



Capitol Comments

Newsletter from your
Iowa State Representative
Richard Anderson

State Capitol
January 28, 2009

Bailing Out the Boat

It was a bright sunny summer day. My lovely bride sat in the bow as our sleek, beautiful boat peacefully bobbed upon the sea, her auburn hair glistened in the sun. My daughter and our small Yorkshire Terrier puppy reposed at mid-ship. I was at the helm... (Okay, we were actually canoeing in my beat up plastic canoe at Lake of Three Fires and my wife's hair is red but the rest of the story is true!) Suddenly the pooch decided to leap overboard in response to the welcoming calls from my youngest daughter who was swimming at the beach. Daisy, consistent with her doggy nature, dog-paddled away. About fifteen feet from the boat, Daisy decided 300 yards was too far to swim. She turned back toward the boat - anxiety filled her eyes, as well as the hearts of the mariners. Startled, the women began to scream – save the dog! So I, as captain of our craft, carefully steered it toward the dog. As if on cue, we three mariners leaned over to save our hapless pup. Instantly the boat rolled, filling with water, we found ourselves bobbing in the lake, but the dog...the dog was safely in the boat. After climbing back into our water laden boat we began to bail out.

The Rivers Swelled and Homes Were Lost

If you visited eastern Iowa after the summer floods and saw the scope of the devastation, you will understand the rationale behind the first piece of legislation to move through the House this year which created Iowa's response to the 2008 flooding - the Rebuild Iowa Office. Please note the acronym "RIO" – like the river – the Rio Grande. Nice acronym after the river flooding, don't you think?

Anyway, the legislation has three parts addressing the needs of victims of the flooding. The first is “Jumpstart Housing” under which home owners living in a disaster affected area are eligible for forgivable loans, not to exceed \$24,999, to be used for down payment assistance, for housing repair or rehabilitation, and for interim mortgage assistance. Eligible homeowners must have income which is 150% or less of the county median family income. In my district, the income limit for a family of four is as follows: Page & Montgomery County \$53,600; Fremont County \$56,400; and Mills County \$67,100.

Individual Assistance Grants are the second piece of the relief program. These grants provide funds up to \$2,500 for disaster-related expenses or serious needs of individuals or families adversely affected by the disaster which cannot otherwise be met by other means of financial assistance. Grant recipients shall have an annual household income that is less than 300% of the federal poverty level (\$63,600 for a family of four). These grant dollars may include mental health expenses.

The final component of the flood relief package is Community Disaster Grants. These grants will go to cities and counties based on their pro rata share of the total statewide damage associated with natural disasters during the summer of 2008. Money awarded under this section shall be used for private small business and nonprofit organization assistance, local buyouts, replacement or rehabilitation of housing, repair or replacement of public infrastructure, and costs incurred for the revaluation and assessment of property.

If you think that you, your business, or community qualify, please contact the Rebuild Iowa Office at: www.rio.iowa.gov; address: 502 East 9th Street, Des Moines, Iowa 50319; phone: 515-242-5004.

Remember Katrina – Where have all the vouchers gone?

Apparently the majority party has taken a play out of the Bush Administration book on handling of the Katrina hurricane disaster. Remember the misused vouchers of Katrina? People received vouchers and misspent the money – even frittering it away at casinos. This Iowa RIO bill initially required receipts as evidence of appropriate spending by needy families. It was amended by the majority party to allow vouchers. After the family proves need, a voucher is issued which the family can use to buy anything without accountability. Essential items such as clothing lost in the flooding may get replaced by big screen televisions.

Bailing...

Now the good will behind this legislation is noteworthy. However, it does make me wonder about our nation and state. As we respond to disasters, natural and economic, how should government, how should we, the people, as taxpayers respond? What are the limits of these bailout programs?

In recent testimony before the Ways and Means Committee in Washington it was reported that the State of California increased spending 95% in the past 10 years. During the same time US spending was up 71%. Iowa's spending hasn't increased that severely, but in the past two years under our current state leadership, Iowa spending has outpaced revenue. On top of the national insurance, banking, and automotive industry bail outs, we find the National Governors Association going to Washington asking for a federal bailout of the states.

Some states have been fiscally responsible. Should taxpayers in those states have to bail out the irresponsible? A federal bailout of the states will reward the irresponsible at the expense of the responsible. Furthermore, a federal bailout of states will come with strings attached. These strings erode state sovereignty. (Remember we are a federal system - a nation made up of independent states) Federal bailouts encourage future

fiscal irresponsibility. They are temporary solutions without addressing the problem – unwise spending. I hope our state bailout of flood victims doesn't do the same. In the meantime we shall keep on paddling.