FISCAL UPDATE December 13, 1999

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



Revenue Estimating Conference Revises FY 2000 and FY 2001 Revenue Estimates

**REC Meeting** The Revenue Estimating Conference (REC) met December 9 to review and revise the FY 2000 and FY 2001 General Fund revenue estimates.

**FY 2000 Estimate** The REC revised upward the FY 2000 total receipts estimate of $5.050 billion to $5.060 billion. Net receipts (total receipts less refunds) were revised upward from $4.518 billion to $4.534 billion, reflecting an increased estimate for inheritance tax. Inheritance tax receipts for FY 2000 were revised upward from $95.3 million to $118.3 million, reflecting significant one-time growth for the current fiscal year. The FY 2000 refunds estimate was revised downward from $531.8 million to $525.6 million, reflecting a minor change in the refunds growth. Several adjustments were made to specific taxes to reflect year-to-date experience. Personal income tax collections have been weaker than anticipated, and the REC revised the FY 2000 personal income tax amount downward by $4.0 million compared to the October REC estimate. The October estimate of $1.448 billion for sales tax was decreased by $8.4 million in reflection of less than anticipated year-to-date growth.

**FY 2001 Estimate** The REC also revised downward slightly the FY 2001 total receipts estimate of $5.276 billion to $5.274 billion, which is 4.2% over the FY 2000 estimate. Net receipts (total receipts less refunds) were revised upward by $4.5 million to $4.721 billion, based upon a reduced estimate for tax refunds. The FY 2001 refunds estimate was revised downward from $559.3 million to $552.9 million, which is $27.3 million (5.2%) above FY 2000.

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**Gambling Estimate** The Conference left unchanged the FY 2000 and FY 2001 estimate for gambling revenues transferred to the Rebuild Iowa Infrastructure Fund (RIIF). Gambling proceeds to the General Fund are statutorily capped at $60.0 million, with the excess going to the RIIF. The Conference set the amount estimated to be transferred to the RIIF at $112.2 million in FY 2000 and $127.1 million in FY 2001.

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



STAFF CONTACT: Larry Sigel (Ext. 14611)

legislative fiscal committee meeting



**Fiscal Committee**  The Legislative Fiscal Committee is tentatively scheduled to meet Tuesday, January 11 at 2:00 p.m. in Room 116 of the Capitol. The tentative agenda includes:

* Agricultural Finance Corporation
* State Indebtedness
* Revenue Upate

**More Information** Please contact the Fiscal Bureau for more information.

STAFF CONTACT: Holly Lyons (Ext. 17845)

Tobacco Settlement and Iowa’s Attorney Fees

**Master Agreement** The Master Settlement Agreement entered into by the tobacco industry and 46 settling states in November 1998 provided that attorney fees would be paid by the tobacco industry. The fees would be set by an arbitration panel and paid from a separate fund which would not impact the amount of each state’s recovery.



Attorney Fees

**Arbitration Panel Ruling** The arbitration panel ruled in November 1999 that the five firms with whom Iowa contracted should be paid $85.0 million over 20 years. One law firm, Ness Motley of South Carolina, accepted its share of the arbitration award. The remaining law firms and the Iowa Attorney General, however, entered into an agreement to accelerate the payment schedule for the remainder of the arbitration award. The Iowa Executive Council approved the agreement on December 7.

**Rights Assigned** Under the agreement, Iowa will pay the law firms a total of $44.0 million over five years. In return, the attorneys will assign to the State all rights to receive tobacco industry attorney fee payments. The tobacco industry is scheduled to pay Iowa attorney fees of $61.4 million over a 20-year period beginning January 2000. Accounting for the time value of money, State Auditor Richard Johnson estimates Iowa’s payments to the four law firms will exceed Iowa’s recoveries from the tobacco industry by $700,000.

**Payment Schedule** The agreed upon payment schedule is provided on the following page.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Date** |  |  | **Industry Payments to State** |  |  | **State Payments to Attorneys** |  |  | **Cumulative Net State Recovery** |
| 12/07/99 |  |  |  |  | $ | 3,000,000 |  | $ | -3,000,000 |
| 1/15/00 |  | $ | 3,000,000 |  |  |  |  |  | 0 |
| 4/15/00 |  |  | 769,000 |  |  |  |  |  | 769,000 |
| 7/01/00 |  |  |  |  |  | 4,000,000 |  |  | -3,231,000 |
| 7/15/00 |  |  | 769,000 |  |  |  |  |  | -2,462,000 |
| 10/15/00 |  |  | 769,000 |  |  |  |  |  | -1,693,000 |
| 1/15/00 |  |  | 769,000 |  |  |  |  |  | -924,000 |
| 4/15/01 |  |  | 769,000 |  |  |  |  |  | -155,000 |
| 7/15/01 |  |  | 769,000 |  |  |  |  |  | 614,000 |
| 10/15/01 |  |  | 769,000 |  |  |  |  |  | 1,383,000 |
| 1/15/02 |  |  | 769,000 |  |  |  |  |  | 2,152,000 |
| 4/15/02 |  |  | 769,000 |  |  |  |  |  | 2,921,000 |
| 4/15/02 |  |  |  |  |  | 16,000,000 |  |  | -13,079,000 |
| 7/15/02 |  |  | 769,000 |  |  |  |  |  | -12,310,000 |
| 10/15/02 |  |  | 769,000 |  |  |  |  |  | -11,541,000 |
| 1/15/03 |  |  | 769,000 |  |  |  |  |  | -10,772,000 |
| 4/15/03 |  |  | 769,000 |  |  |  |  |  | -10,003,000 |
| 4/15/03 |  |  |  |  |  | 18,000,000 |  |  | -27,600,000 |
| 7/15/03 |  |  | 769,000 |  |  |  |  |  | -26,800,000 |
| 10/15/03 |  |  | 769,000 |  |  |  |  |  | -26,000,000 |
| 1/15/04 |  |  | 769,000 |  |  |  |  |  | -28,003,000 |
| 4/15/04 |  |  | 769,000 |  |  |  |  |  | -24,400,000 |
| 4/15/04 |  |  |  |  |  | 3,000,000 |  |  | -27,234,000 |
| 7/15/04 - 1/15/19 |  |  | 45,371,000 |  |  |  |  |  | 18,137,000 |
| Total |  | $ | 61,444,000 |  | $ | 44,000,000 |  | $ | 18,137,000 |

STAFF CONTACT: Deb Anderson (Ext. 16764)

health and human rights Department Budget Requests - FY 2001

#### FY 2001

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**FY 2001 Budget Request** The Legislative Fiscal Bureau has received the following FY 2001 budget requests for departments within the Health and Human Rights Appropriations Subcommittee. The requests must still be examined by the Department of Management and the Governor.

**Dept. for the Blind** The Department for the Blind has requested $1.8 million from the General Fund and 106.5 FTE positions, an increase of $50,000 (2.8%) and no change in FTE positions compared to estimated FY 2000. The increase is for a newsline service for the Blind and for the Iowa radio reading information service.



**Civil Rights Commission** The Civil Rights Commission has requested $2.3 million from the General Fund and 40.0 FTE positions. This is an increase of $1.1 million (87.4%) and 1.5 FTE positions (3.9%) compared to estimated FY 2000. The change is due to:

* An increase of $39,000 and 0.50 FTE position for a part-time Computer Network Specialist.
* An increase of $33,000 and 1.0 FTE position for a Civil Rights Specialist.
* An increase of $1.0 million to provide funds to operate the Commission in the event of a delay in receiving federal contract reimbursements. Funds from the federal contract reimbursements would be deposited directly into the General Fund.

**Dept. of Elder Affairs** The Department of Elder Affairs has requested $5.6 million from the General Fund and 37.0 FTE positions, an increase of $568,000 (11.4%) and 8.0 FTE positions (27.6%) compared to estimated FY 2000. The change is due to:

* An increase of $179,000 to add to base funding to financially stabilize the department.
* An increase of $9,000 for salary increases.
* An increase of $300,000 for 1.0 FTE position for an additional long-term care ombudsman and support for the Resident Advocate Committee Program.
* An increase of $40,000 for additional funding for Retired Senior Volunteers Programs.
* An increase of $40,000 for additional funding for Alzheimer’s chapters.



**Tobacco Revenue** The Department has also requested $2.3 million from tobacco settlement revenues and 7.0 FTE positions to enhance the long-term care system and to ensure that the adult protective services system is responsive to victims’ needs.

**Alliance on Subst. Abuse** The Governor’s Alliance on Substance Abuse has requested $512,000 from the General Fund and 13.0 FTE positions, which is no change compared to estimated FY 2000.



**Dept. of Public Health** The Department of Public Health has requested $39.0 million from the General Fund and 357.5 FTE positions, an increase of $888,000 (2.3%) and 13.4 (3.9%) FTE positions compared to estimated FY 2000. The change is due to:

 Addictive Disorders – A decrease of $155,000 to replace General Funds with Gambling Treatment Funds.

 Adult Wellness

* A decrease of $140,000 to reallocate funding from the Midlevel Practitioner Program.
* An increase of $60,000 to provide a match for federal funds for cancer control.



 Child and Adolescent Wellness

* A decrease of $75,000 to reallocate Caring Foundation funds.
* A decrease of $60,000 to reallocate Physician Care for Children Program funds.

 Chronic Conditions – An increase of $50,000 to provide additional funding for the Chronic Renal Disease Program.

 Environmental Hazards – An increase of $105,000 and 1.0 FTE position for an environmental epidemiologist.

 Public Protection

* An increase of $155,000 for a Deputy State Medical Examiner.
* An increase of $30,000 for radioactive materials training.
* An increase of $220,000 and 2.0 FTE positions to return 85.0% of fees generated to the Professional Licensing Bureau.
* An increase of $243,000 for office space lease expense.
* An increase of $208,000 and 3.0 FTE positions for disciplinary functions (Medical Examiners Board).
* An increase of $65,000 and 2.0 FTE positions for licensure (Medical Examiners Board).
* An increase of $70,000 and 1.0 FTE position for an investigator (Pharmacy Examiners Board).
* An increase of $15,000 for a contracted investigator for the Impaired Practitioner Program (Dental Examiners Board).
* An increase of $29,000 for a quarterly newsletter (Medical Examiners Board).
* An increase of $39,000 for a quarterly newsletter (Dental Examiners Board).
* An increase of 3.0 FTE positions for the Medical Examiners Office to be funded through fees retained by the Board.

 Resource Management – An increase of $30,000 for a privacy taskforce.



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**Tobacco Revenue** The Department has also requested $49.2 million from tobacco settlement revenues and 25.5 FTE positions for a comprehensive and coordinated disease prevention and health promotion initiative. Activities would include:

* Establishing a comprehensive tobacco prevention strategy.
* Implementation of the Healthy Iowans 2010 strategic plan.
* Substance abuse prevention and treatment.
* Health care provider reimbursement.
* Use of emerging technologies to improve health care access.
* Services for the disabled.



**Dept. of Human Rights** The Department of Human Rights has requested $5.7 million from the General Fund and 39.1 FTE positions, an increase of $2.2 million (61.9%) and 4.4 (11.2%) FTE positions compared to estimated FY 2000. The change is due to:

* Administration
* An increase of $7,000 for 0.40 FTE position for a Receptionist.
* An increase of $24,000 for 0.50 FTE position for a Computer Technology Specialist.
* An increase of $200,000 for one-time funding for office furniture and equipment due to anticipated Departmental relocation in FY 2001.
* Deaf Services
* An increase of $10,000 to convert an Interpreter position to a Planner 2 position.
* An increase of $5,000 for text telephone software and hardware (TTY).
* An increase of $4,000 for funding for scanning documents onto the Internet.
* An increase of $7,000 for staff training.
* Persons with Disabilities
* An increase of $20,000 to reduce liability and increase security at the Youth Leadership Forum.
* An increase of $62,000 to allow 20 more students to attend the forum and 0.50 FTE position for a Secretary 2.
* An increase of $2,000 to continue access to the Iowa Hub and the Information Technology Services server.



* Latino Affairs - An increase of $2,000 to continue access to the Iowa Hub and the Information Technology Services server.
* Status of Women
* An increase of $4,000 to continue access to the Iowa Hub and the Information Technology Services server.
* An increase of $250,000 to increase the Iowans in Transition Program by 4,000 people.
* An increase of $73,000 for training in issues of violence against women.
* Status of African Americans
* An increase of $35,000 and 1.0 FTE position for an Administrative Assistant.
* An increase of $9,000 for a data warehouse of statistical data on African Americans in Iowa.
* An increase of $2,000 to continue access to the Iowa Hub and the Information Technology Services server.
* Community Action Agencies
* An increase of $120,000 and 1.0 FTE position to plan and implement a new electric affordability initiative due to electric utility deregulation.
* An increase of $730,000 for 25.0% matching funds for potential increased federal funds for low–income weatherization.
* An increase of $540,000 for State funds to supplement federal funds received for the Community Services Block Grant.
* Justice Data Warehouse - An increase of $60,000 for continuation of the Justice Data Warehouse Project. An increase of $610,000 has also been requested by Information Technology Services for the Project.



**Veterans Affairs** The Commission on Veterans Affairs has requested $47.3 million from the General Fund and 899.9 FTE positions, an increase of $1.9 million (4.3%) and 26.0 FTE positions (3.0%) compared to estimated FY 2000. The change is due to:

* Commission on Veterans Affairs
* A decrease of $12,000 due to a one-time FY 2000 appropriation for a copier.
* An increase of $40,000 and 1.0 FTE position for a regional director.
* An increase of $30,000 for radio announcements to inform veterans of available benefits and activities.



* Iowa Veterans Home
* An increase of $56,000 for the inflationary adjustment to the housekeeping contract.
* An increase of $42,000 for food and dietary supplies.
* An increase of $748,000 for new and increased medication costs.
* An increase of $239,000 for lease of a unit dose machine.
* An increase of $370,000 for computer expansion and lease of personal computers.
* An increase of $79,000 for a domain maintenance agreement.
* An increase of $105,000 and 2.0 FTE positions to run the computer network.
* An increase of $118,000 for professional supplies.
* An increase of $100,000 for mandatory staff training.
* An increase of 25.0 FTE positions for dietary services workers to annualize the FY 2000 staffing level.

STAFF CONTACT: Valerie Thacker (Ext. 15270)

Department of Justice Budget Request

#### FY 2001

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**FY 2001 Budget Request** The Department of Justice has submitted its budget request for FY 2001. The Department is requesting $14.9 million and 237.5 FTE positions from the General Fund. This is an increase of $503,000 (3.5%) and 3.0 (1.3%) FTE positions compared to estimated FY 2000. The requests must still be examined by the Department of Management and the Governor. The requested increase includes:

* $112,000 and 2.0 FTE positions in the Division of Criminal Appeals for two Assistant Attorney Generals due to the increase in appeals cases.
* $142,000 and one FTE position for an attorney in the General Office of the Attorney General for Sexually Violent Predator cases.
* $250,000 for Legal Services Corporation of Iowa.

 The budget was prepared before the last Revenue Estimating Conference and the Governor’s subsequent request for budget reductions.

STAFF CONTACT: Christina Schaefer (Ext. 16301)

State Public Defender - Indigent Defense FY 2001 Budget Request

#### FY 2001

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**FY 2001 Budget Request** The State Public Defender has submitted its budget for FY 2001. The Public Defender is requesting $37.5 million and 205.0 FTE positions from the General Fund. This is an increase of $3.2 million (16.4%) and 4.0 (2.0%) FTE positions compared to estimated FY 2000. The requests must still be examined by the Department of Management and the Governor. The requested increase includes:

* $2.0 million for the Indigent Defense Fund to provide a $5.00 per hour increase for attorney’s fees. This is in addition to the $5.00 per hour increase appropriated by the General Assembly in FY 2000.
* $200,000 and 2.0 FTE positions for two attorneys in the Office of the State Public Defender’s Civil Commitment Unit for Sexually Violent Predator cases.
* $165,000 and 2.0 FTE positions for two attorneys to work out of the Des Moines Adult and Juvenile Office to handle cases in Warren County to cover conflict felony cases.

 The budget was prepared before the last Revenue Estimating Conference and the Governor’s subsequent request for budget reductions.

STAFF CONTACT: Christina Schaefer (Ext. 16301)

Judicial Branch FY 2001 Budget Request

#### FY 2001

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**FY 2001 Budget Request** The Judicial Branch has submitted its FY 2001 budget request of $117.8 million and 2,142.6 FTE positions from the General Fund. This is an increase of $5.0 million (4.6%) and 54.82 (2.7%) FTE positions compared to estimated FY 2000. The requested increase includes:

* $2.9 million and 11.0 FTE positions for computer technology staff and operating expenses for the Iowa Court Information System (ICIS) currently funded with Court Technology Fund money.
* $940,000 and 25 FTE positions for Clerk of Court employees in Clay, Jasper, Muscatine, Lee, Wapello, Warren, Scott, Pottawattamie, and Polk counties to be allocated by a formula based on workload standards. This request also includes replacement equipment for the Clerk of Court Offices.
* $74,000 and 2.0 FTE positions for a Staff Attorney and secretary in the Court of Appeals to assist the three additional judges appropriated in FY 1998.
* $413,000 and 5.5 FTE positions for District Court Administration and replacement equipment.
* $316,000 and 6.0 FTE positions for computer technology personnel.
* $112,000 and 3.76 FTE positions to increase the Court Appointed Special Advocate (CASA) program in Black Hawk and Story counties and for the Native American programs in Tama county and Sioux City.
* $134,000 and 2.0 FTE positions for two Juvenile Court Officers in Districts Two and Three and office equipment and furniture.

STAFF CONTACT: Christina Schaefer (Ext. 16301)

Department of Transportation FY 2001 Budget Request

#### FY 2001

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**FY 2001 Budget Request** The Department of Transportation (DOT) is requesting $271.1 million and 3,911.5 FTE positions for FY 2001. This is an increase of $11.5 million (4.4%) and 78.0 FTE positions (2.0%) compared to estimated FY 2000. Of this amount, $4.3 million is being requested from the General Fund, an increase of $144,000 (3.5%) and $266.8 million is from other funds, an increase of $11.4 million (4.5%). In addition to the above request, the DOT is requesting $13.2 million in FY 2001 for capital and infrastructure-related projects. This is an increase of $5.2 million compared to FY 2000. The requests must still be examined by the Department of Management and the Governor. The significant budget changes are discussed below.

**Operations & Finance** Operations and Finance Division

* An increase of $190,000 and 5.0 FTE positions for increased workload of implementing and supporting new computer applications.



* An increase of $273,000 and 7.0 FTE positions to assist in implementing existing and new communication projects, and to assist with ongoing maintenance of the Department’s communication system.
* An increase of $253,000 to fund an 8.0% increase in equipment and software maintenance and license agreements.
* An increase of $125,000 to rewire the communication network at the Motor Vehicle Division Facility at Park Fair Mall.
* An increase of $439,000 for the purchase of new software and related license and maintenance agreements for new computer applications being developed to implement the Geographic Information System (GIS) and the Electronic Records Management System.
* An increase of $120,000 for employee training costs.
* An increase of $132,000 for additional costs related to electronic mail use at the DOT.
* An increase of $100,000 to fund the consolidation of communication lines.
* An increase of $300,000 for the conversion of paper documents and engineering drawings to electronic format.

**Admin. Services Division** Administrative Services Division - An increase of $540,000 and 6.0 FTE positions for traffic safety engineers who will be responsible for field involvement in operations and traffic management studies, safety reviews, and local government traffic and safety engineering advice and support.

**Planning & Programming** Planning and Programming Division

* An increase of $100,000 and 2.0 FTE positions for increased demand related to DOT data and map distribution and for increased traffic forecasting demands.
* An increase of $154,000 and 2.0 FTE positions to coordinate air service activities and provide research and analysis of information for use by the State’s publicly owned airports.

**Project Development** Project Development Division



* An increase of $620,000 and 10.0 FTE positions to accommodate the increased workload resulting from the federal Transportation Efficiency Act for the 21st Century (TEA-21).
* An increase of $130,000 and 2.0 FTE positions to begin addressing final design and construction issues of the Interstate 235 reconstruction project in Polk County.
* An increase of $120,000 and 2.0 FTE positions to manage and administer the Urban Standard Design and Specification Manual. The manual is used by State and local engineers involved in road improvements.
* An increase of $200,000 for costs of lodging and meals associated with employee involvement in the Cool Careers Program, which is designed to recruit engineering technicians for employment with the DOT.

**Maintenance Division** Maintenance Division

* An increase of $1.2 million and 26.0 FTE positions to provide maintenance at the current maintenance standards for an additional 762 lane miles that are being added to the State highway system in FY 2000 and FY 2001.
* An increase of $171,000 for increased costs associated with highway utility and rest area maintenance contracts.
* An increase of $662,000 to upgrade signs in work zones with florescent sheeting to provide greater visibility.
* An increase of $1.0 million to paint 100.0% of the State highway system’s edge line striping annually. Currently, the DOT paints 100.0% of the center lines and 50.0% of the edge lines.

**Motor Vehicle Division** Motor Vehicle Division

* An increase of $670,000 for software development of a new motor carrier International Registration Plan system.
* An increase of $61,000 and 2.0 FTE positions to respond to increased phone calls from county treasurers, driver’s license teams, and county attorneys to explain driver records and related documents.



* An increase of $500,000 for software development related to the redesign of the driver’s license master record file. The DOT was appropriated $250,000 in FY 2000 to begin this project.
* An increase of $94,000 and 2.0 FTE positions to reinstate motor vehicle safety presentations to schools and organizations to promote motor vehicle safety.
* An increase of $318,000 and 5.0 FTE positions for additional motor carrier enforcement officers needed to handle an increased workload resulting from federal commercial vehicle inspection standards and increased commercial vehicle traffic.
* An increase of $300,000 for the increased cost of software license and maintenance contracts.
* An increase of $96,000 and 2.0 FTE positions for additional motor vehicle investigators to assist with expanded enforcement activities involving fraud associated with vehicle registration, salvage vehicles, odometers, driver’s licenses, dealer’s licenses, and payment of motor vehicle use tax.
* An increase of $170,000 and 2.0 FTE positions for additional hazardous materials specialists to conduct inspections in response to the increase of commercial vehicle traffic and hazardous material shipments.

**Other Requests** Materials and Equipment Replacement - An increase of $1.4 million to the Materials and Equipment Replacement Revolving Fund for the inflationary cost associated with replacing equipment.

Indirect Cost Recovery - An increase of $200,000 for costs associated with the reimbursement to the General Fund for indirect cost recoveries.



DOT Site Utilization Study - The DOT is requesting a new appropriation of $300,000 to conduct a site utilization study of the DOT Complex in Ames to address the loss of parking that will occur when the City of Ames implements improvements to Lincoln Way and Grand Avenues.

UNI Native Vegetation Center - The DOT is requesting a new appropriation of $100,000 to support the Native Vegetation Center at the University of Northern Iowa. The Center provides assistance to counties and the State with the Roadside Vegetation Management Program.

Center for Transportation Research and Education - The DOT is requesting a new appropriation of $250,000 to support the Center for Transportation Research and Education at Iowa State University. The Center provides transportation research and analysis to the DOT and local governments.

**Capital Requests** Significant Capital Project Requests



* $3.9 million to complete funding for the replacement of maintenance garages in Sheldon, Allison, and Shenandoah. The DOT was appropriated $205,000 in FY 2000 and $1.5 million in FY 1999 for the purchase of land and for partial construction costs of these facilities. A portion of the FY 2001 appropriation will also be used as seed money to develop a joint maintenance garage construction project between Dubuque County and the DOT.
* $2.3 million for continued funding of the Recreational Trails Program.
* $1.0 million for continued funding of the Commercial Air Service Infrastructure Program.
* $500,000 for continued funding of the General Aviation Infrastructure Program.
* $200,000 for improvements to DOT facilities located throughout the State for compliance with the Americans with Disabilities Act requirements.
* $750,000 for waste water improvements at DOT maintenance garages.
* $950,000 for the construction of new salt storage facilities throughout the State to increase storage capacity.
* $400,000 for the replacement of maintenance garage roofs.
* $300,000 for the construction of an addition to the regional materials testing laboratory in Cedar Rapids.
* $1.2 million to various improvement projects at the DOT facility complex in Ames.
* $1.8 million for the construction and improvement of commercial vehicle scale facilities. The funds will be used to complete the construction of the facility in Clark County; replace the scales at the Avoca and Cedar County facilities; and for the construction of a new facility, and purchase and installation of new scales, at the scale site located in Worth County.

**New Director** On October 8, Mark Wandro assumed the position as the new director of the DOT. The Department’s FY 2001 budget request was finalized prior to Mr. Wandro starting his position. Mr. Wandro submitted a letter to the directors of the Department of Management and the Legislative Fiscal Bureau indicating that he does not intend to pursue the following requested increases included in the DOT’s FY 2001 budget request:

* An increase of $4.2 million and 78.0 FTE positions. The Director stated that he prefers to conduct an agency-wide staffing review to achieve the most productive alignment of existing FTE positions.
* An increase of $100,000 for operational support of the Native Vegetation Center at the University of Northern Iowa. The Director stated that while the appropriation may be a worthwhile effort that warrants legislative support, he does not believe the DOT budget is the most appropriate place for this request.

STAFF CONTACT: David Reynolds (Ext. 16934)

Iowa Law Enforcement Academy FY 2001 Budget Request

#### FY 2001

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**FY 2001 Budget Request** The Iowa Law Enforcement Academy has submitted its budget request for FY 2001. The Academy is requesting $1.5 million and 32.1 FTE positions from the General Fund. This is an increase of $103,000 (7.5%) and 1.0 (3.2%) FTE position compared to estimated FY 2000. The requested increase includes:

* $20,000 for additional training for instructional staff.
* $50,000 to validate the current certification examination, hiring standards, and physical training standards.
* $9,000 for costs associated with the Precision Driving Program.
* $24,000 and 1.0 FTE position to fund a full-time housekeeper position.

 The budget was prepared before the last Revenue Estimating Conference and the Governor’s subsequent request for budget reductions.

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

Department of Public Defense FY 2001 Budget Request

#### FY 2001

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**FY 2001 Budget Request** The Department of Public Defense has submitted its budget request for FY 2001. The Department is requesting $6.3 million and 283.0 FTE positions from the General Fund. This is an increase of $539,000 (9.3%) and 14.0 (5.2%) FTE positions compared to the estimated FY 2000 appropriation.



**Military Division** The Military Division has requested an increase of $310,000 (6.4%) and 13.0 (5.3%) FTE positions compared to the estimated FY 2000 appropriation. The increase includes:

* 11.0 FTE positions to operate the federally funded paint facility at the Sioux City Air Base.
* $170,000 to support the expansion of the Des Moines and Sioux City Air Guard facilities which were expanded with federal funds.
* $19,000 and 2.0 FTE positions for maintenance of additional Camp Dodge facilities and grounds acquired with federal funds.
* $120,000 to fund two additional STARBASE summer camps for youth leadership and to increase the number of schools served.

**Emergency Mgmt. Division** The Emergency Management Division has requested an increase of $230,000 (24.3%) and 1.0 (4.0%) FTE position compared to the estimated FY 2000 appropriation. The increase includes:

* $90,000 for the State match for the Federal Emergency Management Assistance (FEMA) Program, which annualizes the shift from a 100.0% federally program to a 50.0% federal and 50.0% state funded Program.
* $45,000 for informational technology to maintain operational readiness.
* $54,000 for increased Iowa Communication Network (ICN) costs related to the installation of a wide area network.
* $41,000 and 1.0 FTE position for a public information officer position.

 The budget request was prepared before the last Revenue Estimating Conference and the Governor’s subsequent request for budget reductions.

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

Board of Parole FY 2001 Budget Request

#### FY 2001

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**FY 2001 Budget Request** The Board of Parole has submitted its FY 2001 budget request of $1.0 million and 18.0 FTE positions. This is an increase of $65,000 and no change in FTE positions compared to the estimated FY 2000 appropriation. The increase includes:

* $25,000 to increase the per diem for Board members from 120 to 140 days.
* $40,000 for upgrades in computer hardware and software.

 The budget request was prepared before the last Revenue Estimating Conference and the Governor’s subsequent request for budget reductions.

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*Issue Review* -- Social Services Block Grant Update



***Issue Review*** The LFB recently released an ***Issue Review*** concerning the Social Services Block Grant. Federal allocations for the Grant have declined in recent years and restrictions have reduced the amount of money that can be transferred from other funding sources. The Department of Human Services anticipates the restrictions will reduce funding for specified social services by $1.3 million in FY 2002 and $6.8 million in FY 2003. Included in this ***Review*** are the following:

* An overview of the Social Services Block Grant and the population served.
* A history of federal funding and Iowa’s allocation.
* A history of Iowa’s response to reduced federal funding.
* A discussion of the budget impact of and alternatives for managing the reduced federal funding.

**Copies Available** Copies of the ***Issue Review*** are available upon request from the LFB.

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*Issue Review* - FY 1999 Prison Population Decrease

***Issue Review*** The Legislative Fiscal Bureau published an ***Issue Review*** in October entitled “Recent Changes in the Prison Population.” Some of the findings include:



* The inmate population has decreased twice in the past two decades (FY 1984 and FY 1999). Over the past 20 years, the inmate population increased by 217.7% to 7,332 inmates at the end of FY 1999.
* After adjusting for inflation, the average cost per inmate decreased by $468 (4.0%) between FY 1980 and FY 1999.
* The FY 1999 population decrease was due to increased paroles, decreased probation revocations, and more efficient processing of inmates, with a net result of 501 fewer inmates.
* Cost savings from the prison population reduction were estimated to be $1.1 million in FY 1999, which annualizes to $2.2 million in future years. The Department of Corrections stated that fewer positions were held vacant to pay the costs of feeding, clothing, and housing inmates.

**Copies Available** Copies of the ***Issue Review*** are available from the Legislative Fiscal Bureau (515-281-5279).

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