

April 15, 2013

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### STATUS OF APPROPRIATION BILLS

Subcommittee Bills		
<a href="#">Administration and Regulation</a>	<a href="#">HF 603</a>	Passed Senate Appropriations – 4/11
<a href="#">Agriculture and Natural Resources</a>	<a href="#">SF 435</a>	Passed House Appropriations – 4/15
<a href="#">Economic Development</a>	<a href="#">SF 430</a>	Passed House Appropriations – 4/9
<a href="#">Education</a>	<a href="#">HF 604</a>	Passed Senate Appropriations – 4/15
<a href="#">Health and Human Services</a>	<a href="#">SF 446</a>	Passed Senate Appropriations – 4/11
<a href="#">Judicial Branch</a>	<a href="#">SF 442</a>	Passed Senate – 4/15
<a href="#">Justice System</a>	<a href="#">SF 447</a>	Passed Senate Appropriations – 4/11
<a href="#">Transportation</a>	<a href="#">HF 602</a>	Passed Senate – 4/9
Other Bills		
<a href="#">County Mental Health Supplemental</a>	<a href="#">HF 160</a>	Signed by Governor – 3/28
<a href="#">Education Reform</a>	<a href="#">HF 215</a>	In Conference Committee
<a href="#">Cigarette Fire Safety Standard Fund</a>	<a href="#">HF 245</a>	Passed Senate – 4/10
<a href="#">Career and Technical Ed Reform</a>	<a href="#">HF 501</a>	Passed House Education – 3/7
<a href="#">War Orphans Educational Assistance</a>	<a href="#">HF 613</a>	Passed House – 4/8
<a href="#">Federal Block Grant</a>	<a href="#">HF 614</a>	Passed Senate Appropriations – 4/11
<a href="#">Workforce Training</a>	<a href="#">SF 429</a>	Passed Senate – 4/1
<a href="#">County Mental Health System</a>	<a href="#">SF 440</a>	Passed Senate Appropriations – 4/11

### FREE AND REDUCED PRICE LUNCH ELIGIBILITY TOTALS

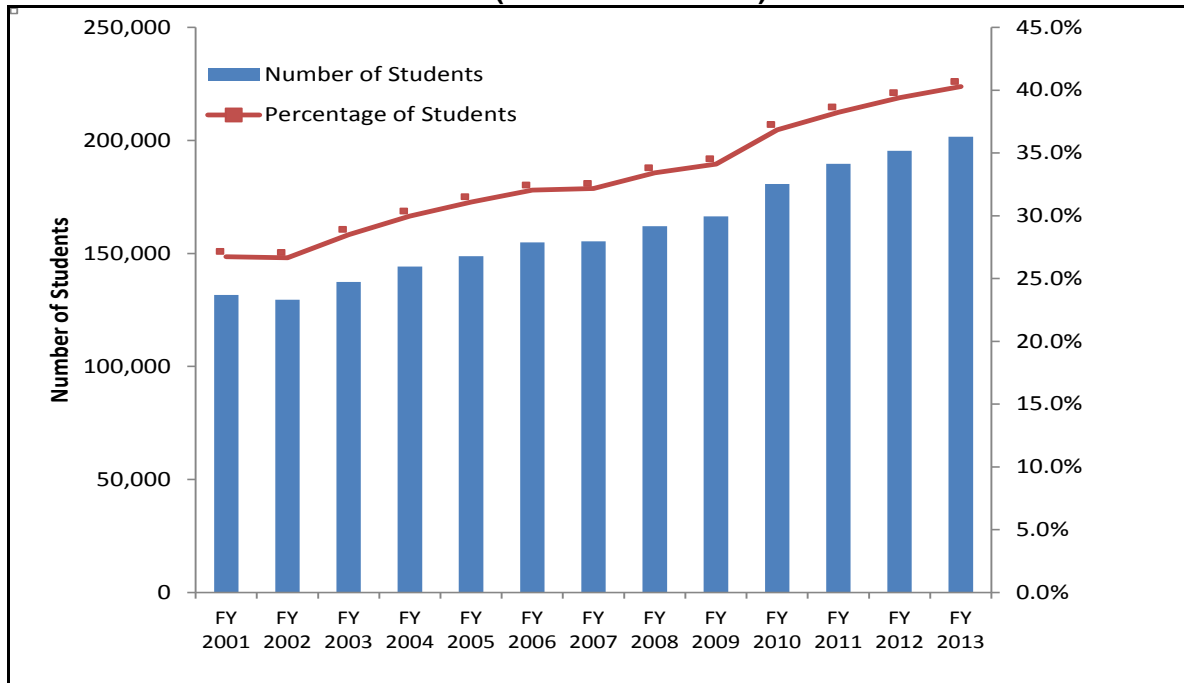
**Eligibility Data.** Data collected by the Department of Education in the fall of 2012 indicates that students eligible for free or reduced price lunch is 40.3% of pre-kindergarten through grade 12 enrollments. Of the 500,601 students enrolled in the fall of 2012, 201,687 were eligible for free or reduced price lunch. This included 168,428 (33.6%) that were eligible for free lunch and 33,259 (6.6%) that were eligible for reduced price lunch. Of the 348 school districts:

- There were 18 districts (5.2% of the districts) that had at least 60.0% of the student population eligible for free or reduced price lunch. These districts accounted for 25.4% of the overall students eligible for free/reduced price lunch and 14.9% of the student population.
- There were 123 districts (35.3%) that had between 40.0% and 60.0% of the student population eligible for free or reduced price lunch. These districts accounted for 38.2% of the overall students eligible for free/reduced price lunch and 30.6% of the student population.
- There were 180 districts (51.7%) that had between 20.0% and 40.0% of the student population eligible for free or reduced price lunch. These districts accounted for 32.1% of the overall students eligible for free/reduced price lunch and 42.3% of the student population.
- There were 27 districts (7.8%) that had less the 20.0% of the student population eligible for free or reduced price lunch. These districts accounted for 4.4% of the overall students eligible for free/reduced price lunch and 12.1% of the student population.

**Chart.** The following chart provides the number and percentage of students eligible for free or reduced price lunch from FY 2001 through FY 2013. The number and percentage of students eligible has increased every year since 2002 and currently stands at an all-time high in FY 2013.

**Additional Information.** Additional information regarding free and reduced price lunch can be found at the [Department of Education's website](#) or by contacting the Legislative Services Agency (LSA).

**Percentage of PK-Grade 12 Students Eligible for Free or Reduce Price Lunch  
(FY 2001 – FY 2013)**



STAFF CONTACT: Shawn Snyder (515-281-7799) [shawn.snyder@legis.iowa.gov](mailto:shawn.snyder@legis.iowa.gov)

## **CORRECTIONS POPULATION UPDATE**

**Corrections Population.** The number of offenders supervised in Iowa's corrections system was 38,689 on April 11, 2013. A total of 8,261 offenders were held in the State prison system while 30,428 were supervised in Community-Based Corrections (CBC).

**Prison Population Change.** The prison population had been slowly decreasing since October. However, it has recently been trending upward. According to the Division of Criminal and Juvenile Justice Planning in the Department of Human Rights, both admissions and releases are affecting the prison population. March 2013 had the most admissions to the prison system since 2009. While new admissions are 2.2% lower than a year ago, readmissions (returns from parole or work release) have increased by 6.6% over the same reporting period. Paroles have increased 23.1% for the year.

**Daily Population.** The prison population varies daily. It has decreased by 113 offenders (1.3%) when comparing the last payroll (March 28, 2013) to the first payroll of FY 2013 (July 5, 2012). The number of prison staff increased by 12 people (0.4%). Both the prison population and staffing have remained relatively stable over the course of FY 2013.

**CBC Population.** The CBC population also varies daily. It was 30,157 offenders on July 5, 2012, and 30,301 offenders on March 28, 2013, an increase of 144 offenders (0.4%). The number of CBC staff increased by one person when comparing the July and March payrolls. The CBC population has been trending upward during the reporting period, while staffing has remained stable. Refer to the *Issue Review*, [Community-Based Corrections Funding Levels](#), published by the LSA on October 25, 2012, for more information regarding offender populations, funding, recidivism, risk, and supervision levels in CBC.

STAFF CONTACT: Beth Lenstra (515-281-6301) [beth.lenstra@legis.iowa.gov](mailto:beth.lenstra@legis.iowa.gov)

### FEDERAL SEQUESTRATION IMPACT SCHOOL DISTRICTS AND AREA EDUCATION AGENCIES

**Federal Impact.** The Iowa Department of Education has provided estimates on the impact of federal sequestration on FY 2014 program funds by school district and area education agencies (AEAs). The Department based the reductions on a 5.0% decrease from the FY 2013 funding levels. The estimated federal fund reduction totals \$6.6 million for school districts and \$1.5 million for AEAs. The following tables provide the reduction amounts by federal program area.

Program	Est. Reduction FY 2014	Average Amount Per District	# of Districts Impacted	Percentage of Districts Impacted
Title I	\$ 4,211,338	\$ 12,102	348	100.0%
Title II Part A	885,759	2,545	348	100.0%
Title III	60,314	5,483	11	3.2%
Title VI	152,457	438	348	100.0%
IDEA Part B	1,319,694	3,792	348	100.0%
<b>Total to Districts</b>	<b>\$ 6,629,562</b>	<b>\$ 19,050</b>	<b>348</b>	<b>100.0%</b>

Program	Est. Reduction FY 2014	Average Amount Per AEA	# of AEAs Impacted	Percentage of AEAs Impacted
Title III	\$ 86,639	\$ 9,627	9	100.0%
IDEA Part B	1,319,694	146,633	9	100.0%
IDEA Part C	141,580	15,731	9	100.0%
<b>Total to AEAs</b>	<b>\$ 1,547,913</b>	<b>\$ 171,990</b>	<b>9</b>	<b>100.0%</b>

**More Information.** Actual allocations by school district and AEA will be available in the summer of 2013. For additional information, please contact the LSA.

STAFF CONTACT: Shawn Snyder (515-281-7799) [shawn.snyder@legis.iowa.gov](mailto:shawn.snyder@legis.iowa.gov)

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## DEMONSTRATION FUND ECONOMIC IMPACT STUDY

**Report.** The [Iowa Innovation Corporation](#) (IIC) released a report on the [Economic and Fiscal Impact of the Demonstration Fund on the Iowa State Economy](#). The report was prepared by the Philadelphia-based Econsult Solutions and was paid for the Iowa Economic Development Authority (IEDA).

**Background.** The Demonstration Fund Program in [Iowa Code section 15.411\(3\)](#) is a financial assistance program offered by the IEDA to support high technology prototype and concept development activities that have a clear potential to lead to commercially viable products or services.

**Funding.** The Demonstration Fund receives funding through the Innovation and Commercialization efforts established by the General Assembly. Beginning in FY 2008, there were annual allocations from the Economic Development (formerly Grow Iowa Values) Fund, and in FY 2013 the IEDA transferred \$500,000 from the High Quality Jobs Program appropriation to the Program. Additionally, the Program received \$1.6 million in federal support through the State Small Business Credit Initiative.

**Methodology.** The study used surveys sent to firms that had received awards from 2007-2012 and were still in existence. A response rate of 78.2% was achieved with the return of 79 surveys of the 101 sent.

**Impact.** The report determined that the aggregate firm growth made possible by the Demonstration Fund investments resulted in additional State tax revenue of \$2.1 million. Looking only at the \$8.7 million in awards made to the firms responding to the survey, this would be a return on investment of 24.1%. When factoring in the total awards made to all firms that did not respond to the survey or closed, the current estimated annual return on investment is 16.1%. It is important to keep in mind that the \$2.1 million in additional state tax revenue is the current annual estimate of the growth in tax revenues generated by the increased business activity of the firms. As these firms grow and prosper, additional tax revenue may increase; alternatively, if the firms shrink, close, or leave the state, the annual tax revenue in the future may decrease.

STAFF CONTACT: Kent Ohms (515-725-2200) [kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov)

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## VETERANS TRUST FUND UPDATE

**Fund Balance.** As of March 31, 2013, the Veterans Trust Fund Balance total is \$17.2 million. The total principal balance is \$16.8 million. The total spendable portion of the Trust Fund balance (including the interest income and the FY 2013 lottery transfer) is approximately \$430,000. Expenditures to date for FY 2013 have totaled approximately \$142,000.

STAFF CONTACT: Jennifer Acton (515-281-7846) [jennifer.acton@legis.iowa.gov](mailto:jennifer.acton@legis.iowa.gov)

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## MAP - ALL IOWA OPPORTUNITY SCHOLARSHIP

**Map.** The following map shows the average award amount and number of recipients by county for the All Iowa Opportunity Scholarship. Additional information about the All Iowa Opportunity Scholarship is available here: [https://www.legis.iowa.gov/DOCS/LSA/Fiscal\\_Topics/2013/FTRKM002.PDF](https://www.legis.iowa.gov/DOCS/LSA/Fiscal_Topics/2013/FTRKM002.PDF). This map and others are available online at: <https://www.legis.iowa.gov/Resources/Mapping/mapOfTheWeek.aspx>.



- Medical information sharing with local treatment providers.
- The Office of the Attorney General and Criminal and Juvenile Justice Planning Division (CJJPD) of the Department of Human Rights are involved in the grant applications for compliance with privacy laws and data sharing agreements.
- Director Baldwin informed the Board of the Director of the Colorado DOC's death – he was shot at blank point range on his doorstep. The homicide is gang-related. A correctional officer at the Mount Pleasant Correctional Facility recently died of a heart attack while volunteering at the facility. A correctional officer at the Newton Correctional Facility was assaulted by an inmate. He received a glancing blow and a small cut. The offender was quickly brought to the ground by a K-9 unit. That incident has been referred to the Jasper County Attorney's Office for potential prosecution.
- Director Baldwin attended the public hearing in Waterloo for the consideration of a commutation of sentence for Rasberry Williams. He is an offender serving a life sentence for murder. The public hearing permitted the family members of the victim and other interested parties to comment on the potential commutation and ultimate release of the offender. The Board of Parole recently held hearings via the Iowa Communications Network (ICN) for four women offenders currently serving life sentences. There is a backlog for considerations of commutations.
- The construction of correctional facilities at Fort Madison and Mitchellville is on schedule. The DOC has started to depopulate the Clinical Care Unit (CCU) at Fort Madison. Approximately 40 offenders have been moved to the Clarinda Correctional Facility. The Oakdale Correctional Facility is depopulating a unit to move offenders from the CCU to Oakdale to be closer to the Forensic Hospital. By early summer the DOC plans to have about 40 offenders remaining in the CCU. These offenders will be moved to the new Fort Madison maximum security prison once it opens. As the CCU depopulates, this will free up staff to be trained at the new prison's location. It will take about six months to test all the systems and perform thorough construction cleanup at the new prison. Staff will rotate through training at the new prison and working at the current prison.
- The administration building at Mitchellville will be demolished in early fall. The staff will move to the new location on the existing site. Offenders and staff will move as new buildings become available, so the current buildings can be demolished.
- The Director recognized Board members David Erickson and Johnie Hammond for their years of service on the Board. Both are retiring from the Board this month.
- CBC District Directors Kip Shanks and Sally Kreamer updated the Board on the potential use of tasers in CBC. Four of the eight CBC District Directors have High Risk Units that are certified law enforcement officers. These staff arrest offenders with outstanding warrants. Sometimes the offenders are not compliant and may be aggressive. The CBC Directors indicated the tasers would be a tool to enhance safety of the staff as well as the offenders. Currently sheriff's departments have tasers. The Board members questioned the process. Director Baldwin indicated the local CBC Boards need to approve adding tasers to their weapons policy, and the Board of Corrections would then need to approve each CBC District's departmental policy. Discussion ensued regarding use of force issues and staff training. Director Baldwin indicated the DOC has no intention of using tasers inside the prisons.
- Deputy Director Brad Hier provided FY 2014 budget action to the Board. The House and Senate have different spending targets for the Justice System. Both budget subcommittees have released their spending plans. Concern was expressed about the general reduction to Central Office and the budget reduction to the additional operating funds for the Mitchellville prison expansion.
- Assistant Deputy Directors Fred Scaletta, Kris Weitzell, and Sheryl Dahm provided a list of legislative Bills to the Board. It was unknown how many of those Bills survived the funnel this week.
- Sandra Smith, Director of Education for the DOC, provided an overview of the GED process in the prison system. The DOC is moving towards computer-based testing for offenders. Plans include a paper and pencil test for special needs offenders. The DOC has issued a Request for Proposals (RFP) to select a vendor for administering the test.
- Andrea Wright from the Mount Pleasant Correctional Facility and staff from the Department of Human Services (DHS) are cooperating to establish a pilot program for offenders who are parents. The program provides educational opportunities on being a mom or dad, as well as services provided by

the DHS to help keep families together. Some offenders have lost contact with their children, or do not know if their children are involved with the DHS and receiving services.

- Fred Scaletta indicated the DOC is in the process of selecting a vendor for the inmate telephone system. The current contract expires in June 2013. Consideration will be given to the cost for offenders to make telephone calls.
- During the public comments section, Stephanie Fawkes Lee indicated to the Board her concerns with the CBC District Departments using tasers. She thinks the mission statement of the DOC and CBC's should be revisited.
- During open discussion of the Board, Johnie Hammond presented a proposal on reviewing the DOC policies and confidentiality of those policies. She requested the Board continue to review the matter. She stated the public needs to know the DOC has policies in place.

Meeting Materials Online: The [DOC website](#) has the materials distributed to the Board.

STAFF CONTACT: Beth Lenstra (515-281-6301) [beth.lenstra@legis.iowa.gov](mailto:beth.lenstra@legis.iowa.gov)

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## STATE APPEAL BOARD

**April Meeting.** The Board met on April 1, 2013. At the meeting, the Board reviewed general claims, in accordance with [Iowa Code chapter 25](#), ratified tort claims, in accordance with [Iowa Code chapter 669](#), reviewed newly submitted settlements and judgments by the Attorney General's Office, and reviewed the status of budget protests and hearings, in accordance with [Iowa Code sections 24.27 through 24.32](#). The Board denied the general claims and tort claims that it considered for this month.

**Budget Protests.** The Board heard updates on existing and upcoming budget protests:

- In the case of Van Den Boom v. City of Eldora, the Court of Appeals upheld the dismissal of the suit. The City intends on proceeding with its refinancing of the revenue bonds on confirmation that Mr. Van Den Boom does not file an application for further review. The Attorney General's Office noted that the deadline to file was April 1, 2013, so it is anticipated that the City of Eldora will move forward.
- In a case against Ringgold County, the Attorney General's Office noted that a citizen has filed six budget protests and has requested a stay of certification on the Ringgold County FY 2014 Budget. The Attorney General's Office recommended denying the stay request because of the unlikelihood of the success of the protests. In particular, the protest with the county requires 100 signatures, per [Iowa Code section 331.436](#), and the signatures were insufficient. For the budget protests against other municipal entities, the minimum number is 10. The Board acted on the recommendation and denied the stay.
- Other counties facing upcoming budget protest hearings are Chickasaw, Cherokee, and Osceola. In addition, there was a budget protest filed against Sioux City, but there were insufficient signatures so a hearing will not be held.

**Settlements.** The Board approved four new settlements made by the Attorney General's Office for various lawsuits. In three of the cases, the Attorney General's Office determined that it was in the best interest of the State to settle. In one of the cases, the settlement occurred pursuant to mediation. The approved settlements include:

- A \$117,000 settlement, the State's portion of a total \$175,000 settlement, for a medical malpractice lawsuit alleging that personnel in the University of Iowa Hospitals and Clinics were negligent in addressing postsurgery concerns, resulting in additional physical pain for the plaintiff. The remaining amount will be paid by the University of Iowa Physicians.
- A \$900 settlement for a lawsuit alleging negligence from a State Fair tent collapsing on a car.
- A \$500 settlement to pay attorney's fees and costs for a lawsuit filed by a former offender in Mitchellville alleging she was assaulted by prison staff. The settlement was completed to avoid the expense and risks of a trial.

- A \$150,000 settlement pursuant to mediation in a medical malpractice lawsuit alleging that an occupational therapist at University of Iowa Hospitals and Clinics was negligent in performing a wheelchair seating evaluation, resulting in injuries.

**Outdated Warrant.** For several months, the Board has tabled an outdated warrant that is listed in the name of David Roederer, the Chair of the Board, due to his conflict of interest and the logistical challenge of other members being absent. Mr. Roederer was absent from the April meeting, so the remaining members, the Auditor of State and the Treasurer of State, were able to approve the warrant.

**Next Meeting.** The Board meets on the first Monday of each month. The next regular meeting will be Monday, May 6, 2013. With the budget protest hearings anticipated, additional meetings may be scheduled.

STAFF CONTACTS: Marcia Tannian (515-281-7942) [marcia.tannian@legis.iowa.gov](mailto:marcia.tannian@legis.iowa.gov)  
Beth Lenstra (515-281-6301) [beth.lenstra@legis.iowa.gov](mailto:beth.lenstra@legis.iowa.gov)

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## RECENT PUBLICATIONS

**Recently Published.** The Fiscal Services Division has recently published the following:

**NOBAs:** See links to individual bills in the Bill Status table on the first page.

**Fiscal Notes:**

<a href="#">SF 444</a>	<a href="#">Hydroelectricity Property Sales Tax Exemption</a>	4/12/2013
<a href="#">HF 630</a>	<a href="#">Hydroelectricity Property Sales Tax Exemption</a>	4/11/2013
<a href="#">SF 439</a>	<a href="#">Food Bank Tax Credits and Appropriations</a>	4/11/2013
<a href="#">SF 436</a>	<a href="#">Historic Property Tax Credits</a>	4/10/2013
<a href="#">HF 620</a>	<a href="#">Economic Development Authority Tax Related Changes</a>	4/9/2013
<a href="#">SF 406</a>	<a href="#">Mental Health, Judicial Workgroup Recommendations</a>	4/9/2013
<a href="#">SF 434</a>	<a href="#">Electric and Natural Gas Vehicle Facility Tax Cred</a>	4/9/2013
<a href="#">SF 431</a>	<a href="#">Solar Energy System Tax Credit</a>	4/8/2013
<a href="#">SF 437</a>	<a href="#">Food Bank Tax Credits and Appropriations</a>	4/8/2013
<a href="#">HF 336</a>	<a href="#">Capital Gains Tax Exemption</a>	4/8/2013
<a href="#">HF 621</a>	<a href="#">Property Assessment Appeal Board Revisions</a>	4/8/2013
<a href="#">HF 625</a>	<a href="#">School Tuition Organization Tax Credit</a>	4/8/2013
<a href="#">HF 454</a>	<a href="#">Education Department Technical Changes</a>	4/5/2013
<a href="#">HF 619</a>	<a href="#">All Terrain Vehicles on Secondary Roads</a>	4/5/2013
<a href="#">SF 366</a>	<a href="#">Radon School Testing</a>	4/4/2013
<a href="#">HF 478</a>	<a href="#">Income Tax, Alternative System for Individuals</a>	4/4/2013
<a href="#">SF 384</a>	<a href="#">Law Enforcement Equipment Removal, Criminal Penalty</a>	4/3/2013
<a href="#">HF 620</a>	<a href="#">Economic Development Authority Tax Related Changes</a>	4/3/2013
<a href="#">HF 552</a>	<a href="#">Sex Offender Placement in Elder Care Facilities</a>	4/3/2013
<a href="#">SF 396</a>	<a href="#">Government Efficiency</a>	4/3/2013



Fiscal Notes, continued

<a href="#">SF 433</a>	<a href="#">Targeted Jobs Withholding Changes</a>	4/3/2013
<a href="#">SF 339</a>	<a href="#">School Vehicle Transportation Safety</a>	4/2/2013
<a href="#">SF 423</a>	<a href="#">Education Reform</a>	4/2/2013
<a href="#">SF 364</a>	<a href="#">Vehicle Registration Fee Equity</a>	4/2/2013
<a href="#">SF 338</a>	<a href="#">School Employee Background Checks</a>	4/2/2013
<a href="#">SF 304</a>	<a href="#">Public Safety Training and Equipment Trust Fund</a>	4/2/2013
<a href="#">HF 615</a>	<a href="#">Innovation Fund Tax Credits</a>	4/1/2013
<a href="#">HF 616</a>	<a href="#">Targeted Jobs Withholding</a>	4/1/2013

### MEETINGS MONITORED

The following meetings were monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
State Appeal Board	4/1/2013	Marcia Tannian (281-7942)
Board of Corrections	4/5/2013	Beth Lenstra (281-6301)

This document is available online at: <https://www.legis.iowa.gov/LSAReports/fiscalUpdate.aspx>