FISCAL UPDATE April 12, 1999

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

Revenue Estimating Conference Revises the FY 1999 and FY 2000 Revenue Estimates

**REC Meeting** The Revenue Estimating Conference (REC) met April 8 to review the FY 1999 and FY 2000 General Fund revenue estimates. Members of the Conference approved revisions for the net FY 1999 and FY 2000 General Fund receipts.



**FY 1999 Estimate** The REC left unchanged the FY 1999 total receipts estimate of $4.918 billion established in December. Net receipts (total receipts less refunds) were revised upward from $4.406 billion to $4.422 billion, reflecting a reduced estimate for refunds. The FY 1999 refunds estimate was revised downward from $511.6 million to $495.7 million, reflecting the less than anticipated year-to-date refunds growth. Even though the total receipts figure was unchanged from December, several adjustments were made to specific taxes to reflect year-to-date experience. Personal income tax collections have been weaker than anticipated, and the REC revised the FY 1999 personal income tax amount downward by $34.0 million compared to the December REC estimate. The December estimate of $1.346 billion for sales tax was increased by $19.8 million in reflection of greater than anticipated year-to-date growth. Corporate income tax receipts growth has also been above expectations, and the Conference increased the FY 1999 estimate of $285.1 million by $15.0 million to reflect the year-to-date experience. Insurance premium tax was increased by $8.0 million and use tax receipts were decreased by $11.0 million.

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**FY 2000 Estimate** The REC also left unchanged the FY 2000 total receipts estimate of $5.130 billion established in December. Net receipts (total receipts less refunds) were revised upward from $4.586 billion to $4.609 billion, reflecting a reduced estimate for refunds. The FY 2000 refunds estimate was revised downward from $543.3 million to $519.5 million, also reflecting the less than anticipated year-to-date refunds growth. Even though the total receipts figure was unchanged from December, several adjustments were made to specific taxes to reflect year-to-date experience compared to the December estimate, both personal income tax and use tax were decreased by $32.7 million and $10.0 million, respectively. Sales tax, corporate income tax, and insurance premium tax were increased, compared to the December estimate by $25.0 million, $15.0 million, and $2.0 million, respectively.

**Gambling Revenues** The Conference also revised the FY 1999 and FY 2000 estimates 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 increased the FY 1999 and FY 2000 figures by $2.0 million and $1.0 million, respectively.

**Source of Revenue** The spreadsheet below details the latest REC estimates by source of revenue.



STAFF CONTACT: Larry Sigel (Ext. 14611)

Revised Gambling Revenue Estimates



**Gambling Revenues** The Revenue Estimating Conference (REC) projected moderate increases in the gambling revenues being transferred to the Rebuild Iowa Infrastructure Fund for FY 1999 and FY 2000. In addition, the Racing and Gaming Commission revised the FY 2001 estimate.

**FY 1999 Estimate** The REC increased the FY 1999 estimate by $2.0 million (2.0%), from $100.1 million to $102.1 million. Receipts through the end of March were running approximately 1.8% ahead of expectations. The estimate assumes receipts will continue at this rate.



**FY 2000 Estimate** For FY 2000, the REC increased the estimated receipts by $1.0 million (1.0%) from $107.9 million to $108.9 million. The estimate was adjusted upward due to a slight increase in the Racing and Gaming Commission’s estimates of adjusted gross receipts for the Osceola Riverboat and Prairie Meadows.

**FY 2001** Although the REC does not estimate revenues for FY 2001, the Racing and Gaming Commission provided an estimate for FY 2001 of $117.9 million. The estimate is $2.3 million (2.0%) higher than the $115.6 million estimated by the Legislative Fiscal Bureau in December. The increase is attributed to a change in the estimated adjusted gross receipts for the Osceola Boat in FY 2001.

STAFF CONTACT: David Reynolds (Ext. 16934)

Status of Appropriations Bills

| **Appropriations Subcommittee Bills** |
| --- |
| **Appropriations Subcommittee** |  | **LSB/File #** |  | **Status** |
| Admin./Regulation |  | SF 460 |  | Passed House Approps. on April 8.  |
| Ag./Natural Resources |  | HF 746 |  | Passed House on April 6. |
| Economic Development |  | HF 745 |  | Passed Senate Approps. on April 7. |
| Education |  | SF 464 |  | Passed Senate on April 8. |
| Health/Human Rights |  | HF 737 |  | Passed Senate on April 8. |
| Human Services |  | HF 760 |  | Passed House on April 8. |
| Justice System |  | SF 468  |  | Passed Senate on April 6. |
| Oversight & Comm. |  | HF 762 |  | Passed House Approps. on April 5. |
| Trans., Infrastruc- ture, & Caps. |  | SF 424 |  | Passed House Approps. on April 7.Infrastructure Bill in Joint Subcommittee. Bill starts in House. |

| **Other Appropriations Bills** |
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| **Subject** |  | **File #** |  | **Status** |
| DOT Administration - Nonreversion |  | SF 76 |  | Passed Senate on March 23. |
| Battle Flag Commission - $50,000 GF |  | SF 166 |  | Passed Senate Approps. on March 10. Referred to State Government on March 31.  |
| Teacher Mentoring - $300,000 GF  |  | SF 232 |  | Passed House Education on March 18. Referred to House Approps. |
| Fed. Block Grant  |  | SF 283 |  | Signed by the Governor on March 31. |
| FY 1999 Supple- mental $2.9 mil GF |  | SF 430 |  | Passed Senate on March 16. In House Approps. |
| Embedded Chip Supplemental |  | SF 366 |  | Passed House on April 6. |
| Substance Abuse/Sexual Abuse (Meth Bill) $3.3 mil GF |  | SF 361 (substituted for HF 514) |  | Signed by the Governor on April 6.  |
| National Guard Tuition Assistance |  | SF 461 |  | Passed Senate Approps. on March 25. On Senate calendar. |
| Oil Overcharge |  | HF 332 |  | Signed by the Governor on March 31. |
| Early Intervention (Education Agreement)  |  | HF 743 |  | Passed Senate on March 31. Ready to be enrolled and sent to the Governor. |
| Recruiting Our Own Targeted Students (ROOTS) Forgivable Loan Prg. |  | HF 756 |  | Passed House Approps. on March 24. On House calendar. |
| Teacher Shortage Forgivable Loan Prg. $250,000 GF  |  | HF 759 |  | Passed House Approps. on March 20. On House calendar. |
| Federally Qualified & Rural Health Clinics |  | HF 763 |  | Passed House Approps. on April 7. On House calendar. |

STAFF CONTACT: Holly Lyons (Ext. 17845)

administration and regulation appropriations bill - sf 460 passes house apropriations committee



**Admin./Regulation – SF 460** The Administration and Regulation Appropriations Bill, SF 460, was amended and passed by the House Appropriations Committee on April 8. The Bill makes appropriations to the Office of the Auditor, Department of Commerce, Ethics and Campaign Disclosure, Department of General Services, Office of the Governor, Department of Inspections and Appeals, Department of Management, Department of Personnel, Department of Revenue and Finance, Office of the Secretary of State, and Office of the Treasurer. The Bill appropriates $88.7 million and 1,908.6 FTE positions, an increase of $596,000 (0.7%) and 12.4 (0.7%) FTE positions compared to estimated FY 1999.

**House Approp. Action** Changes made by the House Appropriations Committee include:

* Provides the Department of General Services a FY 1999 supplemental appropriation of $68,000 for rental costs.
* Provides the Office of the Governor a FY 1999 supplemental appropriation of $210,000 for salaries, support, maintenance, and miscellaneous purposes, including vacation and leave payout.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Shawn Snyder (Ext. 16765) Ron Robinson (Ext. 16256)

Agriculture and Natural Resources Appropriations Bill - HF 746 Amended and Passed by the House



**Ag./Natl. Res. – HF 746** The Agriculture and Natural Resources Appropriations Bill, HF 746, was amended and passed by the House on April 6. The Bill appropriates a total of $43.5 million from the General Fund and 1,478.0 FTE positions, an increase of $1.5 million (3.6%) and 26.2 (1.8%) FTE positions compared to estimated FY 1999.

**House Action** Changes made to the Bill by the House include:

* A General Fund increase of $25,000 and 1.0 FTE position to restore a position that remained vacant for more than one year. Specifies the funding be used by the Administrative Division of the Department of Agriculture and Land Stewardship to support six part-time contract employees to perform livestock market news reporting functions.
* A General Fund increase of $35,000 and 2.0 FTE positions to restore positions that remained vacant for more than one year. Specifies the funding be used by the Laboratory Division of the Department of Agriculture and Land Stewardship to support 1.0 FTE position for the Commercial Feed Bureau and a temporary employee to assist with the administration of pesticide certification examinations.
* Requires the Soil Conservation Division of the Department of Agriculture and Land Stewardship to publicize the availability of farm programs to women and minorities.
* Creates the Forestry Management and Enhancement Fund and requires the Department of Natural Resources to deposit a portion of the money received from the sale of trees and shrubs into the Fund to support management and enhancements of forests in the State. Authorizes 5.00 additional FTE positions for the Forests and Forestry Division to support the program.
* Restores 0.45 FTE position to the Parks and Preserves Division that was vacant for more than one year. This position was filled by the Department of Natural Resources and is funded with money from a trust fund.



* Restores 1.00 FTE position to the Environmental Protection Division that was vacant for more than one year. The position is funded with Storm Water Permit fees.
* A General Fund increase of $41,000 to the Environmental Protection Division to hire contract personnel to process and review manure management plans.
* Restores 0.60 FTE position to the Fish and Wildlife Division that was vacant for more than one year. This position is funded with money from the Fish and Game Protection Fund.
* Appropriates $200,000 from the General Fund for FY 1999 for payment of retirement benefits to State Park Rangers.
* Appropriates $150,000 from the Fish and Game Protection Fund for FY 1999 for payment of retirement benefits to Fish and Wildlife Officers.

**Comparison to FY 1999** The Bill, as amended, contains the following major changes compared to estimated FY 1999 appropriation:

1. Increases the appropriation to the Administrative Division in the Department of Agriculture and Land Stewardship by $223,000 and 5.1 FTE positions.



1. Decreases the appropriation to the Regulatory Division in the Department of Agriculture and Land Stewardship by $71,000 and 2.5 FTE positions.
2. Decreases the appropriation to the Laboratory Division in the Department of Agriculture and Land Stewardship by $139,000 and 2.10 FTE positions.
3. Decreases the appropriation to the Soil Conservation Division in the Department of Agriculture and Land Stewardship by $15,000 and an increase of 18.7 FTE positions.
4. Increases the appropriation to the Farmer’s Market Coupon Program by $41,000 and 1.0 FTE position.
5. Decreases the appropriation to the Administrative Services in the Department of Natural Resources by $104,000. This is due to a decrease to the Division’s base budget.
6. Increases the appropriation to the Environmental Protection Division in the Department of Natural Resources by $1.2 million and 6.0 FTE positions.
7. Allocates $300,000 from the Water Quality Protection Fund to the Department of Natural Resources for the study and testing of municipal lagoons.
8. An increase of $75,000 in the Fish and Wildlife Division for the establishment of a Watercraft Safety Program. This is contingent upon passage of SF 187, Watercraft Safety Program.



1. A one-time increase of $200,000 to the Marine Fuel Tax for payment of retirement benefits to the State Park Rangers.
2. Appropriates $50,000 to the United States Department of Agriculture Animal and Plant Health Inspection Services for control of wild animals, which includes whitetail deer.
3. Appropriates $50,000 from the General Fund to Iowa State University for research on Johne’s Disease.
4. Appropriates $50,000 from the General Fund to the Department of Public Safety to train volunteer fire fighters and emergency response personnel on handling agriculture chemical emergencies.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Sherry Weikum (Ext. 17846) Deb Kozel (Ext. 16767)

Economic Development Appropriations Bill - HF 745 Amended and Passed By Senate Appropriations Committee



**Econ. Develop. – HF 745** On April 7, the Senate Appropriations Committee amended and passed the FY 2000 Economic Development Appropriations Bill, HF 745. The Bill as amended appropriates $42.5 million from the General Fund and 1,319.9 FTE positions to the Department of Workforce Development, Department of Economic Development, Public Employment Relations Board, and several programs at Board of Regents institutions. This is an increase of $814,000 (2.0%) and 13.8 (1.1%) FTE positions compared to the estimated FY 1999 appropriations. Changes made to the Bill by the Senate Appropriations Committee include:

1. An increase of 1.0 FTE position for the Institute for Decision Making at the University of Northern Iowa to expand the Institute’s laborshed surveys.
2. Additional language requiring the Department of Workforce Development to submit a FY 2001 budget request to the Economic Development Appropriations Subcommittee showing the revenues, expenditures, and balances for each program within all appropriations and funds under control of the Department.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Education Appropriations Bill - SF 464 amended and Passed by the Senate

**Education – SF 464** On April 6, the Senate amended and passed the FY 2000 Education Appropriations Bill, SF 464. Motions to reconsider the Bill were debated and lifted on April 8 and the Bill was then messaged to the House. Senate File 464, as amended, appropriates a total of $917.3 million and 17,350.0 FTE positions from the General Fund to the College Student Aid Commission, the Department of Cultural Affairs, the Department of Education, and the Board of Regents. This is an increase of $20.6 million (2.3%) and 73.9 (0.4%) FTE positions compared to estimated FY 1999. Funding in the Bill is unchanged from the Senate Appropriations Committee action. Changes made to the Bill by the Senate include:



1. Added language that allows the Indianola School District to correct the student count taken in September of 1998 for their alternative high school program. The cost of this change will be reflected in the appropriation for the FY 2000 school aid formula. The additional State General Fund cost of this amendment is approximately $104,000 for FY 2000. This change will also increase property tax cost in the District by approximately $15,000. Total cost of the change is approximately $119,000.
2. Changed language regarding regional library employees. The change requires the State Library to report the number of employees and the current salaries of each to the Department of Management each year for purposes of determining increased funding required for salary adjustment.
3. Added language that allows regional library employees to be considered part of the pool of State employees for purposes of health and dental coverage. The Regional Libraries will still be required to pay the cost of health and dental coverage for their employees from the funds appropriated. This language allows the Regional Libraries to capitalize on the cost savings, if any, negotiated by the larger pool of State employees.



1. Changed language regarding funding for a teacher testing pilot project to be conducted by the Board of Educational Examiners. The change clarifies that the tests are to be administered at no cost to teacher graduate candidates. Funding of $200,000 is provided in the Bill to pay for the cost of the testing.
2. Changed language regarding chiropractic forgivable loans. The change adds Palmer College of Chiropractic to the list of entities involved in determining underserved areas for purposes of receiving a chiropractic forgivable loan.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Mary Shipman (Ext. 14617) Paige Piper/Bach (Ext. 17942)

Health and Human Rights Appropriations Bill - HF 737 Passes Senate



**Health/Human Rts. - HF 737** The Health and Human Rights Appropriations Bill, HF 737, was passed by the Senate on April 8. The Bill makes appropriations to the Department for the Blind, Civil Rights Commission, Department of Elder Affairs, Governor’s Alliance on Substance Abuse, Department of Public Health, Department of Human Rights, Commission of Veterans Affairs, and the Iowa Veterans Home. The Bill appropriates $91.5 million and 1,445.9 FTE positions, an increase of $1.2 million (1.3%) and 102.7 FTE positions (7.5%) compared to estimated FY 1999.

**NOBA**

**Bill Summary** The Bill returns to the House. Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

 STAFF CONTACT: Jennifer Dean (Ext. 14613) Valerie Thacker (Ext. 15270)

Human Services Appropriations Bill - HF 760 amended and passed by the House



**Human Services – HF 760** On April 8, the House amended and passed the FY 2000 Human Services Appropriations Bill, HF 760. The Bill as amended appropriates $768.9 million from the General Fund and 5,451.57 FTE positions to the Department of Human Services. This is an increase of $38.0 million and 0.1 FTE position compared to the estimated FY 1999 appropriation. Changes made to the Bill by the House include:

* Federal Temporary Assistance to Needy Families (TANF) Funding:
* Added an additional $100,000 appropriation from this federal money for a pilot project for persons adjudicated to receive child welfare services who are 18 years of age and cannot return to their parents’ homes.
* Reclassified $2.1 million of federal TANF allocations to the Family Investment Program and State Child Care Assistance to more appropriately account for the $3.0 million allocation for the Seamless Child Care System.
* Use of the Rebuild Iowa Infrastructure Fund (RIIF) monies: Added the use of RIIF monies of $213,000 for a technology initiative to provide a Medicaid buy-in for persons with disabilities, contingent upon the passage of SF 211. Also required that any remaining RIIF funds be used for grants and loans to build or renovate licensed child care centers, and that any remaining RIIF money be credited to the RIIF account.
* Medical Assistance (Medicaid):
* Required the nonfederal share of moneys refunded to the DHS from the managed mental health and substance abuse care plan be credited to the Medicaid appropriation. Permitted up to $350,000 of these funds to be used for matching funds for a children’s mental health grant.
* Required DHS to implement the rehabilitation option for services to persons with mental illness under Medicaid through use of county funding as a match for federal funding.



* Required that $130,000 of nursing home penalty funds be used for recruitment and retention strategies for certified nurse aides in lieu of deposit into the State General Fund.
* Made changes to the reimbursement methodology and cost reporting for nursing facilities and skilled nursing facilities.
* Permitted a mid-year adjustment for reimbursement to nursing facilities if funds are available from the FY 2000 appropriation.
* Permitted the use of up to $207,000 of the appropriation for Medicaid to be used for a disease-specific pharmaceutical care management study.
* Added legislative intent language for the utilization of the Resource-Based Relative Value System Methodology (reimbursements) for medical providers for FY 2001.
* Changed mandatory language regarding expansion of drug prior authorization to permissive language.
* Required the DHS to conduct a study regarding implementation of a drug product list to promote cost effective use of pharmaceuticals. A report is required by December 15, 1999.
* Required the DHS to conduct meetings of the Drug Utilization Review Commission in accordance with the open meetings statute and to implement term limits for specified Commission members.



* Children’s Health Insurance Program (CHIP):
* Required the DHS to conduct a study of the costs of providing family coverage under the Children’s Health Insurance Program and to issue a report by December 15, 1999.
* Created a trust fund for the Healthy and Well Kids in Iowa (HAWK-I) Program.
* Reduced the FTE positions for the State Mental Health Institute at Cherokee, the Field Operations line-item, and the General Administration line-item to coincide with the reduction in funding compared to estimated FY 1999 for the vacant funded FTE positions.
* Added language to use the funds available from the federal Disproportionate Share Program ($4.5 million) in lieu of deposit into the State General Fund to be used to replace any reduction in the federal financial participation amount for rehabilitation services within the Child and Family Services appropriations line-item. In addition, permitted the Director of the DHS to use up to $600,000 of the State General Fund appropriation for the Child and Family Services line-item to implement recommendations of the Child Welfare Services Work Group.
* Increased the appropriation for the State Training School at Eldora by $40,000, for aftercare services for persons who were placed at the School.
* Added a requirement that DHS issue a request for proposal for developmental disabilities grants.
* Specified the distribution methodology for the $2.0 million increase for the purchase of service (POS) contracts to local providers.
* Added an appropriation of $60,000 for Reactive Attachment Disorder Training.
* Added studies and reports, including:



**Studies & Reports**

* Required the DHS to study the adoption system and issue a report by December 15, 1999.
* Requested the Legislative Council to create a Human Services Restructuring Task Force, and if created, to issue a report prior to January 10, 2000.
* Required the DHS to maximize federal funding from the federal Title IV-E Program and to issue a quarterly report.
* Other:
* Eliminated language which required that any contract entered into by DHS which exceeded $150,000 include a penalty for nonperformance.
* Made various corrections and clarifications.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Deb Anderson (Ext. 16764) Sue Lerdal (Ext. 17794)

Justice System Appropriations Bill - SF 468 Passes Senate



**Justice System** The Justice System Appropriations Bill, SF 468, was amended and passed by the Senate on April 7. The Bill makes appropriations to the Departments of Justice, Corrections, Inspections and Appeals, Public Defense, and Public Safety, and to the Parole Board, the Judicial Branch, and the Iowa Law Enforcement Academy. The Bill appropriates $457.9 million from the General Fund and 7,879.7 FTE positions. This is an increase of $29.8 million (7.0%) and 335.4 FTE positions (4.7%) compared to the estimated FY 1999 appropriations.

**Senate Action** The changes to the Bill made on the Senate floor include:

1. Funding reductions:
2. An across-the-board 20.0% reduction for office supplies, totaling $1.0 million.
3. An across-the-board 20.0% reduction for office equipment, totaling $405,000.
4. A decrease of $1.5 million for the Indigent Defense Fund. The reduction is to be offset by funding from the Civil Reparations Trust Fund.
5. Funding increases:
6. Attorney General
7. $190,000 for Victim Assistance Grants.
8. $50,000 for the Legal Services Poverty Grant Program.



1. Department of Corrections
2. $986,000 for Mitchellville to allow the prison addition to open on schedule.
3. $700,000 for Ft. Dodge to allow the prison addition to open in January (one month delay).
4. $742,000 for direct variable costs to fund inmate support associated with the growing inmate population.
5. $38,000 for computer technology upgrades at the prisons.
6. $58,000 for probation/parole officers to supervise medium and high risk offenders.
7. $173,000 for Community-Based Corrections residential facility staffing.
8. Other Changes:
9. Permits remaining FY 1999 funding for perimeter fencing at the Mt. Pleasant institution to be used for other physical plant improvements.
10. Requires the Department of Corrections to evaluate and report on the privatized medical services the Ft. Madison, including a comparison to the services provided at the other prisons.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) Christina Schaefer (Ext. 16301)

Oversight and Communications Appropriations Bill - HF 762 Passes House Appropriaitons Committee



**Oversight/Comm. – HF 762**  The House Appropriations Committee met April 5 and passed HF 762, the Oversight and Communications Appropriations Bill. The Bill makes appropriations to the Iowa Telecommunications and Technology Commission, Information Technology Services Division of the Department of General Services, Iowa Public Television, and the Treasurer of State. The Bill appropriates $23.5 million from the General Fund and 264.6 FTE positions, a decrease of $57,000 (0.2%) and 2.4 FTE positions compared to estimated FY 1999.

**House Approp. Action** Changes made to the Bill by the House Appropriations Committee include:

* Adding a $50,000 allocation from the Reversion Technology Initiatives Account to the Department of Inspections and Appeals to implement a report card for State licensed health care facilities.



* Adding nonreversion language to the allocation to Iowa Public Television from the Reversion Technology Initiatives Account for the conversion to high definition television transmission.
* Reducing a seven-year exemption to a one-year exemption that allows the costs of maintenance and leases for connections to the Iowa Communications Network to be paid for from the Rebuild Iowa Infrastructure Fund.
* Eliminated 2.4 FTE positions from the Information Technology Services Division which had been vacant and funded for over 12 months.
* Amended Division II of the Bill codifying the IowAccess Network to:
* Create the IowAccess Revolving Fund.
* Provide the IowAccess Board, rather than the Network Manager, with the authority to approve fees and control expenditures from the IowAccess Revolving Fund.
* Require reports from the Board related to expenditures from the fund be submitted to the General Assembly and the Legislative Fiscal Bureau.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Douglas Wulf (Ext. 13250) Glen Dickinson (Ext. 14616)

Transportation Appropriations Bill - SF 424 Passes House Appropriations Committee



**Transportation – SF 424** The House Appropriations Committee passed the Transportation Appropriations Bill, SF 424, on April 7. The Bill, as amended, appropriates a total of $259.6 million and 3,833.5 FTE positions for FY 2000 to the Department of Transportation (DOT). This represents an increase of $5.5 million (2.2%) and a decrease of 37.5 FTE positions compared to FY 1999. The following table shows the total funding for SF 424, as amended, by funding source:

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| --- |
| **Department of Transportation** **Appropriations Bill (SF 424)****as Amended by the House Appropriations Committee** |
|  |  |  |  | House Approp. |  |  |  |  |
|  |  | Estimated |  | Action |  | FY 2000 vs. |  | Percent |
|  |  | FY 1999 |  | FY 2000 |  | FY 1999 |  | Change |
| General Fund |  | $ 3,968,997  |  | $ 4,127,757  |  | $ 158,760  |  | 4.0% |
| Road Use Tax Fund |  | 33,016,768  |  | 34,256,062  |  | 1,239,294  |  | 3.8% |
| Primary Road Fund |  | 217,108,303  |  | 221,211,138  |  | 4,102,835  |  | 1.9% |
| Motorcycle Ed. Fund |  | 25,000  |  | 0  |  | - 25,000  |  | -100.0% |
| Total |  | $254,119,068  |  | $259,594,957  |  | $5,475,889  |  | 2.2% |

**House Approp. Action** The House Appropriations Committee made the following amendments to the Bill:

1. Decreased the General Fund appropriation for airport improvements by $25,000 and appropriated $25,000 to the Iowa Civil Air Patrol for maintenance and repairs to vehicles and aircraft.



1. Decreased the Primary Road Fund appropriation to the DOT’s Maintenance Division by $187,000 for the elimination of 7.0 FTE positions that have been vacant for more than one year.
2. Added language to require the DOT to conduct a study of the hours of service for drivers that operate vehicles for hire and that are designed to transport more than six persons. The study will not include drivers of vehicles that operate transportation services to the general public.
3. Added language to require the DOT to review public policy issues related to State involvement in commercial truck parking and requires the DOT to report the findings to the General Assembly by January 1, 2000. The amendment also eliminates language requiring the DOT to make available the parking areas of the former Clear Lake rest area for use for commercial vehicle parking.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: David Reynolds (Ext. 16934)

SEX OFFENDER REGISTRY BILL - HF 136 PASSES HOUSE

**Sex Offender Bill - HF 136** House File 136 passed the House on April 5. The Bill amends the Sex Offender Registry Chapter by adding kidnapping and false imprisonment to the list of offenses that require registration with the Sex Offender Registry. The Bill provides for the exception of kidnapping committed by the minor’s parent.



**Federal Grant** Iowa will receive approximately $5.9 million in FY 1999 from the Federal Drug Control and System Improvement Grant funding, which is administered by the Governor’s Alliance on Substance Abuse (GASA). Eighty percent of this funding is passed through to local governments. The U.S. Department of Justice has indicated that Iowa has until September 1999 to come into compliance with the federal requirements pertaining to the Jacob Wetterling Act. In order to be in compliance, Iowa must add kidnapping and false imprisonment, except by a minor’s parent, to the list of offenses requiring registration on the Sex Offender Registry. The State failing to comply will lose 10% of their Drug Control and System Improvement Grant money.

**Impact on Funding** Based on the FY 1999 funding level, this could result in an annual reduction of $590,000 in Federal Drug Control and System Improvement Grant funding to the State of Iowa.

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