

FISCAL UPDATE

August 15, 2008

Legislative Services Agency

(515)-281-5279 FAX 281-8027

<http://staffweb.legis.state.ia.us/lfb>

SECOND REBUILD IOWA ADVISORY COMMISSION MEETING

Commission Meeting: The Rebuild Iowa Advisory Commission (RIAC) met for the second time on July 31, 2008, in Cedar Rapids at Kirkwood Community College. Commission members heard task force reports on housing, economic and workforce development, and education. Highlights include:

- As of July 15, 21,733 primary residences and 244 secondary residences have been affected by disasters. Of those, the vast majority were single family homes. Over half of the affected homes have been determined to be habitable.
- As of July 24, there were 34,805 total registrations with FEMA. The agency continues to receive more than 200 registrations per day.
- Recently enacted federal legislation included \$11.0 billion of mortgage revenue bond authority for the states. Iowa is estimated to receive 1.0% or \$100.0 million in mortgage revenue bond authority.
- To date, 1,082 Small Business Administration (SBA) applications have been sent out and 316 approved for a total of \$36.7 million. The average loan amount was \$60,000. The SBA acceptance rate is 40.0% of applicants.
- Department of Economic Development has identified \$10.0 million in available funding for business assistance - \$5.0 million from the Iowa Values Fund and \$5.0 million from 2008 federal Community Development Block Grant (CDBG) funds. It was noted that CDBG funds can be used to match other federal funds, such as FEMA dollars.
- It was reported that 73 school districts, two Area Education Agencies, and five community colleges have reported damage or other expenses related to disasters. Damage reports, to date, total \$62.0 million for K-12 schools, and the Cedar Rapids and Des Moines districts have not yet reported.

Reports: The Commission will be preparing a 45-day report regarding immediate needs, as well as a 120-day report regarding long-term planning.

STAFF CONTACTS: Robin Madison (Ext. 15270) Jennifer Acton (Ext. 17846)

THIRD REBUILD IOWA ADVISORY COMMISSION (RIAC) MEETING

Commission Meeting: The Rebuild Iowa Advisory Commission met for the third time on August 5, 2008, in the City of Wapello. Commission members heard task force reports on cultural heritage and records retention, agriculture and environment, and infrastructure and transportation. Highlights include:

Cultural Heritage and Records Retention Task Force

- The Department of Cultural Affairs (DCA) has been gathering information on damage to properties such as theaters, museums, art galleries, studios, historical properties, cemeteries, and individuals that are employed in occupations related to the arts. Many of the theaters and historic buildings are still being tested for structural integrity. Mold issues continue to be a major concern in these locations, as well as in damaged art galleries and studios.
- It was reported that approximately 75% to 80% of the cultural organizations in Cedar Rapids have been damaged by the flooding with damage estimates in excess of \$100.0 million.
- The State Historical Society made a limited number of emergency grants available of up to \$15,000 to holders of museums and documentary collections.
- The DCA has received 33 survey responses representing cultural organizations that suffered damage from the recent disasters. Of the responses, 75.0% reported having no insurance coverage and about one third indicated that they will not be filing claims with FEMA.
- A major problem that cultural organizations are beginning to experience is the loss of revenue relating to fewer ticket sales and fewer people buying art work.
- The Department discussed the need for plans to preserve and protect official government records in the event government buildings are damaged. This includes documents in city halls, court houses and county offices, and State buildings. It was stated that recovery of documents within the first 48 hours of a flood is crucial for the preservation of records.

Agriculture and Environment Task Force

- During the height of the flooding, a total of 3.3 million acres (10.0% of corn acres and 20.0% of soybean acres) had yet to be planted or replanted. While the full impact is not yet known, the actual loss is expected to be significantly less than previously thought.
- Most livestock losses were limited to the areas between Columbus Junction and Oakville. An estimated 3,100 head of swine were lost. This was less than originally anticipated.
- Losses to retail agri-businesses appear to be heaviest in the areas of grain and handling facilities. At least two major corn processing facilities and one soy-processor are still not on-line.
- The Department of Natural Resources reported a total of \$12.1 million in damages to State parks and wildlife facilities and lands.

Infrastructure and Transportation Task Force

- The current FEMA estimate for public assistance is \$798.0 million with emergency work estimated at \$128.2 million.
- Damages to roads and bridges on the federal aid system are estimated at \$30.0 million (\$15.0 million State and \$15.0 million local). The Federal Highway Administration will fund 100.0% of emergency repairs and 80.0% to 90.0% of permanent repairs to these roads. Damage to roads and bridges that are not on federal aid routes are estimated at over \$41.0 million. These routes are eligible for funding through FEMA at 75.0%. The State has requested a waiver to increase this percentage to 90.0%.
- Utilities have reported damage estimates in excess of \$300.0 million.
- Approximately 80.0% of the public buildings in Cedar Rapids were damaged at an estimated cost of \$600.0 million. Repairs are eligible for 75.0% funding through FEMA.
- Damage to recreational trails is estimated to be between \$10.0 and \$15.0 million. Trails are eligible for 75.0% funding through FEMA.
- Shortline and regional railroads have reported damages of between \$68.0 and \$83.0 million. Railroads are not eligible for funding through FEMA.
- Transit agencies reported \$53.0 million in damages to facilities and equipment and are eligible for 75.0% funding through FEMA.

Next Meeting: The next meeting of the Commission is August 19 in Cedar Falls.

STAFF CONTACTS: David Reynolds (Ext. 16934) Jess Benson (Ext. 14611)

CHUCK GIPP NAMED DIRECTOR OF SOIL CONSERVATION DIVISION

New Director: On July 14, Bill Northey, Secretary of Agriculture, announced the hiring of Chuck Gipp as the new Director of the Soil Conservation Division. Gipp served in the House of Representatives since 1991 and served as the Majority Leader from 2002 to 2006.

Additional Information: For a copy of the press release issued by the Department of Agriculture and Land Stewardship, please refer to the following web site at:
<http://www.agriculture.state.ia.us/press/2008Press/press71408.asp>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

MEETINGS MONITORED

Following is a list of meetings attended and monitored by Fiscal Services staff since the last Fiscal Update was published. Please contact the staff listed for more information.

- August 6 and 7 – Board of Regents: Dwayne Ferguson (1-6561)
- August 7 – State Soil Conservation Committee: Deb Kozel (1-6767)
- August 8 – Watershed Improvement Review Board: Deb Kozel (1-6767)

Rebuild Iowa Office (RIO) Task Force Meetings

- August 6 – Floodplain Management and Hazard Mitigation: Deb Kozel (1-6767) and Jennifer Action (1-7846)
- August 6 – Public Health and Health Care: Jess Benson (1-4611) and Phil Kauffman (5-2062)
- August 7 – Long-Term Recovery and Planning: Dave Reynolds (6934) and Mary Beth Mellick (1-8223)
- August 13 – Agriculture and Environment: Deb Kozel (1-6767) and Deborah Helsen (1-6764)

Future Meetings and Report

- August 19 – Cedar Falls – Disaster Area Tour with Local Officials (Rebuild Iowa Advisory Commission (RIAC) Meeting) and “Speak Up Iowa” Listening Session
- September 2 – Des Moines – RIAC Meeting to Present Final Report

This document can be found on the LSA web site: <http://www.legis.state.ia.us/Fiscal/fiscupdt/>