



MINUTES

Legislative Fiscal Committee of the Legislative Council

Monday, September 16, 2019

MEMBERS PRESENT

Senator Michael Breitbach, Co-chairperson
Senator Joe Bolkcom
Senator Pam Jochum
Senator Tim Kraayenbrink

Representative Pat Grassley, Co-chairperson
Representative Dave Deyoe
Representative Chris Hall
Representative Lee Hein
Representative Kenan Judge

Senator Jake Chapman was excused.

LSA CONTACTS: Organizational staffing provided by: Dave Reynolds, Senior Legislative Analyst, 515.281.6934; Minutes prepared by: Jennifer Acton, Division Editor/Supervisor, 515.281.7846

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I. Procedural Business

Call to Order. The Legislative Fiscal Committee of the Legislative Council met at the Van G. Miller Adult Learning Center at Hawkeye Community College in Waterloo, Iowa on September 16, 2019. The meeting was called to order at 10:15 a.m.

Minutes. The minutes of the September 2018 meeting were approved. (Motioned by Senator Bolkcom and seconded by Representative Deyoe).

Adjournment. The Committee adjourned at 2:02 p.m. (Motioned by Representative Hall and seconded by Senator Bolkcom).

II. Northeast Iowa Community College, No-Cost Child Care Initiative

Wendy Mihm-Herold Ph.D., Vice President of Business and Community Solutions, from Northeast Iowa Community College; and Kristin Dietzel, Vice President of Workforce Solutions, from the Greater Dubuque Development Corporation presented on a childcare pilot program developed through a public/private partnership in the Greater Dubuque region that provides additional childcare options for students training for in-demand employment positions.

Ms. Mihm-Herold and Ms. Dietzel discussed that the Dubuque workforce is at an all-time high of 61,700 employees. The cost of childcare for one child is estimated at \$7,028 (14.0% of income) requiring a wage of \$48,704 or \$23.41 per hour; however, the current average wage is \$21.71 per hour. Parents, especially single parents in the Dubuque area, report they are not able to enroll in training for these careers because they cannot find sufficient and affordable childcare. In addition, they discussed the Cliff Effect where parents lose their benefits at 145.0% of the poverty rate.

The goals reported by the Dubuque Childcare Pilot are to upskill under-employed and unemployed individuals through short-term Opportunity Dubuque certificate training programs. Childcare would be funded while participating in the training program and full-time employed graduates of the certificate programs may qualify for an additional 12 months of childcare support. All Opportunity Dubuque's 20+ programs with over 80+ business sponsors are eligible for the childcare pilot.

The budget from January 2019 through June 2021 totaled \$342,500 including \$32,000 for a local childcare provider for 100 children at approximately \$4 per hour and \$310,500 for 12 months of childcare for approximately 100 children of Opportunity Dubuque graduates. The public/private partners with Northeast Iowa Community College include:

- Greater Dubuque Development Corporation (\$152,500)
- Child Care Resource and Referral
- The Community Foundation of Greater Dubuque (\$30,000)
- The City of Dubuque (\$80,000)
- Dubuque County (\$80,000), and
- The Dubuque Community YMCA/YWCA



III. Iowa Economic Development Authority (IEDA) Market Research and Campaign Overview

Jacque Matsen, Communications Director for the IEDA presented on IEDA market research regarding how Iowa is perceived today and factors that motivate individuals to visit or move to another state. Ms. Matsen also discussed the "thisisiowa.com" campaign advertising strategies and results to-date.

IV. Revenue Update

Jeff Robinson, Senior Legislative Analyst with the Fiscal Services Division, presented on various economic indicators including inflation, unemployment, and wage and salary growth. Mr. Robinson also presented on the current FY 2019 net General Fund situation. Actual FY 2019 appears to be approximately \$122.5 million above the FY 2019 REC Estimate. Net receipts from July 1, 2019 through September 14, 2019 (FY 2020) are \$22.0 million (1.4%) ahead of the same period in FY 2019.

V. Bottle and Can Deposit and Redemption

Dr. Dermot Hayes, Professor of Economics and Finance from Iowa State University, presented on the history of Iowa's beverage container law and some scenarios on ways to modernize the law. Dr. Hayes also offered to run different assumptions for the General Assembly

Alex Moon, Land Quality Bureau Chief with the Iowa Department of Natural Resources, also presented on Iowa's Beverage Container Law. Mr. Moon discussed reimbursement rates in other states as well as some bottle bill challenges in Iowa including:

- The one cent handling fee has remained unchanged since 1979.
- Redemption centers have seen reduced hours of operation and due to increased costs are in some instances reimbursing less than the full refunds.
- There are fewer than 100 redemption centers in Iowa.
- Violations of the beverage container law are simple misdemeanors issued by local government. There is no State government enforcement.

VI. General Fund Balance Sheet Update

Dave Reynolds, Senior Legislative Analyst with the Fiscal Services Division, provided members of the Fiscal Committee with an update on the General Fund budget. The current estimated ending balance for FY 2019 is \$166.1 million and is estimated to be \$277.1 million for FY 2020; however, this will be changing once the FY 2019 year-end revenues are reconciled. Mr. Reynolds discussed Performance of Duty which is money approved by the Executive Council that is used as a State match for federal dollars received from the Federal Emergency Management Agency (FEMA) for disaster relief. Mr. Reynolds also discussed the Taxpayer Relief Fund.

VII. Last Dollar Scholarship Program

Todd Brown, Financial Aid Program Division Administrator with the College Student Aid Commission, presented on the Last Dollar Scholarship Program. Mr. Brown discussed how the program is intended to cover any remaining gap between federal and State grants/scholarships and tuition and qualified fees. The Program will be available in fall 2019. The College Student Aid Commission has identified some Program improvements for the 2020 Legislative Session including allowing new high school graduates



that are required to take pre-requisite courses to access the Last-Dollar Scholarship; address the age 19 issue to eliminate a gap in eligibility between graduation and adult learners; and to allow new high school graduates who enroll part-time during the summer term to receive a Last-Dollar Scholarship award.

VIII. Tour

Committee members took an optional tour of the Industrial Technology Center at UNI after the meeting adjourned.

IX. Meeting Materials

The following link to the Legislative Fiscal Committee website includes the meeting materials is: www.legis.iowa.gov/committees/meetings/meetingslistComm?groupID=704&=88