FISCAL UPDATE September 16, 1998

 Legislative Fiscal Bureau (515) 281-5279 FAX 281-8451

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Department of Natural Resources Requests 8.39 Transfer

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**Appropriations Transfer** The Legislative Fiscal Bureau received notice of a transfer of FY 1998 funds by the Department of Natural Resources as required by Chapter 8.39, Code of Iowa. The Department intends to transfer $170,000 from the Administrative Division to the Environmental Protection Division in the Department.

**Rationale For Transfer** The transfer is necessary because an employee transferred from the Administrative Division to the Environmental Protection Division as a result of the increase and expansion of environmental initiatives in the Air Quality, Water Quality, and Compliance and Enforcement Bureaus.

**Action Finalized** Action on this transfer was finalized September 1, 1998.

STAFF CONTACT: Deb Kozel (Ext. 16767)

Local Option Sales Tax for School Infrastructure

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**Resource Document** During the 1998 Legislative Session, the General Assembly authorized a one-cent local option sales tax to be used for school infrastructure. In response to a number of questions regarding this tax, the Department of Education has created a resource document entitled “Frequently Asked Questions Regarding HF 2282 Local Option Sales and Services Tax for School Infrastructure.”

**Tax Revenue** Generally, a countywide simple majority vote is required to enact the tax, and it may be imposed for up to 10 years. Revenues from the tax can only be used for school district infrastructure needs.

**Public Hearing** There will be a public hearing for comment on rules that define a student’s county of residence and the enrollment count reported by school districts within counties that adopt a tax. The public hearing will be held October 2, 1998, from 1:00-2:00 p.m. over the Iowa Communications Network (ICN).

**More Information** Contact Sue McCurdy at the Department of Education for additional information regarding the tax, a copy of the Department’s publication, or for a listing of ICN sites for the public hearing. McCurdy can be reached at 515-281-4738.

**Website** Information regarding the local option sales tax is also available at the Department’s website at http://www.state.ia.us/educate/index.html.

STAFF CONTACT: Mary Shipman (Ext. 14617)

Iowa Receives Federal Character Education Grant

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**Federal Education Grant** The Department of Education has been notified that Iowa will receive a $750,000 federal grant to incorporate character education in school districts. Character education utilizes partnerships with local districts to promote good citizenship in learning experiences. Along with the Department, the Northern Trails Area Education Agency, and the Legacy 150 Institute at Drake University will launch partnerships with at least half of Iowa’s local school districts to establish character education programs by the end of the grant period.

**Project Goals** Iowa’s project has three goals:

1. Develop an approach to school improvement, consistent with Goals 2000, which integrates the Character Education Learning Community Model (CELCM) by 2001.
2. A minimum of 50% of the 375 local districts will have adopted and implemented CELCM by 2001.
3. The 24 local districts in Northern Trails AEA (Area 2) will have five years of research, development, implementation, and institutionalization of the CELCM in system school improvement efforts.

 Iowa is among one of 10 projects selected from 29 applicants with grants totaling more than $2.8 million for FFY 1998.

**More Information** For more information contact Troyce Fisher at the Northern Trails AEA (515-357-6125) or Klark Jessen at the Department of Education (515-281-5651)

STAFF CONTACT: Mary Shipman (Ext. 14617)

update on National Certification for Teachers



**National Certification** Senate File 2366 (Education Reform Appropriations Act) appropriated $250,000 for the National Board of Professional Teaching Standards Fund in FY 1999. A portion of the funds is to be used to provide an annual payment of $10,000 for five years to each teacher that achieves national certification. There are 14 teachers in Iowa that have already achieved national certification.

**Use of Funds** The balance of the funds is to be used to provide $1,000 for each teacher who enrolls in the national certification program to offset the $2,000 application fee. If a teacher successfully completes the national certification, the teacher will then receive a $1,000 payment to cover the entire cost of the application.

**Fed Funds Applied For** The Department of Education has applied for federal funds that will assist an additional 24 Iowa teachers in achieving national certification by providing a $1,000 subsidy toward the $2,000 application cost.

**Eligibility** Teachers must have three years of teaching experience to be eligible for national certification. The process requires teachers to develop a portfolio which illustrates evidence of good teaching practice and a series of written exercises.

**Information Sessions** The Department of Education plans several informational sessions regarding national certification in September and October. Information will be posted on the Department’s website at http://www.state.ia.us/educate/index.html.

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 **Website**

**More Information** For additional information about the national certification process refer to the National Board for Professional Teaching Standards website at http://www.nbpts.org.

STAFF CONTACT: Mary Shipman (Ext. 14617)

August Meeting of the College Student Aid Commission



**Commission Meeting** The College Student Aid Commission met August 3 and conducted the following business:

* Approved changes in administrative rules for:
* Administration of the State Fair Scholarship statutorily transferred from the Department of Education.
* Creation of the Industrial Technology Forgivable Loan Program.
* Statutory changes for the Vocational-Technical Tuition Grant Program.
* Approved negotiation for a supplemental preclaims assistance contract with the Department of Revenue and Finance.
* Approved the following default reduction strategies utilizing interest from the guaranty agency reserves being held in a separate account in the State Treasury. The Governor item-vetoed the General Assembly’s debt reduction plan and used these funds for FY 1999. The Commission’s plan includes:
* A Default Reduction Task Force at an estimated cost of $2,500.
* An improved student status management system at an estimated cost of $10,000.
* A default avoidance counselor at an estimated cost of $75,000.
* Debt management grants to first-year undergraduate students, with the estimated cost unspecified. Reviewed and commented upon the preliminary FY 2000 budget requests which are delineated in the table below.
* Received a report regarding the process of drafting proposed rules for licensure revocation, denial, or suspension of a person who has defaulted on an obligation owed to the Commission.

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| **Budget Unit** |  | **FY 1999** |  | **FY 2000 Request** |  | **Amount of Increase** |  | **% of Increase** |
| Administration |  | $331,727 |  | $335,676 |  | $3,949 |  | 1.2% |
| Osteo. Loans |  | 379,260 |  | 379,260 |  | 0 |  | 0.0 |
| Osteo. Prim. Care |  | 395,000 |  | 395,000 |  | 0 |  | 0.0 |
| Iowa Grant Prog. |  | 1,161,850 |  | 1,161,850 |  | 0 |  | 0.0 |
| National Guard |  | 833,900 |  | 1,000,000 |  | 166,100 |  | 19.9 |
| Chirop. Loans  |  | 71,400 |  | 71,400 |  | 0 |  | 0 |
| Tuition Grant Prog |  | 44,664,750 |  | 48,000,000 |  | 3,335,250 |  | 7.5 |
| State Scholarship Prog |  | 474,800 |  | 495,540 |  | 20,740 |  | 4.4 |
| Voc-Tech Grant Prog |  | 2,244,197 |  | 2,439,600 |  | 195,403 |  | 8.7 |
| Work Study Prog |  | 2,950,000 |  | 2,950,000 |  | 0 |  | 0.0 |
| Industrial Tech Loan Prog |  | 90,000 |  | 250,000 |  | 160,000 |  | 177.8 |
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**Interest Earnings Estimate** The Commission’s interest earnings estimate for calendar year 1998 is $360,000. By calendar year 2001, expected interest earnings are estimated at $1.4 million. The $30.0 million that is scheduled to be returned to the federal government in September of 2002. The interest earnings and the default reduction efforts from the interest monies are also scheduled to cease at that time.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

Town Meeting on Urban Sprawl, growth Management of cities, and protection of farmland Held In Griswold

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**Town Meeting**

**Town Meeting** The Commission on Urban Planning, Growth Management of Cities, and Protection of Farmland held the sixth Town Meeting in Griswold on September 2 at the Community Building. A number of public speakers voiced concerns regarding a variety of issues. Some of the issues discussed included:

* Placing a development tax on farmland so it would cost more for developers to purchase.
* Define natural areas that should be preserved and discourage development of the Loess Hills.
* Develop a reclamation program through the use of easement programs to acquire land. Allow conservation groups to manage the land and preserve the natural resources.
* Encourage cities, towns, and counties to have a land use plan for controlled growth that is updated every five years.
* Allow towns and cities to use annexation, condemnation, and tax incentives as necessary tools for development of cities.
* Encourage economic development in rural areas to create jobs for people to stay in their local communities.
* Encourage development and regulation of sewer systems in newly developed areas.

 LSB STAFF CONTACT: Doug Adkisson (Ext. 13884), Tim McDermott (13444)

 LFB STAFF MONITOR: Deb Kozel (Ext. 16767)

Town Meeting On Urban Sprawl, Growth management of cities, and protection of farmland Held in Cedar Rapids and Mason City

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**Town Meeting**

**Town Meetings** The Commission on Urban Planning, Growth Management of Cities, and Protection of Farmland held a Town Meeting in Cedar Rapids on September 8 at the Kirkwood Community College. A number of public speakers voiced concerns regarding a variety of issues. Some of the issues discussed included:

* The use of Tax Increment Financing (TIF) programs increase urban sprawl as developers or other purchasers of farmland can pay more for land since they have TIF to supplement the purchase price.
* Special assessments are unfair when transition is made from rural to urban. Roads need improvements as traffic increases and all property owners must pay for the improvements.
* Unincorporated areas need representation when there are plans for annexation and development.
* Property owners should be protected by land developers. Costs for improvements to the area should be passed on to the developers and not the land owners. Cities should hire neutral, third party appraisers for assessments of property.
* Counties and cities should work together to develop comprehensive land use plans. A land use inventory for the region should be completed and updated a minimum of every five years. Counties and cities should balance the needs of urban and rural areas, preserve historical sites, and protect the environment.

**Mason City**  Another Town Meeting was held in Mason City on September 9 at the Public Library. Issues discussed included:

* Communities should work together to develop coordinated land use plans that have consistent zoning. Future development areas should be identified and plans made to provide services to these areas. Related needs such as transportation, housing, economic development, and historic preservation should be addressed in these land use plans.
* Property taxes could be restructured that encourage payment for services used. This would include a number of fixed and variable components. Tax abatements should be offered as incentives for replacement of infrastructure in the inner cities.
* Cities should be allowed to use annexation and eminent domain for land acquisition necessary for economic opportunities. Appraisers from other cities or towns should be hired for a fair appraisal.

**Future Meetings** The remaining Town Meetings will be held September 16 at the Western Iowa Tech Community College and September 24 at the Community Building in Spirit Lake.

 LSB STAFF CONTACT: Doug Adkisson (Ext. 13884), Tim McDermott (13444)

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Executive Branch Staffing Level Summary



**Staffing Level** The number of Executive Branch supervisory employees increased by 36 (1.9%) between June 27, 1997, and June 25, 1998, according to the Department of Personnel. During this period, the number of full-time employees increased by 293 (1.6%).

 **STAFFING LEVEL**

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| --- | --- | --- | --- | --- | --- | --- |
|  |  | Supervisory Employees |  | Full-Time Employees |  | Part-Time Employees |
| Employees as of 6/27/97 |  | 1,891 |  | 18,723 |  | 259 |
| Year-to-Date Reductions |  | -187 |  | -2,084 |  | -119 |
| Year-to-Date Additions |  | 223 |  | 2,377 |  | 102 |
| Adjusted Staffing Level as of 6/25/98 |  | 1,927 |  | 19,016 |  | 242 |
| Net Change |  | 36 |  | 293 |  | -17 |
| Percent Change |  | 1.9% |  | 1.6% |  | -6.6% |

 This staffing level does not include the Board of Regents, State Fair Authority, or contract employees.

STAFF CONTACT: Paige Piper/Bach (Ext. 14613)

Weekly Medical Assistance Expenditures in the department of Human Services



**Medical Assistance** For the week ending August 31, 1998, FY 1998 General Fund expenditures for the Medical Assistance Program in the Department of Human Services were $-2.6 million (-222.4% of budget). This is $3.8 million below the weekly budget established by the Department. Final FY 1998 Medical Assistance General Fund expenditures are $378.5 million, which is $9.8 million (2.5%) below the amount budgeted for the fiscal year. The reversion for FY 1998 is $9.6 million, which is net of all transfers between the Medical Assistance budget and other areas of State government. The largest adjustment during the final weeks of FY 1998 was the transfer of $5.7 million from the Adult, Children and Family Services Division budget to the Medical Assistance budget for Psychiatric Medical Institutions for Children (PMIC) as included in the original Adult, Children and Family Services Division budget.



STAFF CONTACT: Margaret Buckton (Ext. 17942) Deb Anderson (Ext. 16764)