

## FINAL REPORT

### REDESIGN LOTTERY FUNDED ENVIRONMENTAL INITIATIVES STUDY COMMITTEE

January 1991

#### AUTHORIZATION AND APPOINTMENT

The Redesign Lottery Funded Environmental Initiatives Study Committee was established by the Legislative Council to "redevelop the environmental package funded by the lottery including energy efficiency, waste volume reduction, hazardous waste, and recycling and provide oversight of the Ethanol Fueled Brazilian Truck Project at the University of Iowa."

Members serving on the Study Committee were:

Senator Patrick Deluhery, Co-chairperson  
Representative Dennis Black, Co-chairperson  
Senator Leonard Boswell  
Senator Michael Gronstal  
Senator Beverly Hannon  
Senator H. Kay Hedge  
Senator Paul Pate  
Senator Jack Rife  
Senator James Riordan  
Representative Wayne Bennett  
Representative Robert Dvorsky  
Representative John Groninga  
Representative Roger Halvorson  
Representative Ralph Rosenberg  
Representative Hugo Schneklath  
Representative David Schrader

#### COMMITTEE PROCEEDINGS

The Study Committee was authorized three meeting days which were held on August 1, August 28, and October 12, 1990.

### Meeting of August 1, 1990

At the first meeting, the Study Committee deferred on a motion recommending that lottery revenues be deposited in the state general fund rather than the existing separate fund. Mr. John Hawley of the Legislative Fiscal Bureau and Ms. Theresa Kehoe of the Senate Democratic Caucus staff summarized the history of lottery revenues from FY 1986 through FY 1992, described how the revenues would be allocated beginning with FY 1991 as a result of the passage of Senate File 2153 which established the Committing the Lottery to Environment, Agriculture and Natural Resources (CLEAN) fund, and summarized the programs that would have been funded with lottery revenues beginning FY 1991 but for the Governor's item vetoes of those appropriations.

The Study Committee next heard from Jim Gulliford, Director of the Soil Conservation Division, Department of Agriculture and Land Stewardship, on the soil conservation-related programs funded through CLEAN. Mr. Gulliford recommended that there be no change in the appropriations to and the distribution formula of the Resources Enhancement and Protection (REAP) fund, and an increase in the soil conservation cost-share allocation of \$2,000,000, and an additional \$500,000 for water quality protection projects.

Lottery Commissioner, Dr. Edward Stanek, presented a status report on lottery sales and revenue projections, Mr. Jeff Robinson of the Legislative Fiscal Bureau and Mr. Kevin Szcodronski of the Department of Natural Resources (DNR) provided an overview of the REAP program and described each of the REAP fund accounts and the projects funded from those accounts. The first meeting concluded with a presentation by Mr. Don Brazelton, REAP Congress delegate and Mr. Mark Ackelson, Co-chairperson, REAP Alliance on the recently held REAP Congress which adopted a number of recommendations including making no changes in the REAP allocation formula, placing more emphasis on land acquisition than on land development, emphasizing prairie acquisition, and increasing allocations to small cities for parks and open spaces.

### Meeting of August 28, 1990

At the second meeting testimony was provided by Dr. Patricia Swan, Vice Provost for Research, regarding the recently established Iowa Energy Center at Iowa State University and the Center's progress. Mr. Ken Madden, Research Associate, discussed the Ethanol Fueled Brazilian Truck Project at the University of Iowa. Mr. Brent Parker, Jasper County Sanitarian, and Mr. Steve Patterson of the Guthrie County Environmental Health Office discussed the environmental health programs and projects of their respective counties with emphasis on their activities relating to polluted wells, plugging abandoned wells, and compiling a survey of abandoned and in-use wells. Ms. Judie Hoffman, Coordinator for the Ames Toxic Clean-up

Days Program, remarked on the highly successful program the city of Ames has developed in regard to toxic waste clean-up.

In the afternoon, the Study Committee was presented with additional information regarding recycling, energy, and waste reduction. Mr. Tom Hanafan, Mayor of Council Bluffs, recommended that at least \$3,500,000 be made available to cities and counties to develop and implement solid waste reduction and recycling programs, the development of regional toxic and hazardous waste disposal sites, and funding for energy efficiency grant programs to local governments. Mr. Larry Bean, Administrator, Energy Division, DNR, reviewed the interrelation of CLEAN with the energy efficiency bill enacted during the 1990 Session, SF 2403, and described the Division's responsibilities and programs under SF 2403. Mr. Jim Brown, Waste Management Authority, DNR, stressed the need for cooperative efforts in addressing environmental issues and described the Authority's waste reduction and recycling programs.

Dr. Richard Stinchfield, Executive Assistant to the President, University of Northern Iowa, spoke about the University's environmental education program and its Iowa Waste Reduction Center. Mr. Allan Stokes, Administrator, Environmental Protection Division, DNR, reported on the regulatory activities of the Division and the phasing-out of federal match programs for the costs of state regulatory efforts.

The Study Committee went on record as supporting the Legislative Council's decision to fund the University of Iowa's Ethanol Fueled Brazilian Truck Project.

#### Meeting of October 12, 1990

At its final meeting, the Study Committee was provided testimony by Professor Greg Carmichael, Co-director of the Center for Global and Regional Environmental Research, and Professor Gene Parkin, Director of the Center for Health Effects of Environmental Contamination (CHEEC) located at the University of Iowa. An overview was given of the environmental studies underway at those two Centers as well as a review of several other environmental-related studies and programs at the University of Iowa. These included the Public Policy Center's survey on the chemicals used by farmers, the Center for Biocatalysis and Bioprocessing's research in the area of bioremediation and biodegradable polymers, and the analysis being done by the Hygienic Laboratory of Superfund hazardous waste sites and asbestos testing. Professor Parkin described specific activities in which CHEEC is involved including assembling a database of historical municipal and rural water supply sources and studying fate and transport mechanisms of water contaminants for input to risk assessments. Mr. Ken Madden, Research Associate, provided an update on the Ethanol Fueled Brazilian Truck Project at the University of Iowa. He noted that the most asked question at his 17 major demonstrations was the percent of ethanol used by the trucks which is 95% ethanol and 5% water. Mr. Madden cautioned the Study Committee that ethanol should

not be oversold because it is not yet at a point of sophistication to be marketable throughout the entire United States.

After the lunch recess, the Study Committee heard from Mr. Merlin Hove, President of the Board of Directors of the Iowa Association of Municipal Utilities, on the Association's efforts in regard to energy efficiency, especially the High Efficiency Commercial Lighting Project. This project involved the retrofitting at 18 demonstration sites with energy-saving fluorescent tubes and ballasts resulting in an average savings at the sites of 26%. Mr. Hove also described the Association's Options 2000 Project which is a four-year program to provide community energy planning assistance to municipal utility communities.

The last presenter was Mr. Don Maniccia, Executive Director of the Hawkeye Area Community Action Program. This Program consists of providing assistance for the weatherization of housing in rural and urban Iowa. Among Mr. Maniccia's recommendations are that lottery funds be utilized to maintain and enhance the Weatherization Assistance Program, that smoke detectors be provided in all homes covered under the Program, and the use of new technology to reweatherize high-energy users which are ineligible for assistance under the United States Department of Energy programs for weatherization.

### RECOMMENDATIONS

The Study Committee considered the motion that was deferred at the first meeting which would have recommended that lottery revenues be deposited in the state general fund rather than a separate fund. This motion was defeated, four votes against to three votes for on the Senate side and five votes against to three votes for on the House side.

The Study Committee next discussed and voted on a bill proposal which contained, with a few changes, those provisions of the CLEAN bill which had been item vetoed by the Governor. These changes were to eliminate the item-vetoed annual appropriations account of the CLEAN and place that 5.5% of refunds into the energy efficiency account, to leave blank the percentage amounts for specific purposes under the item-vetoed environmental protection and energy efficiency accounts, and to delete the appropriation of sales tax receipts from the sale of lottery tickets to the RC2000 Program. The motion to recommend this bill proposal failed because it did not receive a majority vote in favor from the Senate members. The vote was four for to three against on the Senate side and five for to three against on the House side.