FISCAL UPDATE April 25, 2000

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 Status of Appropriations Bills

| **Appropriations Subcommittee Bills** |
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| **Appropriations Subcommittee** |  | **LSB/File #** |  | **Status** |
| Admin./Regulation |  | HF 2545 |  | Passed the Senate on April 24.  |
| Ag./Natural Resources |  | SF 2430 |  | House concurred with the Senate Amendment on April 18. |
| Economic Development |  | SF 2428 |  | Senate concurred with House Amendment on April 17. Motion to reconsider filed. |
| Education |  | HF 2549 |  | Passed Senate Approps. on April 19. On Senate calendar. |
| Health/Human Rights |  | SF 2429 |  | House refused to concur with Senate Amendment on April 18.  |
| Human Services |  | SF 2435 |  | Passed the House on April 11. |
| Justice System |  | HF 2552 |  | Passed the Senate on April 24. |
| Justice System – Judicial Branch |  | HF 2554 |  | Passed the Senate on April 24. |
| Oversight & Comm. |  | SF 2433HF 2571 |  | Passed the Senate on April 10. Passed House Approps. on April 10. |
| Trans., Infrastruc- ture, & Caps. |  | HF 2538SF 2453 |  | Transportation Appropriations signed by the Governor on April 7.Infrastructure Appropriations passed House on April 24.  |

| **Other Appropriations Bills** |
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| **Short Title** |  | **LSB/File #** |  | **Status** |
| Tobacco Fund Appropriations |  | HF 2555 |  | Passed the Senate on April 20. |
| Block Grant/Federal Funds  |  | HF 2533 |  | Sent to the Governor on April 19. |
| At-Risk Supplemental Weighting  |  | HF 2496 |  | Passed the House on April 18. |
| Volunteer Emergency Service Provider – Death Benefits |  | HF 2576 |  | Passed House Approps. on April 18. On House Calendar. |
| Tobacco Securitization – authorizes the sale of future tobacco payments (bonding authorization) |  | HF 2579 |  | Passed the House on April 20. |
| Iowa Housing Corporation |  | HF 2584 |  | Passed the House on April 24. |
| Healthy Environment & Value Added Energy Initiative (HEAVEN |  | SF 2448 |  | Passed the Senate on April 17. |
| Standings Bill |  | SF 2452HF 2572 |  | Passed Senate Appropriations on April 12. On Senate Calendar.Passed House Appropriations on April 11. On House Calendar. |
| Vision Iowa Program |  | SF 2447 |  | Sent to the Governo on April 24. |
| Merchant Marine Bonus |  | SF 2141 |  | Signed by the Governor on April 20. |
| Salary Bill |  | SF 2450 |  | Sent to the Governor on April 19. |
| Oil Overcharge |  | SF 2416 |  | Signed by the Governor on April 14. |
| Budget Guarantee |  | SF 2111 |  | Signed by the Governor on April 6. |
| WW II Memorial |  | HF 2059 |  | Signed by the Governor on January 31. |
| Senior Living Trust |  | SF 2193 |  | Signed by the Governor on February 29. |
| Allowable Growth |  | SF 2082 |  | Signed by the Governor on February 9. |
| Deappropriations |  | HF 2039 |  | Signed by the Governor on January 18. |

STAFF CONTACT: Holly Lyons (Ext. 17845)

Tax Package – HF 2560 passes house

**HF 2560 – Tax Reduction** OnApril 20, the House passed HF 2560, a tax reduction package. This Legislation will reduce individual and corporate income taxes through a combination of credits and income exclusions. The major provisions of the Legislation include:



Tax Reduction

* Providing an income tax credit for the rehabilitation of historic properties.
* Providing businesses with an additional option for determining eligibility for, and the amount of, research tax credit for which they qualify.
* Providing an income tax credit for small businesses associated with the rental or purchase of assistive technology used to accommodate the workplace needs of disabled employees.
* Providing for an increase in the amount of pension income that may be excluded in the determination of Iowa individual income taxes.

**Pension Income** The change in the amount of pension income that may be excluded would not take effect until tax year 2001. Beginning that tax year the amount of the exclusion would increase from $5,000 to $6,000 for individual taxpayers and from $10,000 to $12,000 for married taxpayers filing joint returns.

**Fiscal Impact** The fiscal impact of the Legislation is estimated to total $6.1 million for FY 2001 and $14.0 million for FY 2002.

STAFF CONTACT: Mike Lipsman (Ext. 14611)

At-Risk Supplementary Weighting Bill – HF 2496 Passes the house

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**Supplementary Weighting** The House amended and passed HF 2496 (At-Risk Supplementary Weighting Bill) as amended by Senate Amendment H-8905 on April 18. The Bill, as amended by the House, eliminates the requirement that the enrollment amount in FY 2000 for alternative high schools be adjusted based on audit reports filed under Section 11.6, Code of Iowa. Due to this change, the at-risk poverty weight is changed to 0.00480 per pupil and the enrollment weight is changed to 0.00156 per pupil.

The Bill, as amended by the House, provides the following:

* Assigns an additional weighting of 0.48 per pupil for school districts that send their resident pupils to another school district, which jointly employ and share the services of teachers, or which use the services of a teacher employed by another school district. The weighting of 0.48 is multiplied by the percentage of the pupil’s school day involved in the shared program.
* Assigns an additional weighting of 0.48 for school districts which send their resident pupils to a community college-offered class or to a class taught by a community college-employed teacher. The weighting of 0.48 is multiplied by the percentage of the pupil’s school day involved in the shared classes.
* Requires the School Budget Review Committee to certify to the Department of Management the schools to receive supplementary weighting.
* Requires that a number of conditions be met regarding the nature of the class or classes being taken in order to qualify for supplementary weighting for classes shared by a district with a community college.
* Assigns an at-risk poverty weighting of 0.00480 per pupil in FY 2001 based on the percentage of pupils enrolled in grades one through six who are eligible for free and reduced price meals, as reported by the school district on the basic educational data survey for the base year. The weight will be adjusted each fiscal year by the Department of Management through FY 2003.
* Assigns a weighting of 0.00156 per pupil in FY 2001 based on the number of pupils included in the budget enrollment of the school districts. The weight will be adjusted each fiscal year by the Department of Management through FY 2003.

**Bill Provisions** The Bill also:

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* Provides for FY 2001, school districts will receive the greater of the amount generated by the total at-risk weighting or 65.0% of the amount received for supplementary weighting for alternative high schools in FY 2000. The FY 2001 total cost of the plan is estimated to be $8.9 million. Of this amount, $7.8 million will be funded from State aid and $1.1 million will be funded through additional property tax. However, this includes $7.0 million in new State dollars because approximately $800,000 has already been included in the FY 2001 allowable growth estimate.
* Provides for FY 2002, school districts will receive the greater of the amount generated by the total at-risk weighting or 40.0% of the amount received for supplementary weighting for alternative high schools in FY 2000. The FY 2002 total cost of this plan is estimated to be $9.0 million. Of this amount, $7.9 million will be funded through State aid and $1.1 million will be funded through additional property tax.
* Provides for FY 2003, there will be no guarantee amount and school districts will receive the amount of at-risk weighting based on an at-risk poverty weighting and an enrollment weighting. The FY 2003 total cost of this plan is estimated to be $9.6 million. Of this amount, $8.4 million will be funded through State aid and $1.2 million will be funded through additional property tax.

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

* Requires that the enrollment amount in FY 2000 for alternative high schools be adjusted based on audit reports filed under Code of Iowa, Section 11.6.
* Provides that school districts or a consortium of school districts which received funds from the School Based Youth Services Program in FY 2000, receive a minimum of $50,000 for at-risk programs in FY 2001 and FY 2002.
* Specifies it is the intent of the General Assembly that when the at-risk poverty weight and enrollment weight are recalculated by the Department of Management, the total amounts generated by each weight shall be approximately equal.
* Requires the Department of Management to adjust the at-risk poverty weight and the enrollment weight to reflect the inclusion of the School Based Youth Services Program Guarantee.
* Requires the Department of Management to adjust the at-risk poverty weight and the enrollment weight to reflect the intent that the total statewide amounts generated by the at-risk poverty and enrollment weights are approximately equal with or without the School Based Youth Services Program guarantee.
* Requires the Department of Education to annually file a report with the General Assembly regarding school finance provisions or programs that receive a standing appropriation. This report should include supplementary weighting programs. The report is due January 1 of each year.
* Specifies that the Bill takes effect upon enactment

**NOBA**

**Bill Summary** Copies of the Executive Summary of the Notes on Bills and Amendments (NOBA) are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

Volunteer Emergency Services Provider Death Benefit- HF 2576



Death Benefit

**HF 2576** The House Appropriations Committee passed HF 2576 (Volunteer Emergency Services Provider Death Benefit) on April 18. The Bill creates a standing unlimited General Fund appropriation to pay a death benefit of $100,000 for each volunteer firefighter, volunteer medical care provider, and volunteer emergency rescue technician who is killed in the line of duty.

**Exclusions** The death must result from traumatic personal injuries. The Bill excludes persons receiving a line-of-duty death benefit from a State retirement system; persons whose death results from a heart attack or other disease or condition, unless it is the direct result of the traumatic injury; persons whose death is a result of their own intentional misconduct or suicide; those who were grossly negligent; or if the beneficiary was a substantial cause of the volunteer’s death.

**Fiscal Impact** Between 1982 and 2000, six volunteer firefighters have been killed in the line of duty. No available data indicates a volunteer emergency medical care provider or rescue technician has been killed in the line of duty. The fiscal impact of this Bill upon the General Fund is estimated to be $100,000 every third year.

**NOBA**

**Bill Summary** Copies of the Executive Summary of the Notes on Bills and Amendments (NOBA) are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Tobacco Appropriations Bill – HF 2555 Passes Senate

**Tobacco Fund Approps.** The Senate passed the Tobacco Fund Appropriations Bill, HF 2555, on April 20. The Bill appropriates a total of $55.0 million from the Tobacco Settlement Fund for FY 2001. The Senate made no changes to the Bill as compared to the Bill passed by the House.

**NOBA**

**Bill Summary** Copies of the Executive Summary of the Notes on Bills and Amendments (NOBA) are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Deb Anderson (Ext. 16764)

Tobacco Securitization - HF 2579 Passes the House



**Tobacco Securitization** House File 2579 creates the Tobacco Settlement Authority with the governing Board comprised of the Treasurer of State, the State Auditor, and the Director of the Department of Management. The Bill provides authorization, subject to certain provisions, for the State to sell its future tobacco settlement payments due from the Master Settlement Agreement. Such sale would permit the proceeds from the Master Settlement Agreement to be realized more quickly than accepting payments from the tobacco companies. The Tobacco Settlement Authority is authorized to create a program plan, which shall describe the terms and conditions of any sale. Both the Legislative and Executive Councils must approve the program plan prior to it implementation. The program plan shall include the structure of any sales agreement between the State and the Authority; terms of payment amounts due from the Authority to the State; investment criteria; analysis of alternative funding options; recommendations to the Governor and General Assembly related to any changes required in existing law; sale date; and, any terms or provisions necessary to implement this Bill.

**Bill Provisions** The Bill provides that any bonds issued are not a general obligation or indebtedness of the State. It is assumed the program plan will provide a revenue stream equal to the costs of the bonds. Iowa will receive approximately $1.9 billion over the next 25 years from the Master Settlement Agreement, or approximately $60.0 million to $70.0 million annually. If the program plan were approved, with an interest rate of 10.0%, approximately $68.0 million annually may be produced over the next 25 years.

STAFF CONTACT: Dennis Prouty (Ext. 13509)

Healthy Environmental and Value-Added ENergy (HEAVEN) Initiative Bill - SF 2448 passes senate



**HEAVEN Initiative**  The Senate passed SF 2448, which establishes the Healthy Environmental and Value-Added ENergy (HEAVEN) Initiative and adds several provisions to the Code of Iowa pertaining to value-added agriculture and the use and availability of renewable reformulated gasoline. The Bill includes the following provisions:

* The Bill allows the New Jobs and Income Program 10.0% investment tax credit to be sold by a qualified company, if the project for which the credit is allowed primarily involves value-added agriculture. The purchaser of the tax credits may use the credits to offset State personal income tax, corporate income tax, or financial institution franchise tax. The total amount of tax credits approved in a fiscal year is limited to $4.0 million. The amount received by the seller for the tax credits is not taxable income, and the amount paid for the credits by the purchaser is not deductible. The tax credit cannot be redeemed until the tax year following the year the project is completed. The Bill specifies that no tax credit certificates can be redeemed before July 1, 2002. It is estimated that beginning in FY 2003, this provision could reduce General Fund tax revenue by $1.7 million annually.
* Prohibits all but trace amounts of the fuel oxygenate enhancer, methyl tertiary butyl ether, in fuel sold in Iowa.



* By January 1, 2001, the Bill requires retail dealers of motor fuel to offer for sale renewable reformulated gasoline (i.e., ethanol) from at least one fuel pump at each retail establishment site. Exemptions from these requirements are allowed in certain instances. The Bill establishes a civil penalty of $100 per day for noncompliance with the provisions requiring the sale of reformulated gasoline. The Senate struck a provision of the Bill which would have required all retail dealers to sell renewable reformulated gasoline at the lowest grade of octane for which the retailer offers for conventional gasoline.
* The Bill allows retail dealers to apply for reimbursement from the Remedial Account of the Underground Storage Tank Fund for the conversion of motor vehicle fuel storage tanks and associated piping if the tanks are not compatible for use with reformulated gasoline. The Bill allows up to $10,000 for the conversion of tanks and $3,000 for piping. Retail dealers are required to submit applications for tank conversion costs prior to July 1, 2002. It is estimated that this could cost the Remedial Account between $780,000 and $1.3 million assuming 60 to 100 tanks are funded for conversion costs at $13,000 per tank.
* The Bill appropriates $100,000 from the General Fund to the Department of Agriculture and Land Stewardship for the purpose of conducting an educational and promotional campaign and study to increase demand for reformulated gasoline.

STAFF CONTACT: David Reynolds (Ext. 16934)

Enterprise Zone Bill - HF 2540 amended and passed by the senate



**Enterprise Zone Bill** On April 20, the Senate amended and passed HF 2540, (Enterprise Zone Amendment Bill). House File 2540 relates to tax credits available for employers and housing developers for qualified projects in designated enterprise zones. The Bill also allows insurance companies to receive a 10.0% investment tax credit for land and buildings purchased as part of a qualified expansion. The Senate amendment:

* Makes certain value-added tax credits refundable, and caps the annual amount that can be awarded in a fiscal year at $4.0 million.
* Allows the Department of Economic Development to approve up to five value-added enterprise zones.
* Strikes language from the Bill which would have allowed any county to designate an area meeting specific criteria as an enterprise zone.

**Fiscal Impact** The fiscal impact of the Bill, as amended, reduces General Fund revenues by $300,000 in FY 2001 and $1.3 million in FY 2002. Over an eight fiscal year period, the Bill is projected to reduce General Fund revenues by $20.3 million.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Vision Iowa Program - SF 2447



**Vision Iowa Program**  The General Assembly passed SF 2447, the Vision Iowa Program Bill, on April 20. The Bill establishes the Vision Iowa Program to assist communities in developing major attractions. It also restructures the existing Community Attraction and Tourism (CAT) Program and creates the School Infrastructure Program and Fund. The Bill creates separate funds for each of the three programs and authorizes the Treasurer of State to issue tax-exempt bonds for the Vision Iowa and School Infrastructure Programs. It establishes the 13-member Vision Iowa Board within the Department of Economic Development to oversee the CAT and Vision Iowa Programs.

**CAT Program** The CAT Program is designed to assist communities in the development and creation of multi-purpose attraction and tourism facilities by providing grants, loans, forgivable loans, and loan guarantees. The criteria established for awarding assistance to projects include:

* The impact on the quality of life and the quality of attraction and tourism employment.



* The potential to generate additional recreational, cultural, and tourism opportunities.
* The potential for long-term tax-generating economic impact.
* Geographic diversity.
* The extent to which the project is primarily vertical infrastructure with demonstrated substantial regional or statewide economic impact.
* Past financial assistance under the program for the same project.
* The extent to which the project takes into consideration five specific land use planning principles.

**Project Funding** Funding for a single project cannot exceed 50.0% of the total cost. The Board is required to annually reserve one-third of the moneys in the CAT Fund for cities with populations of 10,000 or less and for counties ranked among the 33 least populated.



**Funding Criteria** The Vision Iowa Program will provide grants, loans, forgivable loans, pledges, and guarantees to assist communities in the development of major tourism facilities. The criteria for funding include:

* Total project cost of at least $20.0 million.
* Financial and non-financial support from public or private sources of at least 50.0% of the total cost.
* The extent to which the project is primarily vertical infrastructure with a demonstrated substantial regional or statewide economic impact.
* Benefits to persons living outside the county in which the project is located.
* Potential to attract visitors from out of state and to enhance recruitment and retention of young people as residents.
* The extent to which the project takes into consideration five specific land use planning principles.

**Bonding Authority** Funding for a single project cannot exceed $75.0 million. Total bonding authority for the Vision Iowa Fund is capped at $300.0 million.

**Assist. For School Districts.** Both the CAT and Vision Iowa Programs allow school districts to join with a city or county to apply for assistance. The application must demonstrate that the project to be funded will benefit both joint applicants.

**Medical Insurance Costs** Applicants receiving assistance under either the CAT or Vision Iowa Programs must pay at least 50.0% of the cost of a standard medical insurance plan for all full-time employees of the completed project.

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**School Infrastruc. Prg.** Senate File 2447 directs the Department of Education to establish and administer a School Infrastructure Program to provide financial assistance to school districts by awarding grants based on need. A school district may receive only one grant under the program. A school district is ineligible for assistance from the School Infrastructure Program if the district has Local Sales and Services Tax revenue exceeding the statewide average sales tax capacity per pupil. Districts receiving assistance under the Vision Iowa Program are not eligible for assistance under this program.

**Local Match Requirement** Applicants must meet a local match requirement, ranging between 20.0% and 50.0% of the total project cost. The match percentage will be determined by a formula that compares the applicant district’s property tax infrastructure capacity per pupil and sales tax capacity per pupil to the capacity of the school district ranked at the 40th percentile in the State. Grants are limited to the lesser of $1.0 million or the total capital investment of the project minus the local match.

**Allocation Schedule** The Bill provides an allocation schedule to ensure that grant moneys are spread among districts of varying size enrollments. Priority will be given to school districts:

* With a lower capacity per pupil.
* With plans that address specific occupant safety issues.
* Which are reorganizing or collaborating with other districts.
* Which have not imposed a Local Sales and Services Tax.
* Which are receiving minimal Local Sales and Services Tax revenues in relation to enrollment.

**Grant Awards** The Bill also provides that grant awards shall not exceed $10.0 million in FY 2001, $20.0 million in FY 2002, and $20.0 million in FY 2003. The deposit of bond proceeds in the School Infrastructure Fund is capped at $50.0 million, excluding the issuance of refunding bonds.

**Appropriations** Senate File 2447 does not make any appropriations. Senate File 2453, the Infrastructure Appropriations Bill, as passed by the Senate on April 19, would deposit $15.0 million from gambling revenues to the Vision Iowa Fund and would deposit $5.0 million from gambling revenues to the School Infrastructure Fund. It would appropriate $12.5 million per year for three years beginning in FY 2002 from the Rebuild Iowa Infrastructure Fund for deposit in the CAT Fund. The Bill is awaiting consideration by the House.

**Impact on Revenues** Senate File 2447 will reduce General Fund tax revenues as a result of the issuance of tax-exempt bonds. Beginning in FY 2002, the estimated annual reduction will average $274,000 for the first five years. The annual reduction in General Fund tax revenues will decrease throughout the twenty-year life of the bonds.

**NOBA**

**Bill Summary** Copies of the Executive Summary of the Notes on Bills and Amendments (NOBA) are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Robin Madison (Ext. 15459)

Iowa Housing Corporation Bill - HF 2584 passes house appropriations committee



**Housing Corporation** On April 20, the House Appropriations Committee passed HF 2584 (Iowa Housing Corporation Plan Bill). The Bill directs the Iowa Finance Authority, on or before May 1, 2000, to develop a plan to end operations and dissolve the Iowa Housing Corporation. The Authority is directed to deliver the plan to the members of the Legislative Council and Executive Council. The Authority is also directed to begin implementation of the plan immediately upon delivery to the two Councils.

**Assets** The Corporation is an entity created by the Authority in 1990. The FY 1999 audit of the Corporation listed the unrestricted net assets (net worth) of the Corporation as $9.4 million.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Salary Bill - SF 2450 final action



Salary Adj.

**Salary Bill – SF 2450** The General Assembly passed SF 2450,( the Salary Appropriations Bill) on April 18. The Bill appropriates a total of $42.2 million from the General Fund, the same as the Governor’s Recommendation. The Bill contains the following major provisions:

* **Collective Bargaining Agreements** - The Bill appropriates $42.2 million from the General Fund to fund collective bargaining agreements. The appropriation is made to the Department of Management (DOM) and DOM is authorized to distribute as provided. Actual distribution (excluding Board of Regents) is based on a late May or early June payroll period.
* **Non-contract Employees -** The Bill provides a 3.0% across-the-board increase and merit step increases for non-contract employees of the State, excluding the Board of Regents. Increases are effective June 23, 2000.
* **Board of Regents -** The Bill provides the Board of Regents faculty and professional and scientific employees will receive a 4.0% across-the-board increase.
* **Justices/Judges -** The Bill provides a 3.0% salary increase for justices and judges and a 6.0% increase for magistrates for FY 2001. Increases are effective June 23, 2000.
* **Elected Officials -** The Bill provides a 3.0% salary increase on June 23, 2000, for all elective executive officials except the Lieutenant Governor, who receives a 5.0% increase, and the Secretary of State, who receives a 6.1% increase.
* **Director, Department of Commerce** - The Bill provides that the Governor may select an administrator for the Department of Commerce in lieu of an annual appointment which rotates among the division administrators.
* **Range Changes -** The Bill provides the following range changes:

Drug Abuse Coordinator - Range 5 (formerly Range 4).

Director of the Department of Inspections and Appeals - Range 8 (formerly Range 7).

**Sent to the Governor** Senate File 2450 was sent to the Governor on April 19. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Glen Dickinson (Ext. 14616)

Administration and Regulation Appropriations Bill - HF 2545 Passes Senate Appropriations Committee

**Admin./Regulation Bill** The Senate Appropriations Committee approved HF 2545, the Administration and Regulation Appropriations Bill, on April 19. There were no amendments and the Bill remained unchanged from the version passed by the House.



**Appropriations** House File 2545 appropriates $88.5 million from the General Fund and 1,902.9 FTE positions, an increase of $240,000 (0.3%) and 16.1 (0.8%) FTE positions compared to the FY 2000 estimated net appropriation. The Bill also appropriates $22.0 million of other funds, an increase of $146,000 (0.7%) compared to the FY 2000 estimated net appropriation. Highlights of HF 2545 include:

**Auditor** Auditor of State

* Decreases the appropriation to the Auditor of State by $53,000 compared to the FY 2000 estimated net appropriation due to a reduction for data processing.

**Commerce** Department of Commerce

* Increases the appropriation to the Banking Division of the Department of Commerce by $180,000 compared to the FY 2000 estimated net appropriation for 60 laptop computers for the examination staff.
* Increases the appropriation to the Credit Union Division of the Department of Commerce by $90,000 compared to the FY 2000 estimated net appropriation to pay for outside computer services.

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

* Decreases the appropriation to the Department of Inspections and Appeals for Racetrack Regulation by a $73,000 general reduction, compared to the FY 2000 estimated net appropriation.

**Dept. of Management** Department of Management



* Decreases the appropriation to the general office of the Department of Management by $100,000 for budget redesign, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the general office of the Department of Management by $181,000 due to the repeal of the Council on Human Investment, compared to the FY 2000 estimated net appropriation.
* Eliminates the appropriation to the Department of Management for the Council of State Governments by $84,000 due to the elimination of the funding, compared to the FY 2000 estimated net appropriation.
* Eliminates the appropriation to the Department of Management for Replacement Property Tax Administration by $75,000 due to the elimination of the funding, compared to the FY 2000 estimated net appropriation.

**Personnel** Department of Personnel

* Decreases the appropriation to the Department of Personnel for the Administration and Program Operations Unit by $103,000 due to the realignment from three appropriations to two and a general reduction, compared to the FY 2000 estimated net appropriation.
* Increases the IPERS Fund appropriation to the IPERS Division by $430,000 contingent upon the passage of Senate File 2411 (IPERS Bill) for the expenses relating to the enhanced disability provisions for IPERS' Public Safety members.
* Increase the IPERS Fund appropriation to the IPERS Division by $100,000 contingent upon the passage of Senate File 2411 (IPERS Bill) for a study of methods for providing enhanced portability into and out of IPERS, and for the expenses related to the development and implementation of the defined contribution options required by Section 24 of this Bill.

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



* Decreases the appropriation to the Department of Revenue and Finance for the Compliance Division by $151,000 to be assessed for local sales and service tax administration, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the Department of Revenue and Finance for the Compliance Division by a $147,000 general reduction, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the Department of Revenue and Finance for the Compliance Division by $107,000 due to the elimination of 4.0 FTE positions that have been vacant for a year, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the Department of Revenue and Finance for the Compliance Division by $65,000 due to the reallocation of resources to the Internal Resource Management Division, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the Department of Revenue and Finance for the State Financial Management Division by $188,000 to be assessed for local sales and service tax administration, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the Department of Revenue and Finance for the State Financial Management Division by a $162,000 general reduction, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the Department of Revenue and Finance for the State Financial Management Division by $77,000 due to the elimination of 3.0 FTE positions that have been vacant for a year, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the Department of Revenue and Finance for the State Financial Management Division by $418,000 due to the reallocation of resources to the Internal Resource Management Division, compared to the FY 2000 estimated net appropriation.
* Increases the appropriation to the Department of Revenue and Finance for the Internal Resource Management Division by $483,000 due to the reallocation of resources from the Compliance Division ($65,000) and the State Financial Management Division ($418,000), compared to the FY 2000 estimated net appropriation.
* Increases the appropriation to the Department of Revenue and Finance for the Internal Resource Management Division by a $167,000 general increase, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the Department of Revenue and Finance for the Internal Resource Management Division by $149,000 due to the elimination of 4.0 FTE positions that have been vacant for a year, compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the Department of Revenue and Finance for the Internal Resource Management Division by $75,000 due to the Replacement Property Tax Administration being separately appropriated, compared to the FY 2000 estimated net appropriation.
* Increases the appropriation to the Department of Revenue and Finance for Replacement Property Tax Administration by $75,000 that had been appropriated to the Internal Resource Management Division, compared to the FY 2000 estimated net appropriation.

**Treasurer of State** Treasurer of State

* Decreases the appropriation to the Treasurer of State by $103,000 due to the reallocation of expenses to the Iowa Educational Savings Plan, compared to the FY 2000 estimated net appropriation.
* Increases the appropriation to the Treasurer of State by $250,000 for the Iowa Educational Savings Plan, compared to the FY 2000 estimated net appropriation.

**NOBA**

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

STAFF CONTACT: Christina Schaefer (Ext. 16765) Ron Robinson (Ext. 16256)

Agriculture and Natural Resources Appropriations Bill - SF 2430 Final action



**Ag./Natural Res. – SF 2430** The General Assembly passed SF 2430, the Agriculture and Natural Resources Appropriations Bill, on April 18. The Bill appropriates $43.5 million from the General Fund and 1,508.5 FTE positions. This is a decrease of $567,000 (1.3%) and an increase of 14.0 FTE positions (0.9%) compared to the FY 2000 net estimated appropriation and a decrease of 8.0 FTE positions (0.5%) compared to the FY 2001 Governor’s recommendations. The Governor’s recommendations for FY 2001 included $41.8 million from other proposed funding sources including $20.0 million for the Resource Enhancement and Protection Fund (REAP), $1.0 million for Soil Conservation Cost Share, $2.0 million for the Conservation Reserve Enhancement Program, $1.5 million for the Watershed Protection Program, $2.0 million for the Loess Hills Development and Conservation Fund, $1.0 million for a Nutrient Management Program, $5.5 million for various water quality programs, $3.5 million for the Recreation Infrastructure Grant Program, $2.3 million for boating access and lake restoration projects, and $3.0 million for the Restore the Outdoors Program.

**Ag. & Land Stewardship** The Department of Agriculture and Land Stewardship was appropriated $25.0 million from the General Fund and 462.3 FTE positions, a decrease $805,000 (3.1%) and an increase of 3.00 FTE positions (0.7%) compared to FY 2000 net estimated appropriation. Major changes compared to the FY 2000 net estimated appropriation are outlined below:

**Administrative Division** The Bill decreases the appropriations to the Administrative Division in the Department of Agriculture and Land Stewardship by $18,000 and 1.0 FTE position compared to FY 2000 estimated net appropriation. Changes include:



* An increase of $23,000 and 1.0 FTE position due to the transfer of a position from the Commercial Feed appropriation of the Laboratory Division to the Administrative Division.
* An increase of $50,000 for an increase in the base budget.
* A decrease of 1.0 FTE position due to the elimination of a vacant position.
* A decrease of $75,000 and 1.0 FTE position due to the elimination of the Dairy Trade Practices.
* An increase of $20,000 for deposit into the newly created International Relations Fund.

**Regulatory Division** The Bill **i**ncreases the appropriation to the Regulatory Division in the Department of Agriculture and Land Stewardship by $200,000 and 3.0 FTE positions compared to the FY 2000 estimated net appropriation. Changes include:

* An increase of $200,000 and 4.0 FTE positions to implement SF 2312 or HF 2490 (Pseudorabies Control Bill).
* A decrease of 1.0 FTE position due to the elimination of a vacant position.

**Laboratory Division** The appropriation to the Laboratory Division in the Department of Agriculture and Land Stewardship is decreased by $23,000 and 1.0 FTE position compared to the FY 2000 estimated net appropriation. The change is due to the transfer of funding and a position from the Commercial Feed appropriation of the Laboratory Division to the Administrative Division.

**Soil Conservation Division** There is no change in the appropriation and an increase of 2.0 FTE positions in the Soil Conservation Division in the Department of Agriculture and Land Stewardship compared to FY 2000 net estimated appropriation. The 2.0 FTE positions will support the Conservation Reserve Enhancement Program.

**Soil Conservation Cost Share** The Billdecreases the General Fund appropriation to the Soil Conservation Cost Share Program by $1.0 million compared to FY 2000 net estimated appropriation. Funding of $2.0 million will be from the Environmental First Fund in SF 2453 (Infrastructure Appropriations Bill), an increase of $1.0 million compared to funding provided for FY 2000.



**Natural Resources** The Department of Natural Resources was appropriated $18.4 million from the General Fund and 1,045.1 FTE positions, an increase of $143,000 (0.8%) and an increase of 10.0 FTE positions (1.0%) compared to FY 2000 net estimated appropriation. Major changes compared to the FY 2000 net estimated appropriation are outlined below.

**Operating Divisions** The Bill **i**ncreases the General Fund appropriation to the operating divisions in the Department of Natural Resources. They include:

* An increase of $16,000 to the Administrative Services Division
* An increase of $62,000 to the Parks and Preserves Division
* An increase of $23,000 to the Forests and Forestry Division
* An increase of $27,000 to the Energy and Geology Division
* An increase of $66,000 to the Environmental Protection Division



**Fish and Wildlife Division** The Bill **i**ncreases the appropriation of the Fish and Game Protection Fund by $1.3 million (5.4%) and increases the number of FTE positions in the Fish and Wildlife Division by 10.0 (2.9%) compared to funding and FTE positions provided for FY 2000. Changes include:

* Specifies not more than 7.0 FTE positions and $700,000 will be used for the Conservation Buffer Initiative.
* Specifies at least 3.0 FTE positions and $600,000 will be used for the Prairie Seed Harvest Initiative.

**Retirement Benefits** The Billappropriates $200,000 as a FY 2000 supplemental appropriation from the General Fund for payment of retirement benefits to State Park Rangers that retire in FY 2000. Allows the Department of Natural Resources to use up to $250,000 from the Fish and Game Protection Fund for payment of conservation officer retirement benefits in FY 2001.

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

* Decreases the appropriation to the United States Department of Agriculture Animal and Plant Health Inspection Service for control of wild animals by $50,000 compared to the FY 2000 estimated net appropriation.



* Appropriates the unencumbered and unobligated balance from the Organic Nutrient Management Fund as of July 1, 2000, to the Department of Agriculture and Land Stewardship for deposit into the Agrichemical Remediation Fund if SF 466 (Remediation of Agrichemical Sites Bill) is enacted by the General Assembly.
* Appropriates $100,000 to Iowa State University for Johne’s Disease research. This is an increase of $95,000 compared to the FY 2000 estimated net appropriation.
* Specifies the Air Quality Bureau in the Environmental Protection Division in the Department of Natural Resources will study the merits of assisting Iowa industry in implementing the enlibre air quality model.
* Appropriates 1.0 FTE position to the State Fire Marshal’s Office in the Department of Public Safety for the inspection of above ground storage tanks of petroleum. This position will be funded with registration fees collected by the Department of Public Safety. The fee is estimated to generate $90,000 annually and will be used for an inspector and a contract for accounting services.



* Establishes a pilot project in the Department of Natural Resources for the refund of all or a portion of stormwater discharge permit fees when the permit is not issued in a timely manner.
* Appropriates $150,000 as a FY 2000 supplemental appropriation to Iowa State University for the Iowa Concern Hotline.
* Specifies fuel pumps dispensing renewable fuels will have a decal attached to the pump identifying the type of renewable fuel. Prohibits the sale of motor vehicle fuel containing more than trace amounts of methyl tertiary butyl ether (MTBE) additives after January 1, 2001.

**More Information** Senate File 2430 has not been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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

Economic Development APPROPRIATIONS Bill - SF 2428 senate concurs with house amendment



**Economic Development** On April 17, the Senate concurred with the House amendment and passed SF 2428 (FY 2001 Economic Development Appropriations Bill). The Bill, as amended, appropriates $37.3 million and 1,276.9 FTE positions, a decrease of $4.4 million (10.4%) and an increase of 17.2 FTE positions (1.4%) compared to the FY 2000 estimated net appropriation. There is a motion to reconsider filed on the Bill.

**Economic Development** As amended, the Bill appropriates $22.0 million and 211.8 FTE positions to the Department of Economic Development (DED), a decrease of $2.9 million (11.8%) and an increase of 23.5 (12.5%) FTE positions compared to the FY 2000 estimated net appropriation.

**Workforce Development** As amended, the Bill appropriates $6.7 million and 978.6 FTE positions to the Department, a decrease of $1.3 million (16.5%) and 7.3 (0.7%) FTE positions compared to the FY 2000 estimated net appropriation.

**PER Board** As amended, the Bill appropriates $887,000 and 12.8 FTE positions to the Public Employment Relations Board, a decrease of $25,000 (2.8%) and no change in FTE positions compared to the FY 2000 estimated net appropriation.

**Board of Regents** As amended, the Bill appropriates $7.5 million and 73.8 FTE positions to seven Board of Regents programs, a decrease of $313,000 (4.0%) and an increase of 1.0 (1.4%) FTE position compared to the FY 2000 estimated net appropriation.

**NOBA**

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

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Education Appropriations Bill - HF 2549 Passes Senate Appropriations Committee

**Educ. Approp. Bill**  The Senate Appropriations Committee approved HF 2549, the Education Appropriations Bill, on April 19. There were no amendments and the Bill remained unchanged from the version passed by the House.



**Appropriations** The Bill appropriates $988.5 million and 17,393.1 FTE positions to the College Student Aid Commission, the Departments of Cultural Affairs and Education, and the Board of Regents. This is an increase of $26.2 million (2.7%) and a decrease of 17.3 FTE positions (0.1%) compared to the FY 2000 estimated net appropriation. The appropriations total includes a standing appropriation of $12.6 million for FY 2001 for at-risk children programs, a decrease of $2.8 million compared to the FY 2000 estimated net appropriation. The appropriations total also reflects new funding of $9.8 million within the school aid formula estimate for alternative school funding and $18.2 million in funding for salary increases for the Board of Regents. Highlights of HF 2549 include:

**College Student Aid** College Student Aid Commission:

* Decreases the appropriation for the Des Moines University Osteopathic Medical Center Forgivable Loan Program by $125,000 compared to the FY 2000 estimated net appropriation to eliminate excess capacity.
* Increases the appropriation for the National Guard Education Assistance Program by $416,000 compared to the FY 2000 estimated net appropriation to increase the number of participants.
* Increases the standing appropriation for the Tuition Grant Program by $1.0 million compared to the FY 2000 estimated net appropriation to increase the average grant.
* Decreases the standing appropriation for the Vocational-Technical Tuition Grant Program by $200,000 compared to the FY 2000 estimated net appropriation to eliminate excess capacity.
* Decreases the standing appropriation for the Work Study Program by $200,000 compared to the FY 2000 estimated net appropriation to eliminate excess capacity.

**Cultural Affairs** Department of Cultural Affairs:



* Decreases the appropriation for the Iowa Arts Council by $35,000 compared to the FY 2000 estimated net appropriation due to a reduction to the base budget.
* Decreases the appropriation for the Historical Division by $22,000 compared to the FY 2000 estimated net appropriation due to a reduction to the base budget.
* Decreases the appropriation for Community Cultural Grants by $25,000 compared to the FY 2000 estimated net appropriation due to a reduction to the base budget.

**Dept. of Education** Department of Education:

* Decreases the appropriation for the Administrative Division by $100,000 compared to the FY 2000 estimated net appropriation due to a reduction to the base budget.
* Increases the appropriation for the Division of Vocational Rehabilitation by $146,000 compared to the FY 2000 estimated net appropriation to increase State share of funding to fully match federal funds.

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* Decreases the appropriation for the State Library by $48,000 compared to the FY 2000 estimated net appropriation due to a reduction to the base budget.
* Increases the appropriation for the Enrich Library Program by $93,000 compared to the FY 2000 estimated net appropriation to increase funding for local libraries.
* Decreases the appropriation for Iowa Public Television by $118,000 compared to the FY 2000 estimated net appropriation due to a reduction to the base budget.
* Increases the appropriation for deposit in the School Ready Children Grants Account of the Empowerment Fund by $4.5 million compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation for a Vocational Agricultural Youth Organization and other youth activities by $28,000 compared to the FY 2000 estimated net appropriation due to eliminating funding for some of the activities.
* Increases the appropriation for National Board Certification Awards by $381,000 compared to the FY 2000 estimated net appropriation for the issuance of awards.
* Increases the appropriation for the Beginning Teacher Induction Program by $200,000 compared to the FY 2000 estimated net appropriation for the issuance of awards.
* Adds a new appropriation of $90,000 for the Family Resource Center Demonstration Program.
* Increases the appropriation for community colleges by $6.0 million compared to the FY 2000 estimated net appropriation for operations.

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* Permits the Board of Educational Examiners to retain up to 85.0% of any increase in license fees for expenditures relating to Board duties.
* Changes certain allocations from the Educational Excellence standing appropriation for FY 2001 as follows:
* $68,000, an increase of $33,000, to the Iowa Braille and Sight Saving School and $102,000, an increase of $67,000, to the Iowa School for the Deaf.
* $150,000 to Iowa Public Television for overnight block feeds.
* $50,000 to the Department of Education for the Math and Science Coalition.

**Regents** Board of Regents:



* Decreases the appropriation for the University of Iowa (SUI) general university operating budget by $4.6 million compared to the FY 2000 estimated net appropriation for a net general reduction.
* Increases the appropriation to the SUI for the Public Health Initiative by $1.0 million compared to the FY 2000 estimated net appropriation for continued expansion.
* Decreases the appropriation to Iowa State University (ISU) general university operating budget by $3.8 million compared to the FY 2000 estimated net appropriation for a net general reduction.
* Decreases the appropriation to the ISU Extension Service Program by $650,000 compared to the FY 2000 estimated net appropriation. Of the decrease, $600,000 is to transfer the Fire Service Institute to the Department of Public Safety.
* Increases the appropriation to the ISU Center for Excellence in Plant Science by $2.5 million compared to the FY 2000 estimated net appropriation for continued expansion of the Center.
* Decreases the appropriation to the University of Northern Iowa (UNI) general university operating budget by $1.1 million compared to the FY 2000 estimated net appropriation for a net general reduction.
* Increases the appropriation to the UNI for the Masters in Social Work Program by $150,000 compared to the FY 2000 estimated net appropriation.
* Adds a new appropriation of $18.2 million to fund salary increases at the Board of Regents Board Office and institutions.

**Studies & Intent Language** Significant Studies and Intent Language:



* Requires the Division of Library Services of the Department of Education to submit a program evaluation report regarding the Enrich Iowa Program to the Governor and the General Assembly by January 15, 2001.
* Requires the Commission of Libraries, the area education agencies, and the regional libraries to jointly develop a plan to provide support functions and services of the regional library system more effectively and efficiently. Requires the plan to be submitted by December 1, 2000.
* Requires the SUI Hospitals and Clinics to make reasonable efforts to use technology to provide care to indigent patients and to submit a report regarding such efforts to the General Assembly and the Legislative Fiscal Bureau (LFB) by January 15, 2001.
* Requires the ISU Cooperative Extension Service to conduct a study, in consultation with the Department of Human Services, regarding duplication of efforts and to submit a report to the General Assembly and the LFB by January 15, 2001.

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

* Increases the amount of enhanced medical assistance collections to be deposited in the General Fund by the SUI Hospitals and Clinics.
* Amends the supplementary weighting portion of the K-12 School Aid formula.
* Decreases the standing appropriation for at-risk children by $2.8 million to account for the sunset of the School-Based Youth Services Education Program at the end of FY 2000.

**NOBA**

**Bill Summary** Copies of the Notes and Amendments (NOBA) are available upon request from the LFB Office.

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

HEALTH AND HUMAN RIGHTS APPROPRIATIONS BILL - SENATE FILE 2429 AS AMENDED BY S-5415 IS AMENDED AND PASSED BY THE SENATE

**Health/Human Rights Bill** On April 18, SF 2429 (Health and Human Rights Appropriations Bill) as amended by S-5415 (House Amendment) was amended and passed by the Senate. The Senate amendment to S-5415 does the following:

* Appropriates an estimated $80,000 of gambling tax receipts which would otherwise be deposited into the General Fund to the Department of Agriculture and allocates the funds to the Iowa Quarter Horse Association, the Iowa Thoroughbred Breeders and Owners Association, and the Iowa Harness Association.
* Changes the funding source for the Childhood Lead Poisoning Prevention Program and Child Death and Domestic Death Team expenses from gambling tax receipts to an allocation from the Gambling Treatment appropriation.
* Decreases the portion of the Gambling Treatment Fund appropriation allocated to the Addictive Disorders Division.

**House Action** On April 18, the House refused to concur.

STAFF CONTACT: Russ Trimble (Ext. 14613) Valerie Thacker (Ext. 15270)

Infrastructure Appropriations Bill - SF 2453 passes senate

**Infrastructure Bill** The Senate passed SF 2453 (Infrastructure Appropriations Bill) on April 19. The Bill provides funding for numerous programs and projects over multiple fiscal years. The following table summarizes the spending in the Bill.

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**Senate Changes** The Senate amended the Bill on the floor which included the following:

* Increases the appropriation to the Accelerated Career Education (ACE) Program by $2.3 million (from $3.0 million to $5.3 million). The funds will be used for capital projects associated with the ACE Program at community colleges.
* Reduces the appropriation by $5.3 million (from $8.5 million to $3.2 million) for costs associated with planning, design, and construction of a new building for the Department of Public Safety and State Medical Examiner. The amendment also directed the appropriation to the Department of General Services instead of the Department of Public Safety.



* Increases the appropriation to the Department of General Services for major maintenance by $3.0 million (from $7.5 million to $10.5 million). The Bill amendment also requires $7.1 million of the appropriation to be allocated to other State agencies for major maintenance under the agencies’ purview.
* Appropriates $12.5 million per year for three years beginning in FY 2002 for the Community Attraction and Tourism Fund. Senate File 2447 (Vision Iowa Program Bill) establishes a new Community Attraction and Tourism Program under the administration of the Department of Economic Development.
* Deposits $15.0 million from gambling revenues to the Vision Iowa Fund after the first $60.0 million of gambling revenues are deposited in the General Fund. Deposits $5.0 million from gambling revenues to the School Infrastructure Fund after the first $75.0 million of gambling revenues are deposited into the General Fund and the Vision Iowa Fund. The Vision Iowa Program and the School Infrastructure Program are established in SF 2447 (Vision Iowa Program Bill).
* Authorizes the Department of Economic Development to use $100,000 annually from the funds appropriated to the Vision Iowa Program for administrative costs incurred by the Department for administering the Vision Iowa Program.
* Allocates up to $50,000 annually to the State Fire Marshal from the School Infrastructure Fund to retain an architect or architectural firm to evaluate structures for which school infrastructure grant applications are made.

**Bill Summary** Copies of the Executive Summary of the Notes and Amendments (NOBA) are available upon request from the LFB Office.

**NOBA**

STAFF CONTACT: David Reynolds (Ext. 16934)

Justice System Appropriations Bill – HF 2552 Passes Senate Appropriations Committee

**Justice System** House File 2552 (Justice System Appropriations Bill) passed the Senate Appropriations Committee April 19 without amendment. The Bill appropriates a total of $361.0 million and 5,986.0 FTE positions. The major changes in the Bill include:

**Dept. of Justice Department of Justice:** A decrease of $42,000 to reduce out-of-state travel by 25.0%.

**Dept. of Corrections Department of Corrections:** An increase of $3.0 million and 122.5 FTE positions. Changes for the Corrections System include:



* Institutions: Increases funding by $5.4 million and 117.1 FTE positions compared to the FY 2000 estimated net appropriation. Major changes include:
* An increase of $937,000 and 3.0 FTE positions for one-time costs and initial startup of the Ft. Madison special needs unit.
* An increase of 26.5 FTE positions to replace the contracted medical services at the Ft. Madison institution with State employees.
* An increase of $1.8 million to replace the budgeted reduction for revenues for the Pay-for-Stay Program for private-sector-employed inmates at Anamosa, Newton, Mt. Pleasant, and Ft. Dodge. Beginning in FY 2001, these revenues will be deposited in the General Fund instead of the prisons’ operating budgets.
* An increase of $4.6 million and 88.3 FTE positions to annualize staff and support for operations at full design capacity at the Mitchellville and Ft. Dodge institutions.
* Central Office: Decreases funding by $1.9 million and no change in FTE positions compared to the FY 2000 estimated net appropriation. Major changes include:
* A decrease of $750,000 to eliminate the cost of housing female inmates out of State.
* A transfer of $600,000 from Newton and Ft. Dodge institutions ($300,000 each from amounts budgeted for computerization) to Central Office. The transfer centralizes funding for the Iowa Corrections Offender Network (ICON).
* A decrease of $2.4 million due to paying off the FY 1990 certificates of participation for expansion projects (Phase II). The final payments in FY 2001 will total $797,000.
* Community Based Corrections (CBC): Decreases funding by $464,000 and provides an increase of 5.4 FTE positions compared to the FY 2000 estimated net appropriation. Major changes include:
* An increase of $308,000 and 7.5 FTE positions for one-time startup costs and six months of operations of the 30-bed addition to the Dubuque residential facility.
* A transfer of $500,000 from the Mt. Pleasant institution to the CBC District Departments. This funding is for sex offender treatment costs in the CBC District Departments.
* A decrease of $1.3 million to offset the increased local revenues generated by changing the supervision fee to a flat fee of $250.
* A transfer of $100,000 from the Statewide CBC account to the Sixth CBC District for the Youth Leadership Program. The Program received its initial FY 2000 appropriation in SF 361 (Methamphetamine Act).

**Inspections & Appeals Department of Inspections and Appeals:** Increases funding by $803,000 compared to the FY 2000 estimated net appropriation due to a projected increase in indigent defense claims.

**Public Defense Public Defense:** Increases funding by $260,000 and 11.0 FTE positions compared to the estimated net appropriation. Major changes include:



* Military Division:
* An increase of $170,000 for the State match to receive $510,000 in federal funding for the National Guard Air Bases maintenance, repair, and employee costs.
* An increase of 11.0 FTE positions, supported by $392,000 in federal funds, to operate the new paint facility at the Sioux City Air Base.
* Emergency Management Division: An increase of $90,000 for the State match for Federal Emergency Management (FEMA) grants. Beginning in FY 1999, the grants require a 50.0% State match rather than being fully federally funded. This amount annualizes funding to a full 12 months of State match.

**Public Safety Department of Public Safety:** Increases funding by $1.4 million and 15.0 FTE positions compared to the FY 2000 estimated net appropriation. Major changes include:



* An increase of $1.2 million to restore the amount deappropriated in HF 2039 (FY 2000 Deappropriations Act) for the Peace Officer’s Retirement (POR) system.
* A decrease of $585,000 to deduct FY 2000 one-time equipment costs.
* An increase of $160,000 and 2.0 FTE positions in the State Fire Marshal’s Office for safety inspections of licensed facilities. The increase is funded by fees.
* A net increase of $46,000 and 1.0 FTE position in the State Fire Marshal’s Office to reduce the turnaround time for blueprint reviews. The increase is funded by fees. The implementation of a fee is estimated to generate $180,000 in additional General Fund receipts, which permits the current amount budgeted for blueprint reviews ($134,000) to be deducted from the operating budget.
* A transfer of $591,000 and 12.0 FTE positions from Iowa State University to the State Fire Marshal’s Office pursuant to HF 2492 (Municipal Agencies Bill), which transfers the Fire Service Institute to the State Fire Marshal’s Office.



**Fees/Revenue Changes Fees and Other Revenue Changes:** The Bill makes a number of changes to the Code of Iowa affecting fees and revenues for the Department of Public Safety and the Department of Corrections. These changes include:

* Implements a fee for fire safety inspections of licensed facilities by the State Fire Marshal. This fee is anticipated to generate approximately $160,000 annually in General Fund receipts.
* Implements a fee for building plan reviews by the State Fire Marshal. This fee is anticipated to generate approximately $180,000 annually in General Fund receipts.
* Increases the reimbursement by excursion gambling boats, and requires pari-mutuel tracks and casinos to cover 100.0% of the costs of enforcement and regulation by the Department of Public Safety. This change is anticipated to generate approximately $2.1 million in General Fund receipts.
* Transfers the Inmate Telephone Rebate Funds in the Department of Corrections institutions to the Office of the Treasurer of State. Funds are to be appropriated by the General Assembly for the benefit of inmates. This change is effective in FY 2002.
* Changes the Community-Based Corrections enrollment and supervision fee from a variable fee based on the severity of the crime to a flat fee of $250. This change is anticipated to increase local revenues by $1.3 million. There is a corresponding decrease in the General Fund appropriation.

**NOBA**

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

STAFF CONTACT: Beth Lenstra (Ext. 16301) Dwayne Ferguson (Ext. 16561)

Judicial Branch Appropriations Bill – HF 2554 Passes Senate Appropriations Committee



**Judicial Branch**  The Senate Appropriations Committee passed HF 2554 (Judicial Branch Appropriations Bill) on April 19. The Bill appropriates a total of $116.8 million from the General Fund to the Judicial Branch. This is an increase of $4.4 million compared to the FY 2000 estimated net appropriation. Appropriation highlights include:

* $3.1 million for salary adjustment costs of the Judicial Branch. In previous years, these funds were included in the separate Salary Adjustment Bill.
* $4.5 million for the Judicial Retirement Fund, an increase of $297,000 compared to the FY 2000 estimated net appropriation. The increase funds the Judicial Retirement System at 23.7% of covered payroll.
* $109.0 million for the Judicial Branch’s operating budget, an increase of $983,000 compared to the FY 2000 estimated net appropriation. This increase is partially offset by a $1.0 million reduction in the Enhanced Court Collections Fund.

**Bill Highlights** Other highlights include:



* Caps the Enhanced Court Collections Fund at $4.0 million, a decrease of $1.0 million compared to current law.
* Requires the Judicial Branch to fund the Justice Data Warehouse ($668,000 and 1.0 FTE position) from the Enhanced Court Collections Fund, if General Fund reversions are insufficient to fund the project through the Oversight and Communications Bill.
* Provides a 3.0% salary increase for justices and judges, a 5.5% salary increase for magistrates, and a 3.3% salary increase for senior judges. The estimated cost of $819,000 is included in the salary adjustment appropriation for the Judicial Branch.
* Specifies that the Offices of the Clerks of Court shall operate in all 99 counties and be accessible to the public as much as is reasonably possible.

**NOBA**

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

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Judiciary Committee Update

**Governor Signed** The Governor has signed the following Judiciary Committee Bills:



* House File 2470 relates to the Office of the State Public Defender. The Bill permits the State Public Defender to appoint an assistant local public defender and any other employee of a local public defender’s office. House File 2470 requires the State to pay all juvenile indigent defense costs and then seek reimbursement from the counties, up to the counties’ base costs. The Bill requires a judge to examine the nature of a case, as well as finances and seriousness of a crime, in determining whether to appoint an attorney. The Bill is not expected to have a fiscal impact.
* House File 2492 makes several changes to the Code of Iowa relating to fire protection service and emergency medical service provided by townships, cities, counties, and other entities. The Bill also makes several changes in the law relating to townships. The Bill transfers the Fire Service Institute from Iowa State University (ISU) to the Department of Public Safety (DPS), State Fire Marshal’s Office. All equipment and supplies (approximately $800,000) and building lease costs ($210,000) are transferred from ISU to DPS for up to three years. House File 2492 creates a State Fire Service and Emergency Response Council to oversee the new Fire Service Training Bureau within the State Fire Marshal’s Office. The Bureau may impose fees for providing training. House File 2552 (Justice System Appropriations Bill) contains an appropriation to the State Fire Marshal’s Office of $591,000 and 12.0 FTE positions for the State Fire Service and Emergency Response Council. House File 2492 provides paid leave for State employees who are volunteer fire fighters or emergency medical personnel to respond to emergencies. The fiscal impact of this Section is not expected to be significant. The Bill permits county boards of supervisors to assume responsibilities for fire protection and emergency medical services for unincorporated areas. If they choose to provide these services, a county emergency fund is established, and a levy of 60 ¾ cents per $1,000 of assessed value of taxable property within the unincorporated area is permitted. The fiscal impact of these provisions cannot be estimated since it is unknown how many counties will elect to provide the service, which triggers the imposition of the levy.
* Senate File 2079 makes it an unlawful act to ship or import into the state, or offer for sale, sell, distribute, transport, or possess within Iowa cigarettes or tobacco products which had previously been exported from or manufactured for use outside the United States. Violations by a holder of a distributor’s, wholesaler’s, or manufacturer’s permit are grounds for revocation of such a permit. Violations are also subject to the range of criminal penalties imposed under fraudulent practices provisions. Continued domestic sales of cigarette or tobacco products, which are designed and manufactured for export, will decrease annual payments to the states for tobacco litigation. The revenue loss cannot be estimated since sales volume of these products is unknown. There may be an impact on the criminal justice system, due to the imposition of criminal penalties for fraud. However, that impact cannot be estimated due to a lack of data.



* Senate File 2146 relates to court appearances and release from custody of certain criminal defendants. The Bill prohibits a defendant charged with driving with a suspended, disqualified, or invalid license from giving the court an unsecured appearance bond. The Bill also requires an unsecured appearance bond equal to one and one-half times any minimum fine for a simple misdemeanor offense, in which an unsecured appearance bond is permitted. Senate File 2146 requires a court appearance if an accident involved death or serious injury. The Bill also provides that an officer may require a person involved in an accident to appear in court based on the person’s driving record, failure to pay a fine or court costs, or any other circumstances involved in the accident. Senate File 2146 requires magistrates to consider a defendant’s failure to pay prior fines and court costs when considering the release of a defendant from custody. The provisions requiring a secured bond for defendants charged with certain violations will impact court case loads, since warrants will be issued and hearings will be held in failure to appear for a hearing cases. However, the fiscal impact cannot be estimated due to a lack of data regarding the current number of unsecured appearance bonds issued for these offenses. The provisions requiring a court appearance involving death or serious injury will result in fewer court appearances. There are fewer accidents causing death or serious injury, compared to accidents involving property damage or personal injury. The fiscal impact cannot be estimated since the number of court appearances for accidents involving property damage or personal injury is not available. The provisions permitting an officer to require court appearances for certain offenders may result in more court appearances. However, the fiscal impact cannot be estimated since the court appearance requirement is at the officer’s discretion. The provisions requiring the consideration of failure to pay fines, surcharges, and court costs as a condition of release from custody will have a fiscal impact, but it cannot be determined. Counties will have more defendants held in jail, and pretrial release staff (Community-Based Corrections staff) will have increased workloads.



**Sent to the Governor** Senate File 2308 has been sent to the Governor. The Bill makes harassment via electronic communication a crime. The Bill also provides for the court to order the sealing of a domestic abuse file or a portion of the file as necessary to protect the privacy or safety of any person. The Bill relates to foreign protective orders, by including protective orders issued by Indian tribunals and courts in United States’ territories; expands venue to include any county that would have venue if the action were being commenced in Iowa; filing of certified copies of foreign protective orders; and to permit filing of orders that are not certified or authenticated if supported by an affidavit, subject to penalties of perjury, of a person with personal knowledge. Senate File 2308 prohibits service of copies of the foreign protective order to a respondent unless expressly directed by the person in whose favor the order is entered. The Bill requires the enforcement of a valid foreign protective order even if it is not filed with the Clerk of Court or placed in a registry of protective orders. The Bill may result in additional convictions for harassment, but any fiscal impact is not expected to be significant. The fiscal impact related to domestic abuse orders cannot be determined due to insufficient information.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

Board of Regents Meeting

**Board Meeting** The Board of Regents met April 19 and 20 at the Iowa School for the Deaf in Council Bluffs. Significant agenda items included:



* Election of Board President – The Board re-elected Owen Newlin to serve as President for the period May 1, 2000 to April 30, 2002.
* Report of the Banking Committee – The Report included the semi-annual master lease report. The Board currently has $12.5 million outstanding in lease contracts. The Banking Committee also approved resolutions for the sale of dormitory revenue bonds of $16.0 million for the University of Iowa (SUI) and $15.4 million for the University of Northern Iowa (UNI).
* Final Report on Year 2000 Transition.
* Final Approval of 2000-2001 Residence Systems Rates. Proposed rate increases for each of the universities is illustrated below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1999-2000 Rate | 2000-2001Proposed Rate | DollarIncrease | PercentageIncrease |
| SUI | $ 4,188 | $ 4,398 | $ 210 | 5.0% |
| Iowa State (ISU) | 4,171 | 4,432 | 261 | 6.3% |
| UNI | 3,914 | 4,149 | 235 | 6.0% |

* Annual Report on Competition with Private Enterprise.

**Next Meeting** The next meeting of the Board of Regents is scheduled for May 17 at the Iowa Braille and Sight Saving School in Vinton and May 18 at the University of Northern Iowa in Cedar Falls.

STAFF CONTACT: Mary Shipman (Ext. 14617)

Weekly Medical Assistance Expenditures for the Department of Human Services



**Medical Asst. Program** For the week ending April 17, 2000, FY 2000 General Fund expenditures for the Medical Assistance Program in the Department of Human Services were $16.8 million (112.1% of budget). This is $1,816,000 above the weekly budget established by the Department. Year-to-date Medical Assistance General Fund expenditures are $314.6 million, which is $10.1 million (3.3%) above the amount budgeted for the fiscal year-to-date.

**Expenditures Monitored** The LFB will continue to monitor Medical Assistance Program expenditures and will provide regular updates to members of the General Assembly. More information is available from the Fiscal Bureau.

STAFF CONTACT: Deb Anderson (Ext. 16764)