 usable square feet. Governance of the campus resides with the Board of Regents. As of 2011, the school is no longer a residential facility and most of the property is vacant. Administrative functions of the school were moved to Council Bluffs as of July 1, 2018. The current operating deficit is \$400,000. AmeriCorps and Triple C Properties currently lease approximately 100,000 square feet of the facility.
- **Board of Regents, Institute for Decision Making.** James Hoelscher, Program Manager from the University of Northern Iowa Institute for Decision Making, presented on his program's work with the City of Vinton to assume ownership of the property and to put together a strategic plan and visioning for the property. The Institute helped recruit a team of approximately 25 people to lead a visioning process in February 2017 and to share best practices. The group came up with 10 possible uses for the property and then asked for public input. In April 2017, approximately 125 community members came to the event. The focus of the group was on housing, tourism, and government services, as well as recreation and parks.
- **State Policies on Vacated State-owned Properties.** Janet Phipps, Director of the Department of Administrative Services (DAS), discussed vacated, State-owned property. Each State agency is the owner of its property. DAS provides assistance to State agencies to whatever extent it can with reviewing plans and options on the closing of facilities. The Capitol Complex is under DAS purview.
- **Update on Major Maintenance Projects and Funding.** Director Phipps discussed the Major Maintenance Project Request List. The DAS meets annually with all agencies to discuss needs and to prioritize the list based on life, health, and safety issues. The list constantly changes, depending on agency needs. Major maintenance for State facilities was appropriated \$24.5 million in FY 2019 and \$20.0 million for each of the following four fiscal years.
- **Capitol Building Maintenance Update.** Mark Willemssen, Senior Facilities Manager, participated via conference call and provided an update on the Capitol Complex Dome project.
- **Family First Prevention Services.** Nina William-Mbengue, Program Director from the National Conference of State Legislatures (NCSL) Children and Families Program, participated via conference call and provided a brief overview on the new Family First Prevention Services Act (FFPSA). Two major provisions include changes in funding and structure for prevention services and congregate, residential, and group care. Janee Harvey of the Department of Human Services provided an update of the program in Iowa.

Upon adjournment, the Committee was provided a tour of the Iowa Braille and Sight Saving School.

Materials distributed to the Committee are maintained by the Fiscal Services Division and are available upon request. These documents can also be found on the LSA website at: www.legis.iowa.gov/committees/meetings/documents?committee=704&ga=ALL

Respectfully Submitted,

Senator Michael Breitbach
Co-chairperson

Representative Pat Grassley
Co-chairperson

Doc ID 1049048

**REPORT OF THE LEGISLATIVE TAX EXPENDITURE COMMITTEE
TO THE LEGISLATIVE COUNCIL
July 11, 2019**

I. Committee Proceedings

The Legislative Tax Expenditure Committee conducted one meeting at the Statehouse during the 2018 Interim on Tuesday, January 8, 2019.

II. Tax Expenditure Review

The committee received presentations and conducted a review of the following:

A. Child and Dependent Care and Early Childhood Development Tax Credits

Mr. John Good, Iowa Department of Revenue (IDR), provided background information and statistical analysis of the Iowa Child and Dependent Care (CDC) Tax Credit and the Iowa Early Childhood Development (ECD) Tax Credit. The CDC Tax Credit is 30 percent to 75 percent of the federal CDC Tax Credit for an individual whose net Iowa income is less than \$45,000. The federal CDC Tax Credit is 20 percent to 35 percent of the eligible child care expenses for qualifying children under age 13 or disabled dependents. Taxpayers can claim only one of the two Iowa credits in a single tax year. The ECD Tax Credit is for an individual whose net Iowa income is less than \$45,000 and equals 25 percent of the first \$1,000 which the individual has paid to others for early childhood development expenses. A CDC or ECD Tax Credit is claimed one time by 51.1 percent of the claimants while 10.5 percent of the claimants take one of the two credits five or more consecutive years. Mr. Good explained that tax reform legislation enacted last year (Senate File 2417) will increase the number of households eligible to claim either the CDC or ECD Tax Credit when the starting point for computing Iowa net income changes from federal adjusted gross income to federal taxable income, beginning after certain triggers are met but not earlier than tax year 2023. The increase in the number of claimants eligible for the tax credits is due to the new higher federal standard deduction lowering federal taxable income for many Iowans, which will in effect place more Iowans below the Iowa net income threshold limit of \$45,000 for claiming either tax credit.

B. Property Tax Revenue Divisions for Urban Renewal Areas

Mr. Tony Girardi, IDR, provided background information on Iowa's urban renewal law and a description of his ongoing research into the efficacy of tax increment financing (TIF). Mr. Girardi described the use of tax increment financing in other states and noted differences in Iowa's Urban Renewal Law. He stated that 15 states require a TIF district to meet a "but for" test under some circumstances, 32 states (including Iowa) allow TIF financing through general obligation bonds, and 14 states exclude school districts or allow a school district to opt out of a TIF district. While noting the limited research on tax increment financing, Mr. Girardi assessed the economic effects of TIF through Iowa's urban core-based statistical areas, and provided statewide historical property assessment data and property valuation growth by county data. Mr. Girardi concluded

there is no correlation between TIF and economic growth, except for a slight correlation between TIF and industrial concentration, but he also acknowledged the limitations of tax increment financing research. He noted that the size of a metropolitan area and the educational background of the workforce are more predictive of economic growth than TIF.

Ms. Carrie Johnson, Iowa Department of Management (DOM), and Mr. Ted Nellesen, DOM, provided an update on the Annual Urban Renewal Report (AURR). Ms. Johnson and Mr. Nellesen reviewed the data found in the AURR, including but not limited to TIF use by city and county, projects by type and by year, TIF debt by type, annual appropriations to pay off TIF debt, and TIF district ending cash balances.

C. Redevelopment Tax Credits

Mr. Matt Rasmussen, Iowa Economic Development Authority (IEDA), presented a report to the committee detailing the Brownfield and Grayfield Redevelopment Tax Credit Program, which provides an investment tax credit for redevelopment projects in Iowa that meet the definition of either a “brownfield” or “grayfield.” Under the program, an owner’s equity investment in a grayfield project can receive up to a 12 percent tax credit for a qualifying investment or up to 15 percent if the project meets the requirements of a green development. An investor brownfield project can receive up to a 24 percent tax credit for a qualifying investment or up to 30 percent if the project meets the requirements of a green development. “Qualifying investment” means costs that are directly related to a qualifying redevelopment project and are incurred after the project has been registered and approved by the IEDA Board and only includes the purchase price, the cleanup cost, and the redevelopment costs. Applications for the credits are scored based on financial need, feasibility, and overall quality. Mr. Rasmussen noted that IEDA is considering a rule change that would remove the bonus points awarded upon reapplication if an applicant was turned down the previous year. Mr. Rasmussen detailed the application and review process and provided examples of how the program is being used throughout the state.

Mr. Zhong Jin, IDR, provided background information and statistical analysis of the program and discussed other states’ tax credit programs. He analyzed the number of redevelopment tax credits claimed each tax year. Mr. Jin detailed the amount of credit transfers administered by IDR. He noted that a person transferring a credit for a brownfield or grayfield project on average receives 93 cents on the dollar.

D. Endow Iowa Tax Credits

Ms. Nichole Hansen, IEDA, described the Endow Iowa Tax Credit Program to the committee, a charitable giving incentive program administered by IEDA. The program was established in 2003 to encourage individuals, businesses, and organizations to make lasting investments in their communities when they establish permanent, endowed funds at an Iowa community foundation. The Endow Iowa Tax Credit is a 25 percent tax credit available to all Iowa taxpayers who make a qualifying charitable contribution. Ms. Hansen stated that the program continues to experience high

demand. Currently, only \$900,000 of the \$6 million of authorized credits remain available for the remainder of tax year 2019. To qualify, gifts must be made to a permanent endowment fund, established for the benefit of an Iowa charitable purpose, at a qualified community foundation. Gifts can be of any size but tax credits granted to a single taxpayer shall not exceed 5 percent of the aggregate amount of tax credits authorized for a tax year. Ten percent of the aggregate amount of tax credits authorized in a calendar year are reserved for those endowment gifts in amounts of \$30,000 or less. Credits are nonrefundable but can be carried forward for up to five years. Iowa's community foundations reported a 6.89 percent growth in permanent endowment assets in 2017.

Ms. Angela Gullickson, IDR, provided background information and statistical analysis of the program. Ms. Gullickson also provided information on similar programs in other states. She noted that only four other states have similar credits. The data provided by Ms. Gullickson included for each year of the program the total amount and number of credits awarded, the range of credit amounts awarded, and the average credit amount claimed or awarded. Ms. Gullickson also provided annual foundation donation data, donor demographic information, and information about unclaimed awards by household tax liability.

E. Additional Tax Credits

Ms. Amy Harris, IDR, presented background information about other tax credits that are not required by law to be reviewed by the Tax Expenditure Committee. She provided information about the Adoption Tax Credit, the Volunteer Firefighter, the EMS and Reserve Peace Officer Tax Credit, the Solar Energy System Tax Credit, the Farm to Food Donation Tax Credit, the E15 Plus Gasoline Promotion Tax Credit, the Biodiesel Blended Fuel Tax Credit, the E85 Gasoline Promotion Tax Credit, the School Tuition Organization Tax Credit, the Tuition and Textbook Tax Credit, and the Workforce Housing Tax Incentive Program. She noted the largest tax credit not required to be reviewed by the committee is the Workforce Housing Tax Incentive Program, and the least utilized tax credit is the Farm to Food Donation Tax Credit.

III. Materials Filed With the Legislative Services Agency

The following materials listed were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the link on the committee's website:

www.legis.iowa.gov/committees/meetings/documents?committee=594&ga=87

1. Agenda
2. Child and Dependent Care and Early Childhood Development Tax Credits, Iowa Department of Revenue
3. Property Tax Increment Financing, Iowa Department of Revenue
4. Annual Urban Renewal Report, Iowa Department of Management
5. Redevelopment Tax Credit Program for Brownfields and Grayfields, Economic Development Authority

6. Redevelopment Tax Credit, Iowa Department of Revenue
7. Endow Iowa Tax Credit Program, Economic Development Authority
8. Tax Credit Updates, Iowa Department of Revenue
9. Adoption Tax Credit, Iowa Department of Revenue
10. Biodiesel Blended Fuel Tax Credit, Iowa Department of Revenue
11. E15 Plus Gasoline Promotion Tax Credit, Iowa Department of Revenue
12. E85 Gasoline Promotion Tax Credit, Iowa Department of Revenue
13. Farm to Food Donation Tax Credit, Iowa Department of Revenue
14. Redevelopment Tax Credit, Iowa Department of Revenue
15. School Tuition Organization Tax Credit, Iowa Department of Revenue
16. Solar Energy System Tax Credit, Iowa Department of Revenue
17. Tuition and Textbook Tax Credit, Iowa Department of Revenue
18. Volunteer Firefighter and Emergency Medical Services Personnel and Reserve Peace Officer Tax Credit, Iowa Department of Revenue

1047904

REPORT OF THE SERVICE COMMITTEE TO THE LEGISLATIVE COUNCIL

July 11, 2019

The Service Committee of the Legislative Council met on July 11, 2019, and makes the following report and recommendations to the Legislative Council for approval:

I. PERSONNEL REPORTS

A. The Service Committee approves the annual personnel report from the Legislative Services Agency 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:

- Mr. Daniel Cole, from Administrative Services Assistant, grade 20, to Administrative Services Officer, grade 23.
- Mr. Danny Judge, from Administrative Services Assistant, grade 20, to Administrative Services Officer, grade 23.
- Mr. Jared McNeill, from Administrative Services Assistant, grade 20, to Administrative Services Officer, grade 23.
- Mr. Lucas Skoff, from Computer Systems Developer 1, grade 29, to Computer Systems Developer 2, grade 32.
- Mr. Kent Ohms, from Fiscal Legislative Analyst 3, grade 35, to Senior Fiscal Legislative Analyst, grade 38.
- Ms. Laura Book, from Fiscal Legislative Analyst 1, grade 29, to Fiscal Legislative Analyst 2, grade 32.
- Ms. Angel Banks-Adams, from Fiscal Legislative Analyst 1, grade 29, to Fiscal Legislative Analyst 1, grade 32.
- Mr. Gus Harb, from Legal Counsel 1, grade 32, to Legal Counsel 2, grade 35.
- Ms. Amber Shanahan-Fricke, from Legal Counsel, grade 30, to Legal Counsel 1, grade 32.
- Mr. Joseph Simpson, from Legal Counsel, grade 30, to Legal Counsel 1, grade 32.
- Ms. Kate O'Connor, from Legal Counsel, grade 30, to Legal Counsel 1, grade 32.
- Mr. Stuart Stromberg, from Legal Counsel, grade 30, to Legal Counsel 1, grade 32.
- Mr. Matthew Van Atta, from Administrative Services Officer, grade 23, to Administrative Services Officer 1, grade 26.

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

- Ms. Eleena Mitchell, from Assistant Ombudsman 3, grade 35, step 8, to Senior Assistant Ombudsman, grade 38, step 6.

II. CENTRAL STAFF AGENCY FY 2020 BUDGETS

The Service Committee recommends that the Legislative Council approve the proposed budgets for the fiscal year beginning July 1, 2019, pursuant to Code section 2.12, as submitted by the following agencies:

- Legislative Services Agency
- Office of Ombudsman

III. POLICIES AND PROCEDURES

The Service Committee received and filed miscellaneous changes to the Legislative Services Agency Policies and Procedures concerning banked holiday leave, transportation expenses, computer laptop use and security, and job descriptions and titles.

IV. LEGISLATIVE COUNCIL POLICIES AND PROCEDURES

The Service Committee recommends that the Legislative Council approve the proposed changes to the Legislative Council Policies and Procedures creating a new archival process to provide access to historical bill drafting files.

V. LEGISLATIVE STAFF PAY MATRIX

The Service Committee recommends that the Legislative Council approve a one and one-half percent increase in the legislative pay matrix effective with the pay period that includes July 1, 2019.

Respectfully submitted,

Senator Jack Whitver, Chairperson

REPORT OF THE STUDIES COMMITTEE TO THE LEGISLATIVE COUNCIL

July 11, 2019

The Studies Committee of the Legislative Council met on July 11, 2019 and makes the following report for approval by the Legislative Council:

Guidelines. That the attached guidelines for 2019 and 2020 interim studies be adopted by the Legislative Council.

2019 Studies. That the attached proposal for studies for the 2019 Interim be adopted by the Legislative Council.

Respectfully submitted,

Senator Jack Whitver
Chairperson

GUIDELINES FOR INTERIM STUDY COMMITTEES

2019-2020 INTERIMS Submitted July 11, 2019

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 2019 Interim, the deadline for completion of interim study committee meetings is November 22, 2019, and for the 2020 Interim, the deadline is December 11, 2020. An interim study committee must meet the deadline or receive an exemption or a revised deadline date from the Legislative Council or legislative leadership.

2019 Legislative Interim Studies

A. Statutory Committees

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

Charge: The committee is a permanent legislative committee under the Legislative Council.

Duties include examining budget and expenditure matters, directing the administration of performance audits and visitations, and studying the operation of state government and making recommendations regarding reorganization to the General Assembly.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

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

Charge: The committee is a permanent legislative committee 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 committee shall coordinate its efforts with the Tax Credit Review Committee. The ninth scheduled review is in 2019.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

3. **Health Policy Oversight Committee** (Iowa Code §2.45(6))

Charge: The committee is a permanent legislative committee under the Legislative Council.

Duties include providing continuing oversight for Medicaid managed care, ensuring effective and efficient administration of the program, addressing stakeholder concerns, monitoring program costs and expenditures, and making recommendations to the General Assembly.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.*

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

Charge: The committee is a permanent legislative committee 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 last report was submitted in 2016 and the next report is due in January 2020.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

5. **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 (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: As approved by the Chair and Vice Chair of the Legislative Council.

6. School Finance Formula Review Committee (Iowa Code §257.1(4))

Charge: The committee is a permanent legislative committee required to meet at least every five years to prepare a school finance formula status report and provide recommendations in accordance with the requirements of Iowa Code §257.1(4), including receiving assistance from the departments of Education, Management, and Revenue; providing recommendations for school finance formula changes or revisions based upon demographic changes, enrollment trends, and property tax valuation fluctuations observed during the preceding five-year interval; providing an analysis of the operation of the school finance formula during the preceding five-year interval; and incorporating a summary of issues that have arisen since the previous review and potential approaches for their resolution.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

7. Career and Technical Training Implementation Review Committee (2016 Iowa Acts, HF 2392, §77)

Charge: The committee is required to study administrative rules related to career and technical training and work-based learning programs in consultation with former members of the Secondary Career and Technical Programming Task Force, including an assessment of the membership of the regional career and technical education planning partnerships to assure that all affected groups have substantial representation. The committee shall submit its findings and recommendations to the General Assembly for consideration during the 2020 Legislative Session.

Members: 3 Senate/3 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

8. Fuel Distribution Percentage Formula Review Committee (Iowa Code §452A.3(1)(c))

Charge: The committee is a permanent legislative committee required to meet at least every six years to review fuel distribution percentage formulas and make recommendations with the assistance of the Department of Revenue and the Department of Transportation. The committee shall formulate recommendations for changes or revisions to the fuel distribution percentage formulas based upon advances in technology, fuel use trends, and fuel price fluctuations observed during the preceding six-year interval; an analysis of the operation of the fuel distribution percentage formulas during the preceding six-year interval; and a summary of issues that have arisen since the previous review and potential approaches for resolution of those issues. The first report is due by January 1, 2020.

Members: 3 Senate/3 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

B. Other Interim Studies

1. Tax Credit Review Committee (2018 Iowa Acts, SF 2417, §40)

Charge: The committee is required to evaluate tax credits available under Iowa law and consider new or different tax credits, incentive programs, or tax rate or structure changes. The committee shall coordinate its efforts with the Tax Expenditure Committee.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

*In accordance with applicable statutory requirements.