FISCAL UPDATE September 22, 1998

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



|  |  |  |
| --- | --- | --- |
|  |  |  |
| **IN THIS ISSUE:** | REC Revises General Fund Revenue Proj., pg. 1 | CJJP Releases Updated Prison Pop. Forecast, pg. 11 |
|  | FY 2000 & 2001 Collective Bargaining, pg. 2 | Child Care Usage Report, pg. 12 |
|  | State Health Insurance, pg. 3 | Veterans Home Capacity Update, pg. 13 |
|  | Road Use Tax Fund Revenues, pg. 5 | CHMIS Ceases Operations, pg. 13 |
|  | Human Services Council Meeting, pg. 6 | DOT FY 2000 Budget, pg. 14 |
|  | School Finance Working Committee, pg. 7 | Commission on Urban Planning, Growth Mgmt. |
|  | Teacher Prep. Interim Study Committee, pg. 8 | of Cities, etc. - Sioux City Town Mtg., pg. 16 |
|  | Dept of Ed - Technology Literacy Grants, pg. 9 | ***Issue Review***: Prison Farms, pg. 17 |
|  | Board of Corrections Meeting, pg. 10 | Legislative Fiscal Committee, pg. 17 |
|  |  | LFB Staff, pg. 17 |

Revenue Estimating Conference Revises General Fund Revenue Projections

**REC Meeting** The Revenue Estimating Conference (REC) met on September 18 to review the FY 1999 General Fund revenue estimate and establish the FY 2000 estimate. Net of tax law changes enacted by the 1998 General Assembly, members of the Conference approved an upward revision of the total FY 1999 General Fund estimate.



**FY 1999 Estimate Reduced** The REC reduced the FY 1999 estimate established in April of $4.933 billion to $4.865 billion, a decrease of $67.5 million. However, accounting for tax law changes enacted by the 1998 General Assembly, this represents an increase of $32.5 million (0.6%) compared to the April estimate. After accounting for tax law changes, the personal income tax estimate was increased by $45.3 million (1.9%) compared to the April estimate. After providing for tax law changes, the sales tax estimate was increased by $8.0 million (0.6%), due to slightly stronger than anticipated year-to-date growth.

**FY 2000 Estimate** The REC also established the FY 2000 General Fund revenue estimate of $5.084 billion. This is an increase of $218.9 million (5.5%) compared to the revised FY 1999 estimate. The Conference estimated that personal income tax would increase by $133.8 million (5.7%) and sales tax would increase by $78.6 million (5.9%).



**Gambling Revenues** The Conference also revised upward the FY 1999 estimate for gambling revenues transferred to the Rebuild Iowa Infrastructure Fund (RIIF). Gambling proceeds to the General Fund are statutorily capped at $60.0 million, with the excess going to the RIIF. The Conference revised the FY 1999 figure upward by $300,000 and established the FY 2000 figure at $93.9 million, an increase of $8.5 million (10.0%) compared to the revised FY 1999 figure.

**Details** The spreadsheet on the following page details the latest REC estimates by source of revenue.



STAFF CONTACT: Larry Sigel (Ext. 14611)

Collective Bargaining FOR FY 2000 and 2001

****

**Collective Bargaining Process** The State of Iowa and the labor unions representing many of its employees will begin the collective bargaining process that will culminate in contracts for the two-year period starting July 1, 1999. Chapter 20 of the Code of Iowa provides for the following collective bargaining process for State employees:

* The employee union presents its initial proposal to the public employer at the first bargaining session.
* The employer presents its initial position to the employee union at the second bargaining session, which shall be held no later than two weeks following the first session.
* The parties meet during subsequent bargaining sessions. These are not open to the public unless the parties agree to open them. The deadline for completion of the agreement is March 15.



* On or after November 15, the Public Employment Relations Board (PERB) can appoint an impartial and disinterested person to act as mediator upon the request of either party. The mediator is intended to bring the parties together to effectuate a settlement of the dispute, but a mediator may not compel the parties to agree.
* If the impasse persists ten days after the mediator has been appointed, the PERB shall appoint a fact-finder representative of the public from a list of qualified persons maintained by the PERB. The fact-finder conducts a hearing, may administer oaths and issue subpoenas and is required to make written findings of fact and recommendations for the resolution of the dispute. These findings must be given to the parties within 15 days of the fact-finder's appointment. The public employer and employee unions can either immediately accept the recommendation or shall within five days submit the recommendations to the Governor and union members for acceptance or rejection.
* The parties may continue to negotiate on any impasse items. However, the PERB has the power, upon the request of either party, to refer the dispute to binding arbitration. The arbitrator is restricted to choosing between the final offers made by each of the parties or the fact-finder's recommendations on each of the impasse items.
* Arbitration can either be provided by a three-person panel or, if the parties agree, by a single arbitrator. The determination made by the arbitrator(s) is final and binding upon the parties. This system is intended to ensure that the arbitrator's decision can reasonably be made before March 15.

****

**AFSCME Timeframes** The American Federation of State, County and Municipal Employees (AFSCME) labor union is the largest union representing State employees. The Department of Personnel and AFSCME have tentatively agreed upon the following timeframes for bargaining:

* November 16, 1998 - AFSCME's Initial Offer
* November 30, 1998 - State's Initial Offer
* January/February 1999 - 10 scheduled days of bargaining
* February 1999 - reserved for arbitration, if required

STAFF CONTACT: Glen Dickinson (Ext. 14616)

State Health Insurance

**Current Contract** Earlier this year, the Department of Personnel issued a request for proposal (RFP) for the group medical benefits plans offered to State of Iowa employees. The current contract is with Wellmark Blue Cross and Blue Shield of Iowa (BCBS). The current contract was for the period August 1996 through August 1998. This was extended through December 1998 so the new contract could be run on a calendar year basis.



HEALTH

INSURANCE

**Bids Received** Three bids were received to provide the medical coverage and 11 bids were received to administer the pharmacy benefits. After extensive review of various options, the Executive Council authorized the following:

* Approval of BCBS as the indemnity carrier on a minimum premium basis. The Department of Personnel will continue to examine the benefits of moving toward a self-funded contract.
* Approval of Merck-Medco as the pharmacy vendor for the indemnity plans. These services are currently provided by BCBS.
* Approval of health premiums, including state and employee contributions, at the levels negotiated.
* Approval of using $8.6 million of insurance reserve funds to buy down the employer contribution rates.



**Increasing Costs** Projected insurance funding before any reduction for surplus shows the total group insurance premium costs to be increasing by 7.3%. However, for the 1997-98 plan year, Blue Cross and Blue Shield rates were subsidized by $6.8 million of encumbered surplus. In addition, the State's share was subsidized by an additional $4.0 million.

**Employee Contribution** The employee contribution for a family plan (there is no employee contribution for a single plan) will be increasing by 17.2%, or approximately $25 per month. There are no employee surplus contributions remaining to subsidize rates.

**Employer Contribution** The employer contribution will remain level by utilizing $8.6 million of employer surplus contributions to buy down rates for the six months from January 1999 through June 1999. This will use approximately one-half of the surplus funds. At the end of the subsidization, if further subsidization is not approved, state agencies will incur a 17.2% increase in health insurance premium costs.

**Life Ins/Long-term Disability** Earlier this year, John Hancock was awarded the basic and supplemental life and AD & D contract. Its proposed rates represent an 18.0% decrease over existing rates. In addition, the Hartford was retained as the long-term disability carrier. Its proposed rates represented an 11.5% decrease over the previous rates. The State is again "buying down" its life and long-term disability premiums with the use of surplus funds.

STAFF CONTACT: Glen Dickinson (Ext. 14616)

Road Use Tax Fund Revenues



**Revenues Increasing** Road Use Tax Fund receipts for the first three months of FY 1999 increased $16.6 million (7.4%) over the same period for FY 1998. Revenues from Motor Vehicle Use Tax, vehicle registration and title fees, and Motor Fuel Taxes, were responsible for nearly all the growth in the Road Fund. These three revenue sources comprised $16.2 million of the total increase over FY 1998. All of the other revenue sources have experienced a total combined increase of $400,000.

**Motor Vehicle Use Tax** Year-to-date Motor Vehicle Use Tax receipts increased $6.5 million (13.3%) compared to FY 1998 receipts. The increase in these receipts continues to be attributed to the strong car and truck sales in Iowa as well as the shifting of the State Patrol funding away from the Motor Vehicle Use Tax into the General Fund. The most recent information available shows that for FY 1998, car and truck sales were 11.5% higher than sales in FY 1997.

**Registration & Title Fees** Registration and title fees increased $5.2 million (7.4%) compared to FY 1998. The increase in vehicle registration fees is largely attributed to the increase in the price of vehicles being registered and corresponds with the increase in new car and truck sales.

**Fuel Tax Revenues** For the first three months of FY 1999, Fuel Tax revenues increased $4.5 million (4.8%) compared to the same period for FY 1998. Fuel Tax receipts for the month of September were 14.5% higher than receipts during the same month a year ago and were responsible for nearly all of the growth in Fuel Taxes. Receipts for July and August of FY 1999 had grown by only 0.2% over the same period of FY 1998.

****

**Motor Carrier Violations** The Road Use Tax Fund has received $331,000 from fines on motor carrier violations during the first three months of FY 1999. In FY 1998, the first four months of revenues from these violations were deposited into the Prison Infrastructure Fund. During the 1998 Legislative Session, the General Assembly directed all receipts from motor carrier violations to be deposited into the Road Use Tax Fund.

**Other Changes** Changes in other revenue sources were relatively insignificant.

**Comparison to FY 1998** The following table compares the Road Use Tax Fund receipts for the first three months of FY 1998 and FY 1999 by revenue source. The sum of the revenues may not equal totals due to rounding.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ROAD USE TAX FUND RECEIPTS** | | | | | | | | | |
| **(Dollars in Millions)** | | | | | | | | | |
| July - September | | | | | | | | | |
|  |  |  |  |  |  |  | Change |  |  |
|  |  |  |  |  |  |  | FY 1998 vs. |  | Percent |
|  |  |  | FY 1998 |  | FY 1999 |  | FY 1999 |  | Change |
| Motor Vehicle Use Tax | |  | $ 48.5 |  | $ 55.0 |  | $ 6.5 |  | 13.3% |
| Motor Vehicle Fuel Tax | |  | 95.0 |  | 99.5 |  | 4.5 |  | 4.8% |
| Registration/Title Fees & Misc. | |  | 70.4 |  | 75.6 |  | 5.2 |  | 7.4% |
| Underground Tank Fees | |  | 5.0 |  | 4.9 |  | -0.1 |  | -1.7% |
| Driver License Fees | |  | 2.4 |  | 2.5 |  | 0.0 |  | 1.6% |
| Interest | |  | 2.4 |  | 2.5 |  | 0.2 |  | 7.0% |
| Other Fees | |  | 1.7 |  | 1.7 |  | -0.1 |  | -3.3% |
| Motor Carrier Fines | |  | 0.0 |  | 0.3 |  | 0.3 |  |  |
| TOTAL RECEIPTS | |  | $ 225.5 |  | $ 242.1 |  | $ 16.6 |  | 7.4% |

*Note: For Road Use Tax Fund reporting, receipts are considered in the month for which they are distributed by formula rather than the month in which they are collected. For example, September revenues were collected in August but distributed to the various State and local road funds in September.*

STAFF CONTACT: David Reynolds (Ext. 16934)

Human Services Council Reviews Group Care Allocations



**Council Meeting** The Council on Human Services met August 12. Topics of discussion included a review of proposed administrative rules to adjust the distribution formula for allocation of FY 1999 group foster care State and federal funds. The Human Services Appropriations Act for FY 1999 (SF 2410) allocates $30.9 million of the Adult, Children, and Family Services Appropriation for group foster care, including funds for highly structured group care (boot camps). The combined total of State and federal dollars appropriated for FY 1999 is $44.9 million. Allocation of funding to the Department of Human Services (DHS) regions is based on a formula negotiated by the State’s eight Chief Juvenile Court Officers and five Human Services Area Administrators. The FY 1999 revised formula includes the following factors:

* 70% Child Population
* 15% Historical Usage
* 10% Urban Density
* 5% Child Poverty

**Usage Factor Amended** The historical usage factor was amended to include an additional year’s worth of usage data. The final distribution of total funds as compared to FY 1998 allocations is summarized in the following table:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Group Foster Care Allocations for FY 1999** | | | | | | | | |
| Region |  |  | FY 1998 Allocation |  |  | FY 1999 Allocation |  | % Change FY 1999 Compared to  FY 1998 | |
| Sioux City Region |  | $ | 7,012,093 |  | $ | 6,984,582 |  | -0.39% | |
| Waterloo Region |  |  | 8,139,723 |  |  | 8,129,524 |  | -0.13% | |
| Des Moines Region |  |  | 10,032,363 |  |  | 10,829,989 |  | 7.95% | |
| Council Bluffs Region |  |  | 4,559,853 |  |  | 4,535,557 |  | 0.53% | |
| Cedar Rapids Region |  |  | 14,397,111 |  |  | 14,384,698 |  | 0.09% | |
|  |  |  |  |  |  |  |  | 1.1 | |
|  |  | $ | 44,141,143 |  | $ | 44,864,350 |  | 1.64% | |

**Proposed Rules** The Council on Human Services also discussed the following proposed administrative rules relating to group and family foster care:

* Increasing the daily foster family care and adoption payment rates as follows: for a child aged 0 through 5 from $13.01 to $13.35; for a child aged 6 through 11 from $13.77 to $14.25; for a child aged 12 through 15 from $15.48 to $15.96; and for a child aged 16 and over from $15.47 to $15.96.
* Specifying that responsibility for working with the DHS to ensure that a region’s group care expenditures not exceed allocated funds is changed from the juvenile court to juvenile court services.
* Requiring the DHS and juvenile court services to review all group care placements in a region to identify those which might be appropriate for termination if annualization of the region’s expenditures for group care indicate the region will exceed its allocation by more than 5.0%.

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

School Finance Working Committee

**Committee Meeting** The School Finance Working Committee held its first meeting on September 9. The Committee is co-chaired by Senator Donald Redfern and Representative Betty Grundberg. Other members are Senators Michael Connolly, John Kibbie, John Redwine, and Kitty Rehberg, and Representatives Bob Brunkhorst, Cecil Dolecheck, Roger Thomas, and Philip Wise.

****

**Meeting Focus** The focus of the meeting was on gathering information from national and state experts on school finance. During the morning session, information on national trends and experiences of other states was presented by Terry Whitney, National Council of State Legislatures, and John Myers, an education finance consultant. During the afternoon, Ted Stilwell and Lee Tack, Iowa Department of Education, discussed Iowa school finance trends and issues. Also, the Department of Revenue and Finance made a presentation on property valuations and the assessment limitation provisions of the Code of Iowa.

* Mr. Whitney discussed the status of litigation related to school funding in other states. States he highlighted in his presentation were Michigan, Texas, Wyoming, Mississippi, and Arizona. The Arizona litigation was of particular interest to the Committee, as it involved a challenge to the capital (infrastructure) support provisions of the state’s school funding formula.
* Mr. Myers discussed the history of school funding in the United States. Among trends he identified were: (1) an increased emphasis on the adequacy of school funding, (2) a new emphasis on economically disadvantaged students, and (3) the need for cost-of-living adjustments. Also, he presented information on a variety of options for developing base cost estimates. One option he suggested Iowa investigate is the inferential approach that is being tried in Ohio.
* Mr. Stilwell discussed four principles of school finance with the committee, i.e., equity, predictability, flexibility, and adequacy. He highlighted several issues that are becoming increasingly important in Iowa, such as the needs of at-risk students, the growth of English as a second language enrollments, and the impact of State and federal mandates.
* Dr. Tack presented a statistical profile of education funding in Iowa. In addition, he provided committee members and other meeting participants with a reference notebook containing information on the history of school funding in Iowa, enrollment statistics and forecasts, financial statistics, and a variety of other background information.
* A staff member from the Iowa Department of Revenue and Finance explained how property is valued for tax purposes in Iowa. Also, he discussed and provided handouts explaining the assessment equalization process in Iowa and the assessment limitation provisions of the Code of Iowa.

LSB STAFF: Rick Nelson (Ext. 25822) Kathy Hanlon (Ext. 13847)

Mike Goedert (Ext. 13922)

LFB STAFF MONITOR: Mike Lipsman (Ext. 17799)

Teacher Preparation Interim Study Committee

**Interim Committee** The Teacher Preparation Interim Study Committee has completed three meeting days. A two-day initial meeting was held on August 24 and 25 at the State Capitol. The Committee met again on September 17, also at the Capitol.

**Committee Members** Members of the Committee include:

|  |  |
| --- | --- |
| **HOUSE** | **SENATE** |
| Chuck Gipp, Chair | Mary Kramer, Chair |
| Steve Falck | Thurman Gaskill |
| Dave Heaton | Patricia Harper |
| Mary Mascher | Wally Horn |
| Rosemary Thomson | Maggie Tinsman |

**Presentations** At the initial two-day meeting, the agenda included presentations from the following:

* Anne Kruse, Director of the Board of Educational Examiners.
* Various teachers and administrators from local districts, including:
* Classroom teachers from Moulton Elementary in Des Moines, Durant, Roosevelt High School in Des Moines, and the Des Moines Downtown School.
* Superintendents from Decorah, Allamakee, and West Des Moines.



* Greg Robinson, 1998 Iowa Principal of the Year, from Urbandale.
* Ruth Anne Gaines, 1998 Iowa Teacher of the Year, from East High School in Des Moines.
* Joan Roberts, 1997 Iowa Principal of the Year, from North High School in Des Moines.
* Ted Stilwill, Director of the Iowa Department of Education.
* Owen Newlin, President of the Iowa Board of Regents, and each of the Deans of Education from the Regents universities.
* Three Deans of Education from Iowa’s independent colleges, including Drake, Dordt, and Buena Vista.

**September 17 Meeting** At the second meeting held September 17, the agenda included presentations by:

* Eric Hirsch, Education Policy Specialist with the National Conference of State Legislatures. Mr. Hirsch reviewed teacher preparation reform efforts in other states.
* Frederick Frelow, Associate Director of the National Commission for Teaching and America’s Future. Mr. Frelow reviewed key elements of a recent report by the Commission entitled “What Matters Most: Teaching for America’s Future.”
* Administrators from three area education agencies.
* Jolene Franken, President of the Iowa State Education Association.
* Susan Donovan, Director of Governmental Relations for the Iowa Association of School Boards.

**November Meetings Planned** The Committee plans to meet again for a two-day session on November 11-12, if approved by the Legislative Council. The Committee was originally authorized for three meeting days.

LSB STAFF: Kathy Hanlon (Ext. 13847) Rick Nelson (Ext. 25822)

Nicole Haatvedt (Ext. 14800)

LFB STAFF MONITOR: Mary Shipman (Ext. 14617) Sue Lerdal (Ext. 17794)

Department of Education Announces Technology Literacy Grants



**Literacy Grants Announced** The Department of Education recently announced that 61 Iowa school districts will receive a total of $2.6 million in federal grants from the Technology Literacy Challenge Fund. The grants will enable districts to invest in modern computers and update educational software for teachers and students. The grants are made available to school districts with the highest percentages of children living in poverty and the greatest need for technology. A total of 45 school buildings received grants up to $50,000 for 1998. The is the second year of the program. Sixteen Iowa school buildings received grants during 1997 and will receive continuation grants of $25,000 for 1998.

**Communities**  Communities with school buildings receiving grants include: Dubuque, Oelwein, Elgin, Charles City, Armstrong-Ringsted, Lu Verne, Burt, Meriden, Hawarden, Ireton, Fort Dodge, Storm Lake, Marshalltown, Tama, Waterloo, Davenport, Cedar Rapids, Coggon, Walker, Olin, Des Moines, Urbandale, Sioux City, Battle Creek, Missouri Valley, Shenandoah, Leon, Osceola, Creston, Garden Grove, Afton, Corning, Ottumwa, Cardinal, and Keokuk.

****

**Website**

**More Information** For a complete listing of all school buildings receiving grants, contact John O’Connell at the Department of Education (515-242-6354) or see the Department’s website at http://www.state.ia.us/educate/dispatch/ 199809/sep982.html#Technology Literacy Grants.

STAFF CONTACT: Mary Shipman (Ext. 14617)

Board of Corrections Meeting



**Board Meeting** The Board of Corrections met at the Fort Des Moines residential facility on September 11. The meeting opened with a welcome from Dorothy Faust, the new Director for the Fifth Community-Based Corrections District Department. Her opening remarks focused on national trends in community corrections, which include community justice, restorative justice, and prevention.

**Population** Director Kip Kautzky discussed the correctional system, indicating that the combined prison and community-based corrections population had doubled since 1990, reaching 27,000 clients and inmates.

**Ft. Madison Warden** Mr. Kautzky described the selection process for the Fort Madison warden position and recommended Leonard W. Graves for the Board’s approval. Most recently, Mr. Graves has been an associate warden in the federal prison system. He is an Iowa native and has been on staff at the Anamosa prison. He brings experience with special needs offenders to Iowa’s maximum security facility, where a special needs unit is under development.

**Administrative Rules** Fred Scaletta presented Administrative Rules changes for the Sex Offender Program and for inmate transportation.



**Budget Requests** Five prison wardens and four Community-Based Corrections District Department directors discussed their budget requests with the Board. The major requested increases for the prisons were for technical improvements and computer system developments, increased inmate support for the growing inmate population, and increased medical costs. Requested increases for Community-Based Corrections District Departments included additional probation/parole officers to manage increased caseloads and high risk offenders, technology and computer enhancements, programming for sex offenders, enhancements to special programs, staffing for residential facilities, and replacement of expiring federal funds.

**Private Prison Issue** Board Chairperson Mildred Elliott dropped the discussion of the private prison issue from the agenda earlier in the week. Ms. Elliott and Mr. Kautzky explained that they had received only one response from a private prison corporation before the deadline, and there was insufficient information to make any informed decisions on how to proceed. Consideration of the issue was postponed indefinitely.

**Next Meeting** The next meeting of the Board is September 25. The Board will hear presentations from the remaining prisons and Community-Based Corrections District Departments and will make its budget recommendation to the Governor.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

The Criminal and Juvenile Justice Planning Division Releases an Updated Prison Population Forecast





**Preliminary Report**  The Criminal and Juvenile Justice Planning Division (CJJP), Department of Human Rights, has released a preliminary report projecting Iowa’s prison population through FY 2008. The full report is expected to be completed by early October. The report assumes current Justice System trends, policies, and practices will continue and estimates that the inmate population will increase from 7,431 inmates on June 30, 1998, to 14,586 inmates on June 30, 2008. The inmate population is projected to increase 96.3% over the next ten years, which is less than the 157.1% growth rate for the previous ten years. The following chart shows the prison population compared to the design capacity of Iowa’s prison system. The future design capacity includes all approved prison construction.

**FY 1998 Growth** The prison population grew by 795 (18.2%) inmates in FY 1998. That is, the new Fort Dodge facility could have been filled by last year’s growth. The CJJP forecast estimates the prison population growth will exceed 10.0% through FY 2001, and decline over the next seven years to 4.1% in FY 2008.

**Projection** Overcrowding reached 158.5% of design capacity just prior to the opening of the 750-bed medium-security Newton facility and declined to 126.6% with the opening of the 750-bed Fort Dodge facility. Based on CJJP’s projection, overcrowding will return to the 160.0% range during FY 2002. If no more prisons are built, overcrowding will reach 221.0% at the end of FY 2008.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Child Care Usage Report



**Report Issued** The Monthly Day Care Report issued September 1, 1998, indicates continued growth in the number of children eligible and enrolled in the State Child Care Assistance Program from the end of FY 1998 into FY 1999. The Human Services Appropriations Act of 1998 (SF 2410) increased the Federal Poverty Level (FPL) eligibility ceiling to 140.0% FPL, which is $19,110 annual gross income for a family of three. The expansion includes continuation of a client contribution on a sliding fee scale for children in families with income above 100.0% of the FPL. The scale became effective July 1, 1998. Given the increase in eligibility, the growth trend is expected to continue through FY 1999. The monthly cost per child has also increased to $325 per child per month from an average of $289 per child per month in FY 1998. This is an increase of 12.5% compared to the FY 1998 average monthly cost per child. The following graph illustrates growth in caseload related to eligibility criteria since FY 1993:



**Waiting List History** Due to demand greater than available General Fund and federal fund appropriations in FY 1996, a waiting list was utilized from July 1995 through March 1996. The General Assembly enacted a supplemental appropriation of $1.3 million, authorizing the Department of Human Services (DHS) to eliminate the waiting list in April. In June 1998, the Program achieved the highest level of enrollment since September 1993, when 12,986 children were enrolled. Enrollment for August 1998 is an increase of 37.8% compared to August 1997.



**Growth Monitored** The Legislative Fiscal Bureau will continue to monitor caseload growth and expenditures as the new 140.0% FPL eligibility level is implemented and will report any significant findings to the General Assembly.

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

Iowa Veterans Home Capacity Update

**Veterans Home Capacity** The Legislative Fiscal Bureau continues to gather data on the capacity of the Iowa Veterans Home. The following table illustrates capacity statistics since the last update. The Scheduled Admissions number refers to individuals on the waiting list scheduled for admission.

| **Date** | **Bed Capacity** | **Waiting List** | **Scheduled Admissions** |
| --- | --- | --- | --- |
| 6/3/98 | 768 | 38 | 14 |
| 6/19/98 | 768 | 38 | 10 |
| 7/16/98 | 768 | 51 | 11 |
| 7/29/98 | 768 | 51 | 11 |
| 8/12/98 | 768 | 59 | 17 |
| 8/26/98 | 768 | 56 | 9 |
| 9/9/98 | 768 | 57 | 8 |

STAFF CONTACT: Valerie Thacker (Ext. 15270)

Iowa Community Health Management Information System (CHMIS) ceases operations



**Board Dissolved** The Iowa Community Health Information System (CHMIS) Board met September 4 and unanimously approved discontinuing all operations effective October 1. The Board specifically approved the following recommendations:

* The Iowa CHMIS has accomplished its objectives as established in its enabling legislation and should discontinue all operations effective October 1. The Iowa CHMIS Board will act to disburse all assets and return $40,000 in remaining funds from the State of Iowa to the Iowa Insurance Division. Historical data files will be turned over to the Association of Iowa Hospital and Health Systems, which will archive them and continue to make the data publicly available. The CHMIS organization should not be replaced.
* Encourage Iowa provider organizations and payers are encouraged to continue their work in data collection and public release of health care data. The data available are primarily the result of information from the business transaction in health care. In particular, the continued inpatient and outpatient data flow from Iowa hospitals, health systems, and physician clinics is strongly encouraged. High importance is placed on provider and payer accountability in public availability of data.
* It is also recognized that Iowa state government has a strong role in public health care data availability and is encouraged in that effort.
* Provider organizations are encouraged to form a data advisory committee. The committee will provide input on public health care data collection, availability, and release.

STAFF CONTACT: Valerie Thacker (Ext. 15270) Paige Piper/Bach (Ext. 14613)

Transportation Commission Approves DOT FY 2000 Budget

**DOT FY 2000 Budget** The Transportation Commission has adopted the Department of Transportation’s (DOT) FY 2000 budget request. The Department presented a budget request totaling $273.4 million and 3,889.0 FTE positions, an increase of $16.3 million (6.4%) and 18.0 FTE positions (0.5%) compared to the estimated FY 1999 budget.

**Budget Request Categories** The DOT budget request is divided into four categories, which include:

****

* Operations - Includes funding for the six operating divisions of the Department.
* Special Purpose - Includes appropriations for programs and services that are separate from the operating divisions but are essential for the operation of the Department. These appropriations include workers’ compensation, unemployment compensation, hazardous waste disposal, reimbursements to the State Auditor, etc.
* Program - These include General Fund appropriations for the Rail and Aviation Grant Programs.
* Capital Projects - Includes appropriations for construction of vertical infrastructure projects, such as the replacement of maintenance facilities and major maintenance projects at DOT facilities.

**FY 2000 Request** The following table shows the budget request by category.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Department of Transportation** | | | | | | | | |
| **FY 2000 Preliminary Budget Request** | | | | | | | | |
| **(Dollars in Thousands)** | | | | | | | | |
|  |  |  |  |  |  |  |  |  |
|  |  | Estimated |  | Request |  |  |  | Percent |
|  |  | FY 1999 |  | FY 2000 |  | Change |  | Change |
| Operations |  | $ 235.3 |  | $ 240.7 |  | $ 5.3 |  | 2.3% |
| Special Purpose |  | 10.5 |  | 16.7 |  | 6.2 |  | 59.0% |
| Program |  | 6.7 |  | 7.8 |  | 1.1 |  | 16.7% |
| Capital Projects |  | 4.6 |  | 8.3 |  | 3.7 |  | 80.4% |
| Total |  | $ 257.1 |  | $ 273.4 |  | $ 16.3 |  | 6.4% |
|  |  |  |  |  |  |  |  |  |
| FTE Positions |  | 3,871.0 |  | 3,889.0 |  | 18.0 |  | 0.5% |

**Highlights Highlights of the FY 1999 Budget Request**

* An increase of $400,000 for a projected increase in depreciation expenses associated with purchasing equipment through the Materials and Equipment Revolving Fund.



* An increase of $445,000 for 2.0 FTE positions for implementing the final phase of the Electronic Records Management System.
* An increase of $102,000 and 2.0 FTE positions for automation support staff associated with transferring the driver’s license issuance functions to county treasurers’ offices.
* An increase of $230,000 for monthly service charges associated with the transmission of digital radio data from the field to the Department’s Local Area Network. The Department plans to have digital radio data transmission operational in approximately 32 counties in FY 2000.
* An increase of $125,000 for increased telecommunication costs.



* An increase of $507,000 to increase the capacity of the Department’s communication lines to improve the speed and efficiency of data transmission to the Department’s Local Area Network.
* An increase of $508,000 to upgrade the Department’s mainframe computer system.
* An increase of $255,000 and 3.0 FTE positions for field traffic engineers to assist local units of government in project planning and location.
* An increase of $161,000 for a projected increase in depreciation expenses associated with purchasing new rolling stock equipment through the Materials and Equipment Revolving Fund.
* An increase of $300,000 for the purchase of equipment designed to enhance work zone safety.
* An increase of $186,000 for the increased cost of salt for highway maintenance.
* An increase of $250,000 for increased charges in the Motor Carrier International Registration Program associated with the increased vender cost for making the system Year 2000 compliant.
* An increase of $200,000 for contract programming to automate motor carrier information through the Department’s Web page.
* An increase of $313,000 and 5.0 FTE positions for additional uniformed officers to enhance safety training for trucking companies.
* An increase of $500,000 to upgrade the driver’s license master record file. The Department would require an additional appropriation of $500,000 in FY 2001 to complete the upgrade.
* An increase of $2.0 million to cover the inflationary cost of purchasing equipment through the Materials and Equipment Revolving Fund.
* An increase of $3.5 million for the purchase of additional automation equipment as well as the replacement of rolling stock based on the expiration of the depreciated life of the vehicle.



* An increase of $300,000 for the replacement of heating systems in field maintenance facilities and for tuckpointing DOT facilities throughout the State. This request would be part of an ongoing program to annually repair DOT facilities.
* An increase of $493,000 associated with the increased cost of the driver’s license digitized photo imaging equipment as a result of transferring driver’s license issuance functions to the county treasurer offices. The Department is currently waiting for bids to be returned for a new four-year contract proposal. It is anticipated that the bid will be awarded in October, at which time this request will be amended.
* An increase of $3.7 million for various capital improvement projects, which include construction of maintenance garages, improvements to comply with the Americans with Disabilities Act, waste water treatment improvements at maintenance garages, construction of salt storage facilities, and other building and facility improvements.

STAFF CONTACT: David Reynolds (Ext. 16934)

Town Meeting on Urban Sprawl, Growth management of cities, and protection of farmland Held in Sioux City

****

**Town Meeting**

**Town Meeting** The ninth Town Meeting on Urban Planning, Growth Management of Cities, and Protection of Farmland was held in Sioux City on September 16 at the Western Iowa Tech Community College. A number of public speakers voiced concerns regarding a variety of issues. Some of the issues discussed included:

* Small towns don’t have the resources to adequately staff a planning department.
* Counties and cities should work together to develop a comprehensive plan for the area.
* Land in the Loess Hills should be preserved to protect the habitat in the area.
* Cities need to have growth to attract people to the area.
* Cities need resources to develop Brownfields areas such as the stock yards in downtown Sioux City.
* Additional natural areas should be created to protect the resources and habitat.
* More education on the issue of urban sprawl and preservation of farmland should be provided.
* A State facilitator is needed to coordinate growth plans and to provide assistance to counties and cities with limited resources.
* Areas should not be annexed by cities without the consent of the landowners.

**Final Meeting** The final Town Meeting will be held at the Community Building in Spirit Lake on September 24.

STAFF CONTACT: Deb Kozel (Ext. 16767)

*Issue Review*: Prison Farms



***Issue Review*** The Legislative Fiscal Bureau (LFB) has completed an ***Issue Review*** describing the Prison Farms operated by the Iowa Prison Industries. The report identifies the number, size, location, usage, revenues, and inmate employment on the farms. Copies of the report are available upon request from the LFB.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Legislative Fiscal Committee



**Fiscal Committee Meeting** The Legislative Fiscal Committee meeting is scheduled to meet on Wednesday, September 30, in the Maucker University Union at the University of Northern Iowa, in Cedar Falls. Agenda items will include discussion of an issue where foster parents’ property is damaged by a foster child - who pays for the damages, a presentation by Dr. Dermot Hayes from Iowa State University on the Agricultural Economy, graduate student centers, the Extension Program at Iowa State University, grant programs under the purview of the Education Appropriations Subcommittee, and a tour of facilities on the UNI campus to review deferred maintenance and capital needs.

STAFF CONTACT: Holly Lyons (Ext. 17845) Tim Faller (Ext. 14615)

LFB STAFF

**L**

**F**

**B**

**New Staff Member** Mike Lipsman has recently joined the LFB staff. Mike will be assigned to the House and Senate Education Standing Committees and will assist Larry Sigel with tax issues. Mike has twenty years of experience in State government - as a transportation planner at the Department of Transportation, and as a management analyst, for the Department of Revenue and Finance. Mike’s office is located on the second floor of the Capitol Building and his phone number is 281-7799.

STAFF CONTACT: Dennis Prouty (Ext. 13509)