

FEDERAL UPDATE

Ebola Update

Ebola continues to be a public health and national security priority. The U.S. government is taking a number of steps to address the potential economic and public health threat. So far in the United States:

- 4 cases, 1 death (two infections originated in the United States, one in Liberia and one in Guinea) have been confirmed.

[Click here](#) for the latest news and fast facts on Ebola.

Federal Budget Deficit Drops to \$438 Billion, Lowest Since 2008

The deficit for the just-completed 2014 budget year was \$483 billion, the lowest since 2008. The deficit equaled 2.8 percent of gross domestic product (GDP), which is the economy's total output of goods and services. By comparison, the deficit for 2013 was \$680 billion, or 4.1 percent of GDP. For now, slow growth in government spending, including on health care, and increased tax revenues have combined to produce rosier deficit numbers. Much of the slower growth in spending is due to lower-than-expected health care costs as well as a 2011 budget pact that sharply curbed agencies' operating budgets.

USDA Invests \$1.4 Billion to Improve Rural Electric Infrastructure

[The USDA](#) announced \$1.4 billion in USDA loan guarantees to improve the delivery of electric power to rural communities in 21 states. The announcement includes \$106 million for smart grid technologies and \$3 million for renewable energy programs and systems. The funding will help diversify energy portfolios and decrease the nation's reliance on carbon-based fuel sources. For fiscal year (FY) 2014, USDA's Rural Utilities Service provided more than \$186 million for smart grid technologies. Western Iowa Power Co-op and Western Iowa REC are among the rural utilities receiving loans.

USDA Releases New State-by-State "Made in Rural America" Report

The USDA announced a new state-by-state ["Made in Rural America" report](#) illustrating the impact of USDA investments in rural communities. Each state factsheet highlights specific USDA investments in rural businesses, manufacturing, energy, water and other infrastructure development. They also outline how USDA is helping rural communities attract businesses and families by investing in housing and broadband. Click [here to see Iowa's fact sheet](#).

STATE UPDATE

MidAmerican Energy Company Plans to Invest \$280 Million in Wind Generation

MidAmerican Energy Company plans to develop one new wind farm site in Adams County and expand a second site in O'Brien County in 2015 – an additional investment of up to \$280 million for the nation's leader in ownership of wind-powered generation among rate-regulated utilities. If approved, the company's proposed wind project would result in installation of up to 67 wind turbines. [The project](#), scheduled for completion by the end of 2015, would add up to 162 megawatts of new wind generation capacity in Iowa.

Iowa Revenue Estimates Revised Downward

State budget-makers are facing a potentially challenging fiscal 2016 cycle with revenue estimators downgrading their forecast after agency directors submitted new requests for at least \$370 million in higher spending beginning next July 1. The three-member Revenue Estimating Conference lowered its growth projection for the current fiscal year by \$81.4 million. Sagging grain prices and other economic uncertainties prompted them to scale back their projections to \$6.721 billion through next June 30, a slightly lower 6.7 percent growth rate. The state treasury is still in a strong surplus position.

State Unemployment Rate up Slightly in September

Iowa Workforce Development agency reports the state’s unemployment rate rose to 4.6 percent in September from 4.5 percent in August. The U.S. unemployment rate dropped to 5.9 percent in September compared to 6.1 percent in August. The number of unemployed Iowans increased to 77,900 in September from 76,500 in August. Construction has added jobs in five of the last six months. Education and health services also added 1,300 jobs last month.

Gas Prices Drop Below \$3.00 in Most Parts of Iowa

Dropping oil prices are partly responsible for a drop of prices at the gas pump. The fall coincides with a drop in crude oil prices that have been affected by ample global supplies and weak demand over the past four months.

UPCOMING EVENTS

CIPCO Board of Directors Meeting	December 17	Coralville Marriott
IAEC Annual Meeting	December 4-5	West Des Moines Sheraton

MARKET TRENDS

% Change	Y-T-D	1-Yr Avg	5-Yr Avg
DJIA	+2.48	+10.73	+4.99
NASDAQ	+6.61	+13.97	+15.63
S&P 500	+7.27	+14.03	+14.96

Source: Morningstar.com

CONSUMER PRICE INDEX

% Change	May	June	July	Aug	Sept	12-Mo Avg
CPI	0.4	0.3	0.1	-0.2	0.1	1.7

Source: Bureau of Labor Statistics, www.bls.gov