FISCAL UPDATE May 5, 1999

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 \*\*\*\* *End of Session - Special Edition \*\*\*\**

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FY 2000 General Fund Final Appropriations



**FY 2000 Appropriations** The General Assembly appropriated $4.796 billion from the General Fund for FY 2000, or approximately $260.1 million more than the adjusted FY 1999 appropriations. A tracking document reflecting appropriations from the General Fund is attached to this document **(Attachment 5).** The tracking documents will be updated with the Governor’s item vetoes as they are received.



**Projected Ending Balance** The legislative action, prior to any Governor’s vetoes, results in a projected General Fund ending balance of $113.4 million for FY 2000. The Cash Reserve Fund for FY 2000 will receive the FY 1999 ending balance of approximately $339.3 million. The Cash Reserve Fund and the Economic Emergency Fund will each have reached the 5% statutory maximum. **Attachments 3** and **4** outline the flow of General Fund Revenues after expenditure limitations.

**Balance Sheet** **A copy of the General Fund projected balance sheet is attached to this document (Attachment 1).**

**Year-end Summary** The Legislative Fiscal Bureau’s **1999 Session Fiscal Report** should be completed and printed in mid-June. The report will contain the annotated appropriations bills (NOBA style) and summaries of ways and means action.

**Fiscal Facts** **Fiscal Facts**, a pocket-sized document containing data pertaining to overall revenues and expenditures of State government, as well as detail based on the just-completed legislative action, will be available in May.

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Administration and Regulation Appropriations Subcommittee Bill - SF 460



**Admin./Regulation – SF 460** The General Assembly passed SF 460, the Administration and Regulation Appropriations Bill, on April 20. The Bill appropriates a total of $88.8 million from the General Fund and 1,911.6 FTE positions, an increase of $665,000 (0.8%) and 15.4 (0.8%) FTE positions compared to estimated FY 1999. The Bill also appropriates $21.5 million of other funds and a total FY 1999 supplemental General Fund appropriation of $305,000 and 0.3 FTE position. The FY 2000 General Fund appropriation represents a decrease of $1.1 million (1.2%) and 16.9 (0.8%) FTE positions compared to the Governor’s FY 2000 recommendations. Senate File 460 appropriates funds to the following entities:

* Office of the Auditor of State
* Ethics and Campaign Disclosure Board
* Department of Commerce
* Department of General Services
* Office of the Governor and Lieutenant Governor
* Department of Inspections and Appeals
* Department of Management
* Department of Personnel
* Department of Revenue and Finance
* Office of the Secretary of State
* Office of the Treasurer of State

**Comparison to FY 1999** The significant changes, compared to estimated FY 1999 appropriations, are outlined by department below:

**Auditor** Office of the Auditor of State

* An increase of $75,000 to audit two new prisons.
* A decrease of $40,000 due to a reduction to the base budget.

**Commerce** Department of Commerce

* A decrease of 1.0 FTE position in the Administrative Services Division to eliminate a funded FTE position that has been vacant for at least 32 consecutive pay periods.
* A decrease of 1.0 FTE position in the Alcoholic Beverages Division to eliminate a funded FTE position that has been vacant for at least 43 consecutive pay periods.



* An increase of $37,000 for an Alcoholic Beverages Education Fund in the Alcoholic Beverages Division. This is a new appropriation for the purpose of educating the citizens of the State of Iowa regarding alcoholic beverage laws and rules.
* A decrease of $26,000 due to a reduction in the base budget in the Banking Division.
* A decrease of 2.0 FTE positions in the Credit Union Division to eliminate funded FTE positions that have been vacant for at least 30 consecutive pay periods.
* A decrease of $100,000 for the Insurance Division due to a reduction in the base budget.
* A decrease of 2.0 FTE positions in the Insurance Division to eliminate funded FTE positions that have been vacant for at least 38 consecutive pay periods.
* A decrease of $71,000 and 1.0 FTE position to transfer an Administrative Law Judge 2 from the Insurance Division to the Department of Inspections and Appeals.
* A decrease of $31,000 in the Professional Licensing Division that was used to fund the Real Estate Trust Account Program. The Department of Economic Development’s Housing Improvement Fund will now fund 100.0% of the Program.

**General Services** Department of General Services

* An increase of $38,000 and 1.0 FTE position in the Administration Division for an Accounting Technician.
* An increase of 1.0 FTE position in the Administrative Division for a Mail Driver.
* A decrease of 1.0 FTE position in the Administrative Division to eliminate a funded FTE position that has been vacant for at least 29 consecutive pay periods.



* A decrease of $26,000 in the Property Management Division to cease cleaning for the Capitol Complex Cafeterias.
* A decrease of $30,000 in the Property Management Division for Infrastructure Project Management Staff.
* A decrease of $32,000 in the Property Management Staff to eliminate off-hours carpet cleaning at the Capitol Complex.
* A decrease of 3.0 FTE positions in the Property Management Division to eliminate funded FTE positions that have been vacant at least 26 consecutive pay periods.
* An increase of $193,000 in the Rental Space Division for increased lease costs.

**Governor/Lt. Governor** Office of the Governor and Lieutenant Governor

* An increase of $45,000 in the General Office Division for technology upgrades. This is a one-time appropriation and is contingent upon the reversion of sufficient funds from the Department of Commerce’s Alcoholic Beverages Division.
* An increase of $49,000 and 1.0 FTE position in the Terrace Hill Quarters for salary and support costs for an Administrative Assistant for the First Lady.
* An increase of $274,000 and 3.0 FTE positions to transfer the Office of State-Federal Relations to the Office of the Governor and Lieutenant Governor.

**Inspections & Appeals** Department of Inspections and Appeals



* A decrease of 1.0 FTE position in the Finance and Services Division to eliminate a funded FTE position that has been vacant for at least 43 consecutive pay periods.
* A decrease of $35,000 in the Audit Division for the Targeted Small Business Audits Program.
* An increase of $214,000 and 3.5 FTE positions in the Appeals and Fair Hearings Division due to the transfer of Administrative Law Judges from other departments.
* An increase of 1.0 FTE position in the Appeals and Fair Hearings Division to support the Administrative Law Judges.
* An increase of $100,000 and 1.0 FTE position in the Health Facilities Division to survey non-Joint Commission on Accreditation of Health Care Organizations and non-American Osteopathic Association accredited hospitals.
* An increase of $59,000 in the Health Facilities Division to replace Lottery money used in FY 1999 for inspections of health care facility construction.
* An increase of $200,000 and 5.8 FTE positions for the Foster Care Review Board to expand the service area of the Board.
* An increase of $85,000 and 1.0 FTE position for the Excursion Boat Regulation to regulate the new excursion gambling boat in Osceola.

**Management** Department of Management - An increase of $130,000 for the State Strategic Plan. This is a one-time appropriation and $30,000 of this appropriation is contingent upon the reversion of sufficient funds from the Department of Commerce’s Alcoholic Beverages Division.

**Personnel** Department of Personnel

* An increase of $100,000 in the Operations Division for the Deferred Compensation Program funded by the Lottery in FY 1999.
* A decrease of 1.0 FTE position in the Operations Division due to a reduction in the base budget.
* An increase of 1.0 FTE position in the Program Administration and Development Division due to a data entry error for estimated FY 1999.

**Revenue & Finance** Department of Revenue and Finance

* A decrease of $138,000 and 2.0 FTE positions in the Internal Resources Management Division to transfer two Administrative Law Judges to the Department of Inspections and Appeals.
* A decrease of $100,000 in the Internal Resources Management Division due to a reduction in the base budget.
* A decrease of 3.0 FTE positions in the Internal Resources Management Division to eliminate funded FTE positions that have been vacant for at least 41 consecutive pay periods.
* A decrease of 1.0 FTE position in the State Financial Management Division to eliminate a funded FTE position that has been vacant for at least 28 consecutive pay periods.



**Secretary of State** Office of the Secretary of State

* An increase of $40,000 for the biennial printing of the Iowa Official Register.
* An increase of $30,000 for the Student Citizenship Program. This is a new appropriation.

**Treasurer**  Office of the Treasurer of State – An increase of $25,000 for funding for carpet and drapes. This is a one-time appropriation and is contingent upon the reversion of sufficient funds from the Department of Commerce’s Alcoholic Beverages Division.



FY 1999

**FY 1999 Supplemental** Senate File 460 provides a FY 1999 supplemental appropriation for the following:

* Department of General Services – Adds $68,000 to the FY 1999 appropriation for the Rental Space Division due to increased lease costs and additional lease space for the Department of Public Safety and the Department of Human Services.
* Office of the Governor – Adds $237,000 and 0.3 FTE position to the FY 1999 appropriation for the General Office for salaries, support, maintenance, and miscellaneous purposes, including vacation and leave pay out. Specifies that $12,000 and 0.3 FTE position be used for salary and support for an Administrative Assistant for the First Lady.

**FY 2000 Revenue Changes** Senate File 460 is estimated to increase FY 2000 General Fund revenue by approximately $90,000 due to language that amends Section 123.53, subsection 5, Code of Iowa, that requires civil penalties received from the Department of Commerce’s Alcoholic Beverages Division be deposited in the General Fund.

**More Information** Senate File 460 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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

Agriculture and Natural Resources Appropriations Subcommittee Bill - HF 746



**Agric./Natural Res. – HF 746** The General Assembly passed HF 746, the Agriculture and Natural Resources Appropriations Bill, on April 27. The Bill appropriates a total of $43.3 million from the General Fund and 1,480.4 FTE positions, an increase of $1.3 million (3.1%) and 28.2 (1.9%) FTE positions compared to estimated FY 1999 and an increase of $5.8 million and 16.0 FTE positions compared to FY 2000 Governor’s Recommendations. The Governor’s Recommendation for FY 2000 included $24.8 million from other proposed funding sources, including $15.0 million for Resource Enhancement and Protection (REAP), $7.0 million for Soil Conservation Cost Share, $1.4 million for a Watershed Protection Program, $1.0 million for Loess Hills, and $361,000 for technology initiatives for the Department of Agriculture and Land Stewardship.

**Ag. & Land Stewardship** The Department of Agriculture and Land Stewardship was appropriated $25.4 million from the General Fund and 457.3 FTE positions, an increase of $143,000 and 21.2 FTE positions. Major changes compared to the estimated FY 1999 appropriation are outlined below:



**Administrative Division** Increases the appropriation to the Administrative Division in the Department of Agriculture and Land Stewardship by $286,000 and 6.1 FTE positions. Changes include:

* An increase of $29,000 and 0.5 FTE position due to the transfer of an Information Technology Specialist from the Regulatory Division to the Administrative Division.
* An increase of $43,000 and 1.3 FTE positions due to the transfer of a Storekeeper and an Information Specialist from the Laboratory Division to the Administrative Division.
* An increase of $136,000 and 2.0 FTE positions due to the transfer of the Organic Certification Program from the Laboratory Division to the Administrative Division.
* An increase of $15,000 and 0.3 FTE position due to the transfer of an Information Specialist from the Soil Conservation Division to the Administrative Division.
* An increase of 2.0 FTE positions that were hired as support positions for the Secretary of Agriculture.
* An increase of $18,000 to the Agriculture Statistics Bureau, within the Administrative Division, for information on finished cattle.
* An increase of $6,000 for livestock market news reporting.
* A decrease of 1.0 FTE position due to the elimination of a Field Auditor 2 position that has remained vacant for more than one year.
* An increase of $38,000 and 1.0 FTE position for an Information Specialist.

**Regulatory Division** Decreases the appropriation to the Regulatory Division in the Department of Agriculture and Land Stewardship by $29,000 and 2.5 FTE positions. Changes include:

* A decrease of $29,000 and 0.5 FTE position due to the transfer of an Information Technology Specialist from the Regulatory Division to the Administrative Division.
* A decrease of 2.0 FTE positions due to the elimination of a Typist – Advanced position and a Warehouse Grain Examiner position that have remained vacant for more than one year.

**Laboratory Division** Decreases the appropriation to the Laboratory Division in the Department of Agriculture and Land Stewardship by $139,000 and 2.1 FTE positions. Changes include:

* A decrease of $43,000 and 1.3 FTE positions due to the transfer of a Storekeeper and an Information Specialist from the Laboratory Division to the Administrative Division.
* A decrease of $136,000 and 2.0 FTE positions due to the transfer of the Organic Certification Program from the Laboratory Division to the Administrative Division.
* An increase of $40,000 and 1.2 FTE positions for the Gypsy Moth Program.

**Soil Conservation Division** 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. Changes include:

* A decrease of $15,000 and 0.3 FTE position due to the transfer of an Information Specialist to the Administrative Division.
* An increase of 20.0 FTE positions for Environmental Specialists that will be funded with federal funds from the Environmental Protection Agency and funds from the Resource Enhancement and Protection Fund.

**Farmer’s Mkt. Coupon Prg.** Increases the appropriation to the Farmer’s Market Coupon Program by $41,000 and 1.0 FTE position.



**Natural Resources** The Department of Natural Resources was appropriated $17.9 million from the General Fund and 1,023.1 FTE positions, an increase of $1.2 million and 28.2 FTE positions. Major changes compared to the estimated FY 1999 appropriation include:

* Decreases the appropriation to the Administrative Services Division in the Department of Natural Resources by $104,000. This is due to a decrease inthe Division’s base budget.
* Increases the appropriation to the Environmental Protection Division in the Department of Natural Resources by $1.2 million and 7.0 FTE positions. Changes include:
* An increase of $1.0 million to match federal funds for the Air Quality Program.



* An increase of $100,000 and 3.0 FTE positions for increased regulation of animal feeding operations.
* An increase of $106,000 to hire contract personnel to review manure management plans.
* An increase of 2.0 FTE positions to implement the Brownfields Program. Funding for these positions is from the Hazardous Waste Remedial Fund.
* An increase of 2.0 FTE positions to implement the Total Maximum Daily Load Program. Funding for these positions is from Storm Water Permit fees.

**Other Provisions** Other provisions of the Bill include:



* 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. The Fund will support management and enhancement of forests in the State. Funds are estimated at $275,000 per year.
* Allocates $300,000 from the Water Quality Protection Fund to the Department of Natural Resources for the study and testing of municipal lagoons.
* Appropriates $50,000 from the General Fund to the United States Department of Agriculture Animal and Plant Health Inspection Services for control of wild animals.
* Appropriates $5,000 from the General Fund and $45,000 from the State/Federal Animal Health Laboratory to Iowa State University for research on Johne’s Disease.
* Appropriates $50,000 from the Agriculture Management Account in the Groundwater Protection Fund to the Department of Public Safety to train volunteer fire fighters and emergency response personnel on handling agriculture chemical emergencies.
* A General Fund FY 1999 supplemental appropriation of $200,000 from the General Fund for payment of retirement benefits to State Park Rangers.
* A Fish and Game Protection Fund appropriation for FY 1999 for payment of retirement benefits to Fish and Wildlife Officers who retire in FY 1999.
* A General Fund FY 1999 supplemental appropriation of $150,000 to Iowa State University Cooperative Extension Service to support the Iowa Concern Hotline.

**More Information** House File 746 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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ECONOMIC DEVELOPMENT APPROPRIATIONS Subcommittee BILL - HF 745

**Economic Develop. - HF 745** The General Assembly passed HF 745, the Economic Development Appropriations Bill, on April 12. The Bill appropriates $42.5 million from the General Fund and 1,318.9 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 12.8 (1.0%) FTE positions compared to the estimated FY 1999 appropriations. The total General Fund appropriated amount was $331,000 below the level recommended by the Governor. The appropriations are outlined by department below:



**Economic Development** The Bill **a**ppropriates a total of $25.8 million from the General Fund and 186.0 FTE positions to the Department of Economic Development, an increase of $724,000 (2.9%) and 2.7 FTE positions (1.5%) compared to the estimated FY 1999 appropriation. Major changes include:

* An increase of $250,000 for the World Food Prize.
* An increase of $50,000 for Business Development to expand efforts to assist agriculture biotechnology.
* An increase of $100,000 to expand the Workforce Recruitment Initiative.
* An increase of $150,000 to fund a Center for New Iowans.
* A decrease of $700,000 for the Community Economic Development Account portion of the Strategic Investment Fund.
* An increase of $30,000 to administer the Enterprise Zone Program.
* An increase of $35,000 for City Development Board travel expenses.
* An increase of $125,000 for city development planning grants.
* An increase of $350,000 for the Iowa Manufacturing Technology Center at Iowa State University to expand the Center’s outreach programs.
* An increase of $160,000 for the Community Development Program to replace reduced receipts from the Rural Community 2000 Fund, Community Development Loan Fund, and federal funds.
* An increase of $95,000 and 1.0 FTE position for International Trade Operations for organic and value-added agriculture activities.
* An increase of $100,000 to fund the School-to-Career Refund standing appropriation. This is in lieu of the $500,000 FY 2000 standing in current law.

**Board of Regents** The Bill appropriates a total of $7.6 million from the General Fund and 74.3 FTE positions to seven Board of Regents programs, an increase of $38,000 (0.5%) and a decrease of 0.15 FTE position (0.2%) compared to the estimated FY 1999 appropriation. The increased funding is to expand programs at the Institute for Decision Making.



**Workforce Development** The Bill appropriates a total of $8.1 million from the General Fund and 1,045.8 FTE positions to the Department of Workforce Development, an increase of $52,000 (0.6%) and 10.3 FTE positions (1.0%) compared to the estimated FY 1999 appropriation. The major changes include:

* An increase of $52,000 and 2.0 FTE positions for the Labor Services Division for additional Occupational Safety and Health inspectors.
* An increase of 8.0 FTE positions funded from the Administration Surcharge Fund for new account executive positions to work in selected regional offices.
* An increase of $100,000 from the Penalty and Interest Fund to allow mass electronic filing of unemployment insurance claims. This is a new appropriation.

**PER Board** The Bill appropriates $886,000 from the General Fund and 12.8 FTE positions to the Public Employment Relations (PER) Board, which is no change compared to the estimated FY 1999 appropriation.



**Item Veto** The Governor item vetoed and signed HF 745 on April 26. The Governor vetoed language expressing the intent of the General Assembly to not fund the Governor’s Volunteer Office out of the Economic Development Appropriations Bill beyond FY 2000. The Governor stated that it is premature for the Legislature to rule out avenues of funding for volunteer services in the future.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Education Appropriations Subcommittee Bill - SF 464



**Education – SF 464** The General Assembly passed SF 464, the FY 2000 Education Appropriations Bill, on April 26. The Bill appropriates $917.1 million from the General Fund and 17,382.6 FTE positions. This is an increase of $20.4 million (2.3%) and 72.9 FTE positions (0.4%) compared to the estimated FY 1999 appropriation. In addition, SF 464 makes two contingent appropriations that are not included in the totals above. These are:

* $416,000 to the Board of Educational Examiners from revenues resulting from increases in teacher license fees. The Bill allows the Board to retain up to 85.0% of the revenues resulting from increased fees for teacher licenses. This contingent appropriation was first made in HF 2533 (FY 1999 Education Appropriations Act) and teacher license fees were increased during FY 1999. This language allows the Board to continue receiving the same level of funding as FY 1999.
* $1.0 million to the Department of Education for stipends for teachers who achieve national certification. The appropriation is contingent on passage of HF 766, which was approved by the General Assembly on April 26. The Bill has not yet been signed by the Governor.

**Comparison to Gov. Rec.** Total General Fund appropriations in SF 464 are $21.1 million more than the amount recommended by the Governor for FY 2000. A large portion of the difference compared to the Governor is attributable to the Governor’s recommendation that the FY 2000 appropriation of $27.9 million to the Board of Regents for tuition replacement be made from the Infrastructure Fund rather than the General Fund.



**Other Education Legislation** Total funding in SF 464 does not include several education initiatives that were recommended by the Governor but included by the General Assembly in other FY 2000 legislation, such as:

* $10.0 million for the Early Intervention (Class Size Reduction) Initiative in HF 743, which was approved by the General Assembly on March 31 and signed by the Governor on April 13.
* $4.0 million appropriated to the Department of Education for the School Budget Review Committee to make awards to K-12 school districts with increasing enrollments (on-time funding). This item was included in HF 147, which was approved by the General Assembly on January 27 and signed by the Governor on February 4.
* $100,000 for a Starbase Leadership Conference. This item was included in SF 361, the Methamphetamine Bill, which was approved by the General Assembly on March 22 and signed by the Governor on April 6.

**Comparison to FY 1999** Following is a summary of the FY 2000 increases, by department, as compared to the estimated FY 1999 appropriation:



**College Aid** College Student Aid Commission - Total funding for the Commission for FY 2000 is $57.0 million and 39.0 FTE positions. This is an increase of $3.5 million (6.4%) and no change in FTE positions compared to estimated FY 1999. Increases include:

* $29,000 for the Chiropractic Forgivable Loan Program. The Bill also adds language requiring recipients to practice for a specified time period in an underserved area.
* $3.0 million for the Tuition Grant Program. This level of funding allows an increase in the maximum grant from $3,650 to $3,900 for approximately 12,300 students.
* $24,000 for the State of Iowa Scholar Program. Allows full funding of $400 scholarships for approximately 1,250 high school seniors in the top 3.0% of their graduating class.
* $238,000 for the Vocational-Technical Tuition Grant Program. This level of funding allows for an increase in the maximum grant from $600 to $650 for approximately 3,800 students.
* $250,000 for the Teacher Shortage Forgivable Loan Program. This is a new appropriation. The standing appropriation of $90,000 for the Industrial Technology Forgivable Loan Program is eliminated, resulting in a net increase of $160,000.
* Allows funds appropriated for the National Guard Tuition Assistance Program to carryover from FY 1999 to FY 2000.
* Changes statutory language regarding the National Guard Educational Assistance Program. The change limits the maximum award to an amount equal to tuition at the Regents institutions, which is $2,786 for FY 2000. The current maximum is 50.0% of tuition at the Regents institutions. The change also allows federally defined costs of attendance, in addition to tuition, to be included in the assistance awarded. Total cost of the Program is subject to the amount appropriated by the General Assembly, which is $833,900 for FY 2000.



**Cultural Affairs** Department of Cultural Affairs - Total funding for the Department for FY 2000 is $6.2 million and 88.7 FTE positions. This is an increase of $125,000 (2.1%) and no change in FTE positions compared to estimated FY 1999. Increases include:

* $100,000 for the Iowa Arts Council. The increase is for the Operational Support Grants Program and the Access Iowa Arts Program.
* $25,000 for the Historical Division to annualize funding for an archivist to process records, including papers from the Branstad administration.



**Education** Department of Education - Total funding for the Department for FY 2000 is $183.7 million and 547.2 FTE positions. This is an increase of $10.7 million (6.2%) and 0.9 FTE position (0.2%) compared to estimated FY 1999. Changes include (increases unless otherwise noted):

* $28,000 for the Administration Division for support of the teacher licensure imaging system.
* $100,000 for the Division of Vocational Rehabilitation to increase the State share of funding to fully match federal funds.
* $60,000 for the State Library for the Open Access Program.
* $50,000 for the Regional Library System salary increases.



* $151,000 and 0.9 FTE position for Iowa Public Television, as follows:
* An increase of $195,000 and 1.0 FTE position to begin the transition to digital television.
* A decrease of $44,000 and 1.0 FTE to eliminate a position that has remained vacant for more than one year.
* An increase of 0.9 FTE position to adjust the base budget.
* A decrease of $50,000 for textbooks of nonpublic school pupils due to a decrease in submitted claims.
* A decrease of $120,000 for the Family Resource Demonstration Project. The General Fund appropriation for the Project was scheduled to be eliminated for FY 2000 due to the inclusion of empowerment funding. However, the Project receives funding of $120,000 from a one-time reversion for extended school year grants (see below).
* A decrease of $1.5 million for extended school year grants. This was a one time FY 1999 appropriation in SF 2366, the Education Reform Act, for extended school year planning grants. All of the grants were to be awarded by October 1998. However, approximately $250,000 in grants were awarded. Senate File 464 captures $735,000 of the remaining funds for the following one-time purposes:
* $200,000 to the Board of Educational Examiners for a one-year pilot study to assess the performance of teacher education graduates.
* $100,000 to the State Library for promotion of the federal census for the year 2000.
* $100,000 to the Department of Education for support of the Reading Recovery Center.
* $120,000 to the Department of Education for support of the Family Resource Center Demonstration Program.
* $165,000 to the Department of Education for employability skills assessments.
* $50,000 to the Department of Cultural Affairs for the Local Arts Comprehensive Educational Strategies (LACES) Program.
* A decrease of $25,000 for the Board of Educational Examiners to eliminate one-time funding related to para-educator licensing.
* A decrease of $75,000 for a one-time audit of area education agencies.
* A decrease of $250,000 for stipends for teachers who achieve national certification. See the discussion at the beginning of this article of the $1.0 million contingent appropriation for this purpose.



 Empowerment

* $5.2 million for deposit in the Iowa Empowerment Fund.
* $185,000 to reimburse K-12 school districts for costs associated with employability skills assessments. This is a new appropriation. The Bill also provides a one-time reversion allocation of $165,000 for this Program, making total funding $350,000 for this Program for FY 2000.
* $700,000 for an Enrich Iowa Library Program to provide grants to local libraries. This is a new appropriation.
* $6.2 million for community colleges.
* Creates allocations from the Educational Excellence standing appropriation for FY 2000 as follows:
* $50,000 for the Geography Alliance.
* $1,250,000 for the New Iowa Schools Development Corporation (NISDC).
* $150,000 to Iowa Public Television for overnight block feeds.
* $50,000 for participation in the national assessment of education progress.
* $50,000 for the Iowa Mathematics and Science Coalition.

**Board of Regents** Board of Regents

**Board Office** *Board Office -* Total funding for the Board Office for FY 2000 is $29.5 million and 15.6 FTE positions. This is an increase of $59,000 (0.2%) and no change in FTE positions compared to estimated FY 1999. The increase is for tuition replacement.



**University of Iowa** *University of Iowa -* Total funding for the University of Iowa (SUI) for FY 2000 is $298.1 million and 10,428.4 FTE positions. This is an increase of $2.7 million (0.9%) and 35.0 FTE positions (0.3%) compared to estimated FY 1999. Increases include:

* $1.6 million for the general university operating budget as follows:
* $200,000 for opening the Biology Building in January of 2000.
* $860,000 for undergraduate education.
* $100,000 for biosciences.
* $100,000 for arts and humanities.
* $300,000 for natural science faculty.
* $200,000 for the SUI Hospital School to include funding for the Creative Employment Options university-affiliated program.
* $50,000 for the SUI Specialized Child Health Care Program to add a specialized dietary program.
* $1.1 million and 16.0 FTE positions for the SUI Public Health Initiative. This is a new appropriation which will involve establishing a College of Public Health and a Master of Public Health Program at SUI.



**Iowa State University** *Iowa State University -* Total funding for Iowa State University (ISU) for FY 2000 is $246.6 million and 4,623.6 FTE positions. This is an increase of $2.2 million (0.9%) and 19.9 FTE positions (0.4%) compared to estimated FY 1999. Changes include:

* $160,000 increase for the general university operating budget for undergraduate education.
* $300,000 increase for the Cooperative Extension Program for continued expansion of Extension 21.
* $2.2 million and 18.0 FTE positions to establish a Center for Excellence in Plant Science Research at ISU. This is a new appropriation and includes $200,000 appropriated in FY 1999 for bioinformatics.
* Eliminates funding of $250,000 for the World Food Prize.



**University of Northern Iowa** *University of Northern Iowa -* Total funding for the University of Northern Iowa (UNI) for FY 2000 is $83.9 million and 1,408.4 FTE positions. This is an increase of $830,000 (1.0%) and 8.5 FTE positions (0.6%) compared to estimated FY 1999. Increases include:

* $530,000 for the general operating budget as follows:
* $140,000 for opening the Performing Arts Center in January of 2000.
* $390,000 for undergraduate education.
* $300,000 to establish a master’s degree program in social work at UNI. This is a new appropriation.

**School for the Deaf** *Iowa School for the Deaf -* Total funding for the Iowa School for the Deaf for FY 2000 is $7.7 million and 126.6 FTE positions. This is an increase of $269,000 (3.6%) and 2.5 FTE positions (2.0%). Increases include:

* $34,000 for inflation.
* $60,000 for building repair.
* $65,000 for vocational education.
* $110,000 and 2.5 FTE positions for additional faculty.

**Braille & Sight Saving School** *Iowa Braille and Sight Saving School -* Total funding for the Iowa Braille and Sight Saving School for FY 2000 is $4.3 million and 91.1 FTE positions. This is an increase of $148,000 (3.6%) and 6.2 FTE positions (7.3%). Increases include:

* $18,000 for inflation.
* $20,000 for building repair.
* $110,000 and 2.1 FTE positions for extended school year support.
* 4.1 FTE positions to adjust to expected staffing levels.

**Salary Funds** Appropriations in SF 464 do not include salary funding. Salary funds for FY 2000 allocated to the Board of Regents institutions are estimated to be $27.2 million, making the total increase for the Board approximately $33.4 million (5.0%).

**More Information** Senate File 464 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau.

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

Health and Human Rights Appropriations Subcommittee bill - HF 737



**Health/Hum. Rights – HF 737** The General Assembly passed HF 737, the Health and Human Rights Appropriations Bill, on April 29. This Bill appropriates $91.5 million and 1,445.9 FTE positions for FY 2000, an increase of $1.2 million (1.3%) and 102.7 FTE positions (7.5%) compared to estimated FY 1999. In addition, the Bill appropriates $42,000 in General Funds for FY 1999 and $3.7 million of Other Funds for FY 2000. The FY 2000 General Fund appropriation represents a decrease of $1.5 million (1.6%) and an increase of 97.8 (7.0%) FTE positions compared to the Governor’s recommendations.

**Appropriations** 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.

**Compared to FY 1999** The significant changes, compared to estimated FY 1999 appropriations, are outlined by department below.

**Dept. for the Blind** Department for the Blind - An increase of $125,000 and 2.0 FTE positions to add independent living trainers.

**Elder Affairs** Department of Elder Affairs

* An increase of $60,000 to expand the Retired Senior Volunteer Programs (RSVP).



* An increase of $80,000 for Alzheimer’s association’s support.
* An increase of $60,000 and 1.0 FTE position for the long-term ombudsman.

**Public Health** Department of Public Health



* A decrease of $525,000 to the Addictive Disorders Program. The General Funds will be replaced by a transfer of $525,000 from the Gambling Treatment Fund appropriation contained in the Bill.
* An increase of $50,000 to improve access to dental care for low-income children.
* A decrease of $150,000 to reduce funds for the Physician Care for Children Program.
* An increase of $50,000 and 1.0 FTE position for the Volunteer Health Care Provider Program.
* An increase of $250,000 for core public health functions of local boards.
* An increase of $100,000 and 1.0 FTE position for investigation and surveillance of infectious diseases.
* An increase of $79,000 and 1.0 FTE position for local environmental health.
* An increase of $45,000 and 1.0 FTE position for costs associated with the Dental Hygiene Panel.
* An increase of $13,000 and 1.0 FTE position for the Impaired Practitioner Program.

**Human Rights** Department of Human Rights

* An increase of $71,000 and 1.0 FTE position for an Administrator for the Persons with Disabilities Division.
* An increase of $76,000 to expand the Displaced Homemakers Program.

**Veterans Affairs** Commission of Veterans Affairs



* An increase of $55,000 for cost adjustments associated with the housekeeping contract.
* An increase of $727,000 for cost adjustments associated with the dietary contract.
* An increase of 88.30 FTE positions to provide the FTE capacity to hire State employees to perform dietary service functions.

**Bill Provisions** Language contained in the Bill includes the following provisions:



* Transfers $20,000 to the State Auditor to study the Gambling Treatment Program.
* Appropriates $132,000 to the Department of Public Health from receipts collected by the General Fund from 0.3% of the gross sum wagered at pari-mutuel tracks. Specifies the funds are appropriated for the sole purpose of funding a Deputy State Medical Examiner and are contingent upon the passage of language creating the position and transferring the function from the Department of Public Safety to the Department of Public Health. House File 782, the Standings Appropriations Bill, passed by the General Assembly on April 28, contained the transfer language.
* Permits the Boards of Medical Examiners, Dental Examiners, Nursing Examiners, and Pharmacy Examiners to retain a specified amount of fees collected to be used for relocation expenses during FY 2000. The potential amount to be retained is $805,000.

**Statutory Changes** Changes to the Code of Iowa in the Bill include:

* Establishes a Veterans License Fee Fund to collect fees from the sale of special veteran license plates.
* Eliminates the Code authority of the Department of Public Health to administer the resources in the Gambling Treatment Fund without an appropriation.

**More Information** House File 737 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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

Human Services Appropriations Subcommittee Bill - HF 760



**Human Services – HF 760** The General Assembly passed HF 760, the Human Services Appropriations Bill for FY 2000, on April 20. The Bill appropriates $768.8 million from the General Fund and 5,496.6 FTE positions. This is an increase of $37.9 million (5.2%) and 45.1 FTE positions (0.8%) compared to the estimated FY 1999 appropriation. The FY 2000 appropriation is also a decrease of $8.6 million (1.1%) and 10.9 FTE positions (0.2%) compared to the Governor’s FY 2000 budget recommendation as adjusted for tobacco settlement proceeds and mental health allowed growth. The Bill appropriates $143.4 million from federal Temporary Assistance for Needy Families (TANF) for FY 2000, an increase of $2.5 million (1.8%) compared to estimated FY 1999.

**FY 1999 Supplemental** House File 760 also appropriates supplemental funds for FY 1999. From the General Fund, the Bill appropriates $115,000 and 6.6 FTE positions for the Sexual Predator Commitment Program. From federal Temporary Assistance for Needy Families (TANF) funds, the Bill appropriates $3.3 million to replace a corresponding reduction in federal Social Services Block Grant funds.

**Comparison to FY 1999** Major changes compared to the estimated FY 1999 appropriation include:

**Economic Assistance** Economic Assistance: $41.1 million and 254.2 FTE positions, an increase of $205,000 (0.5%) and 19.0 (8.1%) FTE positions. This includes:



* Family Investment Program: An increase of $2.9 million and 8.0 FTE positions. This includes:
* An increase of $3.2 million to replace federal child support recovery incentives previously transferred to the Family Investment Program with General Fund moneys.
* A decrease of $179,000 to delay Statewide expansion of the Electronic Benefits Transfer Program.
* A decrease of $120,000 for the Promise Jobs Program.
* An increase of $120,000 for Food Stamp Employment Training.
* A decrease of $179,000 to delay electronic benefits transfer implementation.
* Child Support Recovery Unit: A decrease of $2.7 million and an increase of 11.0 FTE positions. This includes:
* A decrease of $3.2 million to replace General Fund moneys with federal child support recovery incentive funds.
* An increase of $347,000 for a State Disbursement Unit.



**Medical Services** Medical Services: $454.3 million and 17.0 FTE positions, an increase of $34.5 million (8.2%) and no change in FTE positions. This includes:

* Medical Assistance: An increase of $29.9 million. This includes:
* A decrease of $1.5 million due to historical reversions.
* A decrease of $1.0 million to expand prior authorization for prescription medications.
* An increase of $2.2 million due to a decrease in federal financial participation.
* An increase of $26.3 million to adjust provider reimbursement levels.
* An increase of $1.5 million to transfer funding for 41 group care beds from the Children and Family Services budget unit.
* An increase of $3.5 million to expand medical assistance to additional children.
* A decrease of $1.7 million due to changes in the number of Medical Assistance eligibles and utilization.
* An increase of $454,000 due to the federal cost-of-living adjustment for the Supplemental Security Income subsidy being lower than anticipated.
* Medical Contracts: An increase of $302,000, including increased contract expenditures.
* State Supplementary Assistance: An increase of $963,000. This includes:
* An increase of $809,000 to increase reimbursement rates for residential care facilities and in-home health care to meet federal maintenance of effort requirements.
* An increase of $169,000 due to the federal cost of living adjustment for the Supplemental Security Income subsidy being lower than anticipated.



* Children’s Health Insurance Program: An increase of $3.3 million. This includes:
* An increase of $4.1 million to annualize the costs of the Program.
* A decrease of $1.0 million to offset the FY 2000 Program costs with moneys anticipated to be carried forward from the FY 1999 appropriation for the Program.
* An increase of $264,000 to contract for claims payment services and fund administration and outreach activities.

**Adults, Children, & Families** Adults, Children, and Families: $131.1 million and 357.5 FTE positions, an increase of $4.0 million (3.1%) and 6.7 (1.9%) FTE positions. This includes:

* Child Care: A decrease of $3.7 million. This includes:
* A decrease of $3.7 million as a transfer of funding for protective child care to the Child and Family Services budget unit.
* An increase of $11,000 for a Child Care Gold Seal Quality Designation.



* Toledo Juvenile Home: An increase of $113,000 and 0.5 FTE position. This includes:
* An increase of $50,000 for a one-time consultant to improve juvenile programs.
* An increase of $38,000 for inflationary expenditures.
* An increase of $25,000 and 0.5 FTE position for increasing a psychologist position from half-time to full-time.
* Eldora Training School: A decrease of $24,000 and an increase of 6.2 FTE positions. This includes:
* A decrease of $378,000 to delay a cottage opening from January 1999 to October 1999. The Bill allows the DHS to carry over the same amount from the FY 1999 appropriation to FY 2000.
* An increase of $243,000 and 6.2 FTE positions for three months of opening costs for the same delayed cottage. The cost for nine months from October 1999 to June 2000 is the sum of the $378,000 and the $243,000.
* An increase of $59,000 for inflationary expenditures.



* An increase of $52,000 for aftercare services.
* Child and Family Services: An increase of $10.7 million. This includes:
* An increase of $3.3 million, which is a transfer of the court-ordered juvenile services budget unit from a separate budget unit.
* An increase of $3.7 million, which is a transfer of the protective child care program from the child care services budget unit.
* A decrease of $1.5 million, which is a transfer of the costs related to 41 group care beds classified for the mentally retarded to the Home and Community-Based waiver within the Medical Assistance budget unit.
* An increase of $2.3 million for a caseload increase for subsidized adoption.
* A decrease of $135,000 for foster family shelter care.
* An increase of $42,000 for expansion of foster home insurance coverage.
* An increase of $27,000 for additional Attorney General time for termination of parental rights proceedings due to implementation of the federal Adoption and Safe Families Act.
* An increase of $107,000 for increased child abuse assessments.
* An increase of $287,000 for subsidized guardianships.
* An increase of $395,000 for adoption increases.
* An increase of $1.4 million to expand school-based supervision.
* An increase of $2.3 million to increase rehabilitative treatment and support (RTS) services provider rates. An additional $767,000 is appropriated from federal Temporary Assistance for Needy Families (TANF) funds for the increase of 2.0% beginning July 1.
* An increase of $200,000 to increase the rehabilitative treatment and support (RTS) services provider rates an additional 7.0%, for a total of 9.0% increase for the Psychiatric Medical Institution for Children rates.
* A decrease of $2.7 million due to changes in average costs per case and federal financial participation.
* A decrease of $483,000 due to additional revenues available for child support recovery efforts within this budget unit.
* An increase of $1.0 million for 41 additional group care beds.
* An increase of $450,000 for 100 additional female juvenile day treatment slots.



* Family Support Subsidy Program: An increase of $77,000. This includes:
* An increase of $10,000 to match the federal Supplemental Security Income (SSI) increase.
* An increase of $67,000 for two additional county pilot sites for the Children-at-Home Program.
* Court-ordered Services for Juveniles: A decrease of $3.3 million, which is due to a transfer from a separate budget unit to the Child and Family Services line-item.
* Reactive Attachment Disorder: A new appropriation of $60,000 to train and educate individuals who provide services through the DHS to children with Reactive Attachment Disorder.



**MI/MR/DD/BI** Mental Illness, Mental Retardation, Developmental Disabilities, Brain Injuries (MI/MR/DD/BI): $79.1 million and 2,430.9 FTE positions, an increase of $3.0 million (4.0%) and 53.4 (2.2%) FTE positions. This includes:

* Mental Health Institute at Cherokee: A decrease of $754,000 and 7.4 FTE positions. This includes:
* A decrease of $750,000 and 7.4 FTE positions for vacant funded FTE positions.
* A decrease of $4,000 due to rounding.
* Mental Health Institute at Clarinda: A decrease of $16,000 due to rounding.
* Mental Health Institute at Independence: A decrease of $55,000. This includes:
* A decrease of $16,000 due to changes in federal financial participation.
* A decrease of $39,000 due to rounding.
* Mental Health Institute at Mount Pleasant: A decrease of $11,000 due to rounding.
* State Hospital-School at Glenwood: A decrease of $168,000 and an increase of 25.8 FTE positions. This includes:
* An increase of $200,000 for the cost of unbundling pharmaceuticals.
* A decrease of $586,000 due to an increase in estimated federal receipts resulting from FY 1999 State funds for salary allocation which draw down additional federal funding.



* An increase of $218,000 as a result of decreasing the federal match rate.
* An increase of 25.8 FTE positions for funded staffing levels and elimination of required overtime.
* State Hospital-School at Woodward: A decrease of $484,000 and an increase of 15.0 FTE positions. This includes:
* A decrease of $549,000 due to an increase in estimated federal receipts resulting from FY 1999 State funds for salary allocation which draw down additional federal funding.
* An increase of $65,000 as a result of decreasing the federal match rate.
* An increase of 15.0 FTE positions to eliminate required overtime.
* State Cases: An increase of $1.5 million for additional cases and increases in costs.
* Reimbursement increase for various sheltered work, work activity, and residential services: An increase of $2.0 million.
* Sexual Predator Commitment Program: An increase of $1.0 million and 20.0 FTE positions. This includes:



* An increase of $826,000 and 20.0 FTE positions for personnel costs.
* An increase of $15,000 for travel.
* An increase of $172,000 for administrative expenditures.
* An increase of $5,000 for pharmaceutical expenditures.
* An increase of $84,000 for legal costs.
* An increase of $15,000 for auditing costs.
* An increase of $147,000 for reimbursements to other agencies.
* An increase of $35,000 for equipment.
* An increase of $2,000 for miscellaneous expenditures.
* A decrease of $269,000 for Attorney General costs.



**Managing & Deliv. Serv.** Managing and Delivering Services: $63.3 million and 2,437.0 FTE positions, a decrease of $3.7 million (5.5%) and 34.0 (1.4%) FTE positions. This includes:

* General Administration: A decrease of $1.8 million and 21.0 FTE positions. This includes:
* A decrease of $750,000 and 13.0 FTE positions to adjust the General Fund appropriation due to vacant funded FTE positions.
* A decrease of $619,000 and 11.0 FTE positions to eliminate funding for the X-PERT technology initiative.
* A decrease of $395,000 and 6.0 FTE positions to move program specific FTE positions and expenditures to the Family Investment Program budget unit.
* A decrease of $226,000 to move postage expenditures for Medical Assistance to the Medical Assistance budget unit.
* An increase of $145,000 and 5.0 FTE positions to manage a county billing system and child abuse registry expungement requests.
* Field Operations: A decrease of $2.0 million and 13.0 FTE positions. This includes:
* A decrease of $750,000 and 15.0 FTE positions to adjust the General Fund appropriation due to vacant funded FTE positions.
* A decrease of $1.2 million to offset the General Fund appropriation with anticipated increases in federal Title IV-E funding.



**Task Force**

* Other provisions:
* Provides various increases for certain providers of services.
* Requests the Legislative Council to create a Provider Reimbursement Task Force and a Restructuring Task Force and specifies duties of the Task Forces.
* Requires the DHS to expand drug prior authorization.
* Specifies that $65,000 from nursing facility fine revenues be used for certified nurse aide recruitment and retention.
* Permits the use of limited funding from school-based supervision funding for training purposes.
* Appropriates funds from the Disproportionate Share Program and the Indirect Medical Education Program to supplant the possible loss of funds from the federal government from the calculation of Children and Family Services Title IV-E funds. Cost estimate is $3.7 million, but negotiations with the federal government have not yet been completed.
* Permits the State Hospital-Schools to carry over up to $500,000 of unexpended or unencumbered funds from FY 1999 to FY 2000, and from FY 2000 to FY 2001.
* Specifies legislative intent regarding the use of the Iowa Juvenile Home at Toledo for FY 2001.
* Requires the Department of Human Services and the Department of Corrections to develop a proposal to provide optional treatment in lieu of incarceration for individuals convicted of methamphetamine use.
* Specifies that federal incentives received for child support recoveries are to be credited to the Child Support Recovery Unit rather than to the Family Investment Program.
* Delays the independent evaluation of the child protection system until FY 2001.
* Reallocates an FY 1996 appropriation from the Rebuild Iowa Infrastructure Fund (RIIF) from the X-PERT automated eligibility determination system to update computer systems to decrease the error rate of the food stamp program, improve the welfare reform computer system, change computer systems necessary for a Medicaid buy-in program, and improve a county billing system.



**FY 2000 Allowed Growth** The 1998 General Assembly passed HF 2545, the Mental Health Allowed Growth Allocations Bill and $18.1 million was appropriated for FY 2000 for this purpose in SF 2410, the Human Services Appropriations Bill. Allocations are to be distributed to counties in the following manner:

* $12.0 million for distribution to counties for inflation.
* $2.1 million for a per capita expenditure target pool.
* $2.0 million for an incentive and efficiency pool.
* $2.0 million for a risk pool.

**FY 2001 Allowed Growth** The 1999 General Assembly appropriated $21.6 million for FY 2001 Mental Health Allowed Growth in SF 782, the Standings Bill. Allocations are to be distributed to counties in the following manner.

* $12.0 million for distribution to counties for inflation.
* $5.8 million for a per capita expenditure target pool.
* $2.0 million for an incentive and efficiency pool.
* $2.0 million for a risk pool.

**More Information** House File 760 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE BILL - SF 468



**Justice System – SF 468** The General Assembly passed SF 468, the Justice System Appropriations Bill, on April 28. The Bill appropriates $459.2 million and 7,796.3 FTE positions from the General Fund to the Department of Justice, Department of Corrections, Judicial Department, Office of the State Public Defender, the Indigent Defense Fund, Iowa Law Enforcement Academy, Parole Board, Department of Public Defense, and the Department of Public Safety. This is an increase of $31.0 million (7.2%) and 272.0 (3.6%) FTE positions compared to the estimated FY 1999 appropriations. The General Fund appropriation represents a decrease of $10.9 million (2.3%) and 148.5 (1.9%) FTE positions compared to the Governor’s recommendations. The significant changes, by department, are outlined below.

**Attorney General** Attorney General: An appropriation of $13.9 million and 247.5 FTE positions. This is an increase of $676,000 (5.1%) and 2.0 (0.8%) FTE positions compared to estimated FY 1999. Major changes include:

* An increase of $300,000 in the General Office for Sexually Violent Predator Commitment proceedings.
* An increase of $115,000 and 2.0 FTE positions for attorneys in the Appeals Division in the General Office.
* A decrease of $15,000 for travel in the General Office.
* An increase of $176,000 for Victim Assistance Grants.
* An increase of $100,000 for the Legal Services Poverty Grant Program and authorizes the use of up to $250,000 from the Civil Reparations Trust Fund for this purpose.



**Corrections** Department of Corrections: An appropriation of $235.5 million and 4,019.2 FTE positions. This is an increase of $18.5 (8.6%) and 218.8 (5.8%) FTE positions compared to estimated FY 1999. Major changes include:

* *Institutions:* An increase of $13.2 million (8.3%) and 146.3 (5.3%) FTE positions compared to the estimated FY 1999 appropriation. Major changes include:
* An increase of $2.0 million for inmate support costs.
* An increase of $449,000 and 5.0 FTE positions for computer technology enhancements.
* An increase of $375,000 and 9.5 FTE positions to replace expiring federal funding for substance abuse programs.
* An increase of $654,000 and 2.7 FTE positions for medical services.
* An increase of $400,000 and 10.0 FTE positions for a program for reintegration of administratively segregated inmates into the general population.
* An increase of $500,000 and 11.0 FTE positions for the Sex Offender Hormonal Treatment Program. The Program operates at both the institutional and Community-Based Corrections levels.
* An increase of $8.3 million and 111.0 FTE positions for prison expansions at Mitchellville and Ft. Dodge. The Ft. Dodge expansion opening date is delayed two months.
* *Central Office:* An increase of $2.0 million (21.6%) and no change in FTE positions compared to the estimated FY 1999 appropriation. Major changes include:
* An increase of $2.2 million for the cost of housing female inmates out-of-state.
* An increase of $332,000 for educational programming for inmates housed in the expanded facilities.



* *Community-Based Corrections:* An increase of $3.3 million (6.8%) and 72.5 (7.5%) FTE positions compared to the estimated FY 1999 appropriation. Major changes include:
* An increase of $1.2 million and 28.0 FTE positions for probation/parole officers to supervise medium- and high-risk offenders.
* An increase of $1.7 million and 40.0 FTE positions for residential facility staffing.
* An increase of $427,000 and 4.0 FTE positions for computer technology enhancements.
* An increase of $246,000 and 3.3 FTE positions to replace expiring federal funding for substance abuse, youthful offender, and sex offender programs.

**Inspections & Appeals** Inspections and Appeals: An appropriation of $33.8 million and 201.0 FTE positions. This is a decrease of $211,000 (0.6%) and an increase of 2.0 (1.0%) FTE positions compared to estimated FY 1999. Major changes include:

* An increase of $300,000 and 2.00 FTE positions in the Public Defender’s Office for Sexually Violent Predator Commitment proceedings.
* A decrease of $511,000 for the Indigent Defense Fund.



**Judicial Branch** Judicial Branch: An appropriation of $109.5 million and 2,077.6 FTE positions. This is an increase of $2.1 million (2.0%) and 37.8 (1.9%) FTE positions compared to estimated FY 1999. Major changes include:

* An increase of $598,000 and 8.0 FTE positions for Appellate Court Judges and staff.
* An increase of $680,000 and 12.0 FTE positions for four District Court Judges and staff. One District Court Judge will begin January 2000.
* An increase of $300,000 and 10.2 FTE positions for technology employees currently funded in the Enhanced Court Collections Fund.



* An increase of $25,000 for staff training.
* An increase of $241,000 and 7.6 FTE positions for Juvenile Court clerical staff and to expand the Court-Appointed Special Advocate Program.
* An increase of $27,000 for the Juvenile Victim Restitution program.
* An increase of $259,000 to fund Judicial Retirement at 23.7% of the judges’ basic salary.

**Law Enforc. Academy** Iowa Law Enforcement Academy: An appropriation of $1.3 million and 30.6 FTE positions. This is no change from the estimated FY 1999 appropriation. Major changes include:

* An increase of $80,000 for the Telecommunicator Training Program.
* A decrease of $80,000 to eliminate funding for the Drug Abuse Resistance Education (D.A.R.E.) Program. (House File 782, Standings Appropriations Bill, appropriated $80,000 to the D.A.R.E. Program to maintain the current level of funding.)

**Board of Parole** Board of Parole: An appropriation of $1.0 million and 18.0 FTE positions. This is no change from the estimated FY 1999 appropriation.



**Public Defense** Public Defense: An appropriation of $5.6 million and 250.0 FTE positions. This is an increase of $423,000 (8.2%) and 10.9 (4.6%) FTE positions compared to estimated FY 1999. Major changes include:

* An increase of $152,000 for State match to receive $2.1 million in federal funding for maintenance, repair, and employee costs at the Air National Guard bases that were recently expanded with federal funds.
* An increase of $271,000 for the State match for Federal Emergency Management Agency (FEMA) grants. The grants will require a 50.0% State match instead of being fully federally funded as in past years.
* An increase of 10.9 FTE positions to reauthorize Emergency Management Division positions not filled in FY 1999 due to a lack of federal funding.



**Public Safety** Public Safety: An appropriation of $58.6 million and 952.4 FTE positions. This is an increase of $9.4 million (19.2%) and 0.5 (0.1%) FTE position compared to the estimated FY 1999. Major changes include:

* An increase of $24,000 for the State Fire Marshall to update the Administrative Code to Americans with Disabilities Act (ADA) requirements.
* An increase of $9.2 million to fully fund the Highway Patrol from the General Fund. This increase represents the last year in the four-year phase-in of funding the Highway Patrol from the General Fund.
* An increase of $186,000 to replace federal Community Oriented Policing Services (COPS) grant money.
* An increase of $25,000 for the Automated Fingerprint Identification System (AFIS).



FY 1999

**FY 1999 Supplemental** An appropriation of $1.6 million. The appropriations were distributed as follows:

* $547,000 to house female inmates out-of-state.
* $284,000 for the 100-bed special needs unit for women at the Mt. Pleasant institution.
* $763,000 to offset a revenue shortfall from private sector employment of inmates (Pay-for-Stay Program).

**Statutory Changes** The Bill makes the following significant changes to the Code of Iowa:



* Transfers $1.5 million from the FY 1999 ending balance of the Prison Infrastructure Fund to the Department of Corrections for one-time start-up costs in FY 2000. The funds are distributed as follows:
* $500,000 for the 200-bed expansion at the Mitchellville women’s prison.
* $1.0 million for the 400-bed expansion at the Ft. Dodge prison.
* Increases the maximum deposit to the Enhanced Court Collections Fund to $5.0 million. This is a decrease of $1.0 million compared to the estimated FY 1999 deposit. In FY 1999, HF 2539, Justice System Appropriations Act, notwithstood current law and increased the maximum deposit from $4.0 million to $6.0 million for FY 1999.
* Establishes a committee made up of the Director and a Deputy Director of the Department of Corrections and the Citizens’ Aide (State Ombudsman) or his designee to approve disbursements from the Inmate Telephone Rebate Fund.
* Continues funding of $200,000 for FY 2000 for the wireless E911 service implementation, support, and administration by the Emergency Management Division.

**More Information** Senate File 468 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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

Oversight and Communications Approriations Subcommittee Bill - HF 762



**Oversight/Commun. – HF 762** The General Assembly passed HF 762, the FY 2000 Oversight and Communications Appropriations Bill, on April 28. The Bill appropriates $23.5 million from the General Fund and 264.6 FTE positions. This is a decrease of $57,000 (0.2%) and 2.4 FTE positions (0.9%) compared to the estimated FY 1999 appropriation. This is a decrease of $100,000 (0.4%) and 43.9 (1.6%) FTE positions compared to the Governor’s recommendation. Major changes compared to estimated FY 1999 include:

**Treasurer** Treasurer of State – An increase of $79,000 for payment of debt services for the Iowa Communications Network (ICN) due to a reduction in the interest generated on investments.

**ITTC** Iowa Telecommunications and Technology Commission (ITTC) – A decrease of $336,000. The change includes:

* A decrease of $300,000 for payment of fees to the Federal Communications Commission Universal Fund and related attorney fees.
* A decrease of $36,000 for salaries that will be paid through increased receipts.
* An appropriation of $2.7 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the costs of maintenance and leases of connections to Part III sites.

**Transition Team** New Program – A one-time General Fund appropriation of $200,000 to the Information Technology Services (ITS) Division of the Department of General Services for the activities of a transition team for the creation of a new Information Technology Department, including costs associated with retaining a consultant.

**Statutory Changes** Significant changes to the Code of Iowa:

* Makes the $3,000 fee now charged for electronic access to records of convictions and forfeitures of bail retroactive to July 1, 1997, and increases the fee to be charged to $10,000 beginning July 1, 1999.
* Increases the fee for a certified driver’s record from $5.00 to $5.50. This will generate an increase in receipts of approximately $445,000.



 **Year 2000**

* Requires an allocation of the first $1.0 million of receipts collected for certified drivers’ records to be transferred to the Information Technology Services Division and deposits the funds into the IowAccess Revolving Fund. These receipts would otherwise be deposited into the General Fund.
* Permits the Department of Management to allocate Year 2000 Project Office funds to the Department of Emergency Management for projects necessary to maintaining critical functions in State government during implementation of the century date change.
* Exempts information, plans, data, or other communications necessary to protect the life, safety, or property of government employees or persons in the care or custody of government entities from the open access requirements of Chapter 22, Code of Iowa. This exemption is repealed effective July 1, 2000.
* Provides the funding for $11.0 million of technology projects from the Reversion Technology Initiatives Account. Notwithstands Section 8.33 and 8.62, Code of Iowa, to provide that 75.0% of the funds that would otherwise revert from operating accounts and 100.0% of funds that would otherwise revert from non-operational accounts be appropriated to the Reversion Technology Initiatives Account. The Bill specifies the priority order of projects that shall be funded if sufficient funds are not available. These funds would otherwise revert to the General Fund.
* Transfers the responsibility for telecommunications cabling for State communications and the related staff and revolving fund from the Department of General Services to the Iowa Telecommunications and Technology Commission.
* Creates the IowAccess Revolving Fund and requires the Division to report annually to the General Assembly and the LFB the activities funded by and expenditures made from the Fund. The Report is due January 31 of each year.

**Intent Language** Significant Legislative Intent Language in the Bill includes:

* Specifies the intent of the General Assembly that an Information Technology Department be created effective July 1, 2000, and specifies components to be included in the Department.
* Creates a transition team for the purposes of developing a written proposal for submission to the General Assembly concerning the creation of a new Information Technology Department, specifies membership of the team, requires the Department of Management and the LFB to provide staffing support, requires the development of a request for proposal to hire a consultant to assist the transition team, and requires a final report to the Legislative Oversight Committee by October 15, 1999.

#### FY 2001

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* Also, requires the organizational linkage to be noncontrolling between the Information Technology Services Division of the Department of General Services and the Iowa Telecommunications and Technology Division and the Division of Public Broadcasting (IPTV) of the Department of Education until the General Assembly enacts legislation to create the Information Technology Services Department.
* Requires the Director of the Information Technology Services Division of the Department of General Services to prepare a unified budget for the new department for FY 2001.
* Specifies the intent of the General Assembly to conduct a review of the Information Technology Department no later than the 2001 Legislative Session.
* Requires all State entities to continue reporting to the Legislative Oversight Committee, the LFB, and the Year 2000 Project Office on the progress toward resolving the Year 2000 computer programming and related embedded chip problems.
* Requires the IowAccess Advisory Council to provide a recommendation to the Legislative Oversight Committee by October 15, 1999, regarding the establishment of a permanent governing board for IowAccess and the implementation of a fee-for-service-based model of operation for the IowAccess Network.

**More Information** House File 762 has not yet been signed by the Governor. Additional information is available from the LFB upon request.

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

Transportation Appropriations Bill - SF 424



**Trans. Approps. – SF 424** The General Assembly passed SF 424, the Transportation Appropriations Bill, on April 15. The Bill appropriates a total of $259.6 million and 3,833.5 FTE positions to the Department of Transportation (DOT). The appropriations include $4.1 million from the General Fund, $34.3 million from the Road Use Tax Fund, and $221.2 million from the Primary Road Fund. This is an increase of $5.5 million (2.2%) and a decrease of 37.5 (1.0%) FTE positions compared to estimated FY 1999. The appropriations in SF 424 represent a decrease of $4.3 million and 71.0 FTE positions compared to the Governor’s FY 2000 recommendation. The Bill provides funding for the following purposes:

**DOT Operations** Department of Transportation Operations



**Operations & Finance** Operations and Finance Division: $35.7 million and 279.0 FTE positions, an increase of $2.3 million (6.9%) and 8.0 FTE positions compared to estimated FY 1999. The changes include:

* An increase of $508,000 to upgrade the Department's central processing unit. Of this amount, $233,000 is a one-time cost for software upgrades and $275,000 is the annual lease cost of the system.
* An increase of $125,000 for telecommunication costs.
* An increase of $132,000 for contract maintenance and software licenses.
* An increase of $50,000 for Association of American Motor Vehicle Administrators Network (AAMVANET) services.
* An increase of $98,000 for payment of overhead charges of the Information Technology Services Division of the Department of General Services.
* An increase of $46,000 for salary increases of personnel assigned to the DOT from the Information Technology Services Division of the Department of General Services. The Information Technology Services Division assigns approximately 26.00 FTE positions to assist the DOT with automation needs. In turn, the DOT reimburses the Information Technology Services Division for the staff salaries.
* An increase of $237,000 and 4.0 FTE positions due to the transfer of funds and positions from the Administrative Services Division.
* An increase of $51,000 and 1.0 FTE position due to the transfer of the funds and position from the Motor Vehicle Division.
* An increase of $102,000 and 2.0 FTE positions for data processing personnel to assist with the implementation of HF 2424, 1998 County Driver's License Act. The positions will provide technical computer support to county personnel involved in issuing driver's licenses.
* An increase of $495,000 for telecommunication costs associated with connecting DOT field offices to the Department's Local Area Network.
* An increase of $278,000 for Phase II of the Electronic Records Management System implementation costs. The Electronic Records Management System is designed to provide faster and less expensive access to DOT records.
* An increase of $12,000 for the annual cost of a telecommunication line for Motor Carrier Services to use in processing on-line registration, title, and permit requests.
* A transfer of 1.0 FTE position from the Information Technology Services Division of the Department of General Services. No increase in funding is being requested for the position. The funds for this position are currently in the DOT's base budget. The DOT currently reimburses Information Technology Services for the position's salary.
* An increase of $131,500 for increased support costs associated with implementing additional highway construction projects as a result of increased funding in the federal Transportation Equity Act for the 21st Century (TEA-21).
* An increase of $46,000 for support costs associated with implementing the Department's "Can-Do" process, which is designed to expedite highway construction projects.

**Administrative Services** Administrative Services Division: $6.5 million and 95.5 FTE positions, a decrease of $117,000 (1.8%) compared to estimated FY 1999. The changes include:

* A decrease of $237,000 and 4.0 FTE positions due to the transfer of funds and positions to the Operations and Finance Division.
* An increase of $120,000 and 1.5 FTE positions for implementing additional traffic safety engineering studies and development of highway signing plans in the Department's engineering office. The additional engineering studies are related to implementation of the federal Transportation Equity Act for the 21st Century (TEA-21).



**Planning/Programming** Planning and Programming Division: $9.9 million and 183.0 FTE positions, an increase of $497,000 (5.3%) and 9.0 FTE positions compared to estimated FY 1999. The changes include:

* An increase of $39,000 and 1.0 FTE position for environmental analysis.
* An increase of $36,000 for non-permanent employee salary increases.
* An increase of $201,000 and 4.0 FTE positions for costs related to implementing additional highway construction projects as a result of increased funding in the Transportation Equity Act for the 21st Century (TEA-21).
* An increase of $221,000 and 4.0 FTE positions for costs related to implementing the "Can-Do" process, which is designed to expedite highway construction projects.



**Project Develop.** Project Development Division: $57.8 million and 1,128.0 FTE positions, an increase of $781,000 (1.4%) and a decrease of 46.0 FTE positions compared to estimated FY 1999. The changes include:

* An increase of $627,000 and 12.0 FTE positions for salary and support costs associated with implementing additional highway construction projects as a result of increased funding in the federal Transportation Equity Act for the 21st Century (TEA-21).
* An increase of $154,000 and 2.0 FTE positions for salary and support costs associated with implementing the Department's "Can-Do" process, which is designed to expedite highway construction projects.
* A decrease of 60.0 FTE positions to eliminate vacant nonpermanent positions. The $720,000 for salaries associated with these positions was retained within this Division's budget.

**Maintenance Division** Maintenance Division: $103.6 million and 1,584.0 FTE positions, a decrease of $1,000 (0.0%) and 7.0 FTE positions compared to estimated FY 1999. The changes include:

* An increase of $186,000 for the increased cost of salt used in snow removal.
* A decrease of $187,000 and 7.0 FTE positions that have been vacant for at least one year.

**Motor Vehicle Division** Motor Vehicle Division: $25.8 million and 564.0 FTE positions, an increase of $675,000 and 1.0 FTE position compared to estimated FY 1999. The changes include:

* A decrease of $51,000 and 1.0 FTE position due to the transfer of an automation support position to the Operations and Finance Division.



Driver’s License

* An increase of $150,000 for increased costs associated with making the International Registration Plan System year 2000 compliant.
* An increase of $250,000 to redesign and modernize the driver's license master record file. This project will require an additional $500,000 appropriation in FY 2001.
* An increase of $125,000 and 2.0 FTE positions for additional uniformed officers to handle increased federal vehicle safety inspection requirements, for increased enforcement needs due to an increase in commercial vehicle traffic, and for conducting training and safety seminars for the motor truck industry.
* An increase of $200,000 for automation of the motor carrier registration and fuel tax reporting requirements for electronic commerce.
* An increase of $1,000 due to an adjustment to the Division's base budget.



**Special Purpose Approps.** Special Purpose Appropriations

* $1.4 million for the Railroad Assistance Program, an increase of $235,000 (19.7%) compared to estimated FY 1999 for increased funding for the Railroad Assistance Program, the Railway Finance Authority, and the Rail Economic Development Program.
* $2.5 million for the State Aviation Program, maintaining the current level of funding.
* $25,000 for support of the Iowa Civil Air Patrol, an increase of $9,000 (56.2%) compared to FY 1999.
* $2.1 million for the lease of the Driver’s License Digitized Photo Imaging System, an increase of $425,000 (25.9%) compared to estimated FY 1999. The increase is primarily for costs associated with implementing HF 2424, 1998 County Driver’s License Act.



* $50,000 to support Iowa's involvement in the North America's Super Highway Corridor Coalition, a decrease of $100,000 (66.7%) compared to estimated FY 1999.
* $700,000 for payment to the Department of Personnel for administrative expenses, maintaining the current level of funding.
* $345,000 for payment of worker compensation claims, maintaining the current level of funding.
* $1.5 million for payment of workers’ compensation costs, maintaining the current level of funding.
* $278,000 for reimbursement to the Auditor of State, an increase of $10,000 (3.7%) compared to estimated FY 1999.
* $600,000 for payment to the General Fund for indirect cost recoveries, a decrease of $200,000 (25.0%) compared to estimated FY 1999. The decrease is due to an estimated reduction in costs.
* $4.9 million to the Materials and Equipment Replacement Revolving Fund, an increase of $1.0 million (25.4%) compared to estimated FY 1999. The increase will fund a portion of the inflationary costs associated with replacing equipment through the Revolving Fund.
* $1.0 million for costs associated with the disposal of hazardous materials, maintaining the current level of funding.
* $100,000 for operational costs associated with the toll-free telephone road and weather information system, maintaining the current level of funding. These funds will be transferred to the Department of Public Safety.



* $200,000 for replacement of heating systems in maintenance garages. This is a new appropriation.
* $100,000 for tuckpointing and repair of brick exteriors of DOT office buildings and maintenance garages. This is a new appropriation.
* $15,000 to assist the Department in purchasing additional biodegradable hydraulic fluids manufactured from soybeans. This is a new appropriation.
* $20,000 to assist the Department in purchasing additional biodiesel fuel, which is manufactured from soybeans.

**Capital Projects** Capital Projects Appropriations

* $400,000 for improvements to waste water systems at DOT maintenance garages.
* $1.1 million for the purchase of land associated with the construction of maintenance garages and for the completion of a joint maintenance garage project in Floyd County.



* $550,000 for the construction of a scale facility in Clarke County.
* $1.4 million for remodeling the second floor of the DOT Administration Building in Ames.
* $300,000 for replacement of roofs on maintenance garages.
* $200,000 for improvements to DOT facilities for compliance with the Americans with Disabilities Act requirements.
* $400,000 for replacement of roofs on buildings located on the DOT Ames Complex.

**Intent Language/Studies** Intent Language and Studies



Studies

* Requires 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 shall not include drivers of vehicles that operate transportation services to the general public.
* Requires the DOT to conduct a study of the potential dangers to persons involved in the Adopt-A-Highway Program and identify methods that could prevent or minimize harm to the environment or to the Adopt-A-Highway participants. Requires the Department to submit the results of the study to the General Assembly by January 1, 2000.
* Requires 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.
* Requires the Information Technology Services Division of the Department of General Services to submit a report to the Legislative Fiscal Bureau and the Transportation, Infrastructure, and Capitals Appropriations Subcommittee detailing how the funds paid to the Division by the DOT are being used to benefit the State's transportation system.

**Statutory Change** The Bill also amends the Code of Iowa by prohibiting the DOT from selling an individual’s photograph, digital image, or a reproduction of a person’s photograph.



**Governor Signed** Senate File 424 was signed by the Governor on April 27. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

Infrastructure appropriations Bill - HF 772

**Infrastructure Approps.**  The General Assembly passed HF 772, the Infrastructure Appropriations Bill, on April 28. The Bill appropriates a total $134.8 million from the Rebuild Iowa Infrastructure Fund in FY 2000 and $135.5 million in FY 2001. The Bill also provides $3.6 million from the Rebuild Iowa Infrastructure Fund for a FY 1999 supplemental appropriation.

**Governor’s Recomm.** The Governor recommended the establishment of a Rebuild Iowa Distribution Account for funding technology, infrastructure, tourism, and environmental projects. Within the Distribution Account, the Governor created three sub accounts, from which he recommended a total of $226.0 million in appropriations for FY 2000. The Governor’s recommendation also included transferring an additional $60.0 million in gambling receipts from the General Fund and $5.0 million from the Underground Storage Tank Fund into Rebuild Iowa Distribution Account.

**Corrections** Department of Corrections



* $3.8 million in FY 2000 and $2.5 million in FY 2001 for construction of a 170-bed addition at the Iowa Medical and Classification Center in Oakdale.
* $1.8 million in FY 2000 for the purchase and installation of a boiler and construction of a new power plant facility at the Rockwell City Correctional Facility.
* $2.0 million in FY 2000 for renovation and construction projects at community-based correctional facilities.
* $2.7 million in FY 2000 for renovation and construction projects and for utility upgrades at the Mitchellville Correctional Facility.

**Cultural Affairs** Department of Cultural Affairs

* $2.5 million in FY 2000 and $1.6 million in FY 2001 for the Historical Site Preservation Program for the restoration, preservation, and development of historical sites.

**Economic Development** Department of Economic Development



* $12.5 million in FY 2000 and $12.5 million in FY 2001 for the Physical Infrastructure Assistance Fund. The Bill allocates $5.0 million to the Physical Infrastructure Assistance Program and $7.5 million to the Accelerated Career Education Program created in SF 465, Accelerated Career Education Program Act.
* $12.5 million in FY 2000 and $12.5 million in FY 2001 for the Community Attraction and Development fund to be used for the Community Attraction and Tourism Development Program.
* $100,000 in FY 2000 for the Dry Fire Hydrant and Rural Water Supply Education and Demonstration Project.
* $1.0 million in FY 2000 for the Local Housing Assistance Program.
* $4.0 million in FY 2000 and $4.0 million in FY 2001 to provide grants and loans for advanced research and commercialization projects involving value-added agriculture, advanced technology, or biotechnology.

**General Services** Department of General Services

* $7.5 million in FY 2000 and $7.5 million in FY 2001 for renovation and repair needs to State facilities. Allocates up to $800,000 for routine maintenance needs of facilities on the Capitol Complex.
* $50,000 in FY 2000 and $50,000 in FY 2001 for maintenance at Terrace Hill.
* $2.1 million in FY 2000 and $1.7 million in FY 2001 for employee relocation costs associated with renovation projects on the Capitol Complex.
* $4.0 million in FY 2000 and $2.7 million in FY 2001 for continued renovation of the Lucas Building.
* $200,000 in FY 2000 for improvements to Parking Lot 4 located on the Capitol Complex.



* $3.5 million in FY 2000 for costs associated with the construction of a parking structure located on the Capitol Complex.
* $750,000 in FY 2000 and $750,000 in FY 2001 for the demolition of Executive Hills and the Capitol Annex facilities located on the Capitol Complex.
* $5.9 million in FY 2000 and $5.8 million in FY 2001 for continued renovation of the Old Historical Building.
* $4.4 million in FY 2000 and $4.3 million in FY 2001 for interior restoration of the Capitol Building.
* $4.0 million in FY 2000 for utility upgrades and for construction and renovation projects at the State Training School at Eldora.
* $250,000 in FY 2000 and $250,000 in FY 2001 for facility improvements at the Toledo Juvenile Home.
* $250,000 in FY 2000 for renovation of office space occupied or used by the Governor, Governor’s staff, and the Department of Management in the Capitol Building.
* $400,000 in FY 2000 for renovation of shelving for the fifth floor of the Law Library in the Capitol Building.
* $25,000 in FY 2000 for a study to determine the feasibility of constructing a pedestrian bridge across Court Avenue to connect the new judicial building with other areas of the Capitol Complex.
* $1.5 million in FY 2000 and $275,000 in FY 2001 for construction of an Iowa Hall of Pride.

**State Fair** Iowa State Fair: $5.0 million in FY 2000 and $5.0 million in FY 2001 for the design and construction of the Varied Industries Building at the Iowa State Fairgrounds.

**Judicial Branch** Judicial Branch: $10.0 million in FY 2000 and $10.0 million in FY 2001 for the construction of a new judicial building.

**Legislative Council** Legislative Council: $1.6 million in FY 2000 for planning, design, and construction of legislative support space in the area of the Capitol Complex.

**Public Defense** Department of Public Defense: $700,000 in FY 2000 and $700,000 in FY 2001 for maintenance and repair of National Guard Armories and facilities.

**Public Safety** Department of Public Safety

* $1.5 million in FY 2000 for the construction of a new patrol post in Osceola.
* $150,000 in FY 2000 for a feasibility study concerning the relocation of the Department of Public Safety offices.
* $150,000 in FY 2000 for a feasibility study concerning the construction of a pursuit driving track for training of law enforcement officers.
* $1.0 million in FY 2001 for construction of a pursuit driving training track.

**Regents** Board of Regents

* $3.2 million in FY 2000 for construction of a recreation complex at the Iowa School for the Deaf.



* $1.3 million in FY 2000 for major maintenance needs at the Iowa School for the Deaf and the Iowa Braille and Sight Saving School.
* $8.8 million in FY 2001 for improvements to Gilman Hall at Iowa State University.
* $14.1 million in FY 2001 for continued renovation of the Biology Complex at the University of Iowa.
* $3.5 million in FY 2001 for improvements to the steam distribution system at the University of Northern Iowa.

**Transportation** Department of Transportation



* $1.0 million in FY 2000 and $1.0 million in FY 2001 for infrastructure improvements at Iowa’s ten commercial service airports.
* $500,000 in FY 2000 for infrastructure improvements at publicly owned airports in Iowa.
* $2.3 million in FY 2000 and $2.3 million in FY 2001 for the Recreational Trails Program.

**Treasurer** Treasurer of State: $1.1 million in FY 2000 and $1.1 million in FY 2001 for infrastructure improvements to county fairs.

**Veterans Affairs** Commission of Veterans Affairs

* $735,000 in FY 2001 for renovation of facilities at the Veterans Home.
* $2.4 million in FY 2001 for continued funding of the expansion of the food preparation area and dining room at the Veterans Home.

**Ag & Land Stewardship** Department of Agriculture and Land Stewardship

* $2.0 million in FY 2000 and $2.0 million in FY 2001 to the Loess Hills Development and Conservation Fund.



* $2.2 million in FY 2000 and $2.0 million in FY 2001 for the Alternative Drainage System Assistance Program.
* $1.0 million in FY 2000 and $1.5 million in FY 2001 for the Soil Conservation Cost Share Program.
* $1.3 million in FY 2000 and $1.3 million in FY 2001 for accelerating watershed protection efforts to reduce soil erosion, protect water quality, and provide flood control in watersheds.

**Natural Resources** Department of Natural Resources



* $3.5 million in FY 2000 and $3.5 million in FY 2001 for the Recreational Grant Program. Requires the grants to be awarded on a matching basis of one dollar for every two dollars the applicant has raised. Requires that individual grants not exceed $100,000.
* $4.2 million in FY 2000 and $4.2 million in FY 2001 for the dredging of lakes in accordance with the Department’s Classification of Iowa Lakes Restoration Report.
* $2.3 million in FY 2000 and $2.3 million in FY 2001 for capital projects which qualify for funding from Marine Fuel Tax receipts.
* $275,000 in FY 2000 for construction of the Elinor Bedell State Park and Wildlife Conservation Area.
* $1.0 million in FY 2000 and $1.0 million in FY 2001 for the establishment of water quality monitoring stations.
* $200,000 in FY 2000 and $200,000 in FY 2001 for the renovation of the dam at Lake Belva Deer.
* $250,000 in FY 2000 and $250,000 in FY 2001 to establish a tree planting program to be coordinated through public and private partnerships.
* $10.5 million in FY 2000 and $10.5 million in FY 2001 for the Resource Enhancement and Protection (REAP) Fund.

**FY 1999 Supplemental** FY 1999 Supplemental Appropriations

* $3.6 million in FY 1999 for the renovation, maintenance, and utility upgrades at the Glenwood and Woodward State Hospital–Schools and at the State Mental Health Institute at Independence.

**Intent Language/Studies** Intent Language and Studies



Studies

* Prohibits the sale of fuel containing more than 2.0% methyl tertiary butyl ether by a retailer on or after February 1, 2000. Requires the Department of Agriculture and Land Stewardship to adopt rules to ensure that methyl tertiary butyl ether does not cause a threat to the public or environment by contaminating groundwater or surface water in Iowa.
* Requests the Legislative Council to establish an interim committee to study issues concerning the sale, use, and health and environmental effects of fuel enhancers. Requires the interim committee to report findings and recommendations to the General Assembly prior to the 2000 Legislative Session.
* Requests the Legislative Council to establish an interim committee to study financing mechanisms for K-12 school buildings, including construction and renovation. Requires the interim committee to report findings and recommendations to the General Assembly for the 2000 Legislative Session.
* Prohibits the Department of Transportation from using funds from the Recreational Trails appropriation for the acquisition of land by involuntary condemnation or for trail projects on land acquired by involuntary annexation on or after the effective date of this Bill.

 **Statutory Changes** Statutory Changes



New Fund

* Establishes the Community Attraction and Tourism Development Program and the Community Attraction and Tourism Development Fund, which is designed to assist communities in the development and creation of multiple purpose attraction and tourism facilities. Specifies that only a political subdivision may submit an application for financial assistance which is in the form of grants, loans, forgivable loans, and loan guarantees. The Bill also creates a Community Attraction and Tourism Development Program Review Committee.
* Clarifies that the Department of Agriculture and Land Stewardship and the Department of Natural Resources shall adopt joint rules for implementing the Blufflands Protection Program.
* Specifies that an ordinance or resolution of a county shall not impair the authority of a county fair society. Currently, this provision only applies to city ordinances and resolutions.
* Requires county fair societies to report financial and other information to the Association of Iowa Fairs rather than the Iowa State Fair Foundation for the purpose of receiving State aid. Requires funds for State aid for county fairs to be made to the Treasurer of State for allocation to the Association of Iowa Fairs for payments made to eligible county fair societies. Requires the Association to submit a report each year to the Governor and the General Assembly regarding the expenditure of State aid and prohibits the use of appropriated funds for administrative expenses.
* Requires the Department of Agriculture and Land Stewardship to establish and implement a watershed protection program and establish a watershed protection task force to study the condition of watershed protection in Iowa. Requires the Department to provide staffing assistance to the task force.



County Fairs

* Allows a county fair society that conducts a county fair and has attendance of at least 150,000 people and annual gate admission revenues of at least $400,000 to issue revenue bonds unless a petition has been filed calling for a special election on the bond issue. If a special election on the bond issue has been called, the referendum must pass by a 60.0% majority vote. The Bill also allows the County Board of Supervisors to assess an annual standby tax to secure payment of the revenue bonds should a county fair’s pledged revenues be insufficient to pay the debt service of the bonds.
* Allows revenues derived from the Marine Fuel Tax to be used for the dredging of all Iowa lakes instead of only natural lakes.
* Allows the Department of General Services to purchase additional properties located to the north of the Capitol Complex with $1.3 million in appropriated funds received in FY 1999. This is corrective language to SF 2381, FY 1999 Infrastructure Appropriations Bill.
* Allows the Department of General Services to use up to $430,000 from a FY 1999 major maintenance appropriation of $8.8 million to complete an infrastructure assessment of State facilities.
* Allows $100,000 of a $200,000 FY 1999 allocation for a lake rehabilitation pilot program to be used to conduct a lake diagnostic feasibility study. Changes the required match from a one dollar State to three dollars local match basis to a one dollar State to one dollar local match basis.
* Allows the city of Des Moines to regulate and restrict the height and size of buildings and other structures in the city for the purpose of preserving the dominance and view of the State Capitol Building.

**More Information** House File 772 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

SALARY APPROPRIATIONS BILL - HF 781

Salary Bill



**Salary Bill – HF 781** The General Assembly passed House File 781, the FY 2000 Salary Bill, on April 28. The Bill appropriates $52.8 million from the General Fund for salary increases for State employees. This is the same as the Governor’s recommendation. Major provisions of the Bill include:

* Provides a 3.0% salary increase for justices and judges and a 10.0% increase for magistrates for FY 2000. Increases are effective June 25, 1999.
* Provides a 3.0% increase for the salary ranges of appointed officials for FY 2000, effective June 25, 1999.
* Provides a 3.0% across-the-board increase for the Chairperson and two public members of the Public Employment Relations Board (PERB) in FY 2000, effective June 25, 1999.
* Provides a 3.0% across-the-board increase and merit step increases for noncontract employees of the State, excluding the Board of Regents, effective June 25, 1999.
* Provides for increases to noncontract employees under the Board of Regents. Faculty and professional and scientific employees will receive a 4.0% equivalent across-the-board increase on July 1, 1999.



* Appropriates Road Use Tax Fund (RUTF) and Primary Road Fund (PRF) moneys to pay for the salary increase for employees supported from these Funds.
* Requires the General Fund appropriation be used to pay for salary increases supported by General Fund appropriations, except for employees of the Board of Regents who shall not receive salary funding on general university federal funds or indirect cost reimbursements.
* Provides authorization for the expenditure of federal funds for salary adjustments where appropriate.
* Provides authorization for expenditure of health insurance premium operating or terminal reserve liability funds for the purpose of reducing health insurance premium costs.
* Specifies that sworn peace officers in the Department of Public Safety, not covered by a collective bargaining agreement, receive the same per diem meal allowance as covered sworn peace officers.
* Funds the position of a salary model administrator/coordinator within the Department of Management.

**Statutory Changes** Significant changes to the Code of Iowa include:

* Authorizes 3.0% increases for the Auditor, Attorney General, Secretary of Agriculture, and the Treasurer.
* Establishes a State employee health flexible spending account and authorizes the Department of Personnel to bill for administrative costs. This Section establishing a State employee health flexible spending account is effective upon enactment.
* Extends medical insurance coverage for Senior Judges and spouses until the judge attains 78 years of age.

**More Information** House File 781 has not yet been signed by the Governor. Additional information is available from the LFB upon request.

STAFF CONTACT: Glen Dickinson (Ext. 14616)

Standings Appropriations Bill – hF 782



**Standings Bill – HF 782** The General Assembly passed HF 782, the Standings Bill. The Bill makes General Fund appropriations totaling $325,000 for FY 1999, $260,000 for FY 2000, and $21.8 million for FY 2001. The appropriations include:

* $21.8 million for FY 2001 for Mental Health Allowed Growth. The funds are allocated as follows:
* $12.0 million for distribution to counties for inflation.
* $5.8 million for a per capita expenditure target pool.
* $2.0 million for an incentive and efficiency pool.
* $2.0 million for a risk pool.
* $75,000 and 1.0 FTE position for FY 2000 to the Department of Management for the administration of the replacement property tax.
* $75,000 for FY 2000 to the Department of Revenue and Finance to administer and enforce the replacement tax and the statewide property tax.
* 1.0 FTE position for FY 2000 to the Institute for Decision Making at the University of Northern Iowa.
* $25,000 for FY 1999 to the Department of Education for the Geography Alliance.
* $80,000 for FY 1999 to the Department of Human Services for the continuation of Linn County’s Runaway Treatment Plan.
* $220,000 for FY 1999 to the Board of Regents for the Iowa Reduction Center at the University of Northern Iowa.

**Reallocations** The Bill makes the following reallocations:

* $150,000 appropriated in FY 1998 to the Department of Economic Development for a China-Des Moines trade center project that was never constructed is reallocated to the Department of Economic Development for international trade operations during FY 2000.
* $100,000 appropriated in FY 1999 to the Department of Education for extended school year grants is reallocated as follows:
* $50,000 for FY 2000 for a school violence crisis intervention task force which shall provide a report to the General Assembly by December 1, 1999.
* $50,000 for FY 2000 to purchase internet filter services.

**Statutory Changes** Significant changes to the Code of Iowa in the Bill:



* Transfers the State Medical Examiner from the Department of Public Safety to the Department of Public Health. Creates the position of Deputy State Medical Examiner and an interagency coordinating council. Transfers funds remaining from FY 1999 and appropriated for FY 2000 from the Department of Public Safety to the Department of Public Health.
* Transfers lottery proceeds remaining after expenses are determined to the General Fund, rather than the Committing the Lottery to Environment, Agriculture, and Natural Resources (CLEAN) Fund. It is estimated this amount will be $34.0 million in FY 2000.
* Increases the General Fund standing appropriation for the Special Olympics Fund from $20,000 to $30,000.

**More Information** House File 782 has not yet been signed by the Governor. Additional information is available from the LFB upon request.

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

Embedded Chip FY 1999 Supplemental Bill - SF 366



 **Year 2000**

**Embedded Chip – SF 366** The General Assembly passed SF 366, the Year 2000 Embedded Chip Supplemental Bill, on April 6. The Bill appropriates $2.4 million from the Rebuild Iowa Infrastructure Fund (RIIF) to the Information Technology Services Division of the Department of General Services for replacement of noncompliant year 2000 embedded computer chips in technology and equipment of State departments.

**Provisions** The Bill specifies that the funds appropriated for replacement of embedded chips be deposited in the Reversion Incentive Fund created in Chapter 210, Section 10, 1997 Iowa Acts, and the funds are not subject to reversion until the end of FY 2001.

**Governor Signed** Senate File 366 was signed by the Governor on April 21. Additional information is available from the LFB upon request.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

Block Grant and Federal Funds Bill – SF 283



**Block Grant Bill – SF 283** On March 22, the General Assembly passed SF 283, the Federal Block Grant Bill. The Bill appropriates $135.0 million of federal block grant funds, a decrease of $1.8 million (1.3%) compared to FY 1999. The Bill appropriates:

* $11.9 million to the Department of Public Health for the Substance Abuse Block Grant.
* $2.7 million to the Department of Human Services for the Community Mental Health Services Block Grant.
* $7.0 million to the Department of Public Health for the Maternal and Child Health Services Block Grant.
* $2.1 million to the Department of Public Health for the Preventive Health and Health Services Block Grant.
* $5.9 million to the Office of the Governor for the Drug Enforcement and Abuse Prevention Coordinator for the Drug Control and System Improvement Block Grant.



* $1.6 million to the Office of the Governor for the Drug Enforcement and Abuse Prevention Coordinator for the Stop Violence Against Women Block Grant.
* $322,000 to the Office of the Governor for the Drug Enforcement and Abuse Prevention Coordinator for the Local Law Enforcement Grant Program.
* $514,000 to the Office of the Governor for the Drug Enforcement and Abuse Prevention Coordinator for the Residential Substance Abuse Treatment for State Prisoners Formula Grant.
* $5.4 million to the Department of Human Rights for the Community Services Block Grant.
* $29.9 million to the Department of Economic Development for the Community Development Block Grant.
* $20.0 million to the Department of Human Rights for the Low-Income Home Energy Assistance Block Grant.
* $20.4 million to the Department of Human Services for the Social Services Block Grant.
* $27.1 million to the Department of Human Services for the Child Care and Development Block Grant.

**Federal Funds** Senate File 283 also provides the mechanism for State agencies to receive $2.333 billion in federal and nonstate funds based upon the purposes set forth in the grants, receipts, or conditions accompanying the funds, unless otherwise provided by law.



**Governor Signed** Senate File 283 was signed by the Governor on March 31. Additional information is available from the LFB upon request.

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

oil overcharge bill – hf 332



**Oil Overcharge - HF 332** The General Assembly passed HF 332, the Oil Overcharge Appropriations Bill, on March 23. The Bill appropriates petroleum overcharge funds for FY 2000 to the Department of Human Rights and the Department of Natural Resources. The Bill:

* Appropriates $560,000 to the Department of Human Rights for qualifying energy conservation programs for low-income housing. This is a decrease of $140,000 compared to the FY 1999 appropriation.
* Appropriates $90,000 to the Department of Natural Resources for energy conservation and extension purposes. This is a decrease of $25,000 compared to the FY 1999 appropriation.
* Appropriates $175,000 to the Department of Natural Resources for administrative functions. This is a decrease of $25,000 compared to the FY 1999 appropriation.



**Governor Signed** The Governor signed HF 332 on March 30. Additional information is available from the LFB upon request.

STAFF CONTACT: Deb Kozel (Ext. 16767)

Methamphetamine Bill - SF 361

**Methamphetamine – SF 361** The General Assembly passed SF 361, the Methamphetamine Bill, on March 22. The Bill appropriates a total of $3.3 million from the General Fund and $30,000 in other fund dollars to be used in Iowa’s fight against methamphetamine. The Bill appropriates the following amounts:

* $505,000 and 6.0 FTE positions to the Division of Narcotics Enforcement for six narcotics enforcement agents.
* $81,000 and 2.0 FTE positions to the Division of Criminal Investigation for two criminalists to work primarily on methamphetamine testing.
* $980,000 and 13.0 FTE positions for the establishment of a clandestine methamphetamine laboratory emergency response team within the Department of Public Safety.
* $100,000 for the establishment of a youth leadership model program.



* $60,000 on a reimbursement basis from moneys received by the Governor’s Alliance on Substance Abuse from the federal Edward Byrne Memorial State and Local Law Enforcement Assistance Program to the Department of Corrections to establish two additional drug court pilot projects.
* $62,000 to the Department of Human Services for the State Training School at Eldora for substance abuse and for sexual predator treatment.
* $1.5 million to the Department of Public Health for additional methamphetamine treatment.
* $30,000 to the Department of Public Health for the development of a model Substance Abuse Prevention Program.
* $20,000 for the planning and holding of a youth leadership conference on mentoring to train volunteer mentors who will help reduce substance abuse in schools.
* $30,000 from the Health Insurance Surplus Account to the Department of Personnel for a Labor Management Substance Abuse Education Program.
* $50,000 to the Department of Education for communities to participate in the Strengthening Families Program.



 **Governor Signed** Senate File 361 was signed by the Governor on April 5. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Jennifer Dean (Ext. 14613) Christina Schaefer (Ext. 16301)

On-Time and Budget Guarantee Funding Provided for FY 2000 - HF 147

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**On-time Funding – HF 147** The General Assembly passed HF 147, On-Time and Budget Guarantee Funding Provided for FY 2000, on January 27, providing additional State aid for school districts experiencing either decreases or increases in enrollment. During the 1998 Session, both houses passed similar legislation. However, that legislation was vetoed by Governor Branstad.

**Budget Guarantee** House File 147 provides for a 100% budget guarantee fully funded with State aid. The guarantee insures that all school districts will have at least as much School Aid Foundation Formula funding for FY 2000 as for FY 1999. Generally, in the past, guarantees have been funded with property taxes. The estimated cost of the budget guarantee is $6.2 million.

**State Aid** Also, House File 147 provides $4.0 million in State aid for districts experiencing increases in enrollment. To obtain on-time funding for the 1999-2000 school year, districts will be required to apply to the School Budget Review Committee. If the amount applied for by school districts exceeds the amount appropriated, then the additional State aid for increasing enrollment will be prorated.



**Governor Signed** House File 147 was signed by the Governor February 4. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Mike Lipsman (Ext. 17799)

Early Intervention and School Improvement Technology Program - HF 743

**Early Intervention – HF 743** The General assembly passed HF 743, the Early Intervention and School Improvement Technology Program Bill, on March 31. House File 743 provides $90.0 million in State assistance for the purpose of aiding school districts in reducing class size for kindergarten through third grade and improving student achievement in basic skills, especially reading. Also, the Bill provides $60.0 million for two additional years of school technology investment and staff development activities. Annual appropriations and allocation procedures specified in the Bill are:

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* For FY 2000, funding for early intervention programs for grades K-3 totals $10.0 million to be allocated to school districts, 50% based on the number of pupils in those grades qualifying for free or reduced price meals, and 50% based on grades K-3 enrollment.
* For FY 2001, funding for early intervention programs for grades K-3 totals $20.0 million to be allocated to school districts, 50% based on the number of pupils in those grades qualifying for free or reduced price meals, and 50% based on grades K-3 enrollment.
* For FY 2002 and FY 2003, funding each year for early intervention programs for grades K-3 totals $30.0 million to be allocated to school districts, one-third based on the number of pupils in those grades qualifying for free or reduced price meals, and two-thirds based on grades K-3 enrollment. In addition, $30.0 million per year is provided for school technology investment, to be allocated based on K-12 enrollments for school districts, the Iowa School for the Deaf, the Iowa Braille and Sight Saving School, Price Lab School, the Iowa Juvenile Home, and the State Training School. However, each school district and State school is guaranteed a minimum allocation of $10,000. In addition, $20,000 is allocated off-the-top to four special State schools administered by the Department of Human Services, and $150,000 is allocated to the Area Education Agencies.

**Funding Distr. Estimates** Estimates of funding distributions by school district may be obtained from the Legislative Fiscal Bureau.



**Governor Signed** House File 743 was signed by the Governor on April 13. More information is available from the LFB upon request.

STAFF CONTACT: Mike Lipsman (Ext. 17799)

Transportation Technology Bill - SF 76

**Trans. Technology – SF 76** The General Assembly passed SF 76, the Transportation Technology Bill, on April 28. The Bill provides the following:

* Allows the Department of Transportation to retain up to 50.0%, not to exceed $500,000 in any given fiscal year, of the unencumbered or unobligated balance of the funds appropriated to the Department for operations from the Primary Road Fund and Road Use Tax Fund. The retained funds will be used for employee training and technology enhancements in the succeeding fiscal year.
* Appropriates $308,000 from the Road Use Tax Fund for FY 2000 for costs associated with the county issuance of driver’s licenses, including purchasing equipment necessary to make operational 42 counties that have been authorized to issue driver's licenses.
* Transfers a $75,000 unexpended Lottery Fund appropriation to the Railroad Revolving Loan Fund. In FY 1995, the $75,000 was appropriated to the Railway Finance Authority for a community assistance grant; however, the grant was not awarded.
* Allows the Department of Transportation to use funds from the Railroad Revolving Loan Fund for the erection of close-clearance warning devices along railroad rights-of-way.

**More Information** Senate File 76 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

Linked Investment Loan Program – HF 779



Loans

**Linked Investment Loan Prg.** The General Assembly passed HF 779, the Linked Investment Loan Program Bill, on April 29. House File 779 creates Traditional Livestock Producers and Value-Added Agriculture Linked Investment Loan Programs, specifies the number of years a linked investment may be renewed, and provides for agency review of LIFT Programs. The Bill:

* Increases the amount of State Pooled Money funds that the Treasurer of State may invest in certificates of deposits from $68.0 million to $108.0 million. Requires $20.0 million of the $108.0 million be used for linked investment deposits for traditional livestock producers and $20.0 million be used for linked investment deposits for value-added agriculture.
* Defines a qualified linked investment as a linked investment deposit for the Traditional Livestock Producers Linked Investment Program.
* Specifies the qualifications of eligible borrowers for Traditional Livestock Producers. Requires the Treasurer of State to work with Agriculture Development Authority Board to establish rules for administration of the Traditional Livestock Producers Linked Investment Program.
* Specifies for any qualified linked investment the certificate of deposit may be renewed on an annual basis for two additional one-year periods.



* Specifies for any linked investment, other than qualified linked investment, the certificate of deposit may be renewed on an annual basis for four additional one-year periods
* Requires the Treasurer of State to work with the Agriculture Products Advisory Council to establish rules for the administration of the Value-Added Agriculture Linked Investment Loan Program.
* Specifies the Agricultural Products Advisory Council, in cooperation with the Department of Economic Development and the Department of Agriculture and Land Stewardship, shall recommend eligibility requirements for the Value-Added Agricultural Linked Investment Loan Program to the Treasurer of State.
* Specifies the qualifications of eligible borrowers for Horticultural and Nontraditional Crops Linked Investment Loan Programs.
* Requires the Department of Economic Development and the Department of Agriculture and Land Stewardship to conduct a review of the Linked Investment For Tomorrow (LIFT) Program Act.



* Requires the Department of Economic Development to conduct a review of the Rural Small Business Transfer Linked Investment Loan Program.
* Requires the Department of Agriculture and Land Stewardship to conduct a review of the Horticultural and Nontraditional Crops Linked Investment Loan Program.

**Fiscal Impact** The LIFT Program Authorizes the Treasurer of State to deposit funds in Iowa depositories at an interest rate 3.0% below the current market rate for U. S. Treasury Bills. The cost to the State of the LIFT Program is the loss of interest. House File 779 is estimated to cost the State $1.2 million in lost interest revenue to the General Fund for FY 2000.

**Effective Date** The Bill takes effect upon enactment.

**More Information** House File 779 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Sherry Weikum (Ext. 17846)

National Guard Active Service Day Per Diem bill- SF 210



**Natl. Guard Pay – SF 210** The General Assembly passed SF 210, the National Guard Active Service Day Per Diem Bill on April 29. The Bill amends Section 29A.27, Code of Iowa, to increase the base rate of pay for National Guard personnel in active State service from $75 to $100 per day. The pay increase is budgeted at $10,000 for a typical year.

**More Information** Senate File 210 has not yet been signed by the Governor. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

National Board Certification Awards Bill - HF 766



**National Bd. Cert. – HF 766** The General Assembly passed HF 766, the National Board Certification Awards Bill, on April 26. The Bill makes statutory changes to the award program for teachers who achieve national certification. Senate File 464, FY 2000 Education Appropriations Bill, makes a $1.0 million General Fund appropriation to fund the awards, which is contingent on enactment of HF 766. The Bill contains the following significant provisions:

* Provides that a teacher who registers for or achieves National Board for Professional Teaching Standards Certification must be employed by an Iowa school district and receive a salary as a classroom teacher to be eligible to receive an award.
* Provides for a one-time initial reimbursement award of $1,000, which is one-half of the registration fee, if a teacher registers prior to June 30, 2003.
* Provides for an annual award to $5,000 for up to ten years if the teacher applies for and receives national certification prior to May 1, 2000.
* Provides for an annual award of $2,500 for up to ten years under the following conditions:
* The teacher registers between January 1, 1999, and January 1, 2002.



* The teacher achieves national certification within three years from the time of initial score notification.
* Requires the Department of Education to prorate the registration and the certification awards if the amount appropriated annually for the purposes of the awards is insufficient to pay the full amounts.
* Requires up to $300,000 of the funds appropriated each year for the Project in FY 2000 through FY 2004 be used for payment of the reimbursement for registration.
* Requires the Department of Education to conduct a study to examine the effects of the National Board Certification Pilot Project on teaching quality, professional development, and teacher induction and retention to determine if the Project should be expanded or continued. Requires the Department to submit findings and recommendations to the Chairpersons and Ranking Members of the Education Standing Committee and the Education Appropriations Subcommittee by December 1, 2001.

**More Information** House File 766 has not yet been signed by the Governor. For more information, please contact the Legislative Fiscal Bureau.

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

Allowable Growth for School foundation Aid Set for FY 2001 - HF 146

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**Allowable Growth – HF 146** The General Assembly passed HF 146, Allowable Growth for School Foundation Aid for FY 2001, on January 27, establishing a 4.0% rate of allowable growth for State cost per pupil for FY 2001. The rate of allowable growth is used to determine both the amount by which State School Foundation Aid to local school districts will increase and the amount by which school districts’ controlled budgets may increase over the prior year’s amounts. As a result of this action, each school district’s cost per pupil will increase by $165, to $4,298 for the 2000–2001 school year.

**Fiscal Impact** House File 146 is estimated to increase FY 2001 State support of local school districts by $60.6 million (3.7%) and property tax support of local schools by $32.7 million (3.6%), compared to estimated FY 2000.

**Estimated State Aid Incr.** The FY 2000 allowable growth rate of 3.0% was set in the 1998 Session. State aid is estimated to increase by $45.0 million (2.8%) and property taxes by $22.8 million (2.6%) for FY 2000, compared to estimated FY 1999.

**District Information** The FY 2000 and FY 2001 State aid and property tax estimates are available by district from the LFB. However, these estimates are based on several statewide assumptions that may not accurately reflect conditions in local districts. Information on the assumptions used to compute these estimates may also be obtained from the LFB.



**Governor Signed** House File 146 was signed by the Governor on February 4. More information is available from the LFB upon request.

STAFF CONTACT: Mike Lipsman (Ext. 17799)

Accelerated Career Education Bill - SF 465

**ACE Bill – SF 465** The General Assembly passed SF 465, the Accelerated Career Education Bill (ACE), on April 29. The Bill allows companies to use income tax withholding payments from present employees to pay the job training costs of potential future employees enrolled at Iowa community colleges. The maximum withholding payments allowed are $5.0 million in FY 2000 and $10.0 million in FY 2001 and beyond. The Bill also reduces the annual cap on withholding tax revenue to the Department of Economic Development’s Workforce Development Fund from $10.0 million to $9.0 million.



**Fiscal Impact** The net fiscal impact of SF 465 on the General Fund is projected to be $5.0 million in FY 2000 and $9.0 million in FY 2001. In addition to the tax credits, the Accelerated Career Education Program received a total of $15.0 million in capital appropriations from HF 772, the Infrastructure Appropriations Bill.

**More Information** Senate File 465 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Certified Capital Company Bill - HF 767



**Certified Capital Company** The General Assembly passed HF 767, the Certified Capital Company Bill, on April 28. The Bill provides for insurance tax credits for insurance companies who invest in Certified Capital Companies. The Certified Capital Companies in turn invest the funds in start up and early stage Iowa companies. The tax credits are limited to a total $60.0 million.

**Fiscal Impact** The cost of SF 767 to the General Fund is projected to be $9.0 million in FY 2001, $6.0 million in FY 2002 through FY 2009, and $3.0 million in FY 2010

**More Information** House File 767 has not yet been signed by the Governor. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

INTERNET Sales Tax Exemption bill- HF 748



**Internet Sales Tax Exempt.** On April 29, the General Assembly passed HF 748, which exempts access charges for Internet service from sales tax. Currently, access charges from Internet service providers subject to sales tax are taxable for sales tax purposes. Over the past three years, an issue has arisen over the sales tax liability for firms that do not have a physical or economic presence in the State. Some national providers of Internet services neither charge nor remit sales tax, while other providers do. The Bill would exempt all Internet service providers from charging sales tax. The General Fund fiscal impact of exempting all Internet service charges from the sales tax is estimated to be between $4.0 million and $6.0 million annually.

**More Information** House File 748 has not yet been signed by the Governor. For further information contact the Legislative Fiscal Bureau.

STAFF CONTACT: Larry Sigel (Ext. 14611)

Department of Revenue and Finance Statutory Bill - SF 136

**Dept. of Revenue Bill**  On April 26, the General Assembly approved SF 136, the Department of Revenue and Finance Statutory Changes.

**Provisions** Only two provisions of Senate File 136 are expected to have a significant fiscal impact. Sections 15 and 16 provide that the transportation of electricity and natural gas is not exempt from the sales tax. Sections 30 and 38 provide that the gross receipts of self-propelled building equipment are exempt from both the local option sales tax and the local option tax for school infrastructure.



**Fiscal Impact** The impact on local jurisdictions from the local option sales tax exemption for construction equipment is estimated at between $275,000 and $300,000 annually. The General Fund impact of Sections 15 and 16 (natural gas) is estimated to increase sales tax revenues between $300,000 and $400,000 annually. The increase in sales tax is due to natural gas transportation costs no longer being exempted from sales tax. This impact will be primarily borne by large industrial consumers rather than residential consumers.

**More Information** Senate File 136 has not yet been signed by the Governor. More information is available from the Legislative Fiscal Bureau.

STAFF CONTACT: Larry Sigel (Ext. 14611)

Income Tax Reductions bill - HF 744

**Income Tax Reductions** On April 29, the General Assembly gave final approval to HF 744, the Income Tax Reductions Bill. House File 744 makes three changes to income taxation. The changes include:

* Increasing the dependent credit from $40 to $70.
* Increasing the personal credit from $40 to $70.
* Increasing the pension income exclusion from $5,000 / $10,000 to $6,000 / $12,000 for single and joint filers, respectively.



**Fiscal Impact** All provisions of HF 744 are retroactive to tax years beginning on or after January 1, 1999. The General Fund decreases from the current year are as follows (dollar amounts in millions):



**More Information** House File 744 has not yet been signed by the Governor. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Larry Sigel (Ext. 14611)

Educational Savings Plan Trust Revision - SF 457

**Educational Savings Plan** On April 27, the General Assembly passed SF 457, the Educational Savings Plan Trust.



**Bill Provisions** The Bill amends certain provisions relating to the Educational Savings Plan Trust, which is also known as College Savings Iowa. The 1998 General Assembly created the Educational Savings Plan Trust as a method to encourage saving for higher education. The Bill increases the $200,000 limitation on the amount of funds that can be transferred from the Unclaimed Property Trust Fund for administration and operation costs to $400,000. The Bill also reduces the minimum contribution per year from $300 to $50, and increases the maximum age of enrollees from 17 to 18 years old.

**Fiscal Impact** Greater than anticipated enrollment in the Program is expected to result in additional administration expenses of $200,000 annually. Because all funds from the Unclaimed Property Trust Fund are transferred to the General Fund, this Bill will reduce General Fund receipts by $200,000 in FY 1999 and FY 2000.

**More Information** Senate File 457 has not yet been signed by the Governor. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Larry Sigel (Ext. 14611)

Sales Tax Exemption for Investment Counseling bill- SF 176



**Investment Counseling** On April 7, the General Assembly gave final approval to SF 176, the Sales Tax Exemption for Investment Counseling Bill, which exempts investment counseling from sales tax. Under current law, investment counseling provided by attorneys or Certified Public Accountants is exempt from sales tax. Commission-only fees are currently exempt from the sales tax as well because the gross receipts are initiated from the sale of intangible personal property, such as insurance products or securities.

**Fiscal Impact** The Bill is expected to result in a reduction in General Fund revenues of approximately $750,000 in FY 2000 and $788,000 in FY 2001.

**Governor’s Veto** On April 26, the Governor vetoed SF 176. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Larry Sigel (Ext. 14611)

Argon Gas Sales Tax Exemption bill - HF 418

**Argon Gas Sales Tax Exemp.** On April 22, the General Assembly gave final approval to HF 418, the Argon Gas Sales Tax Exemption Bill.

**Current Law** Under current law, industrial gases which cause a chemical reaction in the manufacturing process are exempt from sales and use taxes. Due to the unique nature of argon, which is used to prevent chemical interaction and retain purity of welds, the Department of Revenue and Finance classifies argon as a taxable item since it does not produce a chemical effect. Under the provisions of HF 418, argon used in the manufacturing process would be exempt from the sales tax. The Bill is retroactive to January 1, 1991, and provides a maximum amount of refunds due to the retroactivity provision at $25,000.

**Fiscal Impact** The fiscal impact of HF 418 is an expected reduction in sales and use tax revenue of approximately $1.5 to $2.0 million annually in FY 2000 and FY 2001 compared to current law.

**More Information** House File 418 has not yet been signed by the Governor. For more information, please contact the LFB.

STAFF CONTACT: Larry Sigel (Ext. 14611)

Hospice Sales Tax Exemption bill- SF 231



**Hospice Sales Tax Exemp.** On April 19, the General Assembly gave final approval to SF 231, the Hospice Sales Tax Exemption Bill. Senate File 231 provides for a sales tax exemption for nonprofit hospice facilities. Under the Bill, purchases by a nonprofit hospice facility would be exempt from sales tax. The 1998 General Assembly passed a sales tax exemption for nonprofit hospitals. Since a number of hospice facilities are located within hospitals, they would have received a sales tax exemption under the 1998 exemption.



**Governor Signed** On April 26, SF 231 was signed by the Governor. For more information, please contact the LFB.

STAFF CONTACT: Larry Sigel (Ext. 14611)

Internal Revenue Code Update Bill - SF 230



**IRC Update Bill** On April 20, the General Assembly gave final approval to SF 230, the Internal Revenue Code (IRC) Update Bill. The Bill updates the references to the Internal Revenue Code to make the federal income tax revisions enacted by Congress in 1998 applicable for Iowa income tax purposes.



**Provisions** Two provisions enacted by the federal government were identified as likely to affect State revenues. Several provisions of the federal Internal Revenue Service Restructuring Bill and Omnibus Appropriations Bill required no legislative action, but resulted in a net increase in revenues to the General Fund (e.g., federal capital gains holding period reduction). The revenue increase from the provisions requiring no legislative action has been included in the December and April estimates of the Revenue Estimating Conference.

**Fiscal Impact** The Bill is expected to increase General Fund revenue by $300,000 in FY 2000 and decrease General Fund revenue by $100,000 in FY 2001.

**More Information** Senate File 230 has not yet been signed by the Governor. For more information, please contact the LFB.

STAFF CONTACT: Larry Sigel (Ext. 14611)

Property Tax Relief bill- SF 459



**Property Tax Relief** On April 29, the Senate and the House closed out the 1999 Legislative Session by passing SF 459, the Property Tax Relief Bill. Senate File 459 increases the School Aid Foundation Formula levels for regular and special education programs to 88.0% from the current levels of 87.5% and 79.0%, respectively. This part of the Bill reduces property taxes for schools by $42.5 million for FY 2000 and by $45.7 million for FY 2001.

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**Gifted & Talented Programs** A second part of the Bill brings funding responsibility for Gifted and Talented programs under the regular program part of the School Aid Foundation Formula. Each district that has received approval for additional allowable growth for Gifted and Talented programs from the School Budget Review Committee for FY 2000 will be entitled to increase their cost per pupil by $38. For FY 2000, 335 school districts qualify for the additional foundation aid for Gifted and Talented programs. The portion of this cost that represents property tax relief is $14.2 million for FY 2000 and $14.4 million for FY 2001. In addition, $1.1 million for FY 2000 and $3.6 million for FY 2001 in new money is provided for these programs.

**On-time Funding** Finally, for FY 2001, $13.0 million is provided for on-time funding for special education programs. This provision of the Bill is intended to largely eliminate special education program funding deficits that amounted to $16.5 million during the 1997-1998 school year.

**Fiscal Impact** Overall, Senate File 459 will result in a $57.7 million increase in General Fund expenditures for FY 2000 and $76.3 million for FY 2001. Property tax relief resulting from the Bill equals $56.6 million for FY 2000 and $72.7 million for FY 2001.

**More Information** Senate File 459 has not yet been signed by the Governor. For more information, please contact the LFB.

STAFF CONTACT: Mike Lipsman (Ext. 17799)

Aircraft Sales and Use Tax Exemption bill- HF 199

**Aircraft Sales Tax Exemp.** On April 22, the General Assembly passed House File 199, the Aircraft Sales and Use Tax Exemption Bill. House File 199 eliminates sales tax on the sales of aircraft in Iowa and replaces it with a use tax on aircraft registered in the State. By changing the tax on aircraft sales from a sales tax to a use tax, all such transactions are made exempt from local sales and services taxes. Furthermore, by changing the basis for the tax on aircraft sales from the point of delivery to the place of registration, the Bill provides a use tax exemption for new and used aircraft sold in Iowa that are not subsequently registered in the State.



**Fiscal Impact** Over the past three years, aircraft sales in Iowa have averaged between 200 and 300 per year, and the value of these sales have ranged between $41.4 million and $74.3 million. About 35 aircraft with an estimated value of $7.8 million are sold out-of-state per year. The estimated fiscal impact of this law change is a decrease in General Fund tax receipts of $380,000 for FY 2000 and $430,000 for FY 2001. The impact on local option tax receipts is estimated to be less than $50,000 per year.

**More Information** House File 199 has not yet been signed by the Governor. For more information, please contact the LFB.

STAFF CONTACT: Mike Lipsman (Ext. 17799)

Sales and Use Tax Simplification bill- SF 469

**Sales & Use Tax – SF 469** On April 28, the General Assembly passed the Sales and Use Tax Simplification Bill, SF 469. This Bill provides for several changes in the administration of the State sales and use taxes as part of a national effort to simplify compliance with the taxes. Major features of the Bill are:

* Restricting the implementation of tax rate changes to either January 1 or July 1 effective dates.
* Permitting the filing of consolidated returns by subsidiaries of a corporate group.
* Reducing from 5 years to 3 years the statute of limitations for audits of sales and use tax returns.
* Standardizing dates and conditions for the implementation of local option sales and services taxes.

**More Information** Senate File 469 has not yet been signed by the Governor. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Mike Lipsman (Ext. 17799)

SEX OFFENDER REGISTRY BILLs - SF 294 aND HF 136

**Sex Offender Regis. – SF 294** The Sex Offender Registry Bill, SF 294, adds to the list of offenses which require lifetime registration by the offender upon conviction, requires the Department of Public Safety to release registry data to the National Sex Offender Registry, and provides for electronic access to sex offender data.

**Fiscal Impact** In FY 2000, the General Fund cost to the Department of Public Safety will be $40,000 and 1.00 FTE position to enter sex offender information into the Internet web page, which will be developed and maintained by IowAccess.

**Governor Signed** The Governor signed the Bill on April 28. For more information contact the Legislative Fiscal Bureau.

**HF 136** House File 136 passed the General Assembly 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 Funding** 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% its Drug Control and System Improvement Grant money.

**Reduction in Funds** 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.



**Governor Signed** The Governor signed the Bill on April 14. Additional information is available from the Legislative Fiscal Bureau upon request.

 STAFF CONTACT: Christina Schaefer (Ext. 16301)

SEXUALLY VIOLENT PREDATORS - SF 216

**Sexually Violent Predators** The General Assembly passed SF 216, the Sexually Violent Predator Commitment Bill, on April 12. Senate File 216 allows the Attorney General’s Office more time to file civil commitment papers against sexually violent predators to be released from prison and specifies the offenders be held in a secure facility while awaiting commitment proceedings.

**Fiscal Impact** The fiscal impact of Senate File 216 will be approximately $219,000 annually, to house the 20 offenders the Department of Corrections expects to receive at the Oakdale facility as a result of the Bill.



**Governor Signed** The Governor signed the Bill on April 26. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Christina Schaefer (Ext. 16301)

ELUDE LAW ENFORCEMENT BILL - HF 209

**Elude Law Enfoc. – HF 209** The General Assembly passed HF 209, the Elude Law Enforcement Bill, on April 1. The Bill changes the penalty for eluding or attempting to elude a pursuing law enforcement vehicle to a serious misdemeanor. If the driver exceeds the speed limit by 25 miles per hour while eluding law enforcement officers, the offense is an aggravated misdemeanor. If the driver exceeds the speed limit by 25 miles per hour while eluding law enforcement officers, and is intoxicated, commits a drug offense, injures another person, causes property damage in excess of $1,000, or commits five or more moving violations, the offense is a Class D felony.

**Admissions** The Bill will increase admissions to the Department of Corrections programs and decrease the admissions to county jails:



**Estimated Cost** The Bill will result in increased costs to the General Fund and to counties:



**Governor Signed** The Governor signed the Bill on April 15. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Christina Schaefer (Ext. 16301)

CRIME VICTIM COMPENSATION FUND BILL - HF 222

**Victim Comp. Fund – HF 222** The General Assembly passed HF 222, the Victim Compensation Fund Bill, on March 22. The Bill amends the Victim Compensation program to allow the Department of Justice to waive the two-year time limitation for crime victims to apply for compensation, if good cause is shown. This Bill also raises the limitation on reimbursable medical expenses from $10,500 to $15,000. Federal and State criminal penalties fund the Victim Compensation program.

**Fiscal Impact** The fiscal impact is an increase of $50,000 to allow the Department to provide waivers for good cause and $300,000 relating to increased costs for medical benefits. The total increased cost to the Victim Compensation Fund would be $350,000 annually.



**Governor Signed** The Governor signed the Bill on March 31. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Christina Schaefer (Ext. 16301)

RECLASSIFYING MISDEMEANORS BILL - SF 189



**Reclass. Misdemeanors** The General Assembly passed SF 189, Reclassifying Misdemeanors, on April 28. The Bill lowers certain misdemeanor offenses from serious to simple and enhances the penalty for all simple misdemeanors from a maximum of $100 or 30 days in jail to a minimum of $50 to $500 or 30 days in jail. The effect of this Bill is twofold:

* Decreases in admissions to probation/parole in FY 2000 will be realized; however, these misdemeanants typically receive the lowest levels of supervision and require minimal resources.
* Enhanced penalties for simple misdemeanors will result in increases of approximately $2.4 million in FY 2000 and $4.8 million annually thereafter. These dollars will be deposited in the General Fund.

**More Information** Senate File 189 has not yet been signed by the Governor. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Christina Schaefer (Ext. 16301)

INDIGENT DEFENSE BILL - SF 451



**Indigent Defense – SF 451** The General Assembly passed SF 451, the Indigent Defense Bill, on April 27. Senate File 451 raises the hourly rate paid for legal defense of indigent persons by $5.00 per hour, expands the duties of the State Public Defender, and excludes partially-indigent persons from being qualified for services.

**Fiscal Impact** The General Fund impact of raising attorney fees $5.00 per hour will be approximately $1.3 million in FY 2000 and $2.1 million in FY 2001.

**More Information** Senate File 451 has not yet been signed by the Governor. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Christina Schaefer (Ext. 16301)

Mandatory Minimum Fines Bill - HF 501

**Mandatory Min. Fines**  The General Assembly passed HF 501, the Mandatory Minimum Fines Bill, on April 15. The Bill changed the minimum fine for Class C felonies to $1,000 (an increase of $500) and Class D felonies to $750 (an increase of $250). Both fines were made mandatory. The Bill also made changes to the forcible felon and willful injury definitions.

**Fiscal Impact** The changes to the fines are projected to generate $500,000 in revenues for the General Fund in FY 2000 and $1.0 million in FY 2001.



**Impact on Prison Pop.** The increased penalties are projected to increase prison populations by 52 inmates in FY 2000, 175 inmates in FY 2001, and 217 inmates in FY 2004. Community-Based Corrections residential facilities will have three to five additional clients due to these changes. The increased penalties are projected to generate the following costs for State agencies:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | FY 2000 |  | FY 2001 |  | FY 2004 |
| Public Defender |  | $ 28,000 |  | $ 56,000 |  | $ 56,000 |
| Prisons |  | 228,000 |  | 767,000 |  | 950,000 |
| Residential Facilities |  | 14,000 |  | 26,000 |  | 26,000 |
| Total |  | $ 270,000 |  | $ 849,000 |  | $ 1,032,000 |

**Impact on Counties** County attorneys fees will increase due to the increased penalty levels. Jail admissions are projected to be reduced by 45 clients in FY 2000 and by 90 clients in the following years. The counties are projected to experience the following cost changes:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | FY 2000 |  | FY 2001 |  | FY 2004 |
| County Attorneys Offices |  | $ 28,000 |  | $ 56,000 |  | $ 56,000 |
| County Jails |  | -27,000 |  | -55,000 |  | -55,000 |



**Governor Signed** House File 501 was signed by the Governor on April 26. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Department of Corrections Bill - SF 395

**Corrections Bill – SF 395** The General Assembly passed SF 395, the Department of Corrections Bill on April 22. The Bill makes several changes to procedures of the Department of Corrections. It permits State agencies to make purchases from Prison Industries with funds that are carried forward instead of reverting, in addition to using those funds for training and technology enhancements. The Bill modifies the distribution of revenues collected from inmates with private sector jobs within the Pay-for-Stay Program. Beginning in FY 2001, the revenues from the private sector employment of inmates will be deposited in the General Fund.



**Fiscal Impact** The Department of Corrections will receive approximately $562,000 in FY 2000 (a reduction of $221,000) due to the modification to the distribution of revenues from inmates with private sector jobs. Beginning in FY 2001, the General Fund will receive the $562,000 in revenues. The Department currently budgets for revenues of $1.8 million from private sector employment of inmates. It is expected that the Department will request an appropriation to offset the change in funding.

**More Information** Senate File 395 has not yet been signed by the Governor. For more information, please contact the Legislative Fiscal Bureau.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

attachments

**Blue Pages Attached to this edition of the Fiscal Update are the following documents:**



* Attachment 1 - State of Iowa General Fund Balance Sheet
* Attachment 2 - Pie chart reflecting General Fund Appropriations for FY 2000
* Attachment 3 - Graphical Depiction of the Flow of General Fund Revenues After Expenditure Limitation (barrels)
* Attachment 4 - Table of information depicted in barrel diagram (Attachment 3)
* Attachment 5 - Tracking document of General Fund Appropriations - Final Action FY 2000
* Attachment 6 - Tracking document for the Rebuild Iowa Infrastructure Fund

**More Information** For more information, please contact the Legislative Fiscal Bureau. As always, we look forward to working with you during the interim months.

