FISCAL UPDATE November 30, 1999

 Legislative Fiscal Bureau (515-281-5279 FAX 515-281-5481

Governor’s Budget Meetings

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**Budget Meetings**

**Budget Hearings** The Governor will be holding seven budget priority meetings across the State. The hearings will replace the traditional November/December budget hearings held in the Capitol, and the purpose of the hearings is to allow Iowans to comment on State spending. They will focus on the initiatives the directors are proposing for the Governor’s budget and program rather than on the department’s entire budget request.

**Locations** The budget hearings will be divided into the following six areas: Accountable Government, Safe Communities, Education, Health Care, Environment, and Work Force/Economy/Agriculture. The hearings will be held from 7:00 – 8:30 p.m. at the locations listed below in Ames, Waterloo, Davenport, Iowa City, Council Bluffs, Sioux City, and Des Moines. Governor Vilsack, Lieutenant Governor Pederson, and officials from State departments will preside over the meetings.

Dec. 6 Ames Accountable Government

 Ames Public Library

 Community Room, First Floor

 515 Douglas Ave.

Dec. 7 Waterloo Safe Communities

 Waterloo Public Library

 Meeting Room B

 415 Commerce St.

Dec. 8 Davenport Education

 Davenport Public Library

 Film Meeting Room

 321 Main

Dec. 9 Cedar Rapids Health Care

 Iowa City Public Library

 Meeting Room A

 123 S. Linn St.

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Dec. 13 Council Bluffs Environment

 Council Bluffs Public Library

 Meeting Room, First Floor

 400 Willow Ave.

Dec. 14 Sioux City Workforce/Economy/Agriculture

 Library Branch Meeting Room

 Morningside College

 1501 Morningside Ave.

Dec. 15 Des Moines General Public Hearing (no scheduled presentations)

 Wallace State Office Building Auditorium

 502 East Ninth St.

**Summaries** Legislative Fiscal Bureau staff will be attending the hearings and will be writing a summary of each meeting for the ***Fiscal Update***. For more information on which departments will be represented at each hearing, please contact the LFB or the Department of Management.

STAFF CONTACT: Holly Lyons (Ext. 17845) Ron Robinson (Ext. 6256)

Data Warehouse Lease Purchase



**Fiscal Committee** The Legislative Fiscal Committee approved a proposal from the Division of Information Technology Services (ITS) for the lease purchase of additional hardware capacity for computer platform originally acquired for the Justice Data Warehouse. The additional capacity will allow the Department of Human Services and Department of Revenue and Finance to implement data warehouse systems from a single computer platform.

**Lease Purchase Cost** The total cost of the lease purchase agreement is $652,000. This includes $600,000 in principal and $52,000 in interest at an estimated rate of 5.25% for a period of three years. The debt service payments will total approximately $217,000 annually. The Division of Information Technology Services will bill the Departments of Human Services and Revenue and Finance for the costs associated with the respective agencies.



**Purpose of Warehouse** The Department of Human Services will use the data warehouse to benefit the administration of the Temporary Assistance for Needy Families (TANF) and the Child Welfare Programs. The Department of Revenue and Finance will use the data warehouse for implementing the Tax Gap Program, which will be designed to identify tax nonfilers of returns or nonpayers of taxes. The Department anticipates the Tax Gap program to generate $2.5 million during the first year, $9.0 million the second year, and $10.0 million per year thereafter.

STAFF CONTACT: David Reynolds (Ext. 16934)

Department of Corrections Funds Transfer

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**Appropriation Transfer** The Department of Corrections has notified the Legislative Fiscal Bureau that $1,800 will be transferred from four institutions into the Inmate Tort Claims Fund. The Fund is used to reimburse inmates for the damage or loss caused by the Department to inmates’ personal property valued up to $100. When the Fund has insufficient moneys to pay claims, the Department is required to transfer funds from the institutions’ operating budgets into the Inmate Tort Claims Fund.

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

Legislative Oversight Committee Meetings – October and November

**Oversight Committee** The Legislative Oversight Committee met October 18 in Room 1 at the State Capitol. The Committee heard presentations related to and discussed the following topics.



**IowAccess Advisory Council** Diane Kolmer, Chair, IowAccess Advisory Council, gave an overview of the IowAccess final report, which was due October 15, 1999. The Governance Subcommittee Report explains how the Advisory Council will function. The report included a mission statement, duties of the Board, and who would serve on the Board

 Joe Alber, Chair, IowAccess Finance Subcommittee, presented the Committee with the IowAccess Financial Model. Mr. Alber stated the financial subcommittee was charged with developing strategies to generate funds to underwrite the operating of IowAccess. Mr. Alber gave an overview of the final report, which included sources of revenue, hypothetical 5-year budget, and a summary of recommendations.

**ITS Transition Team** Richard Varn, Chief Information Officer, Information Technology Services (ITS) Division, Department of General Services, provided a report from the ITS Transition Team and its consultants**.** The report contained a recommendation to the General Assembly concerning the creation of an Information Technology Department and related advisory councils.



Salary Issues

**State Employee Salaries** Mollie Anderson, Director of the Department of Personnel, gave an overview of State salary policies. The information included the possible matching of the non-contract pay plan to the AFSCME 014 pay plan, adding a step to all non-contract pay plans on 12/22/00, and providing additional steps in future years. Ms. Anderson stated that it is the intent of the Governor that non-contract pay increases be directly linked with the employee’s performance.



 ICN & Telemedicine

**Telemedicine in Iowa** During the afternoon session, a variety of telemedicine practitioners presented information to the Committee related to telemedicine pilot projects currently on going in Iowa and discussed a variety of technological applications currently in use in the telemedicine field. Approximately 100 sites around the State now have the ability to use telemedicine either over the ICN or standard telephone lines. The following is a list of presenters and topic areas:

History of Telemedicine Usage on the ICN - Dr. Mike Kienzle, Chair, ICN Telemedicine Advisory Committee, and Associate Dean for Clinical Affairs and Biomedical Communications, University of Iowa.

HELP Innovations, Inc., Pilot Project with 50 State Cases patients through the University of Iowa Hospital Schools - Mike Lemnitzer, Chief Financial Officer, HELP Innovations, Inc.

Telemedicine’s Impact on Medicaid - Marty Swartz, Management Analyst, Department of Human Services.

Mercy Hospital Use of Telemedicine - Jim Reid, PA-C, Director of the Midwest Rural Telemedicine Consortium.

Iowa Veterans Home Use of Telemedicine - Amelia Wolken, Clinical Coordinator, and Kelli Buresh, R.N., B.S.N, Nurse Clinician, Iowa Veterans Home.

Nurses Association Perspective on Telemedicine, Linda Goeldner, Executive Director, Iowa Nurses Association.

Medical Society Perspective on Telemedicine, Denise Hill, Manager of Public and Regulatory Affairs.

Malpractice Issues In Telemedicine, Dr. Mike Kienzle of the University of Iowa.

**November Meeting** The Legislative Oversight Committee met November 15 at the State Capitol. The Committee heard presentations on and discussed the following issues:



**Dept. of Personnel** Mollie Anderson, Director of the Department of Personnel, discussed her review of the Department and concerns that while Iowa has all the pieces for a thorough human resources effort, there are areas that need significant improvement. Ms. Anderson said she would offer changes for legislative consideration during the next Legislative Session. Ms. Anderson highlighted the five basic findings of her department review, including:

The existing human resource information system was inadequate and resulted in the lack of access to current, basic human resource data, which is a significant hindrance to managers.

Future planning is almost impossible given the absence of a strategic workforce plan and a clear compensation strategy.

The State's return on investment with respect to State personnel is too low.

The environment in which State government employees work needs to be improved.

The Department's current structure does not meet the needs of State government.

**New Pay Plan Implementation** Ms. Anderson also discussed the implementation of the new pay plan for contract employees and the Executive Branch plan to provide a similar pay plan to non-covered employees based on a new performance evaluation system that the Department is creating.



**Report**s

**Salary Comparison** Don Racheter, President, Public Interest Institute, discussed two reports prepared by the Institute comparing salaries of Iowa private and state and local government employees. The data showed that the salaries of State employees were higher on average than the private sector and salaries of local government employees were lower. Mr. Racheter did note that the data he used combines all State employees (including Regents Hospital School and faculty) and all private sector employees (including workers at fast food restaurants), and therefore the data is not totally comparable between the groups.

**Salary Issues** Staff of the LFB presented additional information related to compensation of State government employees in Iowa.

Larry Sigel presented an ***Issue Review*** that included comparisons of similar categories of employees in public and private sector employment to provide a more realistic comparison of salaries between sectors.

Douglas Wulf, LFB, provided information to the Committee regarding an update of a study on the use of "other pay" by Executive Branch departments. The study will focus on departments providing discretionary payments above the employee’s base pay from mid-year FY 1999 through October FY 2000 and will be available at the December Oversight Committee meeting. Discretionary payments in the “other pay” category include *Exceptional Job Performance Pay* and *Recruitment and Retention Bonuses*.

Glen Dickinson, LFB, provided a review of a report on salary adjustment funding for the Board of Regents required by House File 579 (The 1995 Salary Act) and other historical State employee salary information, as well as information related to the current collective bargaining agreement.

**Software Association** Miriam Ubben, Director, and Sue Green, Vice President, Iowa Software Association, presented information about the Association and potential of the software industry for job creation in Iowa.

**ITS** Richard Varn, Director of Information Technology Services Division of the Department of General Services, provided an update on the progress of IowAccess and ITS Transition Team efforts.

**Year 2000**  Paul Carlson, Coordinator, Year 2000 Project Office, discussed the current efforts to conduct compliance maintenance audits of state agencies and insure that no re-infection of computer programs or data bases is occurring and that a system is in place to maintain a tracking catalog of all programming changes that occur.

**Telemedicine** Dr. Stephen Gleason, Director, Department of Public Health, discussed his view of the potential future of Telemedicine and related licensing issues that will arise in the health professions.

**Next Meeting** The next Oversight Committee meeting will be held December 15 at the Polk County Convention Center.

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

Environmental Protection Commission meetings – October and November



**Commission Meeting** The Environmental Protection Commission met October 18 in Des Moines. Presentations were given by:

1. Linda Hanson, Administrator of the Administrative Services Division, presented the final FY 1999 Financial Status Report. The Department reported three reversions. For the General Fund, $48,917 was reverted, for the Fish and Game Protection Fund, $24,551 was reverted, and for the Fish and Wildlife Enforcement Officer retirements, $63,415 was reverted.
2. Linda Hanson and Mike Carrier, Administrator of the Parks and Preserves Division, presented budget requests for FY 2001.
3. Roya Stanley, Administrator of the Waste Management Division, asked the Commission to approve a contract agreement with HDR Architecture, Inc., to provide sustainable consulting services for FY 2001. The contract amount will not exceed $70,000. The contract was approved.
4. Elizabeth Henderson, Iowa Association of Business and Industry; and Jack Clark, Iowa Utility Association; commented during the Public Participation portion of the meeting. Both expressed concerns over increasing the maximum Title V fee cap. This topic was later discussed by the Commission.

Mike Valde, Administrator of the Environmental Protection Division, discussed the 1999 Intended Use Plan for the 1999 Drinking Water State Revolving Loan Fund. This included approval by the Commission to award 18 project loans totaling $12.5 million. The Plan included was approved.

**Mike Valde asked the Commission to approve an agreement with Norstan Consulting to develop a business plan to integrate private well data bases into a unified system. The agreement would have a maximum cost of $69,000. The agreement was approved.**

**Mike Valde asked the Commission to increase the cap on the air quality Title V fees. The actual fee amount would not be determined until next spring. The Commission wanted more information and tabled the decision until the November meeting.**

**Mike Murphy, Compliance and Enforcement Bureau, asked the Commission to approve four referrals to the Attorney General. The Commission approved the referrals.**



**November Meeting** The Commission met November 15 in Lewis at the Armstrong Research and Demonstration Farm. Commissioners and staff members toured the Lauren Christian Swine Research and Demonstration Farm in Atlantic. Dennis Kent, the farm manager, conducted the tour. The Wallace Foundation owns the research farm, with swine production studies being conducted by Iowa State University. The farm uses a waste storage tank that is covered with a three-inch layer of Leka rock. Leka rock is clay-coated volcanic rock imported from Norway that floats to the surface of the waste and reduces the odor level.

 Following the tour, the meeting was called to order by Chairperson William Ehm. Presentations were given by:



**Water Quality** Paul Johnson, Director, discussed issues concerning water initiatives and the full funding of the Resource Enhancement and Protection Fund (REAP). Water quality concerns included the federal impaired waters list, the federal Total Maximum Daily Load (TMDL) Program, the hypoxia problem in the Gulf of Mexico, and increased nitrate levels found in Iowa’s waterbodies. Initiatives proposed included:

Accelerated installation of buffer strips along rivers and streams.

Emphasis on the use of wetlands as part of an integrated farm system.

Watershed alliances and agriculture partnerships that focus on impaired waterbodies.

Increased water quality monitoring.

Assistance with flood plain management.

Advance private septic systems in the State.

Upgrade the State’s Geographic Information System (GIS).

**Waste Tires** Roya Stanley, Administrator of the Waste Management Division, asked the Commission to approve a $268,000 contract to remove approximately 400,000 waste tires in Muscatine. The contract was approved.

**Contract Extension** Roya Stanley asked the Commission to extend the contract of Marketing Works. The estimated cost of the extension is $53,000. The contract was approved.



**Fee Increase** Mike Valde, Administrator of the Environmental Protection Division, asked the Commission to revise the cap on the State’s air quality Title V operating fees. This would increase the $24 maximum annual fee to a presumptive minimum amount that would be calculated in the spring. In the past, the Air Quality Bureau issued approximately 400 construction permits per year. Currently, the Bureau issues approximately 1,700 permits per year. The Commission approved to change the cap limit.

**Air Quality Issues Mike Valde asked the Commission to approve a revision to the State Implementation Plan for particulate matters of less than 10 microns in size (PM10) for Mason City. There were violations in Mason City regarding national air quality standards resulting from two cement-manufacturing companies, and the State Plan was revised to reduce the PM10 levels. The Commission approved the revision.**

**Contracts Approved Mike Valde asked the Commission to approve 11 contracts for non-point source pollution control projects. The Commission approved the projects.**

**Legislative Proposals Paul Johnson discussed legislative proposals for FY 2001 that will be discussed at the December meeting. Topics included:**

Manure management plan requirements.

Proposed changes for construction permits of animal feeding operations.

Creation of the Environmental Protection Fund.

Training for persons wanting to conduct environmental audits.

Creation of a State Environmental Policy Act.

Development of a Protected Waters Area.

Allow for permitting of on-site wastewater treatment systems.

Cleanup of solid waste dumps located on private lands.

**Next Meeting The next meeting will be December 20 in Des Moines.**

STAFF CONTACT: Deb Kozel (Ext. 16767)

College Student Aid Commission Meeting

**Commission Meeting** The College Student Aid Commission met on November 16 at the Commission office in Des Moines. Following are significant agenda items and Commission actions:



Commission Membership Changes – Two new Commission members were introduced. Linda Kennedy was appointed by Governor Vilsack to fill the general public seat on the Commission. Ms. Kennedy is director of curriculum at New Hampton High School and replaces long-time member and former Chair Ruth Ann Barry. Becky Lynch is an employee of Kirkwood Community College and will represent community college interests. Ms. Lynch was appointed by Governor Vilsack to complete the term of Alice Villone who resigned. Also recently named as a Commission member is Representative Cecil Dolecheck, who replaces Representative Chris Rants as one of the two legislators who serve on the Commission. The other legislative member is Senator Don Redfern. Commissioner Michelle Durand-Adams was elected as the Chair of the Commission at the September meeting.

Contract for Strategic Planning Assistance – The Commission voted to allow Commission staff to negotiate and enter into a contract not to exceed $20,000 for consulting related to strategic planning. Commission staff is working with RSM McGladrey, Inc.

Contract Extension for Lender Reviews – The Commission approved the extension of the contract for lender reviews. The current contract with McGladrey & Pullen, LLP, will be extended to December 31, 2000. Total cost of the contract is expected to be $35,800.

Request for Proposals (RFP) for Public Services Contract – The Commission approved release of an RFP for public relations assistance. Expected cost of the contract is $57,500. The contract with the current vendor, Erickson McLellan, expires December 31, 1999.



Staff Reports

Loan guarantee volume is up 8.0% for FY 2000 compared to FY 1999 to date. However, the cumulative change since direct lending was implemented in FY 1995 is a decrease of 40.2% (FY 2000 compared to FY 1994).

Vocational-technical tuition grant commitments have been extended to 4,878 students, for a total of $2,034,240. Remaining capacity is $385,160, which would serve 923 students based on the Commission’s current attrition estimates.

Tuition grant commitments have been extended to 14,107 students, for a total of $45.5 million. Remaining capacity is $2.1 million, which would serve 652 students based on the Commission’s current attrition estimates. It should be noted that the Expected Family Contribution (EFC) was raised from $8,500 to $9,000 for FY 2000, making additional students eligible.

**Next Meeting** The next Commission meeting is scheduled for January 18, 2000, at the Commission office in Des Moines.

STAFF CONTACT: Mary Shipman (Ext. 14617)

October Meeting of the Board of Regents

**Regents Board Meeting** The Board of Regents met October 20 and 21 at the University of Iowa in Iowa City. Significant agenda items and Board actions included:



**Fall Enrollment *Fall Enrollment***. The Board received an initial report on fall enrollment. Headcount enrollment at the Regents universities increased from 67,619 to 68,509, an increase of 890 students (1.3%). Approximately 75.0% of students enrolled are Iowa residents. Full-time equivalent enrollment increased from 58,599 to 59,702, an increase of 1,103 students (1.9%). Specifics for each institution include:

University of Iowa (SUI) – headcount increased from 28,705 to 28,846, an increase of 141 students (0.5%). Full-time equivalent enrollment increased from 23,936 to 24,394, an increase of 458 students (1.9%).

Iowa State University (ISU) – headcount increased from 25,585 to 26,100, an increase of 525 students (2.1%). Full-time equivalent enrollment increased from 23,248 to 23,680, an increase of 432 students (1.9%).

University of Northern Iowa (UNI) – headcount increased from 13,329 to 13,553, an increase of 224 students (1.7%). Full-time equivalent enrollment increased from 11,415 to 11,628, an increase of 213 students (1.9%).

Iowa School for the Deaf – Total on-campus enrollment is 146, an increase of one student (0.7%). Total off-campus enrollment is 109 students, an increase of seven students (6.9%).

Iowa Braille and Sightsaving School – Total on-campus enrollment is 36, a decrease of 69 students (65.7%). Total off-campus enrollment is 266, an increase of 53 students (19.9%).

Price Lab School – Price Lab School at UNI has an enrollment of 554, which is the same enrollment reported for Fall of 1998.



**Tuition *Tuition*** – On a unanimous vote, the Board approved an increase of 4.3% in base tuition. Undergraduate tuition for the 2000-2001 year at all three universities will increase by $120, from $2,786 to $2,906. In addition to the base tuition increase, the Board approved the following tuition surcharges for SUI:

College of Law – a permanent tuition surcharge of $300 for resident students and $500 for nonresident students.

College of Dentistry – a new permanent surcharge of $2,000 for resident and non-resident first-year students. Implementation of the increase is expected over a four-year period with subsequent increases to be brought to the Board for approval.

College of Business Administration – a new permanent surcharge of $1,065 per year for resident and nonresident students in the SUI Master of Business Administration (MBA) Program for students entering the full-time MBA program in fall 2000. Implementation is expected to take three years with subsequent increases to be brought to the Board for approval.



**Fees *Fees*** – In a precedent-setting change, the Board approved a proposal by SUI to restructure tuition and fees. The change allows SUI to eliminate a portion of tuition currently designated for certain student activities and services and charge them as separate mandatory fees. The effect of this change is a creation of two new mandatory fees at SUI of $35 for student activities and $41 for student services. This change results in an effective increase in tuition and fees at SUI of 6.9% and will free up approximately $3.8 million in tuition revenue for SUI to use toward academic priorities. Additional detail regarding fee increases is available from the LFB.



**Annual Salaries *Annual salaries*** – The Board received the annual salary report. The Board Office and institutions received $27.9 million in State appropriations for funding salary increases for FY 2000. The institutional salary policies as approved by the Board state that faculty and professional and scientific staff would receive average increases of 3.0% plus incremental steps. Regent merit system employees, both organized and nonorganized, would receive an increase of 3.0% plus step increases. The following table shows the average percentage increases and average salaries for faculty and professional and scientific staff for FY 2000:

**FY 1999 Fiscal Report** Comprehensive Fiscal Report for FY 1999 – The Board reviewed the Report. Additional detail is available from the LFB. Overall results for all institutions for FY 1999 indicate:





**Report Received *Annual Governance Report on Operations of the Regent Merit System for FY 1999*.** The Board received and reviewed the Report. In FY 1999, there were 8,215 (head count) permanent and probationary employees in the Regent merit system. This is an increase of eight employees compared to the FY 1998 year-end total. The average salary for FY 1999 was $26,858, excluding fringe benefits. Base salaries were increased by 3.0% on July 1, 1998. Eligible employees also received automatic step increases. Approximately 69.0% of merit system employees are at the top step (step 8) and do not receive step increases.

**Public Radio Plan *Statewide Public Radio Plan***. The Board reviewed and approved the Plan as submitted.

**Hospitals & Clinics *SUI Hospitals and Clinics Quarterly Meeting*** – The Board of Regents met as the Board of Trustees for the SUI Hospitals and Clinics quarterly (FY 1999 year-end) meeting. Various financial and performance data were presented for FY 1999. Highlights included:

Admissions decreased. The number of acute patient admissions declined by 1.0% from FY 1998 to FY 1999.

Operating margin decreased. The operating margin decreased by $3.7 million (12.8%) from FY 1998 to FY 1999. Staff attributes much of the decrease to managed health care changes made in the federal Balanced Budget Act of 1997.

STAFF CONTACT: Mary Shipman (Ext. 14617)

Natural ResourceS Commission Holds Meeting

**Commission Meeting** The Natural Resources Commission held a meeting in Des Moines November 10. A number of presentations were made by Department of Natural Resources staff members. They included:



Mark Slatterly, Administrative Services Division, presented a first quarter review of the budget:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| First Quarter FY 2000**(in millions)** |  |  **Budget**  |  | **Actual** |  | **Budget Less Actual** |
|   |  |  |  |  |  |  |
| Total Resources |  | $ 17.7 |  | $ 15.0  |  | $ 2.7  |
|  |  |  |  |  |  |  |
| Total Expenditures |  |  |  |  |  |  |
| Personnel  |  | $ 10.4 |  | $ 9.0 |  | $ 1.4 |
| Extra Help |  | 1.1 |  | 1.3 |  | -0.2 |
| Support |  | 3.4 |  | 3.4 |  | 0.0 |
| Contracts |  | 2.2 |  | 0.7 |  | 1.5 |
| Equipment |  | 0.6 |  | 0.6 |  | 0.0 |
|  |  |  |  |  |  |  |
| Total Expenditures |  | $ 17.7  |  |  $ 15.0  |  | $ 2.7  |

Mike Carrier, Parks and Preserves, presented the financial agreement between the Arnolds Amusement Park, the Maritime Museum, the Department of Economic Development, and the Department of Natural Resources. The agreement was approved.

Mike Carrier presented the FY 2001 projects recommended to receive grants from the Recreation Infrastructure Grant Program. A total of 65 projects received full funding and five projects received partial funding. The grants were approved.

Mike Carrier presented an information item that would change the organization of State parks and how they are managed. The organization would include 16 park units that would be organized into four cluster areas. Each unit would have a supervisory person, one or two park rangers, and technicians who would live in or near the State parks.

Al Farris, Fish and Wildlife, asked the Commission to approve a budget adjustment to increase the Fish and Wildlife budget by $22,000 for the Prairie Seed Harvest Program. Partners in this Program would include Pheasants Forever, which would contribute $2,000, and the United States Fish and Wildlife Service, which would contribute $20,000. The adjustment was approved.

Al Farris asked the Commission to approve the contract for electronic licensing. The contract is with the Central Bank of Missouri for 6.5 years at a cost of $9.0 million. The contract was approved.

Larry Wilson, Deputy Director, asked the Commission to approve the legislative proposals discussed during the October meeting. The Commission approved the proposals. In addition, the Commission voted to add two proposals to the Department listing. One would allow a mourning dove hunting season and the other would remove motor size restrictions for one year at Lake MacBride. After the one-year period, the restrictions would sunset unless the General Assembly would decide to repeal.

**Next Meeting** The next meeting will be held December 9 in Des Moines.

STAFF CONTACT: Deb Kozel (Ext. 16767)

Loess Hills Interim Study Committee Holds Meeting

**Interim Study** The Loess Hills Interim Study Committee held their first meeting October 13 at the Timber Ridge Ranch near Mapleton.

**Presentations** The meeting was co-chaired by Senator Steve King and Representative Clarence Hoffman. The following presentations were made:



Shirley Frederiksen, Gold Hills Resource Conservation and Development, presented the history of the Loess Hills and the background on the development of the Loess Hills Alliance.

John Wills, Loess Hills Alliance, talked about the current situation of the Loess Hills. The Loess Hills Alliance has been formed with an Executive Committee of seven voting members and two non-voting members. The Alliance has four operational committees that include: Economic Development, Information and Education, Protection, and Stewardship.

Mauri Welte, Loess Hills Alliance, discussed the future of the Loess Hills and talked about possible funding from the federal government. Although legislation has not passed at the federal level, it is likely that a National Park Service Study will be conducted in the Loess Hills.

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**Public Comments**

**Public Comments** The public was invited to voice comments in the afternoon. Some concerns discussed included:

Mandates that allow State or federal government to purchase land from unwilling landowners.

Allowing private organizations to purchase land in the Loess Hills at inflated market prices.

Landowners not being informed of meetings held by the Loess Hills Alliance.

Landowners not having a voice in the Loess Hills Alliance.

Non-payment of property taxes by State Parks.

**Conservation Easements** There was a discussion on conservation easements following the public discussion. Thane Johnson, Legislative Service Bureau, discussed the easement laws in Chapter 457A, Code of Iowa. The Committee further discussed the following topics:

Allowing annual payments of easements.

Allowing descendents to cancel easements.

Bookkeeping methods for tracking easements by the Loess Hills Alliance.

**Loess Hills Alliance**  The Committee discussed amending the Loess Hills Alliance legislation, HF 218 (Loess Hills Alliance), that was passed by the last General Assembly. Items discussed to include in the amendment were:

Adding Hungry Canyons as being able to accept gifts, bequests, and other funds.

Adding landowners as members to the Loess Hills Alliance.

Including any easement changes that are recommended by the Committee.

**Next Meeting** The next meeting will be held December 13 with the location to be announced.

LSB STAFF CONTACT: Thane Johnson (Ext. 13048)

LSB STAFF MONITOR: Deb Kozel (Ext. 16767)

Retirement Systems Interim Committee

Retirement



**Interim Committee** The Public Retirement Systems Committee met on November 16 and 17. The meeting began by electing Senator Sheldon Rittmer and Representative Mona Martin co-chairpersons. Rules were adopted, and opening remarks were made. The first two meetings were used for information gathering. Recommendations to the Legislature will be considered during the December meeting.

**Presentations** The Committee heard presentations from:

**Municipal Fire and Police Retirement System of Iowa (Chapter 411**) – Dennis Jacobs, Executive Director. Other organizations making comments on the System included the Iowa Professional Firefighters, Iowa Association of Professional Fire Chiefs, the Iowa State Police Association, and the Iowa League of Cities.

**Peace Officers’ Retirement System (POR)** – Carroll Bidler, Director of Administrative Services, Department of Public Safety. Other organizations making comments on the System included the Iowa State Troopers Association, Iowa State Patrol Supervisors Association, and the Retired Iowa State Peace Officers’ Association.

**Judicial Retirement System** – Peggy Sullivan, Director of Finance and Personnel, Judicial Branch. Comments were offered by the Iowa Judges Association.

**Iowa Public Employees’ Retirement System (IPERS**) – Greg Cusack, Chief Benefits Officer, Kathy Comito, Chief Investment Officer, and Patrice Beckham, Consulting Actuary. Other organizations making comments included the School Administrators of Iowa, Iowa Department of Education, Iowa State Education Association, Iowa Retired School Personnel Association, Iowa Association of Community College Trustees, IPERS Improvement Association, American Federation of State, County, and Municipal Employees (AFSCME), Iowa Association of School Boards, Iowa League of Cities, Iowa State Sheriffs and Deputies Association, Iowa Association of Chiefs of Police and Peace Officers, Airport Firefighters, Iowa Fish and Game Conservation Officers’ Association, and the State Park Rangers Association.

**Issues Discussed** Some of the issues discussed included:



Parity among the three systems serving peace officers and fire fighters, including bringing the systems on par for disability benefits, years of service for full benefits, and credit for extra years of service.

Investment results and input of system boards and managers.

Benefit increases for retired members.

Upcoming retirement of school administrators and a potential shortage of administrators caused by those waiting until 2003 to retire when the final average salary will be calculated on the high three consecutive years, instead of final seven years.

Increasing the percentage of average final salary for judges from 52.0% to 60.0% in their pension benefit calculation.

Going from the Rule of 88 to the Rule of 85 for IPERS.

Improving the IPERS death benefit.

Capping the IPERS Favorable Experience Dividend (FED) Fund at 10 years.

Permitting coverage of community college adjunct professors by IPERS.

**Next Meeting** The next meeting of the Committee is scheduled for December 16 when recommendations for the next Legislative Session will be prepared.

 LSB STAFF CONTACTS: Ed Cook (Ext. 13994) Rick Nelson (Ext. 15822)

LFB STAFF MONITORS: Dwayne Ferguson (Ext. 16561)

 Christina Schaefer (Ext. 16301)

Community College Governance System Interim Study Committee Holds Final Meeting

**Study Committee** The Community College Governance System Study Committee held their final meeting November 10. The General Assembly authorized a Community College Governance System Study Committee to identify and study options for restructuring the community college governance system. The goal is to develop a plan for community colleges to operate more cooperatively, effectively, and efficiently as a State system while recognizing the strong local character of the community colleges. The Committee reviewed the following aspects of the current system: current governance system; ongoing collaborative efforts; relationships with local K-12 schools, other accredited postsecondary institutions, and the Department of Education; and changes necessary to enhance accountability.

**Possible Recommendations** The Committee received testimony for three meeting days and recommendations have been mailed to members to be voted on. Final recommendations have not been released, but are expected prior to the 2000 General Assembly. Possible recommendations being considered by the Committee include:

Direct the Community College Council to develop a statewide strategic plan for Iowa’s community colleges. A working group of stakeholders shall be named to assist the Council in formulating a plan. Upon approval by the State Board of Education, the Board shall recommend to the General Assembly a system of incentives and penalties for issuance to community colleges based upon the level of responsiveness displayed by a given community college.

Direct the Department of Education to do the following:

* Provide a comparison of the data collected by the Basic Educational Data Survey for K-12 schools to the data collected by the management information system for community colleges.
* Submit an update progress toward implementation of the management information system and provide data collected by the management information system to the Education Standing Committees and the Education Appropriations Subcommittee.
* Set data criteria uniformly for submission by the community colleges, develop and implement a certified annual report submitted by the community colleges, and reconcile audited financial statements with the financial data submitted to the Department.
* Consider adding two additional FTE positions to the Department of Education to provide oversight of the community colleges.
* Consider offering incentives to public educational institutions to partner in order to share the costs of providing vocational-technical programs.
* Push statutory budgetary deadlines back to a date that succeeds the outcome of the General Assembly’s appropriations process.

LSF STAFF CONTACT: Thane Johnson (Ext. 13048)

LSB STAFF MONITOR: Paige Piper/Bach (Ext. 17942)

CAMPAIGN FINANCE INTERIM STUDY COMMITTEE

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**Campaign Finance**

**Campaign Finance** The Campaign Finance Interim Study Committee held its first meeting November 10. The Committee was established to study campaign finance disclosure and related laws and to recommend reforms in these laws to the Legislature. The Committee is to submit a report by December 15 and have legislation drafted and filed with each chamber on the first day of the legislative session.

**Public Hearing** The Committee will hold a statewide public hearing, as required by SF 470 (Campaign Finance Commission), over the ICN, at sites in each of the five congressional districts. A member from the Committee will be at each site. A tentative date of December 2 was established for the statewide preliminary hearing. Members expressed the desire to have other public hearings at a later date if they receive authority to extend the term of the Committee past the January 15, 2000, termination established in SF 470. The Committee will seek authority to extend the Committee’s term until January 15, 2001. The Committee does not believe it can accomplish its charge in the time authorized by SF 470.

**Second Meeting** The Campaign Finance Interim Study Committee met November 16. December 2 was established for the statewide preliminary hearing. The following locations have been reserved from 7:00 – 9:00 p.m.:

Central Location: Des Moines: Orchard Place School

 Atrium or Conference Room

 925 SW Porter Ave

 Des Moines, IA 50319

Congressional District 1 Cedar Rapids: Washington High School

 ICN Classroom #106A

 2205 Forest Dr, SE

 Cedar Rapids, IA 52403

 Davenport: North High School

 ICN Classroom #576

 626 West 53rd Street

 Davenport, IA 52806-2294

Congressional District 2 Cedar Falls: Cedar Falls High School

 ICN Classroom #170

 1015 Division Street

 Cedar Falls, IA 50613

Congressional District 3 Ottumwa: Ottumwa High School

 Voc. Tech Building, Rm 155

 501 East Second

 Ottumwa, IA 52501

Congressional District 4 Council Bluffs: St. Albert Secondary School

 Room 404

 400 Gleason

 Council Bluffs, IA 51503

Congressional District 5 Spencer: Spencer High School

 ICN Room

 800 East 3rd Street

 Spencer, IA 51301

**Electronic Filing** The November 16 meeting included a presentation from the staff of the Iowa Ethics and Campaign Disclosure Board on the status of electronic filing in Iowa.

**Next Meeting** The next meeting was set for December 9.

LSB STAFF CONTACT: Janet Johnson (Ext. 13798)

LFB STAFF MONITOR: Ron Robinson (Ext. 16256)

Governor’s Task Force on Child Care and Early Education

**Task Force Meeting** The Governor’s Task Force on Child Care and Early Education has met several times since its creation and has made the following preliminary recommendations in various categories:



**Quality** **Quality**

Well Trained Providers by:

* Implementing a system of education and training for child care providers.
* Separate regulations for those of providers from those of facilities.
* Offering curriculum of parenting skills.



* Appropriation for core training curriculum at community colleges.
* Relating compensation to training.
* Implementing a North Carolina model to increase compensation.
* Focusing the Gold Seal Program on location/facility.
* Creating a licensing entity for certification and training of providers.
* Creating a Department of Education and Early Child Care.
* Providing a tiered reimbursement system.
* Adding a disabilities specialist to the staff of the Child Care Resource and Referral agencies.

Healthy and Safe Environments by:

Increasing funding to the Child Care Resource and Referral agencies.

Adding health and safety guidelines to facility standards.

Improving relationships with the private sector.

Developmentally appropriate care by:

* Developing outcome measures.
* Certification of all providers and staff.
* Including collaboration with the Head Start programs.

**Delivery System** **Delivery System**

Establish a single point of entry by:

* Requesting the Governor’s Office to fund a consultant and group process for design of single point of entry.
* Increasing funding to assist families in accessing quality child care.
* Establishing a single point of entry by July 2002.

Establishing state structure for creating and enforcing universal child care and education standards.

* Requesting the Governor to appoint a state level entity by July 2000.
* Establishing standards and timelines for state level entity by July 2001.
* Assuring funding for enforcement and technical assistance by July 2002.

By January 2000, the Governor employs a staff person specifically to implement the recommendations of the Governor’s Task Force on Child Care and Early Education.

**Affordability** **Affordability**

Fund quality child care for everyone by:



* Combining all funding streams.
* Increasing wages of child care service personnel.
* Increasing eligibility cap to 300.0% of the Federal Poverty Level for FY 2006 and remove the cap in its entirety by FY 2010. The FY 2000 percentage is 140.0% for most recipients.
* Adjusting the sliding fee scale annually and remove eventually.
* Encouraging county governments to achieve fully-funded quality child care.

Equal access by:

* Providing every family information to parental support entities.
* Provide community centers.
* Enlist entire community.

Universal available choice by:

* Building capacity.
* Providing options to stay at home.
* Expanding family and medical leave provisions to receive compensation during the leaves.

**November Meeting** The Governor’s Child Care and Early Education Task Force met November 9 and adopted three recommendations relating to child care and delayed action on others. The recommendations adopted include:

Increased pay for those employed in the child care and early education fields.

More training for those employed in the fields.

Safety regulations.

**Next Meeting** The Task Force will continue to meet during December and issue a report to the Governor.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

State County Management Committee FY 2002 Mental Health Allowable Growth Factor/Other Recommendations

**FY 2002 Allowable Growth** The State County Management Committee has issued its recommendation regarding the FY 2002 Mental Health Allowable Growth Factor and a report required by HF 664 (Mental Health, Mental Retardation, and Developmental Disabilities Services Act) adopted by the 1999 General Assembly. Highlights include:



The Committee recommends an approximate 7.0% increase for the FY 2002 Mental Health Allowable Growth Factor, which equals approximately an increase of $16.5 million, applying the estimated 7.0% to the sum of the $214.2 million base expenditure and the $21.8 million FY 2001 allowable growth funds. The recommendation provides for an inflation factor equal to the Employment Cost Index, which is within the range of 3.0% to 4.0% and a targeted growth factor of 3.0%. The Employment Cost Index is a measure calculated by the federal Bureau of Labor Statistics, which “is the change in the cost of labor, free from the influence of employment shifts among occupations and industries. The compensation series includes changes in wages and salaries and employer costs for employee benefits. The wage and salary series and the benefit cost series provide the change for the two components of compensation.”

The report also includes recommendations of:

* Improvement of federal funding streams for community mental health and developmental disabilities services.

**Recommendations**

* No changes in the membership of the State County Management Committee and charge the Committee to continue to make an annual recommendation regarding the allowable growth factor.
* Change in the criteria used to develop the allowable growth factor recommendation to include inflation and targeted growth to improve service equity and access. (This is the basis used for the FY 2002 allowable growth factor recommendation.)
* Change the timing for the allowable growth factor recommendation to include it within the budget request by the Department of Human Services, required to be submitted by October 1.
* Continue use of the base methodology for the funding distribution for the FY 2001 appropriation. The recommendation includes the Committee’s review of the base methodology and relationship to the levy maximum for the county Mental Health/Mental Retardation/ Developmental Disability Services Fund.
* Establishment of appropriate reserve levels for the counties’ Services Funds.
* Include a county’s ability to provide adequate funding, including through the property tax base, when measuring equalization for core services and eligibility standards.
* Change a county’s eligibility for additional State funding to include the local levy maximum, minimum core services, and waiting lists.
* Delay changes to the legal settlement issue until the 2001 General Assembly, to allow for collection and analysis of data.
* Adoption of statewide minimum eligibility standards for services and a continuum core set of services and support provided by a county to eligible individuals with mental retardation/mental illness/developmental disabilities.
* Provide for an appropriation (amount not specified) for the Incentive and Efficiency Fund over and above the allowable growth appropriation which are to be invested in system improvements at the county level.
* Focus administrative rules used for the activities of the State County Management Committee upon outcomes rather than process.

**Copies Available** Copies of the report are available upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

Teacher Shortage Forgivable Loan Program Demand Exceeds Available Funds



Loan Program

**Forgivable Loan Program** The Iowa College Student Aid Commission has received 267 applications for the Iowa Teacher Shortage Forgivable Loan Program. This is a new Program that replaces the Industrial Technology Forgivable Loan Program. Funding of $250,000 for FY 2000, coupled with $20,000 of carryover funds from the Industrial Technology Forgivable Loan Program, will allow for approximately 90 applicants to receive loans of $3,000. Applicants must be enrolled in programs leading to degrees in one of the teacher shortage areas designated by the Iowa Department of Education. Applicant graduation dates and need for financial assistance will be the primary factors used in the selection process.

**Program Terms** Under the terms of the Program, 20.0% of a recipient’s indebtedness will be forgiven for each year the recipient remains an Iowa resident and is employed in an Iowa school district in the shortage area for which the loan was approved.

STAFF CONTACT: Mary Shipman (Ext. 14617)

Iowa Finance Authority Awards Federal Tax Credits



**Tax Credits**

**Federal Tax Credits** The federal government allows each State to annually distribute federal tax credits for multi-family, low-income housing construction. Each year, Iowa is allowed to award tax credits to developers equal to $1.25 per Iowa resident. Since the awarded tax credits run for 10 years, each year’s tax credit awards are valued at approximately $36.2 million. In Iowa, the awards are made by the Iowa Finance Authority. The Authority has been awarding the tax credits since 1987. (See SF 499, Low Income Housing Credits Act of 1987.)

**Applications For Funding** The Iowa Finance Authority annually accepts applications from developers proposing construction of multi-family low-income housing projects in Iowa. Each year, applications exceed available funding. Seventy projects applied for 1999 tax credits. In March 1999, awards were made to 19 projects for the 1999 round of tax credits. Three individuals who did not receive tax credits in that round objected to the 1999 awards, alleging the Authority did not have sufficient rules in place to make the awards as required by Sections 16.1(40) and 16.52(2), Code of Iowa. In July 1999, the Authority concluded the rules were not sufficient, withdrew the original 19 awards, and began developing new rules with which to award the 1999 tax credits. In the Fall of 1999, the new rules became effective and developers were allowed to make amended proposals. On November 10, the Authority Board awarded 1999 tax credits to 19 projects. Of those 19 projects, 14 were in the original list selected in March, while five projects were not in the original list, and five projects that were selected in March were not selected in November.



**Projects Selected** The following table shows the projects selected in March and November. The approximate tax credit amount is the amount reserved by the Authority multiplied times 10. The actual cash received by the developer will be approximately 70.0% of that amount, as the cash value of the credits awarded is impacted by the present value of the tax credits over 10 years. The cash received by the developers for the tax credits is combined with private, federal, and State funds to provide financing to build the projects. In return for the tax credits, the developers agree to rent the low income housing units to persons in a defined income range for a specified period of time.

|  |
| --- |
| 1999 Federal Low-Income Tax Credits |
| Project Name |  | Project City |  | Investor Contact |  | Number of Low Income Units | Approximate Tax Credit Value |
|  |  |  |  |  |  |  |  |  |
| Awarded in March and November |  |  |  |  |  |  |  |  |
| Call Terminal |  | Sioux City |  | Doug LaBounty |  | 36 |  |  $ 2,588,000  |
| Cottage Grove |  | Muscatine |  | Chris Hes |  | 48 |  |  3,245,400  |
| Countryside of Clinton |  | Clinton |  | James Levy |  | 32 |  |  1,875,680  |
| Davenport Senior Housing II |  | Davenport |  | Charles Heath |  | 32 |  |  1,998,000  |
| Ivy Apartments |  | Humboldt |  | Doug LaBounty |  | 12 |  | 792,410 |
| Knoxville IHA Senior Housing |  | Knoxville |  | Robert Burns |  | 24 |  |  962,620  |
| Kromer Flats |  | Des Moines |  | Stella Neill |  | 8 |  |  375,290  |
| Lynnwood Apartments |  | Marion |  | Lawrence Mazzotta |  | 39 |  |  2,179,220  |
| Meadow Lake Apartments |  | Clear Lake |  | James Levy |  | 32 |  |  2,173,970  |
| Meadow Wood of Carroll, Ph II |  | Carroll |  | James Levy |  | 24 |  |  1,584,930  |
| Pheasant Hollow |  | Grundy Center |  | Ralph Schmitz |  | 16 |  |  1,150,480  |
| Pheasant Run Apartments |  | Iowa Falls |  | Ralph Schmitz |  | 32 |  |  2,238,860  |
| Pineview Apartments |  | Waterloo |  | Lawrence Mazzotta |  | 50 |  |  2,715,030  |
| Southern Hills Apts - Phase II |  | Oskaloosa |  | Clark Colby, Jr |  | 30 |  |  1,797,300  |
|  |  |  |  |  |  |  |  |  |
| Awarded In November but not in March |  |  |  |  |  |  |  |  |
| Carrol IHA Senior Housing |  | Carroll |  | Robert Burns |  | 24 |  | 574,660 |
| Deer Ridge Apartments I |  | Des Moines |  | James Conlin |  | 92 |  |  5,492,000  |
| Hurst Apartments |  | Maquoketa |  | Chris Ales |  | 18 |  |  1,261,980  |
| The Arbor's |  | Grinnell |  | Lawrence Mazzotta |  | 39 |  |  2,181,620  |
| Winngate Village |  | Forest City |  | Larry L. Tuel |  | 16 |  | 997,000 |
|  |  |  |  |  |  |  |  |  |
| Awarded In March but not in November |  |  |  |  |  |  |  |  |
| Meadow Crest Gardens, L.P. |  | Davenport |  | John McChurch |  | 38 |  |  2,024,490  |
| Northern Ponca Tribal Housing |  | Sioux City |  | Howard Leederman |  | 10 |  |  1,117,190  |
| Maquoketa IHA Senior Housing |  | Maquoketa |  | Robert Burns |  | 24 |  |  1,099,610  |
| Riverview Place II Apartments |  | Iowa City |  | Lawrence Mazzotta |  | 35 |  |  2,230,140  |
| Alpine Heights Senior Apts |  | Dubuque |  | Steven Bogge |  | 37 |  |  2,383,330  |

**Rules to be Rewritten** The Authority will re-write the tax credit rules for the 2000 awards.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Lottery Revenues and Expenditures Through October



**FY 2000 Lottery Revenues** Through October, FY 2000 Lottery game revenues decreased $8.7 million from the FY 1999 level. Lottery prize expenses decreased $5.1 million, operating expenses decreased $1.0 million, and transfers to other State funds decreased $2.4 million. The following table details revenues, expenditures, and balances of the State Lottery. Rows and columns may not add, due to rounding.

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**FY Sales** Fiscal year sales through October, compared to the same time period of FY 1999, were as follows:

Instant ticket sales increased $1.1 million (4.1%).



Iowa Lotto/Supercash/Pick 3 sales increased $17,600 (1.5%).

Multi-State Powerball sales decreased $8.9 million (42.1%).

Multi-State Daily Millions/Cash 4 Life sales decreased $504,000 (32.2%).

Daily Game sales decreased $20,400 (1.3%).

Pull-tab sales decreased $441,000 (4.8%).

**October Sales** Total Lottery sales for October were above October 1998 by $1.2 million (9.2%). October 1999 sales for instant tickets, Pick 3, and Powerball were above sales for October 1998.



**REC Projections** The October Revenue Estimating Conference (REC) projected FY 2000 Lottery profits will total $34.0 million. Of this amount, $33.5 million is to be transferred to the State General Fund and three-tenths of one percent of gross Lottery sales transferred to the Gambler’s Assistance Fund (approximately $530,000). Actual profit transfer for FY 1999 was $37.0 million. Therefore, the REC is currently estimating Lottery transfers will be $3.0 million lower in FY 2000 than FY 1999. Through October, fiscal year transfers are $2.4 million below FY 1999.

**Sales Tax Paid** In addition to the amount transferred to the State as profits, the Lottery has transferred $2.6 million in sales tax during FY 2000.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Prison Population and forecast through FY 2009

**Prison Population** The Iowa prison population has remained relatively stable since August 1999. The following table shows distribution of the inmate population as of November 1, 1999.

**Population Stabilized** The prison population has been stabilized by the Parole Board by increasing the number of paroles granted and by the Community-Based Corrections District Departments reducing the number of probation revocations. New court commitments have not declined.



**Women Prisoners Return** The relief for overcrowding has allowed the Department to bring back 56 of the women inmates housed out-of-state, and plans call for the remaining women to return in December.

**Design Capacity Reviewed** In addition to the reduction and stabilization in the inmate population, the Department, with the assistance of a consultant, re-evaluated the prison design capacity. Although there was no change in the physical structure of the prisons, the design capacity was increased from 5,801 beds to 6,262 beds, for an addition of 461 beds. With this recalculation, overcrowding stood at 114.8% of design capacity on November 1. The Department also identified 463 beds as medical and segregation beds which are not included in the current count for calculation of percent of capacity.

**Forecast Issued** The Criminal and Juvenile Justice Planning Division, Department of Human Rights, issued the Iowa Prison Population Forecast: FY 2000- 2009 in October 1999. The forecast calls for prison population growth to resume during FY 2000, reaching 7,587 inmates by the end of the fiscal year. The following table presents the actual and projected inmate population through FY 2009.



**Trends** The trends for the projected growth in the inmate population include:

Admissions:

* Fewer probation revocations.
* Fewer property offenders entering prison.
* Continued, but slower, growth in new court-ordered commitments.
* Stable to slight increase in readmissions.
* Growth rate for female inmates that exceeds the growth rate for males.

Releases:

* Increased paroles.
* Expanded Community-Based Corrections capacity for Work Release.
* More inmates expiring their sentences.
* Little change in average length of stay.
* Violent Crime Initiative (85.0% Sentences) will substantially increase the prison population in the long term (an estimated additional 645 inmates by FY 2009).

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

COUNCIL ON HUMAN INVESTMENT (CHI) NOVEMBER MEETING

**Council Meeting** The Council on Human Investment held a meeting over the ICN on November 4.

**Ombudsman’s Office** The State Ombudsman, William P. Angrick, advised the Council on the functioning of his office. The Council expressed the desire to work with the State Ombudsman’s Office to determine how satisfied the clients of State government are with government services.

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**Budget Meetings**

**Governor’s Budget Hearings** Mary Reavely from the Department of Management distributed the following list of locations for the Governor’s budget hearings:

December 6 Accountable Government Ames

December 7 Safe Communities Waterloo

December 8 Education Davenport

December 9 Health Care Iowa City

December 13 Environment Council Bluffs

December 14 Workforce, Economy, Sioux City

and Agriculture

 All meetings will begin at 7:00 p.m. The Council on Human Investment will be in charge of the hearings and the Lt. Governor will be present.

**Survey Results** The results of the Council on Human Investment Survey of Iowa Adults concerning Workforce and Economic Development are available.

**Next Meeting** The next meeting will be January 6.

STAFF CONTACT: Ron Robinson (Ext. 16256)

IPERS ACQUIRES NEW HEADQUARTERS

**New Headquarters** The Iowa Public Employees’ Retirement System (IPERS) has purchased a headquarters facility in Des Moines with IPERS trust fund monies, after a statewide search. The 45,000 square foot structure is located at 7301 Register Drive, just south of the Des Moines Airport and adjacent to the new Des Moines Register facility.



**Cost** The building is being purchased from Data Input Services Inc. for approximately $3.0 million. Renovation and relocation expenses will be about $1.0 million. Data Input Services Inc. will remodel and lease the east half of the building from IPERS.

 The building cost approximately $2.1 million to construct and was completed in February 1998.

**Moving Plans** The move by IPERS is planned to be completed during the summer of 2000.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Proposed Legislative Changes by the Department of Human Services



**Council Meeting** The Council on Human Services met November 10 and adopted the legislative proposals to submit to the 2000 General Assembly for consideration. These included:

Modify Iowa statute to comply with the federal Adoption and Safe Families Act.

Alter 5.0% to 25.0%, the amount of funds by which a region of the Department of Human Services (DHS) may exceed its budget target for group care.

Remove court authority to require the DHS to provide investigative and report services in dissolution of marriage cases.

Permit release of child abuse information to health care facilities when an abuse report is being appealed.

Permit other states access to the dependent adult abuse registry for background checks.

Change certain components of court-ordered health care coverage for children within the child support recovery arena.

Provide for the carry forward of financial institutions’ costs of quarterly data matching within the child support recovery arena.

Permit the DHS to withhold the last known address of certain recipients of the Family Investment Program (FIP) to protect victims of domestic violence on the public quarterly list.

Modify Iowa statute to comply with the changes in the federal FIP.

Permit the DHS to provide services and funding to the FIP participants who may need services and funding after the eligibility period for the FIP expires.

Increase the savings refund rates for Individual Development Accounts.

Increase the tax credits for funds provided to match individual contributions to the Individual Development Accounts.

Eliminate the transaction fee paid to retailers for the use of their point-of-sale equipment for the Electronic Benefit Transfer (EBT).

Change the name and purpose of the State Hospital Schools to Resource Centers.

Modify Iowa statute to parallel the reorganization within the DHS.

Require record checks for staff of the DHS Field Operations.

Modify Iowa statute to add two optional groups to coverage by Medical Assistance (Medicaid) already covered by administrative rule.

Add children eligible for the guardianship subsidy to be eligible for Medical Assistance (Medicaid).

Make changes to the Healthy and Well Kids in Iowa (HAWK-I) Program including:

* Base premium rates on family income.
* Remove application reviews by the HAWK-I Board.
* Remove references to adjusted gross income.

Change the Medicaid eligibility in the case of transfer of assets.

Create an Iowa Long-Term Health Care Infrastructure Trust Fund.

Prohibit capital expenditures from the county Mental Health, Mental Retardation, and Developmental Disabilities Services Fund.

**More Information** Additional information is available upon request.

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

Human Service Information Available

**Information Available** The Legislative Fiscal Bureau has received several audiotapes and accompanying written audiotape guides relating to various human service information from the National Conference of State Legislatures. The audiotapes and written material include:



Essentials every legislator should know about health care.

Medicaid, Child Health Insurance Program (CHIP, which in Iowa is the Healthy and Well Kids in Iowa [HAWK-I] Program), and Special Needs Kids.

What works to get kids enrolled in the Child Health Insurance Program?

Crash course for policymakers to understand Medicaid.

State Initiatives in End-of-Life care.

Regulation of health care professionals.

Basics of Health Insurance Reforms.

Making sense of managed care.

**Audiotapes Available** The audiotapes are available from the Legislative Fiscal Bureau to use and return.

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