



Greater Des Moines Partnership 2009 State Legislative Agenda United to Drive Economic Growth: One Voice, One Mission, One Region

The Greater Des Moines Partnership is the economic and community development organization serving Greater Des Moines. The Partnership, which includes regional Affiliate Chambers of Commerce from Dallas, Polk, and Warren Counties, is united to drive economic growth: one voice, one mission, one region.

The Partnership believes that state government should set the stage for business competitiveness, entrepreneurship, and employment-generating investment by the private sector to promote economic growth. Economic growth is achieved by creating an environment that is conducive to business success, leading to job expansion and increased state and local revenues. The result will be an economically thriving state and growing communities that plan and build for the future. Accordingly, the Partnership supports statewide economic development policies that enhance innovation, infrastructure, human capital, and quality of place.

The Partnership appreciates the opportunity to work with the Governor and the General Assembly in striving to accomplish mutually beneficial legislative goals and objectives for the economic betterment of the State of Iowa.

Executive Summary

During the 2009 legislative session, the Partnership advocated for multiple pro-growth initiatives that were signed into law. In summary, the Legislature and Governor raised the annual cap on Historic Property Rehabilitation Tax Credits from \$20 million to \$50 million, enacted new tax incentives for data center projects, and provided \$12 million in continued funding for the Community Attraction and Tourism program, \$3 million in funding for passenger rail, continued funding for regional business accelerators, and funding for the D-Line downtown shuttle (\$200,000) and The Principal Riverwalk (\$750,000).

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In many ways, the success of this legislative session also is measured by the legislation that did NOT pass. Proposals to significantly reduce and restrict the research activities credit, restrictions on Tax Increment Financing, “Fair Share” legislation that would have compromised Iowa’s Right to Work status, the establishment of a prevailing wage rate for public construction projects, the modification of the workers compensation system to allow for doctor shopping, and open scope bargaining for public employees were all defeated.

The Partnership supported many other pro-economic growth priorities that were enacted and opposed other anti-business proposals that were successfully defeated.

This document contains the Partnership’s full 2009 State Legislative Agenda as approved by the Government Policy Council and Board of Directors. Each section of the Partnership’s platform is followed by an analysis (in italics) of the legislative action taken during the session on each particular issue. This legislative recap is intended to highlight and summarize important legislative changes affecting regional economic growth efforts and should not be considered a substitute for the legislation itself. A full copy of each bill can be reviewed on the Iowa General Assembly’s Web site at www.legis.state.ia.us.

The Partnership’s Board, Government Policy Council, Affiliates, and other community and statewide partners also should be recognized for their hard work to help achieve these accomplishments.

Economic Development

The Partnership believes that economic development is fundamentally about organizing private and public sector investment to increase innovation, job growth, income levels, and productivity in Iowa’s economy. Accordingly, the Partnership supports long-term, state funded incentive programs that communities can access and utilize in local economic development projects while preserving performance-based tax credits that encourage job creation and retention, capital investment, employee training, and higher wage levels.

- **Grow Iowa Values Fund and High Quality Job Creation Program**—The Partnership remains a leading advocate to preserve and further strengthen the Grow Iowa Values Fund and the High Quality Job Creation Program as indispensable economic development tools to transform Iowa’s economy. To this end, it is critical that the Legislature ensures that Iowans can continue to access reliable, fully funded economic development tools that encourage business relocation, expansion, and entrepreneurship in Iowa communities. The Grow Iowa Values Fund and the High Quality Job Creation Program will continue to provide significant economic assistance to prospective companies in the following targeted industry clusters, as well as others: life sciences, including biotechnology and value-added agriculture; advanced manufacturing; and information solutions, including insurance, financial services, and information

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technology. The Partnership recommends that the wage thresholds for job creation programs and tax credits continue to be reevaluated to make the programs more accessible to existing and new businesses.

SF 478 creates new data center tax incentives for 5000 square foot or larger data centers in terms of sales use and property tax exemptions and sales tax refunds on power and electricity for specified time periods.

SF 344 streamlines, standardizes, and simplifies the Values Fund by synchronizing the requirements for all forms of financial assistance funded through the Values Fund appropriation. SF 344 also adds a disaster component to the eligible uses of the Values Fund and creates an Opportunities and Threats Component to allow for more funding flexibility.

SF 469 appropriates \$15,860,972 to IDED for staff salaries and programs. This represents a cut of 11.68 percent from FY09 to FY10.

SF 483 caps the High Quality Jobs Program, Film, TV and Video Incentives, Research Activities Credits, and the Enterprise Zone Programs tax credit programs at an aggregate of \$185 million per fiscal year. This cap was originally set at \$175 million, but was raised to \$185 through the efforts of multiple pro-economic development groups. IDED maintains that it is highly unlikely that this cap will be reached. Additionally, per the legislation, IDED may move into the next year's cap if necessary and the excess will be counted against the next year's tax credit cap. IDED must report to the Dept. of Revenue by August 15 of each year regarding the tax credits allocated and awarded under the cap. Additionally, SF 483 alters the carry forward and carry back provisions of net operating losses by corporations in filing their state income taxes.

SF 478 strikes the Enterprise Zone Housing Assistance Program down payment assistance or rental assistance for employees in new jobs, as the incentive has never been used.

- **Promote Entrepreneurship**—The Partnership encourages the continued enhancement of existing entrepreneurial support networks across the state that provide technical assistance to entrepreneurs in growing their businesses and encourages the continued support and improvement of venture capital programs that promote entrepreneurship and business growth across Iowa. To this end, the Partnership supports:
 - **Regional Business Accelerators**—The Partnership supports enhanced funding for regional business accelerators that assist entrepreneurs in taking the next steps forward in moving their products and service to new or additional markets, raising capital, becoming more profitable, and adding new jobs.
 - **Seed Capital Fund Investment Tax Credit**—The Partnership supports extending the existing program timeframe and replenishing the angel investment tax credits. The program provides for a limited investment tax credit up to 20 percent of an individual's equity investment in a qualified business.
 - **Targeted Industries Tax Credit**—The Partnership supports the creation of a tax credit certificate transfer program to provide much needed working capital to

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small start-up companies focusing on biotechnology, life sciences, software and information technology, advanced manufacturing, value-added agriculture, and other targeted industries.

- **VentureNetIowa**—The Partnership supports extending and expanding the VentureNetIowa statewide collaboration and commercialization program to identify and work with high growth potential startups, collaborations, and joint ventures to inject management talent, connect to Regional Business Accelerators, develop linkages to angel and venture capital, and commercialize technologies.
- **AngelNetIowa**—The Partnership supports funding AngelNetIowa as an adjunct to VentureNetIowa to expand Iowa’s angel capital supply, network local funds together, train angels, bring “best practices” to angel investing, and empower angel funds to become successful investors.

HF 822 appropriated \$585,000 for regional marketing and regional business accelerators, \$315,000 for Small Business Development Centers, \$2.7 million for the Demonstration Fund in the IDED Innovation and Commercialization Division, and \$4.5 million to the Regents for commercialization and tech transfer.

SF 142 creates the Innovation and Commercialization Fund, which combines the 11 line items that fund the Innovation and Commercialization Division activities giving this division much more flexibility in its operations and removes IDED from the process through which third party developers obtain tax credits.

SF 478 requires the Iowa Capital Investment Corporation and Fund of Funds administrators to submit a financial statement annually to Auditor of State.

Additionally, legislation that would have extended the Seed Capital Investment Tax Credit passed both the House and Senate Economic Growth Committees (HF 624 and SF 369), but failed to advance in either the House or Senate Ways and Means Committees.

- **Research Activities Credit**—The Partnership supports allowing businesses to either continue calculating the Research Activities Credit (RAC) as is currently allowed or utilize the most current alternative method available to federal taxpayers. The refundability of the RAC is a significant stimulus for further economic development. It encourages high quality jobs to be retained and attracted to Iowa. This tax credit must be maintained and should be strongly promoted in the state’s efforts to attract businesses.

Although legislation was introduced to significantly reduce and/or modify the Research Activities Credit (RAC), the RAC, including the refundable component, was preserved. However, SF 478 requires the Department of Revenue to annually submit a report to the legislature showing total claims and refunds issued on research activities tax credits and, if the claim exceeds \$500,000, provide the name of the individual or business receiving the tax credit. The Governor vetoed the language, which applied retroactively to FY09 tax year. Additionally, SF 483 caps the High Quality Jobs Program, Film, TV and Video Incentives, Research Activities

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Credits, and the Enterprise Zone Programs tax credit programs at an aggregate of \$185 million per fiscal year. This cap was originally set at \$175 million, but was raised to \$185 through the efforts of multiple pro-economic development groups. IDEED maintains that it is highly unlikely that this cap will be reached. Additionally, per the legislation, IDEED may move into the next year's cap if necessary and the excess will be counted against the next year's tax credit cap. IDEED must report to the Department of Revenue by August 15 of each year regarding the tax credits allocated and awarded under the cap. Additionally, SF 483 alters the carry forward and carry back provisions of net operating losses by corporations in filing their state income taxes.

- **Insurance Industry New Jobs Tax Credit**—Iowa companies that participate under the Iowa Industrial New Jobs Training Act and that expand their workforce by at least 10 percent are granted corporate income tax credits. Those tax credits are good incentives to grow Iowa jobs. However, those income tax incentives for new job growth are not available to Iowa based insurance companies. The Partnership supports expanding the new jobs tax training credits to Iowa insurance industry employment growth and credits to be applied against insurance company premium taxes.

Legislation expanding new jobs training credits to insurance industry employment growth (HF 804) was introduced, but did not advance this session.

- **Tax Increment Financing (TIF)**—The Partnership supports Iowa's TIF law and opposes any effort by the legislature to limit its scope, duration, or flexible use for commercial and industrial development. TIF is the primary local economic development tool available to cities and counties to use in their business and community development efforts. It is a catalyst for economic growth and adds millions of dollars each year in property value at the local level for taxing jurisdictions. TIF has a proven track record in Iowa as a responsibly managed commercial and industrial development incentive that has served the Iowa taxpayer to the benefit of all taxing jurisdictions.

A number of bills were introduced that could have significantly limited TIF, but none advanced this session.

- **Targeted Small Business (TSB) Program**—The Partnership supports continued state funding for the TSB Program to promote the growth, development, and diversification of Iowa businesses owned and operated by minorities, women, and persons with disabilities.

SF 142 provides non-reversion language for the Targeted Small Business Program.

Other Economic Development Legislation of Interest

SF 480 expanded the film incentive tax incentive program by including new spending thresholds and claim caps on labor and personnel, including the Director, Principal Producers, and Principal Talent. The legislation also requires that the Director, Principal Producer, and Principal Talent become qualified Iowa vendors either by incorporating in Iowa or through

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residency to receive benefits and requires the qualified vendor to amortize their tax exclusion benefits over four years at 25 percent per year.

Sustainable Development

The Partnership supports non-mandated incentives that encourage green development, energy efficiency, historic preservation, environmental clean-up, and sustainable economic growth, redevelopment, and revitalization.

- **Green Development**—The Partnership supports non-mandated commercial, industrial, and residential green building and redevelopment programs that promote and encourage energy efficiency and other environmentally-friendly practices.

SF 452 creates a Community Grant Program for Energy Efficiency that allows cities, counties, nonprofits, conservation, and environmental groups to apply to OEI for grants in the amount of \$1,000 to \$50,000, with a 50 percent match requirement, to undertake energy efficiency projects.

SF 482 establishes the Summer Youth Corps within the Iowa Commission on Volunteer Services. A competitive grant process will provide funding for a summer enrichment program for Iowa youth focusing on energy conservation, emergency and disaster preparedness, technology uses, and mentoring of middle school youth through summer of service projects. SF 482 also establishes the Iowa Green Corps Program in conjunction with DNR and IWD to provide capacity building projects in communities across Iowa emphasizing energy efficiency, historic preservation, neighborhood development, and storm water reduction and management.

- **Historic Rehabilitation Tax Credits**—Historic rehabilitation tax credits stimulate downtown housing, business expansion, cultural growth, neighborhood revitalization, historic preservation, and other sustainable redevelopment efforts. The Partnership supports raising the cap on Historic Property Rehabilitation Tax Credits to reduce the backlog of existing projects and to allow for new historic property rehabilitation projects.

SF 481 increases the annual historic preservation tax credits authorized to be awarded from \$20 million to \$50 million. The \$50 million would be allocated in following manner: 10 percent or \$5 million would be allocated for projects less than \$500,000; 30 percent or \$15 million would be allocated for projects within a Cultural and Entertainment District and Great Places; 20 percent or \$10 million would be allocated for disaster recovery; 20 percent or \$10 million would be allocated for projects that would create 500 jobs or more; and 20 percent or \$10 million would be statewide. The legislation also requires qualified projects to begin construction and place buildings in service following specific timelines.

- **Brownfields and Grayfields Redevelopment**—The Partnership supports raising the cap on the brownfields and grayfields redevelopment tax credit program, enacted during the

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2008 legislative session to encourage green sustainable redevelopment efforts and to revitalize economically obsolescent and energy-inefficient structures and commercially blighted areas. The Partnership also supports increasing funding to the Iowa Brownfields Program to work in conjunction with the federal brownfields program to assist communities with brownfield environmental site investigation and remediation costs.

SF 467 appropriates \$500,000 to IDED for Brownfield Redevelopment Grant funding.

- **Eminent Domain**—The new restrictions on Iowa’s eminent domain law severely and unnecessarily restrict an essential revitalization tool for communities. The previous law provided strong protections for private property owners, while at the same time permitting responsible sustainable economic redevelopment efforts that significantly benefit Iowa’s communities. Accordingly, the Partnership supports easing the restrictions on the responsible use of eminent domain to promote sustainable revitalization and redevelopment in slum and blighted areas in urban renewal areas, while preserving agricultural land. With the additional restrictions placed on the use of eminent domain, new economic development tools are needed to continue the revitalization and sustainable redevelopment of urban renewal areas.

No legislation easing eminent domain restrictions for urban redevelopment advanced this session.

Energy

The Partnership supports non-mandated incentives to develop, expand, and promote Iowa’s renewable energy sources, research and development of technology to reduce greenhouse gas emissions from traditional energy sources, and encourage the development of energy efficient and other green products and processes.

- **Energy Development**—The Partnership supports comprehensive policies that ensure energy remains affordable, reliable, and available for the state’s businesses and communities. The Partnership urges lawmakers and regulators to continue to act on an energy policy that will bring long-term benefits to all Iowans, reduce the nation's dependence on foreign sources of energy, and implement regulatory changes that will allow Iowa businesses to better compete. In particular, the Partnership supports the continued development, expansion, and promotion of Iowa’s renewable energy sources, including biofuels, wind, solar, hydrogen, and forms of alternative energy, while avoiding mandates. The Partnership also supports continuing to explore the transport of biofuels via pipeline. Additionally, the Partnership supports research and development in clean coal technologies, nuclear, hydro, and other more traditional energy sources.

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In an effort to enhance Iowa's wind energy industry, HF 817 allows an eligible business to claim a tax credit for increasing wind energy production research activities, SF 456 modifies the eligibility requirements applicable to the wind energy production tax credits, including making school districts and community colleges eligible for tax credit certificates if they install a wind turbine, and HF 810 establishes the small wind innovation zone program through the Iowa Utilities Board with the objective of optimizing the local, regional, and state benefits from wind and to facilitate and expedite interconnections to Iowa electric utilities

SF 279 authorizes, under certain circumstances, the upgrading of 34.5 kilovolt electric transmission lines to 69 kilovolts using a franchise process.

SF 467 appropriates \$300,000 for Renewable Fuels Infrastructure Fund, and SF 423 modifies the equipment requirements for a retail dealer in dispensing ethanol gasoline under certain circumstances. HF 822 provides \$1 million for Renewable Energy Tax Credit and \$1.8 million for renewable fuels.

SF 478 creates a property tax exemption for methane conversion properties.

- **Energy Efficiency and Green Innovation**—The Partnership supports non-mandated incentives that encourage the entrepreneurial development of energy efficient products and processes and other environmentally-friendly green innovation.

SF 471 transfers energy-related programs from the Department of Natural Resources to the Office of Energy Independence (OEI), authorizes OEI to coordinate the Energy City Designation program, allows the use of federal stimulus funds to assist Iowa businesses in creating jobs involving energy efficiency and renewable energy, requires OEI to coordinate with other state agencies regarding the implementation of the Office of Renewable Fuels and Co-products at the Iowa Department of Agriculture and Lands Stewardship, and allows the Iowa Power Fund Board to transfer up to \$1 million per year to IDED for the purpose of funding the research activities credit relating to innovative renewable energy generation.

SF 478 appropriates \$20 million for the Iowa Power Fund for FY10.

Taxes

The Partnership believes Iowa's tax code should encourage business growth, limit the size and costs of government, and reflect the principles of equity, neutrality, simplicity, and predictability. Accordingly, the Partnership urges comprehensive and meaningful property and income tax reform and opposes efforts that would increase the tax burden on Iowa businesses.

- **Commercial and Industrial Property Tax Relief**—Recognizing that Iowa's current property tax system places an increasingly undue burden on commercial and industrial

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properties, the Partnership supports the development of a simplified property tax system that is equitable to all classes of property and more competitive with neighboring states. The system should be based on actual value and usage of the property, provide adequate safeguards to prohibit spikes in rates and assessments, prevent burden shifting among classes of property over time, and not create an undue burden on local governments. Specifically, the Partnership supports putting a floor on the rollback to prevent further shifting of the property tax burden to commercial and industrial properties, the continuation of local franchise fees, and other measures to provide commercial and industrial property tax relief. The Partnership urges careful evaluation of the comprehensive property tax reform recommendations of the bipartisan Legislative Property Tax Study Committee.

SF 478 providing for funding of property tax credits and reimbursements.

SF 478 also enacted a 5 percent cap on local franchise fees. The legislation also restricted spending of franchise fee revenue to property tax relief, repair or remediation of existing public improvements and other publicly owned property, buildings and facilities, disaster mitigation, economic development activities, property tax abatements, or abatements of other fees. Multiple other proposals to reduce the property tax burden on commercial and industrial properties were introduced, but none advanced.

- **Open Scope Bargaining**—The Partnership supports preserving Iowa’s current public employee collective bargaining law and opposes any changes that could put additional strains on local property tax rates.

Legislation creating open scope bargaining for public employees (HF 821) was introduced, but did not advance this session.

- **Income Tax Reform**—The Partnership supports the simplification and overall reform of the income tax system.
 - **Federal Deductibility**—Federal deductibility creates confusion, leads to the perception that Iowa’s tax rates are inordinately high, and is a disincentive to business investment in Iowa. Publications and statistical data used in marketing the state continue to show a skewed view of the true income tax liability of companies and individuals by showing the combined rate of tax. A small asterisk may signify the deductibility caveat, but is mostly overlooked by those looking to invest in Iowa. The Partnership supports a simpler, more transparent tax system that repeals the deductibility of federal income tax on state income tax returns provided that it is coupled with significant corresponding rate reductions to make Iowa more competitive for business attraction, expansion, and retention. Any such income tax reform should be revenue neutral for all taxpayers to the greatest

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extent possible, provide equitable treatment to all classes of taxpayers, be revenue neutral for the state, and help protect against future tax increases.

Legislation (HF 807) was introduced that would have repealed federal deductibility for individual income taxpayers. The proposed legislation did not provide equitable treatment for all classes of taxpayers as there was a deliberate tax shift among classes. HF 807 did not advance.

- **Combined Corporate Reporting**—The Partnership opposes the adoption of a combined corporate income tax reporting structure in Iowa. Moving to combined unitary reporting would add complexity to an already complex system, may lead to costly litigation, and may result in a net revenue decrease for the state.

Legislation to adopt combined or unitary corporate income tax reporting for companies domiciled outside of Iowa on income generated outside of Iowa (SF 211) was introduced, but did not advance this session.

Other Tax Legislation of Interest

SF 483 contains a tax increase on corporations in the form of disallowing such entities from carrying back net operating losses (NOLs) to prior years so as to offset income from those years. Under the bill, NOLs can only be carried forward. This provision was made retroactive to corporate NOLs occurring in tax years beginning on or after January 1, 2009 (the carryforward period is limited to 20 years). The effect of the legislation is an increase in the overall effective tax rate, over time, on businesses, but it is especially harsh on those that are struggling economically and go out of business.

The General Assembly took no action to conform with the most recent federal extender provisions (such as the educator expense tax deduction, the tuition deduction, etc.) for 2009, except for increased Section 179 expensing.

Business Climate

To encourage business expansion and foster the growth of new and existing businesses, the Partnership supports the preservation of Iowa's business climate, removing regulations that act as hidden taxes, inhibit innovation and investment, hinder productivity, and stifle economic growth, and continued efforts to improve government efficiencies.

- **Preservation of Business Climate**—To maintain and enhance Iowa's attractiveness to current and potential businesses, it is essential that Iowa do what is possible to lower costs to businesses and employers and maintain the current balance of employee and management protections. Accordingly, the Partnership supports the preservation of

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Iowa's "Right to Work" law, supports Iowa's current workers' compensation and unemployment systems, opposes mandating prevailing wage rates for public construction projects, opposes annual cost of living indexing of the minimum wage, and opposes changes to the Iowa Consumer Protection Act that would allow overly broad and overreaching private causes of action.

"Fair Share" legislation (HF 555) that would have compromised Iowa's Right to Work status, the establishment of a prevailing wage rate for public construction projects (HF 333), and the modification of the workers compensation system (HF 795/SF 155) to allow for doctor shopping all failed to advance this session.

Other business climate bills that did not pass include: HF 775, which would allow workers' compensation industrial benefits in addition to scheduled member benefits; HF 758, which would create new claim for damages in wrongful death case for "loss of enjoyment of life"; HF 681, which would require employers with more than 25 employees to provide 30-day notice of mass layoffs or business closing; SF 413, which would expand wage collection authority for labor commissioner including personal liability for officers of company; and SF 96, which would expand the Civil Rights Commission ability to subpoena documents and witnesses as part of initial investigations.

Key business climate legislation that did pass includes HF 712, which creates a private cause of action for consumer fraud, allows for attorneys fees and class action law suits. However, there are multiple exclusions that were included in the final legislation, including insurance companies, attorneys licensed to practice law in Iowa, financial institutions (i.e., state and federally chartered banks, credit unions, and savings and loans, including any of their affiliates and subsidiaries), hospitals, health care facilities (i.e., nursing homes and residential care facilities), hospice programs, doctors, physical therapists, occupational therapists, physician assistants, podiatrists, chiropractors, nurses, dieticians, respiratory therapists, dentists, optometrists, psychologists, social workers, marital and family therapists and counselors, pharmacists, funeral directors, veterinarians, insurance agents, public accountants, professional engineers and land surveyors, real estate agents, architects, and landscape architects.

Other business climate legislation that did pass includes: SF 137, which creates claim for wage discrimination under Iowa Civil Right Act against employers with four or more employees; and SF 478, which allows an employee injured out-of-state to use the Iowa workers' compensation law when "the employer has a place of business in this state and the employee is domiciled in this state," defines what a reasonable or probable cause or excuse is for an employer to deny, delay or terminate workers compensation benefits, and increases the workers' compensation filing fee from \$65 to \$100.

- **Lean Processing in Government**—The Partnership supports the continued efforts of the Iowa Department of Management's Lean Process Program to continue the streamlining of state government to improve efficiencies and maximize cost effectiveness by

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simplifying processes, reducing costs and duplication of efforts, and making government more user friendly for businesses. With the help of experienced business partners, several state departments have made strides in process improvement, but there are many more opportunities to create more efficiencies and reduce more costs.

SF 98 creates a Lean Enterprise Office at the Department of Management to ensure the implementation of lean tools and enterprises as a component of performance management for all executive branch state agencies. The Legislature also established an interim State Government Reorganization Committee to make recommendations for the 2010 legislative session. Its mission is to find ways to improve state services, share costs across departments, increase efficiencies and save money.

SF 478 requires the Department of Administrative Services to conduct a job classification study for state employment. Once the study is completed, agencies will have 14 days to move staff to proper classifications.

Education and Workforce Development

The Partnership strongly believes that a strong education system and proven workforce development programs are critical components of economic development. Tomorrow's workforce requires high-level reading, structured problem-solving, effective oral and written communications skills, and the ability to work in diverse groups. The Iowa Works Campaign calculates that Iowa will have 150,000-200,000 more jobs than it has workers, with the Greater Des Moines economy alone facing a shortage of 60,000 workers in the next six years. Iowa's greatest imperative is that all learners are prepared for the 21st Century at a time when Iowa businesses currently face a critical need for qualified workers for both entry level and skilled positions. We must strive for a postsecondary credential – diploma, college degree, license or certificate of employability – for all learners. The readiness of Iowa's workforce will determine Iowa's economic security, prosperity, and quality of life. Accordingly, the Partnership supports the following:

- **Early Childhood Education**—The Partnership supports continued investment in accredited pre-kindergarten early education programs to help ensure readiness for kindergarten, increase high school graduation rates, and develop a strong, stable, and productive workforce for tomorrow. Research shows that employees with access to quality early childhood education for their children exhibit greater productivity in the workplace, experience a lower rate of absenteeism, have a lower overall job turnover rate, and are better contributors to employer sales and company profit. Research further indicates that every dollar invested in a child's pre-kindergarten education will return \$7 in reduced costs for special education, state assistance, and/or correction system costs later.

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SF 470 allocates \$11,538,863 to eligible school districts for the four-year-old voluntary preschool program and \$8,772,150 for Iowa Empowerment Fund preschool tuition assistance.

- **K-12 Education**—The Partnership supports bold, innovative recommendations to improve Iowa’s education system to meet the workforce needs of Iowa’s new economy. The Partnership supports the following legislative solutions that can be enacted to better equip our students to compete in the global marketplace and strengthen accountability. To this end, the Partnership supports:
 - Establishing state-level 21st Century learning standards and assessments focused on student achievement;
 - Implementing a career ladder to provide teachers compensation and more professional development opportunities for career advancement to enhance recruitment and retention of quality teachers;
 - Increasing focus on science, technology, engineering, and mathematics (STEM) learning;
 - Implementing initiatives to promote regional efficiencies and consolidation efforts; and
 - Evaluating reform efforts to further implement year-round school and lengthen the school day and school calendar year.

SF 470 makes numerous appropriations to PK-12 school districts, AEAs, and community colleges, including \$1,979,540 for implementing the statewide core curriculum for school districts and accredited non-public schools and a state-designated career information and decision-making system, \$7,614,750 for the student achievement and teacher quality program, \$1,125,000 for national board certified teacher stipends, \$3,949,750 for beginning teacher mentoring, and \$438,282 for the teacher shortage forgivable loan program. HF 820 also directed federal stimulus dollars to education funding in the state, including \$40 million to replace a \$40 million reduction to the state general fund for state foundation aid for school districts and \$2 million for professional development related to the implementation of the model core curriculum. HF 687 eliminates unnecessary duplication of data reported by schools to the Department of Education. SF 360 makes changes to the accreditation and re-organization of school districts.

Legislation (SF 359, HSB 24, HSB 39) creating a statewide writing standard was introduced this session, but did not advance.

- **Higher Education**—The Partnership supports sufficient state funding for community colleges and Regents institutions and the continuation of the Iowa Tuition Grant that invests in financially eligible students who attend independent colleges in Iowa to keep the costs of higher education in Iowa affordable and to help reduce student loan debts for Iowa’s future workforce.

The Iowa Tuition Grant for non-profit colleges and universities appropriation includes \$45 million from the Education Appropriations Bill (SF 470) and an additional \$2 million from the

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Standings Bill (SF 478). This represents a decrease of 4.3 percent. SF 470 also provides funding for the Regents institutions.

- **Open Scope Bargaining**—The Partnership supports preserving Iowa’s current public employee collective bargaining law and opposes any changes that could negatively impact student achievement, teacher quality, and other core education administrative decisions.

Legislation creating open scope bargaining for public employees (HF 821) was introduced, but did not advance this session.

- **Workforce Development**—The Partnership believes the state should continue to encourage partnerships between Iowa’s business and industry and community colleges and other education institutions and supports continued training incentives to businesses. The Partnership supports continued funding and refinement of proven programs within IDED, Iowa Workforce Development, and the Iowa Department of Education to meet the ever-changing workforce needs of Iowa companies in the 21st Century, including the funding for laborshed studies. To this end, the Partnership supports the following “Meeting Iowa’s Workforce Challenge” recommendations for state workforce development programs: (1) measure success, ensure accountability; (2) invest in regional strategies and industry-based public-private partnerships; (3) build career pathways to good jobs for all Iowans; and (4) provide Iowans with lifelong access to skills training and educational opportunities.

SF 470 provides \$158,678,501 to the state’s community college system. HF 820 also directed \$23,100,000 from federal stimulus funding directed to community colleges.

HF 822 appropriates \$6.3 million to the Community College Workforce Training and Economic Development Fund and \$2 million to the Workforce Training and Economic Development Fund.

SF 478 establishes an interim Job Training Study Committee to examine job training issues during the 2009 interim.

SF 376 appropriates \$5.5 million for the Accelerated Career Education (ACE) capital projects at Community Colleges.

SF 482 establishes the Summer Youth Corps within the Iowa Commission on Volunteer Services. A competitive grant process will provide funding for a summer enrichment program for Iowa youth focusing on energy conservation, emergency and disaster preparedness, technology uses, and mentoring of middle school youth through summer of service projects. SF 482 also establishes the Iowa Green Corps Program in conjunction with DNR and IWD to provide capacity building projects in communities across Iowa emphasizing energy efficiency, historic preservation, neighborhood development, and storm water reduction and management.

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SF 82 adds four non-voting members to the Iowa Workforce Development Board, including an IDEED representative, a member of vocational rehabilitation community, a Department of Education representative, and a U.S. Department of Labor representative.

SF 197 provides unemployment compensation eligibility expansion, including the alternative base period and expanded benefits for those enrolled in certified training programs for high demand occupations.

HF 811 authorizes the transfer of \$179,961 from the Department of Elder Affairs to IDEED and the Iowa Commission on Volunteer Services for the Retired Senior Volunteer Program (RSVP).

SF 478 repeals the assistive device tax credit for employers. However, the Governor line-item vetoed this provision.

- **Workforce Retention and Recruitment**—To help address Iowa’s workforce needs, the Partnership encourages policies and practices by the government and private sector to support the legal immigration of new Iowans, to encourage former Iowans and other non-residents to relocate to Iowa, and to retain current Iowans.
 - **Immigration**—The Partnership encourages policies and practices by the government and private sector to support the legal immigration of new Iowans. These efforts should include a stronger focus on English as a Second Language (ESL) training, workforce training for immigrants, and continued support for regional Diversity Welcome Centers to assist new residents with overcoming legal and cultural obstacles. The Partnership also supports comprehensive immigration reform at the federal level, but opposes state-based punitive anti-immigration proposals.

No new laws creating new employer sanctions and state restrictions on immigration advanced this session. SF 469 provides continued funding for New Iowans Centers.

- **Future Workforce Recruitment and Retention**—The Partnership also supports the creation of a forgivable loan program for Iowa higher education students who stay in the state following graduation and a tax credit for employers that pay down employee student loans in an effort to recruit and retain our future workforce.

Legislation was introduced allowing for a tax deduction for the principal and interest payments on student loan debt (HF 738) and for creating a tax deduction for employers who help pay off their employees’ student loans (HF 617), but did not advance this session.

SF 478 modified the Generation Iowa Commission to include representatives from IDEED and IWD as non-voting, ex-officio members.

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- **Financial Literacy**—The Partnership supports public policy initiatives that encourage educational institutions and adult education programs to improve the financial literacy of all Iowans. Financial education will encourage greater personal savings, is essential to help consumers avoid financially-destructive transactions and fraud and to exercise their consumer protection rights, and helps individuals create household budgets, initiate savings plans, manage debt, and make strategic investment decisions to plan for retirement, health care, and education. In terms of workforce recruitment and retention, Iowa's higher education students rank in the top ten for total school debt at the time they graduate. Various studies have shown that high debt levels are a strong contributing factor of Iowa students taking jobs outside of Iowa. Since many Iowa students tend to express a desire to stay in Iowa for a career, teaching basic financial literacy will lead to lower debt levels and more Iowans staying in the state after graduation.

Multiple financial literacy bills were introduced this session, but none advanced. Continued efforts to create a Governor's Council on Financial Literacy are ongoing.

Health Care

The Partnership is very concerned about the continued escalation of health care costs for businesses and employees. In an effort to build on the recently enacted bipartisan health care reform legislation, the Partnership supports a market-based approach to reduce health care costs and supports the following legislative policies:

- **Wellness Incentives for Small Businesses**—The Partnership supports incentives for businesses to implement wellness and prevention programs for its employees. Wellness and prevention programs can decrease the financial burdens of health care and make employees healthier. The incentives may include tax credits for preventative and maintenance health care and wellness services, such as smoking cessation treatments, lifestyle changes, regular doctor visits, disease management, screenings, and health and fitness facilities. The Partnership urges careful evaluation of the small business wellness tax credit recommendations of the Iowa Department of Public Health.

Legislation that encompassed the Iowa Department of Public Health's plan to provide a tax credit to small businesses that provide qualified wellness programs was introduced (SF 244), but did not advance.

- **Health Insurance Tax Credits for Small Business**—The Partnership supports passage of focused tax credits, especially for small businesses, to increase the affordability of private health insurance and decrease the number of uninsured Iowans.

See above discussion on wellness incentives for small businesses.

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- **Health Care Workforce**—The Partnership recognizes the continuing shortage of clinical health care professionals in Iowa and supports efforts to expand Iowa's health care workforce through workforce and education incentives, including enhanced health science college funding to reduce waiting lists for training allied health care practitioners, supporting coordinated health care practitioners recruitment, internship, and residency initiatives, and additional workforce and educational incentives for clinical health care professionals.

SF 460 appropriated \$90,293 for the registered nurse and nurse educator loan forgiveness program and \$91,669 for forgivable loans to Iowa students attending Des Moines University.

SF 389, the health care reform bill, establishes a health care workforce support initiative, including a health care workforce shortage fund. This includes the establishment of: Medical Residency Training Grants, Health Care Incentive Payment Program, a Nurse Educator Incentive Payment Program, a Nursing Faculty Fellowship Program, and a Registered Nurse and Nurse Educator Loan Forgiveness Program; and a Safety Net Provider Recruitment and Retention Initiative. The division also establishes a physician assistant mental health fellowship program. All these workforce programs are to be implemented to the extent that funding is available.

- **Medicaid Reimbursement**—The Partnership supports appropriate reimbursement levels for Medicaid programs to cover the cost of physical and mental health care of program recipients. The Partnership opposes further reductions in Medicaid reimbursements and supports equitable treatment of providers, payers, and beneficiaries in these programs. The Partnership also supports the renewal of the IowaCare waiver.

HF 811 keeps Medicaid reimbursements to physicians and hospitals at level funding with no increase. Federal stimulus money is included in the Department of Human Services budget to avoid any cuts.

- **Medical Liability Reform**—The Partnership supports the creation of a Certificate of Merit initiative that would require, prior to the filing of a medical malpractice lawsuit, the filing of an affidavit with the court certifying that the case was reviewed by a qualified medical expert.

No legislation creating a Certificate of Merit advanced this session.

Other Health Care Legislation of Interest

SF 389, the health care reform bill creates a Legislative Health Care Coverage Commission, expands Adult Children Health Care Coverage, expands the HAWK-I program to increase insurance coverage for kids, expands the volunteer health care provider immunity program to include specialty health care providers, establishes a health care workforce support initiative,

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increases legislative oversight, requires all health licensing boards to report to the any public information regarding sanctions levied against a health care professional for receipt of gifts that are not in compliance with any such requirements or limitations established by the board, and codifies that the Iowa Department of Public Health shall enter into a memorandum of understanding with the Iowa Hospital Association to collect, maintain, and disseminate hospital inpatient, outpatient, and ambulatory information. The Legislative Health Care Coverage Commission includes a representative of large employers, Iowa insurers, health underwriters, a health care provider, labor, pre-Medicare population, middle-income adults and families and low-income adults and families, small business, non-profit entities, and independent insurance agents, the Insurance Commissioner, directors of the Departments of Human Services and Public Health and four members of the General Assembly as ex-officio, non-voting members. The commission is required to develop an Iowa health care reform strategic plan which includes, but is not limited to review, analysis, and recommendations for the following: options and recommendations for the coordination of a children's health care network; options and recommendations for children, adults, and families to transition among public and private health care coverage options; options and recommendations for subsidized and unsubsidized health care coverage programs with the goal that the contribution be no more than 6.5 percent of family income; options and recommendations to offer a program to provide coverage under a state health or medical group insurance plan to non-state public employees; the consequences of requiring each employer in Iowa with more than 10 employees to adopt and maintain a Section 125 cafeteria plan; and options and recommendations for development of a long-term strategy to provide access to affordable health care coverage to the uninsured in Iowa. The legislation also requires mandatory indication of dependent child health care coverage on 2010 tax forms.

HF 811 directs the Executive Committee of the Electronic Health Information Advisory Council to review the electronic exchange of patient information by health care providers. The intent is to recommend ways to increase the electronic sharing of treatment-related information among providers.

SF 478 mandates private health insurance to provide residential coverage for pediatric medical care, SF 478 mandates private health insurance to provide coverage for cancer prescription drugs the same way intravenous treatments are given in hospital, and HF 311 mandates private health insurance to provide expanded coverage for prosthetics.

Transportation and Infrastructure

The Partnership, which strongly believes that investing in transportation and infrastructure is a core function of state government that is critical to driving commerce, efficiently moving goods and people, creating jobs, and spurring additional economic growth, supports the following public policy priorities:

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- **Surface Transportation Funding**—Continuous investment in Iowa’s public roadway system is essential to support economic growth and help attract new businesses to the state. The Partnership supports the new funding formula for additional surface transportation funding established by the Transportation Investment Moves the Economy in the Twenty-First Century Fund (TIME-21). The Partnership will continue to work with the General Assembly and the Iowa Department of Transportation (IDOT) in prioritizing the new TIME-21 revenue streams and evaluating potential new or alternative sources of surface transportation revenue. The Partnership also supports continued improvements to the existing Road Use Tax Fund (RUTF) to allocate more money for highly traveled primary roads.

SF 376 authorizes the issuance of revenue bonds with net proceeds of \$545 million—\$185 million will be used for projects that meet the definition of vertical infrastructure and the remaining \$360 million will be used for the I-JOBS Program, which includes watershed flood rebuilding and flood prevention projects, soil conservation projects, sewer infrastructure projects, specified housing and public service shelter projects, public broadband technology grants, alternative energy projects, and for deficient bridges. Iowa Finance Authority oversees the program. This legislation also creates the I-JOBS Board consisting of state agency heads and members of the general public. The I-JOBS Board will allocate funds on a competitive basis and may award grants up to 75 percent of total project for disaster related projects and up to 50 percent of the total cost for all other projects. Project funds must be expended within three years of allocation date. \$118.5 million will be allocated for competitive grants for local infrastructure projects. The I-JOBS appropriation bonds are exempt from state income tax.

HF 822 provides \$14,750,000 to the Department of Transportation to assist local governments to rebuild and repair local roads. Fifty percent of the amount appropriated will be deposited in the street construction fund of the cities and fifty percent will be deposited into the secondary road fund of the counties, to be used for construction, reconstruction, repair, and maintenance, and must be expended within two years.

SF 478 increases penalties for motor fuel tax violations.

- **Transit Funding**—The Partnership supports continued funding for the IDOT Public Transit Infrastructure Grant Fund. The Partnership also supports continued state funding to help operate the downtown Des Moines shuttle that services the Iowa Capitol Complex and other state buildings, state funding for the Greater Des Moines Rapid Transit Project and the Downtown Des Moines Transit Hub, and continued subsidized transit service for state employees.

HF 822 appropriated \$200,000 for the downtown shuttle. Of that amount, \$50,000 must be used to encourage state employees to utilize transit services provided by the Des Moines Area Regional Transit. HF 822 also funded the Public Transportation Infrastructure Grant Fund at \$1,250,000.

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- **Rail Funding**—The Partnership supports funding the IDOT-proposed Passenger Rail Fund Program to provide matching funding for the recently enacted federal State Capital Grant Program for passenger rail infrastructure development, with the goal of restoring passenger rail service from Omaha to Chicago via Des Moines along the Iowa Interstate Railroad. The Partnership also supports continued investment in the IDOT Rail Revolving Loan and Grant Fund to help develop rail spurs and support Central Iowa's new intermodal freight facilities in recognizing that the freight rail system provides critical infrastructure for transporting certain commodities and other commercial goods.

HF 822 provides \$5.5 million over three years for the Railroad Revolving Loan and Grant Fund and \$3 million for expanding passenger rail service in Iowa. Additionally, SF 151 includes several provisions related to freight and passenger rail service. The bill eliminates the Iowa Railway Finance Authority and transfers the responsibilities for the administration of the Rail Revolving Loan and Grant Fund and Passenger Rail Service Revolving Fund to the Department of Transportation. In addition, the bill removes the maximum threshold that applies to grants in the Rail Revolving Loan and Grant Program, and expands the Director of Transportation's authorization to enter into agreements related to passenger rail service.

- **Aviation Funding**—The Partnership supports continued Rebuild Iowa Infrastructure Funding for the commercial service and general aviation airports in Iowa through the IDOT Office of Aviation.

HF 822 appropriated \$750,000 for general aviation airports and \$1.5 million for commercial service airports. SF 419 excludes aviation fuel from the excise tax rate formula.

- **Water and Sewer Infrastructure**—Just as roads and bridges are vital to the Iowa's economy, drinking water and wastewater infrastructure provides essential services to Iowa's citizens and businesses. These infrastructure challenges present expensive and complex problems for communities, and ultimately their water users. Whether because of aging or outdated infrastructure or additional federal and state regulatory requirements, rate increases for Iowans due to multimillion dollar infrastructure upgrades threaten economic development and stifle growth. Accordingly, the Partnership supports policies that will address the multitude of drinking water and wastewater infrastructure challenges facing Iowa's communities.

SF 376 appropriates \$55 million to the Iowa Finance Authority for water quality and wastewater improvement projects, \$35 million of which must be used in communities under 10,000 in population. HF 468 directs the IFA to establish an unsewered community revolving loan fund to fund communities without waste disposal systems. SF 339 makes multiple changes to IFA's Wastewater Treatment Financial Assistance Program by requires IFA to make grant awards based upon sewer rates to be charged by the applicant following the construction of the project. HF 820 appropriates \$25.7 million in Community Development Block Grant (CDBG) Funds to IDED.

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- **Flood Mitigation**—A thorough review of Iowa’s infrastructure needs to be conducted to determine how to better prepare for and/or prevent future flooding and other natural disasters. Iowa needs a comprehensive plan that includes community protection, environmental sustainability, agriculture, and the encouragement of commercial activity and complimentary recreational and tourism opportunities to foster economic growth.

HF 822 appropriates \$2.8 million to the Department of Natural Resources for the implementation of lake projects that have established watershed improvement initiatives and \$2 million for flood plain management and dam safety. HF 822 also appropriates \$1.3 to establish an Iowa Flood Center at the University of Iowa and \$5 million for the watershed improvement fund.

SF 376 appropriates \$13.5 million to the Department of Natural Resources for various types of watershed and water quality projects. HF 756 modifies the Surface Water Protection and Flood Mitigation Act by adding members and duties to the Water Resources Coordinating Council to assist with watershed management and flood mitigation.

SF 376 also appropriates \$5 million to IFA for Disaster Damage Housing Assistance Grant program and \$20 million to IFA for the new Affordable Housing Assistance Grant Fund program.

HF 64 appropriates \$24 million to IFA for Jump Start Housing Assistance Program with priorities on granting funding set forth, creates an Unmet Needs Disaster Grant Program operated by the Department of Human Services and appropriates \$10 million (SF 478 reduces the amount of this appropriation), provides \$22 million for Community Disaster Grants to the Department of Public Defense, authorizes the Rebuild Iowa Office (RIO) and outlines its duties and sunsets RIO of June 30, 2011, and establishes a Coordinating Council to facilitate communication between agencies and RIO.

SF 289 sets the time limit on forgivable loans made by IFA under the State-funded Jump Start Housing Assistance Program at five years retroactively to September 1, 2009.

HF 414 provides the necessary language for the transfers of FY09 funds from IDEED and other state departments to the natural disaster relief programs like the Small Business Disaster Recovery Financial Assistance and Jump Start Housing Assistance Programs and authorizes the use of \$156,690,815 in supplemental CDBG grant funds for disaster assistance.

SF 457 legalizes certain actions taken and proceedings conducted by cities and counties in response to natural disasters, authorizes cities to declare Disaster Revitalization Areas, provides that all property within the disaster revitalization area is eligible to receive a 100 percent exemption from taxation on the increase in assessed value of the property until January 1, 2010, and creates a Disaster Recovery Housing Project Tax Credit.

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SF 478 creates a Disaster Loan and Credit Guarantee Program at IDED with a potential allocation of \$1.8 million from the FY09 Power Fund, reduces the Department of Human Services appropriation for unmet needs to disaster victims from \$10 million to \$7.85 million, and appropriates \$1 million to RIO for distribution to Long Term Recovery Committees (LTRC).

Other Infrastructure Legislation of Interest

SF 376 appropriates \$25 million to Iowa Telecommunications and Technology Commission to provide public broadband technology grants for high speed internet access.

HF 822 provides \$100,000 for the renovation of building for a juvenile courthouse in Indianola, and SF 376 provides \$13.1 million to move the community based corrections facility from the South side to the Northeast side of Des Moines next to the new Polk County Jail.

Quality of Life

Recreational options and arts and cultural amenities are important determinants of quality of life, which is widely recognized as a critical factor in location decision making for both workers and companies. Accordingly, the Partnership supports the following legislative initiatives:

- **Vision Iowa/CAT/RECAT**—Vision Iowa and Community Attraction and Tourism (CAT) funding have had a profound effect on leveraging local investment for visionary quality of life projects and driving economic growth in Central Iowa and across the entire state. The Partnership supports increasing funding and raising the cap and multi-year commitments for individual projects for Vision Iowa, CAT, and the recently established River Enhancement Community Attraction and Tourism (RECAT) program to help further leverage local resources to build additional creative community attractions that enhance quality of life, attract and retain businesses and workers, spur additional economic development, revitalize local economies, and promote tourism across the state.

SF 376 appropriates \$12 million for the Community Attraction and Tourism (CAT) Fund and \$10 million for the River Enhancement Community Attraction and Tourism (RECAT) Fund. SF 336 provides that an applicant for financial assistance under the CAT Program or the River Enhancement CAT Program in FY10 may apply to the Vision Iowa Board for a waiver of any local or private matching moneys required by the Board if the project is located in a declared disaster area.

SF 478 Caps regional tourism marketing appropriation for FY10 at \$957,809, a cut of about \$100,000 from FY09.

- **Multi-Use Trails**—Multi-use trails are utilized by the public at large as an alternative mode of transportation and provide significant quality of life enhancements and

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recreational opportunities for Iowans. In order to enhance the general quality of life for residents of Greater Des Moines and to help Central Iowa become the “Trails Capital of the World,” the Partnership supports:

- Amending the Iowa Code to remove the prohibition against the condemnation of agricultural land for multi-use trails as is currently allowed for non-agricultural land, while recognizing that certain existing uses of some agricultural land may necessitate unique considerations, in that current law has significantly restricted efforts to connect public regional multi-use trails networks;
- Continued investment in the IDOT State Recreational Trails Program;
- Continued investment for recreational trails through the DNR’s Resource Enhancement and Protection (REAP) program; and
- Additional state funding for The Principal Riverwalk project.

HF 822 increases IDOT trail funding to \$3.5 million, of which \$750,000 is directed to The Principal Riverwalk. SF 467 funds REAP at \$18 million.

HF 822 provides \$800,000 for the administration of the water trails and low head dam public hazard statewide plan.

No legislation easing restrictions on the use of eminent domain for public multi-purpose trail advanced this session.

SF 467 provides \$2.47 million for state park maintenance. HF 822 appropriates \$900,000 to the Department of Natural Resources for state park improvements.

HJR 1 proposes an amendment to the Constitution of the State of Iowa to dedicate a portion of any potential future increase in state sales and service tax revenue for the benefit of water quality, natural areas, and agricultural soils in this state. The joint resolution establishes a natural resources and outdoor recreation fund. The following would receive proposed funding: Resource Enhancement and Protection (REAP); Local Conservation Partnership Program; watershed protection; lakes restoration; trails; natural resources management; and agriculture and land stewardship. The joint resolution credits the fund with an amount equal to the amount generated by a sales tax rate of up to three-eighth of one percent if the Iowa General Assembly subsequently increases the state sales tax. The proposed amendment to the Constitution of the State of Iowa in this joint resolution was previously passed as Senate Joint Resolution 2002 by the Eighty-second General Assembly. The proposed amendment will now be submitted to the state electorate at the general election to be held in November 2010.

- **West Capitol Terrace and Capitol Visitors Center**—The Partnership supports the State’s efforts to fund phase three of the West Capitol Terrace park and green space between the Capitol and the East Village. The Partnership also supports the addition of a Capitol Visitors Center to the existing State Historical Building. These projects will significantly improve the Capitol Complex and the adjacent revitalized business and

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residential district, considerably enhance the quality of life for the surrounding area, and promote regional tourism efforts.

No legislation providing additional funding for the West Capitol Terrace or the Capitol Visitors Center advanced this session.

- **Cultural Investments** – The Partnership supports the continued efforts of the Department of Cultural Affairs to promote and enhance cultural entertainment districts and Iowa Great Places and fund other arts and cultural initiatives.

HF 822 provides \$1.9 million for the Iowa Great Places program, \$200,000 for the cultural community grant program, and \$1 million for the historic site preservation grant program. HF 922 appropriates \$900,000 to the Department of Cultural Affairs Cultural Trust. SF 469 provides \$279,159 for the cultural grants program and \$248,060 for Iowa Great Places.

HF 822 also appropriates \$500,000 for the Blank Park Zoo renovation and expansion project, \$5,500,000 to the Iowa State Fair for infrastructure improvements, and \$769,543 for the restoration and renovation of Terrace Hill.

- **Local Revenue for Quality of Life Investments**—The Partnership recommends that the legislature allow an additional two percent local option hotel/motel tax to be collected and distributed according to the requirements of the existing Iowa statute and to be used at the discretion local governmental entities for quality of life expenditures.

Legislation introduced during the 2009 session proposed to increase the cap on the local option hotel/motel tax from 7 percent to 9 percent, but did not advance. SF 322 provides that hotel and motel banquet and conference rooms are not subject to state and local hotel/motel tax. SF 478 clarifies that there is no hotel/motel tax exemption for state government agencies.

- **Endow Iowa Tax Credits**—The Partnership supports raising the cap on the Endow Iowa Tax Credit program to further strengthen communities through philanthropy by encouraging private contributions that provide support for a variety of quality of life and other community projects across the state now and in the future.

SF 478 increases the allocation of Endow Iowa tax credits from \$2 million to \$3 million from the general fund in addition to the 1/10 of 1 percent of gaming revenues already committed to this program, increases the Endow Iowa tax credit from 20 percent to 25 percent, and disallows the state deductibility of the donation that qualifies for the tax credit.

- **Regional Sports Authorities**—The Partnership supports continued funding for the Regional Sports Authority Districts, which promote recreation, wellness, and tourism across the state. The Partnership also supports state funding to help finance the 2009 AAU Junior Olympic Games.

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HF 822 appropriates \$500,000 for Regional Sports Authority Districts and \$200,000 for the 2009 AAU Junior Olympic Games.

- **Gaming**—The Partnership recognizes the economic development importance of Prairie Meadows and the gaming industry across Iowa. Current law, which requires a county-wide vote of re-approval of the original gaming proposition every eight years, significantly inhibits the long-term planning and financing of capital improvement projects at established gaming operations. Accordingly, the Partnership supports the elimination of mandated re-approval elections for established gaming operations once a County has approved an initial gaming proposition and then re-approves the same proposition after the first eight years of operation.

Legislation modifying the mandated subsequent re-approval elections did not advance this session.

- **World Food Prize**—The World Food Prize is the foremost international award recognizing the achievements of individuals who have advanced human development by improving the quality, quantity or availability of food in the world. The Partnership supports continued state funding for the World Food Prize Foundation.

The World Food Prize continues to receive a \$1 million standing appropriation.