FISCAL UPDATE May 5, 2000

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

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FY 2001 General Fund Final Appropriations



**FY 2000 Appropriations** The General Assembly appropriated $4.881 billion from the General Fund for FY 2001, or approximately $121.5 million more than the FY 2000 estimated net appropriations. A tracking document reflecting appropriations from the General Fund is attached to this document **(Attachment 5).** The tracking documents will be updated with the Governor’s item vetoes as they are received.



**Projected Ending Balance** The legislative action, prior to any Governor’s vetoes, results in a projected General Fund ending balance of $85.4 million for FY 2001. The Cash Reserve Fund for FY 2001 will receive the FY 2000 ending balance of approximately $132.9 million. The Cash Reserve Fund and the Economic Emergency Fund will each have reached the 5% statutory maximum. **Attachments 3** and **4** outline the flow of General Fund Revenues after expenditure limitations.

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

**Year-end Summary** The Legislative Fiscal Bureau’s **2000 Session Fiscal Report** should be completed and printed in mid-June. The report will contain the annotated appropriations bills (NOBA style) and summaries of ways and means action.

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

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ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE BILL – HF 2545



**Admin./Reg. – HF 2545** The General Assembly passed HF 2545, the Administration and Regulation Appropriations Bill, on April 25. The Bill appropriates a total of $90.4 million from the General Fund and 1,909.4 FTE positions, an increase of $2.2 million (2.5%) and a decrease of 9.6 (0.5%) FTE positions compared to the FY 2000 estimated net appropriation. The Bill also appropriates $22.0 million of other funds, an increase of $0.1 million (0.6%) compared to the FY 2000 estimated net appropriation. The FY 2001 General Fund appropriation represents a decrease of $1.1 million (1.2%) and 24.8 (1.3%) FTE positions compared to the Governor’s FY 2001 recommendations. House File 2545 appropriates funds to the following entities:

Office of the Auditor of State

Ethics and Campaign Disclosure Board

Department of Commerce

Department of General Services

Office of the Governor and Lieutenant Governor

Department of Inspections and Appeals

Department of Management

Department of Personnel

Department of Revenue and Finance

Office of the Secretary of State

Office of the Treasurer of State

**Compared to FY 2000** The significant changes, compared to the FY 2000 estimated net appropriations, are outlined by department below:

**Auditor** Auditor of State - A decrease of $93,000 and 1.0 FTE position due to a general reduction.

**Commerce** Department of Commerce

* A decrease of $35,000 in Alcoholic Beverages due to general reduction.
* An increase of $180,000 in the Banking Division for 60 laptop computers for the examination staff.
* An increase of $90,000 in the Credit Union Division to pay for outside computer services.
* An increase of $71,000 and 1.0 FTE position in the Insurance Division for pre-need and perpetual care audits.
* A decrease of $20,000 and one FTE position in the Professional Licensing Division due to the elimination of a Typist Advance position held vacant for at least 41 pay periods.
* A decrease of $34,000 in the Utilities Division due to a voluntary reduction by the Division.

**Dues** Legislative Branch

* An increase of $2,000 to fund the State’s dues to the Commission on Uniform State Laws.



* An increase of $3,000 to fund the State’s dues to the National Conference of State Legislatures (NCSL).
* A decrease of $8,000 due to the elimination of Iowa’s participation in the American Legislative Exchange Council.
* A decrease of $5,000 to the National Conference of Insurance Legislators (NCOIL). The State’s dues will be paid from other funds.

**General Services** Department of General Services



* An increase of $12,000 in the Administration Division to restore the reduction from the FY 2000 Deappropriations Act (HF 2039).
* An increase of $31,000 in the Property Management Division.
* An increase of $210,000 in the Utilities Division to partially restore the reduction from the FY 2000 Deappropriations Act (HF 2039).
* An increase of $188 in the Terrace Hill Operations Division to restore the reduction from the FY 2000 Deappropriations Act (HF 2039).

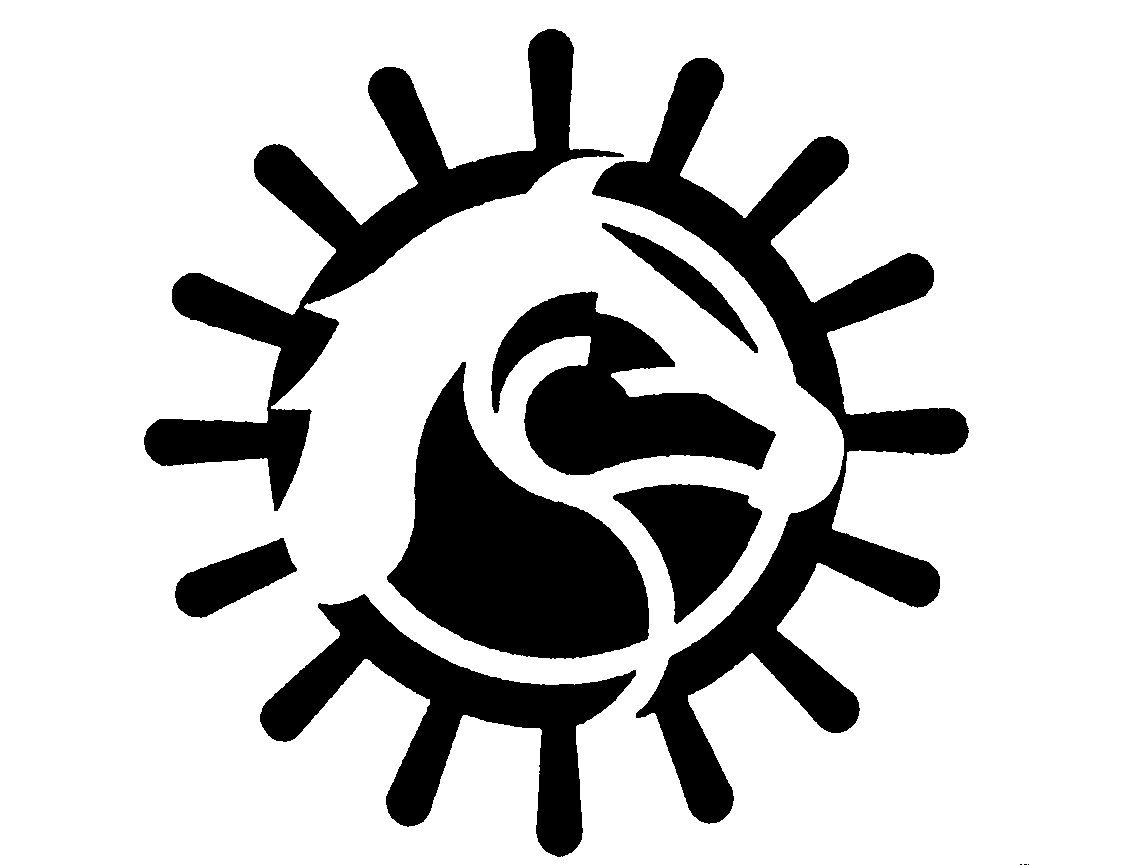
**Governor/Lt. Governor** Office of Governor and Lieutenant Governor

* An increase of $13,000 in the General Office to restore the reduction from the FY 2000 Deappropriations Act (HF 2039).
* A decrease of $45,000 due to one-time funding for Technology Upgrades.

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



* A decrease of $10,000 in the Finance and Services Division due to a general reduction.
* A decrease of $16,000 in the Audits Division due to a general reduction.
* A decrease of $13,000 in the Appeals and Fair Hearings Division due to a general reduction.
* An increase of $6,000 in the Appeals and Fair Hearings Division due to the restoration of the deappropriation contained in the Deappropriations Act (HF 2039).
* An increase of $67,000 in the Health Facilities Division to investigate complaints at certified nursing facilities after allegations of actual harm.
* An increase of $20,000 in the Health Facilities Division for hardware, programming, and maintenance costs for the single contact repository to screen applicants prior to hiring in the health care industry.
* An increase of $19,000 in the Health Facilities Division due to the restoration of the deappropriation contained in the Deappropriations Act (HF 2039).
* An increase of $183,000 and 3.0 FTE positions in the Inspections Division to conduct food and sanitation inspections and licensing activities.
* An increase of $2,000 in the Inspections Division due to the restoration of the deappropriation contained in the Deappropriations Act (HF 2039).
* A decrease of $1,000 in the Employment Appeals Board due to the restoration of the deappropriation contained in the Deappropriations Act (HF 2039).
* An increase of $2,000 in the Foster Care Review Board due to a general increase.



* An increase of $86,000 in the Racing and Gaming Commission Pari-Mutuel Regulation Division for Harness Racing Performances.
* An increase of $8,000 in the Racing and Gaming Commission Pari-Mutuel Regulation Division due to the partial restoration of the deappropriation contained in the Deappropriations Act (HF 2039).
* An increase of $34,000 and 0.7 FTE position in the Racing and Gaming Commission Excursion Boat Regulation Division to provide for a full year of funding to regulate the excursion gambling boat in Osceola.
* An increase of $8,000 in the Racing and Gaming Commission Excursion Boat Regulation Division due to the restoration of the deappropriation contained in the Deappropriations Act (HF 2039).
* A decrease of $41,000 in the Racing and Gaming Commission Excursion Boat Regulation Division due to one-time funding to establish an office in Osceola.

**Management** Department of Management



* An increase of $55,000 in the General Office to restore the reduction from the FY 2000 Deappropriations Act (HF 2039).
* An increase of $3,000 to fund the State’s dues to the Council on State Governments.
* A decrease of $130,000 due to one-time funding for the State Strategic Plan.

**Personnel** Department of Personnel

* A decrease of $4,000 for the Administration and Program Operations Unit due to the realignment from three appropriations to two and a general reduction.
* A decrease of $5,000 for the Customer Service and Benefits Unit due to the realignment from three appropriations to two and a general reduction.
* An increase of $40,000 for the administration of the Institute for Public Leadership Program.
* An increase of $430,000 in the IPERS Fund appropriation to the IPERS Division for the expenses relating to the enhanced disability provisions for IPERS' Public Safety members.
* An increase of $100,000 in the IPERS Fund appropriation to the IPERS Division for a study of methods for providing enhanced portability into and out of IPERS.

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



* A decrease of $107,000 and 4.0 FTE positions in the Compliance Division due to the elimination of 4.0 FTE positions that have been vacant for a year.
* A decrease of $65,000 in the Compliance Division due to the reallocation of resources to the Internal Resource Management Division.
* A decrease of $77,000 and 3.0 FTE positions in the State Financial Management Division due to the elimination of 3.0 FTE positions that have been vacant for a year.
* A decrease of $418,000 in the State Financial Management Division due to the reallocation of resources to the Internal Resource Management Division.
* An increase of $483,000 in the Internal Resource Management Division due to the reallocation of resources from the Compliance Division ($65,000) and the State Financial Management Division ($418,000).
* An increase of $173,000 in the Internal Resource Management Division due to the restoration of a portion of the technology enhancement deappropriation contained in the Deappropriations Act (HF 2039).
* A decrease of $149,000 and 4.0 FTE positions in the Internal Resource Management Division due to the elimination of 4.0 FTE positions that have been vacant for a year.
* A decrease of $75,000 in the Internal Resource Management Division due to the Replacement Property Tax Administration being separately appropriated.
* An increase of $75,000 for Replacement Property Tax Administration that had been appropriated to the Internal Resource Management Division.

**Secretary of State** Secretary of State

* An increase of $22,000 in the Administration and Elections Division for the Iowa Student Political Awareness Club (ISPAC) and to restore the reduction from the FY 2000 Deappropriations Act (HF 2039).
* A general decrease of $17,000 to the Business Services Division.
* A decrease of $40,000 due to biennial printing of the Official Register.
* An increase of $25,000 for decennial redistricting.
* A decrease of $30,000 due to the relocation of the Iowa Student Political Awareness Club (ISPAC) to the Administration and Elections Division.

**Treasurer** Treasurer of State

* An increase of $250,000 for the Iowa Educational Savings Plan.



Education Savings Plan

* A decrease of $103,000 for the reallocation of expenses to the Iowa Educational Savings Plan.
* A decrease of $28,000 due to a general reduction.
* A decrease of $25,000 due to one-time funding for office furnishings for FY 2000.
* A decrease of $400,000 in the appropriation from the Unclaimed Property Fund that had been used for the Iowa Educational Savings Plan.

**Other Significant Changes** Other significant changes in House File 2545 include the following:

* Permits the Director of the Department of Revenue and Finance to charge a fee to recover the costs of administration related to the collection and distribution of local sales and service taxes. The fee revenue would be used to pay the direct costs of administering Local Taxes and School Infrastructure Funding.
* Permits the Treasurer of State to carry-forward to FY 2001, $150,000 of the FY 2000 appropriation from the Unclaimed Property Fund for the Iowa Educational Savings Plan, to be used for establishing an automated distribution system for educational savings plan benefits.

**More Information** House File 2545 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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

Agriculture and Natural Resources Appropriations Subcommittee Bill – SF 2430



**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 estimated net 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.
* $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 of$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 the 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** Senate File 2430 increases 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 Bill decreases the appropriation to the Laboratory Division in the Department of Agriculture and Land Stewardship 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 the FY 2000 net estimated appropriation. The 2.0 FTE positions will support the Conservation Reserve Enhancement Program.

**Soil Conservation Cost Share** The Bill decreases the General Fund appropriation to the Soil Conservation Cost Share Program by $1.0 million compared to the 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 the FY 2000 net estimated appropriation. Major changes compared to the FY 2000 net estimated appropriation are outline below:

**Operating Divisions** The Bill increases 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** Senate File 2430increases 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 the FY 2000 estimated net appropriation. 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 Bill appropriates $200,000 as a FY 2000 supplemental appropriation from the General Fund for payment of retirement benefits to State Park Rangers who 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. Increases the FTE appropriation to the Laboratory Division in the Department of Agriculture and Land Stewardship by 2.00 to implement SF 466 (Remediation of Agrichemical Sites Bill) if enacted by the General Assembly.

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* 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 aboveground 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 as of 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.

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ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE Bill – SF 2428



**Economic Develop. - SF 2428** The General Assembly passed SF 2428, the Economic Development Appropriations Bill, on April 17. The Bill appropriates $37.3 million from the General Fund and 1,276.9 FTE positions to the Department of Workforce Development, Department of Economic Development, Public Employment Relations Board, several programs at Board of Regents institutions, and the College Aid Commission. This is a decrease of $4.4 million (10.4%) and an increase of 17.2 (1.4%) FTE positions compared to the FY 2000 estimated net appropriations. The total General Fund appropriated amount was $6.0 million below the level recommended by the Governor. The appropriations are outlined by department below:

**Economic Development** 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. The major changes include:

* An increase of $80,000 and 1.0 FTE position to expand the Iowa Commission on Volunteerism.
* A decrease of $264,000 and 4.0 FTE positions to consolidate Business Development and Small Business Assistance and to eliminate duplication with programs of the Small Business Development Centers at Iowa State University.
* A decrease of $50,000 for the Graphic Arts Center.
* An increase of $170,000 to create a new “Centers of Excellence” campaign, which will include the identification of targeted industries and the implementation of the Economic Development Technology Initiative.
* A decrease of $1.4 million for the Strategic Investment Fund. In addition, the Bill moves funding for the Value-Added Agriculture Products and Processes Program to the Strategic Investment Fund. Current Code of Iowa requirements would switch funding for that Program from the Motor Vehicle Use Tax to the General Fund beginning in FY 2001.



* An increase to the DED International Division of $250,000 and 3.0 FTE positions to establish an assistance program for food value-added and biotech products as an outgrowth of the “Taste of Iowa” Program.
* A decrease of $1.2 million for housing assistance federal matching funds. The Bill replaces the reduced General Fund appropriation with $1.2 million in revenue from the Iowa Finance Authority.
* An increase of $55,000 to place computers in private Welcome Centers.
* An increase of 22.5 FTE positions for the Iowa Finance Authority to allow the Authority to assume responsibility for certain federal housing programs. The majority of the positions would be financed with federal funds.



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

* An increase of $40,000 and 1.0 FTE position to increase occupational safety and health inspections.
* An increase of $116,000 and 1.0 FTE position to expedite workers’ compensation contested case appeals.
* A decrease of $1.2 million due to elimination of the Workforce Development Areas appropriation.
* An increase of $500,000 to create a New Employment Opportunities Fund.
* A decrease of $736,000 from the General Fund for the Welfare-to-Work Program. The Bill offsets the General Fund decrease with a $700,000 appropriation from the Administration Contribution Surcharge Fund.
* A decrease of 10.5 FTE positions funded through the Unemployment Administration Fund. The reduction is due to a decrease in federal funds.

**PER Board** 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. The decrease is due to an across-the-board reduction.

**Board of Regents** 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. The decrease is due to across-the-board reductions.

**College Aid Commission** The Bill appropriates $250,000 to the College Aid Commission for the tuition grants to students enrolled in the Accelerated Career Education (ACE) Program. This a new appropriation for FY 2001.



**Fiscal Impact** The Bill reduces the cap on the amount of income tax withholding deposited annually to the Workforce Development Fund to $8.0 million. The current cap is $10.0 million. The Bill amends Senate File 2439 (Accelerated Career Education Bill), which reduced the cap to $9.0 million. The fiscal impact of the adjustment to the cap is a General Fund revenue increase of $1.8 million in FY 2001 and $2.0 million in FY 2002 and beyond.

**More Information** Senate File 2428 has not been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Education Appropriations subcommittee Bill – HF 2549



**Education – HF 2549** The General Assembly gave final approval to HF 2549, the Education Appropriations Subcommittee Bill, on April 26. The Bill appropriates $959.2 million and 17,399.6 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 $12.2 million (1.3%) and a decrease of 13.3 FTE positions (0.1%) compared to the FY 2000 estimated net appropriation. The General Fund appropriations in HF 2549 represent an increase of $5.9 million (0.6%) and a decrease of 65.5 FTE positions (0.4%) compared to the Governor’s recommendation. Highlights of HF 2549 include:

**College 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 loans to students who do not fulfill the Iowa service requirement.
* 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 appropriation for the Teacher Shortage Forgivable Loan Program by $275,000 compared to the FY 2000 estimated net appropriation to increase the number of participants.
* Increases the standing appropriation for the Tuition Grant Program by $1.2 million compared to the FY 2000 estimated net appropriation to increase the average grant from $3,228 to $3,307.
* 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 the Historic Sites by $12,000 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:

* 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.
* 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 $300,000 compared to the FY 2000 estimated net appropriation to increase funding for local libraries.



* Increases the appropriation for Iowa Public Television by $232,000 compared to the FY 2000 estimated net appropriation for administration, digital television conversion, and overnight block feeds.
* Increases the appropriation for deposit in the School Ready Children Grants Account of the Empowerment Fund by $5.2 million compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation for a Vocational Agricultural Youth Organization and other youth activities by $14,000 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 $475,000 compared to the FY 2000 estimated net appropriation to assist additional teachers.
* Adds a new appropriation of $90,000 for the Family Resource Center Demonstration Program.
* Adds a new appropriation of $425,000 for innovative education projects. Funding includes $225,000 for grants to school districts to study ways to improve teacher pay and $200,000 to establish regional academies to provide advanced placement and technical courses to high school students.
* Adds a new appropriation of $210,000 to replace expiring federal funds for support of the State School-to-Work Office.
* Increases the appropriation for employability skills assessments by $15,000 compared to the FY 2000 estimated net appropriation to provide assessments to additional students.

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* Adds a new appropriation of $333,000 for the Jobs for America’s Graduates (JAG) Program. The Program provides services to at-risk high school seniors.
* Adds a new appropriation of $121,000 for the Americorps Program.
* Adds a new appropriation of $75,000 for the Teacher of the Year. This funding has been provided in previous years from Phase III of the Educational Excellence standing appropriation.
* Increases the appropriation for community colleges by $6.0 million compared to the FY 2000 estimated net appropriation for operations.
* 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.
* $50,000 to the Department of Education for the Geography Alliance.
* $50,000 to the Department of Education for the Math and Science Coalition.

**Regents** Board of Regents:



* Increases the appropriation to the Board Office by $247,000 for tuition replacement to pay the cost of academic revenue bonds.
* Increases the appropriation for the University of Iowa (SUI) general university operating budget by $493,000 compared to the FY 2000 estimated net appropriation. The appropriation includes $2.1 million of funding for the Public Health Initiative, which was previously funded as a separate appropriation. This is an increase of $1.2 million for the Public Health Initiative compared to the FY 2000 estimated net appropriation.
* Eliminates the appropriation to SUI for the Driving Simulator. This is a decrease of $296,000 compared to the FY 2000 estimated net appropriation.
* Eliminates the separate appropriation to the SUI for the Public Health Initiative. This is a decrease of $950,000 compared to the FY 2000 estimated net appropriation for continued expansion.



* Increases the appropriation to Iowa State University (ISU) general university operating budget by $3.5 million compared to the FY 2000 estimated net appropriation. The appropriation includes $4.7 million for the Plant Science Center, which was previously funded as a separate appropriation. This is an increase of $2.5 million for the Center compared to the FY 2000 estimated net appropriation.
* Decreases the appropriation to the ISU Extension Service Program by $741,000 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.
* Eliminates the separate appropriation to the ISU Center for Excellence in Plant Science. This is a decrease of $4.7 million compared to the FY 2000 estimated net appropriation.



* Increases the appropriation to the University of Northern Iowa (UNI) general university operating budget by $815,000 compared to the FY 2000 estimated net appropriation. The appropriation includes $450,000 for the Masters in Social Work that was previously funded as a separate appropriation. The increase also includes:
* $100,000 for roadside vegetation project.
* $200,000 for the Iowa Staff Development center to assist teachers working to achieve national certification.
* $65,000 to improve undergraduate education.
* Eliminates the appropriation to the UNI for the Masters in Social Work Program. This is a decrease of $300,000 compared to the FY 2000 estimated net appropriation.

**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 Department of Education to complete a study regarding reorganization of area education agencies.
* Requires the Board of Educational Examiners to conduct a study of professional development for teachers.
* 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.

**More Information** House File 2549 has not been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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

Health & Human Rights Appropriations Bill – SF 2429



**Health/Hum. Rights–SF 2429** The General Assembly passed SF 2429, the Health and Human Rights Appropriations Bill, on April 25. The Bill appropriates $88.6 million from the General Fund and 1,542.7 FTE positions, a decrease of $6.5 million and an increase of 97.9 FTE positions compared to the FY 2000 estimated net appropriation. The Bill provides funding to seven agencies: Department for the Blind, Civil Rights Commission, Department of Elder Affairs, Governor’s Alliance on Substance Abuse, Department of Public Health, Department of Human Rights, and Commission on Veterans Affairs. It changes the name of the Governor’s Alliance on Substance Abuse to the Governor’s Office of Drug Control Policy.

**Dept. of Elder Affairs** Department of Elder Affairs

* Increases the appropriation by $16,000 to expand existing Retired Senior Volunteer Programs (RSVP).
* Increases the appropriation by $60,000 and 1.0 FTE position compared to the FY 2000 estimated net appropriation for an additional long-term care ombudsman.

**Substance Abuse** Governor’s Alliance on Substance Abuse - Appropriates $80,000 to transfer the Drug Abuse Resistance Education (D.A.R.E.) Program from the Iowa Law Enforcement Academy.

**Dept. of Public Health** Department of Public Health

* Decreases the appropriation to the Addictive Disorders Program by $7.6 million. The decrease is partially offset by a $1.3 million allocation from the Gambling Treatment Fund appropriation to the Department of Public Health.
* Decreases the appropriation to the Adult Wellness Program by $55,000 to eliminate funds for the Mid-Level Practitioners Project.
* Decreases the appropriation to the Child and Adolescent Wellness Program by $60,000 to reduce funds for the Physician Care for Children Program due to Healthy and Well Kids in Iowa (HAWK-I) Program coverage.
* Increases the appropriation to the Public Protection Program by $155,000 to provide funds for a Deputy State Medical Examiner from the General Fund. In FY 2000, the position was funded by an allocation of 0.3% of the gross sum wagered at pari-mutuel tracks.
* Increases the appropriation to the Public Protection Program by $208,000 and 3.0 FTE positions to be allocated to the Board of Medical Examiners for disciplinary functions.
* Increases the appropriation to the Public Protection Program by $65,000 and 2.0 FTE positions to be allocated to the Board of Medical Examiners for licensure functions.



* Increases the appropriation to the Resource Management Program by $30,000 for a medical records privacy taskforce.
* Appropriates $3.8 million from the Gambling Treatment Fund to the Department of Public Health. Requires allocations to the Addictive Disorders Program, public health nursing, and the Community Action Agencies Division of the Department of Human Rights. Allocates the remainder for the Gambling Treatment Program.
* Appropriates approximately $80,000 to the Department of Public Health from receipts collected by the General Fund from 0.3% of the gross sum wagered at pari-mutuel tracks. Requires a maximum of $50,000 of the funds be used to supplement funds otherwise budgeted for the Childhood Lead Poisoning Prevention Program. Requires the remainder of the funds be allocated for the costs associated with the Child Fatality Review Committee, the expansion of the age range for child death case review, and the Iowa Domestic Death Review Team.
* Allocates $400,000 from the Gambling Treatment Fund appropriation to the Department of Public Health for local public health nursing and home care aid/chore programs.

**Dept. of Human Rights** Department of Human Rights

* Increases the appropriations to divisions of the Department of Human Rights by a total of $17,000 for continued access to the Iowa Hub.



* Allocates $100,000 from the Gambling Treatment Appropriation to the Community Action Agencies Division for outreach efforts for the Healthy and Well Kids in Iowa (HAWK-I) Program.
* Increases the appropriation to the Administration Division by $44,000 and 1.0 FTE position for a Secretary III compared to the FY 2000 estimated net appropriation.
* Increases the appropriation to the Administration Division by $40,000 compared to the FY 2000 estimated net appropriation for an outreach program for Southeast Asian and Pacific Islanders.
* Increases the appropriation to the Persons with Disabilities Division by $20,000 to increase safety precautions at the Youth Leadership Forum.
* Increases the appropriation to the Latino Affairs Division by $10,000 to study the need for certified Spanish interpreters.

**Veterans Home** Iowa Veterans Home



* Increases the appropriation to the Iowa Veterans Home by $44,000 for food and dietary supplies.
* Increases the appropriation to the Iowa Veterans Home by $55,000 for cost adjustments to the contract for housekeeping services.
* Increases the appropriation to the Iowa Veterans Home by $370,000 for lease of personal computers.
* Increases the appropriation to the Iowa Veterans Home by 23.0 FTE positions to annualize positions needed for dietary services, which returned to State employees on October 1, 1999.
* Increases the appropriation to the Iowa Veterans Home by 69.0 FTE positions to allow State employees to be hired to perform housekeeping functions at the Home.

**Intent Language** The Bill includes the following intent language and/or changes to the Code of Iowa:

* Permits the Boards of Medical Examiners, Dental Examiners, Nursing Examiners, and Pharmacy Examiners of the Department of Public Health to retain a specified amount of fees collected to be used for relocation expenses during FY 2001.
* Extends the Scope of Practice Review Project until June 30, 2002. Permits the Department of Public Health to contract with a school or college of public health to assist in implementing the project.
* Permits the Iowa Veterans Home to retain drug reimbursements from the federal Department of Veterans Affairs to be used for pharmaceutical-related expenses at the Home. This has the effect of reducing FY 2001 General Fund revenues by approximately $900,000.
* Permits the Department of Public Health to retain up to $100,000 from fees collected by the Board of Medical Examiners during FY 2000 to improve licensure functions.



New Fund

* Creates an Assisted Living Certification Fund and permits the Department of Elder Affairs to collect and retain Assisted Living Certification and accreditation fees. Specifies that interest and earnings on the moneys deposited into the Fund be credited to the Fund. Permits the Department to retain any unexpended or unencumbered moneys at the end of the fiscal year to be used in subsequent fiscal years.
* Permits the Department of Public Health to collect and retain autopsy fees to be used for purposes of the State Medical Examiner’s Office.
* Permits the Board of Dental Examiners to retain and expend up to $133,000 from dental assistant registration revenues for 2.0 FTE positions and related regulatory costs during FY 2001.
* Requires the Healthy and Well Kids in Iowa (HAWK-I) Board to approve a plan for distribution of the funds allocated for HAWK-I outreach efforts.



* Requires the Director of the Department of Public Health to consult with an ad hoc committee to conduct a study regarding prevention of lead poisoning among Iowa children. Specifies the requirements of the study and a report including recommendations by January 1, 2001. Also requires that the Director present the recommendations to a joint meeting of the House and Senate Human Resources Committees during the 2001 Legislative Session.
* Makes various changes to the operation of the Community Grant Fund Program.
* Extends the sunset date for the Community Grant Fund to June 30, 2005. Requires the Division of Criminal and Juvenile Justice Planning to annually submit a report to the General Assembly by January 15.

**More Information** Senate File 2429 has not been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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Human Services Appropriations Subcommittee Bill – SF 2435



**Human Services – SF 2435** The General Assembly passed SF 2435, the Human Services Appropriations Bill, on April 25. The Bill appropriates $778.3 million from the General Fund and 3,969.3 FTE positions. This is a decrease of $10.3 million (1.3%) and 1,526.2 (27.8%) FTE positions compared to the FY 2000 estimated net appropriation. The FY 2001 appropriation is also a decrease of $3.6 million (0.5%) and 1,565.5 FTE positions (28.3%) compared to the Governor’s FY 2001 budget recommendations, as adjusted for funds from the Tobacco Settlement Fund. The Bill appropriates $143.6 million from federal Temporary Assistance for Needy Families (TANF) for FY 2001, an increase of $4.0 million (2.9%) compared to the FY 2000 estimated net appropriation.

Major changes compared to the FY 2000 estimated net appropriation include:

**TANF** Temporary Assistance for Needy Families (TANF): $143.6 million, an increase of $4.0 million, including:

* An increase of $2.6 million to expand community empowerment.



* An increase of $2.1 million to raise child care reimbursement rates.
* An increase of $3.5 million to fund additional child care caseload.
* An increase of $731,000 to fund three child care grant programs relating to emergency funding, after-school child care, and provider training.
* An increase of $550,000 to increase funding for adolescent pregnancy prevention grants.
* A decrease of $7.9 million for the Family Investment Program.
* An increase of $806,000 for Field Operations.
* An increase of $753,000 for Mental Health/Developmental Disability Community Services.
* An increase of $200,000 for technology.



**Economic Assistance** Economic Assistance: $42.0 million and 280.4 FTE positions, an increase of $896,000 (2.2%) and 32.2 (13.0%) FTE positions. This includes:

* Family Investment Program: An increase of $1.3 million and a decrease of 3.0 FTE positions. This includes:
* An increase of $445,000 to meet federal maintenance of effort requirements.
* An increase of $2.7 million to replace decreased child support recoveries with General Fund monies.
* A decrease of $1.9 million for Family Investment Program cash grant assistance due to an anticipated caseload reduction.
* Child Support Recovery Unit: A decrease of $360,000 and an increase of 35.2 FTE positions. This includes:
* A decrease of $181,000 and an increase of 38.0 FTE positions to convert contract staff to State FTE positions.



* An increase of $483,000 to fund nine months of salary expenditures for 13.0 FTE positions to operate and adapt as necessary the federally mandated Iowa Collections and Reporting System.
* An increase of $120,000 for increased costs of the employer customer service unit.
* A decrease of $636,000 due to an anticipated increase in Iowa’s share of federal child support incentives.
* A decrease of $141,000 and 2.8 FTE positions to reduce funding for vacant funded positions.

**Medical Services** Medical Services: $434.9 million and 17.0 FTE positions, a decrease of $19.3 million and no change in FTE positions. This includes:

* Medical Assistance: A decrease of $14.8 million. This includes:



* A decrease of $459,000 due to the federal cost-of-living adjustment for the Supplemental Security Income subsidy being higher than anticipated.
* An increase of $9.6 million due to a 12.4% increase in drug product costs.
* An increase of $412,000 for the Medicare Buy-In Program.
* An increase of $2.6 million due to a decrease in the federal match rate.
* A decrease of $1.7 million due to changes in utilization and the number of Medical Assistance eligibles.
* A decrease of $4.0 million due to increased recoveries from other funds.
* A decrease of $21.4 million to redirect federal funds traditionally deposited into the General Fund to the DHS.



* Pharmaceutical Case Management: A new appropriation of $414,000 to operate a program reimbursing pharmacists for managing patient care.
* Children’s Health Insurance Program (CHIP): A decrease of $5.3 million. This includes:
* A decrease of $5.0 million to offset FY 2001 funding requirements with unused CHIP appropriations carried forward in the Healthy and Well Kids in Iowa (HAWK-I) Trust Fund.
* A decrease of $247,000 to reflect historical usage patterns.
* Medical Contracts: An increase of $767,000. This includes:
* An increase of $200,000 to provide contractual services for aid to special needs children.
* An increase of $758,000 for claims payment increases.
* A decrease of $200,000 for a general reduction.
* State Supplementary Assistance: A total decrease of $414,000 including a decrease of $491,000 due to the federal cost-of-living adjustment for the Supplemental Security Income subsidy being higher than anticipated.

**Adults, Children, & Families** Adults, Children, and Families: $132.9 million and 367.1 FTE positions, an increase of $1.9 million and 9.6 FTE positions. This includes:



* Eldora Training School: An increase of $1.0 million and 9.6 FTE positions, including an increase of $1.0 million and 7.6 FTE positions for a cottage opening.
* Child and Family Services: An increase of $1.5 million. This includes:
* A decrease of $3.0 million due to an increase in the percentage of children eligible for federal financial participation.
* An increase of $363,000 due to a change in the federal match rate.
* A decrease of $252,000 due to an increased match rate for services performed by the Iowa Foundation for Medical Care.
* An increase of $1.6 million to maintain services at the FY 2000 caseload level and to annualize the cost of girls’ day treatment.



* A decrease of $269,000 to delay subsidized guardianship implementation.
* An increase of $508,000 to fund additional Psychiatric Medical Institutions for Children (PMIC) beds.
* An increase of $610,000 to maintain the adoption, guardianship, family foster care, and independent living maintenance programs at 70.0% of the USDA estimated cost of raising a child.
* An increase of $2.3 million for adoption subsidy increases.
* An increase of $122,000 to replace reduced federal funding with State funding.
* An increase of $119,000 to provide State funds to match a federal Safe and Stable Families Grant.
* A decrease of $771,000 to use other funding sources for foster home contracts.
* A decrease of $631,000 to offset FY 2001 funding with money carried forward from previous years’ appropriations.
* An increase of $650,000 to increase the School-Based Supervision Program.
* An increase of $188,000 to replace a one-time FY 2000 deappropriation.
* Community-Based Services: A decrease of $731,000 to replace State funds for child abuse prevention with federal TANF money.
* Family Support Subsidy: An increase of $241,000 to provide subsidy payments for an additional 50 children.



**MH/MR/DD/BI** Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury: $103.0 million and 863.2 FTE positions, an increase of $4.6 million (4.6%) and a decrease of 1,567.7 (64.5%) FTE positions. This includes:

* Mental Health Institutes: A decrease of $348,000 and 12.8 FTE positions to delay noncriticial equipment purchases and optional remodeling and to reduce funding for vacant positions, bonus pay, and technology.
* Glenwood State Hospital-School: A decrease of $725,000 and 877.8 FTE positions. This includes:
* A decrease of $200,000 resulting from a Governor’s FY 2000 veto for costs relating to pharmaceutical billings.
* A decrease of $509,000 due to an increase in the estimated federal receipts received by the School.
* A decrease of 877.8 FTE positions to remove a specific FTE authorization and permit the School to add positions as needed.
* Woodward State Hospital-School: A decrease of $646,000 and 676.8 FTE positions. This includes:
* A decrease of $638,000 due to an increase in the estimated federal receipts received by the School.
* A decrease of 676.8 FTE positions to remove a specific FTE authorization and permit the School to add positions as needed.
* State Cases: An increase of $3.2 million to fund additional caseload.



* Brain Injury: A new appropriation of $300,000 to increase reimbursements for brain injury treatment services.
* Mental Health Allowable Growth: An increase of $2.9 million for Mental Health Allowable Growth. This is a decrease of $791,000 compared to the FY 2001 growth established by the 1999 General Assembly for a general reduction to the mental health risk pool.

**Administration** Administration: $65.4 million and 2,441.7 FTE positions, an increase of $1.6 million (2.5%) and a decrease of 0.3 (0.0%) FTE position. This includes:

* Field Operations: A decrease of $4.5 million and 154.5 FTE positions. This includes:
* An increase of $503,000 for cost allocation changes.
* An increase of $147,000 to increase funding for child abuse prevention.



* A decrease of $112,000 to reallocate 20 income maintenance workers to social worker positions.
* A decrease of $2.0 million due to anticipated increases in federal funding.
* A decrease of $148,000 to reduce vacant funded positions.
* A decrease of $279,000 to reduce bonus pay.
* An increase of $425,000 for a general increase.
* An increase of $2.3 million to replace a one-time FY 2000 deappropriation.
* A decrease of $5.7 million and 154.5 FTE positions to move funding for Regional Offices to a separate appropriation.
* Regional Offices: A new appropriation of $5.7 million and 154.5 FTE positions to fund Regional Offices separately from Field Operations. The appropriation maintains FY 2000 funding for Regional Offices.
* General Administration: An increase of $485,000 and no change in FTE positions. This includes:
* An increase of $327,000 to replace reduced federal funding with General Fund monies.
* An increase of $124,000 for rent for consolidated data management staff.
* A decrease of $140,000 to reduce the State County Assistance Team from 5.0 FTE positions to 3.0 FTE positions.
* An increase of $920,000 for a general increase.
* A decrease of $300,000 to reduce facilitator expenditures.
* A decrease of $393,000 to reduce funding for vacant funded positions.

**Other Provisions** Other significant provisions:



* Permits the DHS to conduct a pilot program to provide child welfare services to 50 children.
* Requires the DHS to pursue alternative funding options for individuals no longer eligible for the Early and Periodic, Screening, Diagnosis, and Treatment Program.
* Requires the DHS to seek a federal waiver to permit families with children eligible for Medical Assistance to participate in the Healthy and Well Kids in Iowa (HAWK-I) Program rather than Medical Assistance.
* Specifies that federal Title IV-E funding obtained by revising Judicial Branch resource allocation procedures is to be used for related purposes.
* Removes references to Full Time Equivalent (FTE) positions at the State Hospital-Schools at Glenwood and Woodward and adds language permitting positions to be added and pooled between the Schools.
* Requires the DHS to increase income eligibility guidelines for pregnant women and infants to 200.0% of the federal poverty level.
* Requires the DHS, subject to federal approval, to provide a period of 24 months of family planning for women who were Medical Assistance eligible at the time their pregnancies ended.
* Requires the DHS to review and make recommendations to the Governor and General Assembly regarding personal assistance, consumer-directed care, and home and community-based waiver services.
* Delays administrative rules for the Subsidized Guardianship Program.

**More Information** Senate File 2435 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau.

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Justice System Appropriations Bill – HF 2552



**Justice System – HF 2552** The General Assembly passed HF 2552, the Justice System Appropriations Bill, on April 26. The Bill appropriates $364.3 million and 6,002.5 FTE positions from the General Fund to the Department of Justice, Department of Corrections, Office of the State Public Defender, Indigent Defense, Iowa Law Enforcement Academy, Parole Board, Department of Public Defense, and the Department of Public Safety. This is an increase of $8.6 million (2.4%) and 186.0 (3.2%) FTE positions compared to the FY 2000 estimated net appropriations. The General Fund appropriation represents a decrease of $3.9 million (1.1%) and 22.0 (0.4%) FTE positions compared to the Governor’s recommendations. The significant changes, by department, are outlined below.

**Dept. of Justice** Department of Justice: An appropriation of $14.3 million and 254.5 FTE positions. This is a decrease of $42,000 (0.3%) and an increase of 3.0 (1.2%) FTE positions compared to the FY 2000 estimated net appropriation. Major changes include:

* A 25.0% reduction in out-of-state travel.
* An increase of 3.0 FTE positions for the Victim’s Compensation Fund.

**Corrections** Department of Corrections: An appropriation of $243.7 million and 4,225.6 FTE positions. This is an increase of $5.6 million (2.4%) and 149.0 (3.7%) FTE positions compared to the FY 2000 estimated net appropriation. Major changes include:



* Institutions**:** Increases funding by $6.8 million and 119.1 FTE positions compared to the FY 2000 estimated net appropriation. Major changes include:
* An increase of $1.1 million and 5.0 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 budget reduction for Pay-For-Stay Program revenues from private sector employed inmates at Anamosa, Newton, Mt. Pleasant, and Ft. Dodge. Beginning in FY 2001, Pay-For-Stay 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.
* A decrease of $1.0 million for one-time costs at the Mitchellville and Ft. Dodge institutions.



* An increase of $1.1 million for increased medication costs.
* An increase of $179,000 to restore the deappropriated funds to the base for the Rockwell City institution.
* 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.
* An increase of $584,000 to restore the FY 2000 deappropriated funds for inmate educational programming.
* Community-Based Corrections (CBC):Increases funding by $728,000 and 30.9 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.



* An increase of $822,000 and 20.0 FTE positions for additional probation/parole officers.
* An increase of $370,000 and 5.5 FTE positions for Drug Courts in the Second and Third CBC Districts.
* A transfer of $500,000 from the Mt. Pleasant institution to the CBC District Departments. This funding is for sex offender treatment program 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 Inspection and Appeals: An appropriation of $35.1 million and 201.0 FTE positions for the Office of the Public Defender and Indigent Defense. This is an increase of $803,000 (2.3%) and no change in FTE positions compared to the FY 2000 estimated net appropriation due to a projected increase in indigent defense claims.

**Parole Board** Parole Board: An appropriation of $1.0 million and 18.0 FTE positions. This maintains funding at the FY 2000 estimated net appropriation level.

**Law Enforc. Academy** Iowa Law Enforcement Academy: An appropriation of $1.3 million and 31.5 FTE positions. This maintains funding at the FY 2000 estimated net appropriation level. The D.A.R.E. Program was transferred to the Governor’s Office of Drug Control Policy and funded by SF 2429 (Health and Human Rights Appropriations Bill).

**Public Defense** Department of Public Defense: An appropriation of $6.0 million and 280.0 FTE positions. This is an increase of $260,000 (4.5%) and 11.0 (4.1%) FTE positions compared to the FY 2000 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: An appropriation of $62.7 million and 992.4 FTE positions. This is an increase of $2.0 million (3.3%) and 23.0 (2.4%) FTE positions compared to the FY 2000 estimated net appropriation. Major changes include:



Narcotics Enforcement

* 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.
* An increase of $255,000 and 4.0 FTE positions for crime laboratory staff.
* An increase of $348,000 and 4.0 FTE positions for Division of Narcotics Enforcement agents.
* 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 fire 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. The significant changes include:



Inspection Fee

* 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 80.0% of the salary costs for Special Agents and Gaming Enforcement Officers. Those facilities that offer pari-mutuel wagering are required to pay up to $30,000 in support costs, and riverboats are required to pay up to $125,000 in support costs. This change is anticipated to generate approximately $875,000 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.
* Continues funding of administrative costs from the Wireless E911 Emergency Communications Fund for the Emergency Management Division, Department of Public Defense, to implement wireless E911 services.

**More Information** The Governor has not yet signed House File 2552. Additional information is available from the Legislative Fiscal Bureau upon request.

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Judicial Branch Appropriations Bill – HF 2554



**Judicial Branch – HF 2554** The General Assembly passed HF 2554, the Judicial Branch Appropriations Bill, on April 25. The Bill appropriates $113.7 million and 2,099.8 FTE positions from the General Fund. This is an increase of $1.3 million (1.1%) and no change in FTE positions compared to the FY 2000 estimated net appropriation. The General Fund appropriation represents a decrease of $4.1 million (3.4%) and 54.8 (2.5%) FTE positions compared to the Supreme Court’s recommendation. Significant changes include:

* An increase of $983,000 for the operating budget. This increase is offset by a $1.0 million reduction in the Enhanced Court Collections Fund.
* An increase of $297,000 to fund the Judicial Retirement System at 23.7% of covered payroll.

**Intent Language** The Bill contains the following intent language and required reports:

* 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.
* Specifies that the Offices of the Clerks of Court operate in all 99 counties and be accessible to the public as much as is reasonably possible.
* Requires the Judicial Branch to report to the General Assembly by January 1, 2001, regarding the revenues and expenditures for the Enhanced Court Collections Fund and the Court Technology and Modernization Fund. The report shall include revenues and expenditures for FY 2000 and planned expenditures for FY 2001.
* Requires the Supreme Court to submit two reports to the Public Defender, the Department of Management, and the Legislative Fiscal Bureau. The first report is required to include the amount collected by the clerks of court and each judicial district for indigent defense costs. The report is due January 1, 2001. A quarterly report is also required, concerning the number of criminal and juvenile filings which occur in each judicial district, to be used to estimate indigent defense costs.

**More Information** The Governor has not yet signed House File 2554. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

Oversight and Communications Appropriations Bill – SF 2433



**Oversight/Comm. – SF 2433** The General Assembly passed SF 2433, Oversight and Communications Appropriations Bill, on April 26. The Bill appropriates $22.8 million from the General Fund and authorizes 244.6 FTE positions. This is a decrease of $601,000 and 26.0 FTE positions compared to the FY 2000 estimated net appropriation. The FY 2001 appropriation is also a decrease of $312,000 and 32.0 FTE positions compared to the Governor’s FY 2001 General Fund budget recommendation.

**Comparison to FY 2000** Significant changes in General Fund appropriations compared to the FY 2000 estimated net appropriation include:

* A decrease of $121,000 to the Iowa Public Broadcasting Division (IPTV) for support functions related to the Iowa Communications Network (ICN).
* A decrease of $226,000 to the Information Technology Department.
* A decrease of $253,000 to the Iowa Telecommunications and Technology Commission for subsidization of operations related to the provision of video services over the ICN for educational users.

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

* Provides funding for $27.2 million of technology projects from the Pooled Technology Account. Notwithstands Sections 8.33 and 8.62, Code of Iowa, to provide that 75.0% of the funds that would otherwise revert from operating accounts and 100.0% of funds that would otherwise revert from non-operational accounts be appropriated to the Pooled Technology Account. Notwithstands Section 5.1(b) and specifies that the first $7.5 million of reversions be deposited into the General Fund. The Bill specifies the priority order of projects funded if sufficient funds are available. These funds would otherwise revert to the General Fund. However, if receipts to the General Fund exceed the April 2000 revenue estimate, the $7.5 million will be reduced by that amount and the funds will be deposited into the Pooled Technology Account.



* Transfers unobligated and unencumbered funds remaining in the following appropriations and funds to be transferred to the Pooled Technology Account on the effective date of this Bill.
* Funds remaining in the Reversion Incentive Program Fund for correction of the Year 2000 computer programming problem, currently estimated to be less than $500,000.
* Funds remaining from the Reversion Technology Initiative Account allocation to the Department of General Services for a purchasing system, currently estimated at $2.5 million.
* Funds remaining from the Rebuild Iowa Infrastructure Fund appropriation to Information Technology Services Division (ITS) for replacement of embedded computer chips that were not Year 2000 compliant, currently estimated at $2.0 million.
* Funds remaining in the No Further Action Fund (Underground Storage Tank), currently estimated at $11.0 million.
* Provides nonreversion language for specified projects funded through the Reversion Technology Initiatives Account from FY 1999 and FY 2000 reversions. Allows the funds to carry forward to FY 2001.
* Creates the Operations Revolving Fund if Senate File 2395 is enacted this Session. (Senate File 2395 was signed by the Governor.) All fees and appropriations to the Information Technology Department are to be deposited in the Fund and all proceeds of the Fund are for use of the new Department.

**Intent Language** Significant legislative intent language:



* Requires the Department of Economic Development and the Iowa Utilities Board to prepare a report with recommendations to ensure that high-speed broadband Internet access is available to rural areas where it is not currently available. The report is to be submitted to the Legislative Oversight Committee by October 1, 2000.
* Requires that the Information Technology Department (ITD) not increase fees or charges to other State agencies for services, unless such increases are submitted to and approved by the Department of Management.
* Specifies the intent of the General Assembly is that the ITD not increase fees for the purpose of generating revenue to offset the budget reduction approved by the General Assembly.
* Specifies the intent of the General Assembly is that the Iowa Telecommunications and Technology Commission may enter into an agreement for a demonstration project to provide voice service for State government over Internet protocol. The vendor must be selected in a competitive application process and agree to provide all necessary equipment at no cost to the Commission.



* Specifies the intent of the General Assembly is that all fees collected from transactions involving IowAccess be deposited in the IowAccess Revolving Fund, to be used only for the support of IowAccess projects.
* Requires the Department of Education to establish the distribution formula for $1.5 million allocated from the Pooled Technology Account for nonpublic school technology. Requires the participating nonpublic schools to use the funds to purchase nonsectarian and nonreligious technology.
* Requires the Department of Management to develop written recommendations for legislative consideration by the beginning of the 2001 Legislative Session on:
* Resolution of the overbilling of the federal government for certain services provided by the State.
* The manner in which the State’s three data centers should be managed.

**More Information** Senate File 2433 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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

Transportation Appropriations bill – hf 2538



**Transportation – HF 2538** The General Assembly passed HF 2538, the Transportation Appropriations Bill, on April 4. The Bill appropriates a total of $268.1 million and 3,859.5 FTE positions to the Department of Transportation (DOT). This is an increase of $4.5 million (1.7%) and 26.0 FTE positions (0.7%) compared to estimated FY 2000. The appropriations in HF 2538 represent a decrease of $4.7 million compared to the Governor’s FY 2001 recommendation. The following table compares the funding in the Bill to estimated FY 2000 by source.

Highlights of the Transportation Appropriations Bill are listed below.



**Operations/Finance Div.** Operations and Finance Division - The Bill appropriates a total of $37.6 million from the Road Use Tax Fund and Primary Road Fund and authorizes 310.0 FTE positions to the Operations and Finance Division. This is an increase of $1.4 million and 31.0 FTE positions compared to estimated FY 2000. The changes include:

* An increase of $156,000 and 5.0 FTE positions for the purpose of transferring positions from other divisions.
* An increase of $253,000 to fund an 8.0% increase in equipment and software maintenance and license agreements.



* An increase of $73,000 for increased telecommunication costs.
* 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.
* An increase of $40,000 for a projected increase on existing leases.
* An increase of $40,000 for a projected increase in maintenance and service contracts.
* 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.
* An increase of 26.0 FTE positions due to the transfer of computer support positions from the Information Technology Services Division (ITS) of the Department of General Services. The Bill also includes a decrease of $100,000 due to reduced overhead charges from ITS as a result of transferring the positions from ITS to the DOT.

**Administration Division** Administration Division - The Bill appropriates a total of $6.8 million from the Road Use Tax Fund and Primary Road Fund and authorizes 96.5 FTE positions to the Administrative Services Division. This is an increase of $90,000 and 1.0 FTE position compared to estimated FY 2000. The majority of the increase is for the transfer of one position and $85,000 from the Project Development Division. The remaining $5,000 is for a media link contract increase.

**Planning & Programming** Planning & Programming - The Bill appropriates a total of $10.2 million from the Road Use Tax Fund and Primary Road Fund and authorizes 183.0 FTE positions to the Planning and Programming Division. This represents no change in total funding; however, in FY 2000, $212,000 was appropriated to this Division from the General Fund. The Appropriations Bill shifts this funding from the General Fund to the Road Use Tax Fund ($11,000) and Primary Road Fund ($201,000).

**Project Development Div.** Project Development Division - The Bill appropriates $59.1 million from the Primary Road Fund and authorizes 1,127.0 FTE positions to the Project Development Division, an increase of $175,000 and a decrease of 1.0 FTE position compared to estimated FY 2000. The changes include:

* A decrease of $85,000 and 1.0 FTE for the purpose of transferring a position to the Administration Division.
* An increase of $60,000 for additional design software licenses.
* 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 Div.** Maintenance Division - The Bill appropriates $105.6 million from the Primary Road Fund and authorizes 1,580.0 FTE positions to the Maintenance Division, which is an increase of $705,000 and a decrease of 4.0 FTE positions compared to estimated FY 2000. The changes include:

* A decrease of $128,000 and 4.0 FTE positions for the purpose of transferring positions to the Operations and Finance Division.
* 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.



Driver’s License

**Motor Vehicle Div.** Motor Vehicle Division - The Bill appropriates a total of $27.7 million from the Road Use Tax Fund and Primary Road Fund and authorizes 563.0 FTE positions to the Motor Vehicle Division. This is an increase of $1.2 million and a decrease of 1.0 FTE position compared to estimated FY 2000. The major changes include:

* A decrease of $28,000 and 1.0 FTE position for the purpose of transferring a position to the Operations and Finance Division.
* An increase of $670,000 for software development of a new motor carrier International Registration Plan System.
* An increase of $250,000 for software development related to the redesign of the driver’s license master record file.
* An increase of $300,000 for the increased cost of software license and maintenance contracts.

**Special Purpose** The Bill also appropriates the following special purpose appropriations:

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* $662,000 from the General Fund for the Railroad Assistance Program, a decrease of $763,000 compared to estimated FY 2000. The DOT received approximately $3.4 million in railroad loan repayments to the Railroad Revolving Loan Fund in FY 2000, which will be used to fund similar projects provided for in the Railroad Assistance Program.
* $2.5 million from the General Fund for the State Aviation Program, maintaining the current level of funding.
* $750,000 from the Road Use Tax Fund and Primary Road Fund for a projected increase in reimbursements to the General Fund. This is an increase of $50,000 compared to estimated FY 2000.
* $297,000 from the Road Use Tax Fund and Primary Road Fund for reimbursements to the State Auditor’s Office. This is an increase of $19,000 compared to estimated FY 2000.



* $345,000 from the Road Use Tax Fund and Primary Road Fund for payment of unemployment compensation claims, maintaining the current level of funding.
* $1.5 million from the Road Use Tax Fund and Primary Road Fund for payment of workers’ compensation costs, maintaining the current level of funding.
* $2.1 million from the Road Use Tax Fund for the Digitized Imaging Systems used for issuance of driver licenses. This is an increase of $34,000 compared to estimated FY 2000.
* $20,000 from the Road Use Tax Fund for continued purchase of driver’s license equipment for county treasurer offices. The DOT received a $308,000 appropriation in FY 2000 to begin purchasing equipment to assist the county issuance functions to become operational by January of 2000.
* $940,000 from the Road Use Tax Fund for improvements to the scale facilities in Clark and Worth Counties. This is an increase of $390,000 compared to estimated FY 2000 funding for similar projects.
* $50,000 from the Road Use Tax Fund to support Iowa’s involvement in the North America’s Super Highway Corridor Coalition, maintaining the current level of funding.
* $100,000 from the Road Use Tax Fund for operational costs associated with the toll-free telephone road and weather information system, maintaining the current level of funding.
* $6.3 million from the Primary Road Fund to the Materials and Equipment Replacement Revolving Fund for increased costs of replacing equipment purchased through the Revolving Fund. This is an increase of $1.4 million compared to estimated FY 2000.
* $15,000 from the Primary Road Fund for the purchase of biodegradable hydraulic fluids for use in DOT vehicles, maintaining the current level of funding.
* $20,000 from the Primary Road Fund for the purchase of biodiesel fuel for use in DOT vehicles, maintaining the current level of funding. Senate File 2256, which was passed by the General Assembly and signed by the Governor on March 29, directs the DOT to use this appropriation to purchase soydiesel fuel to conduct a pilot project at two sites.
* $200,000 from the Primary Road Fund for replacement of heating systems in maintenance garages, maintaining the current level of funding.



* $100,000 from the Primary Road Fund for tuck pointing and repair of brick exteriors of DOT office buildings and maintenance garages, maintaining the current level of funding.
* $1.0 million from the Primary Road Fund for costs associated with the disposal of hazardous materials, maintaining the current level of funding.
* $400,000 from the Primary Road Fund for wastewater treatment improvements at maintenance garage locations, maintaining the current level of funding.
* $400,000 from the Primary Road Fund for replacement of roofs at various maintenance garage locations throughout the State. This is an increase of $100,000 compared to estimated FY 2000.
* $1.5 million from the Primary Road Fund for construction of maintenance garage facilities in Sheldon and Allison. This is an increase of $450,000 compared to estimated FY 2000 funding for similar projects.
* $900,000 from the Primary Road Fund for roof and electrical improvements to the northwest building at the DOT complex in Ames. This is a new appropriation.
* $200,000 from the Primary Road Fund for continued improvements to DOT facilities located throughout the State for compliance with the Americans with Disabilities Act requirements, maintaining the current level of funding.

**Statutory Change** The Bill also amends the Code of Iowa by allowing disabled veterans to obtain special or personalized vehicle plates by paying the difference between the fee for a regular registration plate and the fee for the special or personalized plate.



**Pilot Project** The Bill allows the DOT to conduct a customer service pilot project at two driver’s license stations. Under the pilot project, fees collected for driver’s license renewals or duplicates will be waived or refunded if the Department determines that the service standard for timely issuance has not been met or an error on the license requires the applicant to return to the driver’s license station.

**More Information** House File 2538 was signed by the Governor on April 7. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Robin Madison (Ext. 15459) David Reynolds (Ext. 16934)

Infrastructure Appropriations Bill – SF 2453



RIIF

**Infrastructure – SF 2453** The General Assembly passed SF 2453, the Infrastructure Appropriations Bill, on April 26. The Bill appropriates a total of $76.7 million from the Rebuild Iowa Infrastructure Fund (RIIF) and the Environment First Fund in FY 2001, which is in addition to the $85.5 million appropriated for FY 2001 in prior legislative sessions. The Bill also appropriates $76.4 million in FY 2002, $61.9 million in FY 2003, and $38.0 million in FY 2004. Senate File 2453 transfers $20.0 million from gambling receipts to the Vision Iowa Fund and the School Infrastructure Fund.

**Governor’s Recomm.** The Governor recommended a total of $191.7 million from the RIIF for FY 2001, which included $85.5 million appropriated for FY 2001 in prior legislative sessions, $23.6 million in deappropriations, and $129.8 million in new recommendations. The Governor’s recommendation included shifting $10.0 million from the Underground Storage Tank Fund to the RIIF and funding the Board of Regent’s Tuition Replacement appropriation of $28.2 million from the RIIF.

**Appropriations Summary** The following provides a summary of SF 2453.

**Dept. for the Blind** Department for the Blind

* Appropriates $122,000 from the RIIF for renovation of dormitory facilities.

**Corrections** Department of Corrections



* Appropriates $3.0 million from the RIIF for costs associated with the addition of 200 special needs beds for difficult-to-manage offenders at the Iowa State Penitentiary at Fort Madison.
* Appropriates $900,000 from the RIIF for infrastructure improvements at community-based correctional facilities. The Bill allocates $300,000 for costs associated with the renovation and construction of a community-based correctional facility in Council Bluffs and $600,000 for costs of a lease purchase for improvements to the facility in Davenport.

**Cultural Affairs** Department of Cultural Affairs

* Appropriates $2.5 million from the RIIF for the Historical Site Preservation Program. The Bill allocates $600,000 from this appropriation for renovation of the Salisbury House and $150,000 to begin stabilizing the condition of the Iowa Battle flag collection.

**Economic Development** Department of Economic Development

* Appropriates $2.5 million from the RIIF for the Physical Infrastructure Assistance Fund.
* Appropriates $5.3 million from the RIIF for capital projects associated with the Accelerated Career Education (ACE) Program at community colleges.
* Appropriates $200,000 from the RIIF for the Dry Fire Hydrant and Rural Water Supply Education and Demonstration Project.
* Appropriates $3.0 million from the Environment First Fund for deposit in the Brownfield Redevelopment Fund.

**General Services** Department of General Services



* Appropriates $1.2 million from the Rebuild Iowa Infrastructure Fund for maintenance at Terrace Hill.
* Appropriates $3.2 million from the RIIF for facility utilization review services, which includes sites recommendations, schematic designs, and other design development for additional facilities which will meet laboratory, office, and other facility needs of state agencies.
* Appropriates $2.0 million from the RIIF for routine maintenance of State buildings under the purview of the Department of General Services.
* Increases the FY 2001 appropriation of $7.5 million to $10.5 million for major maintenance that was appropriated by the 1999 General Assembly in HF 772 (FY 2000 Infrastructure Appropriations Act).

**Judicial Branch** Judicial Branch



* Decreases the FY 2001 appropriation of $10.0 million to $8.0 million for costs associated with the construction of a new judicial building. These funds were originally appropriated by the 1999 General Assembly in HF 772 (FY 2000 Infrastructure Appropriations Act).
* Appropriates $10.3 million from the RIIF in FY 2002 for the remainder of the Judicial Building construction costs.

**Regents** Board of Regents



* Appropriates $8.5 million from the RIIF in FY 2001 and $2.5 million in FY 2002 for improvements to Gilman Hall at Iowa State University.
* Appropriates $4.4 million from the RIIF in FY 2001, $7.3 million in FY 2002, and $3.0 million in FY 2003 for continued renovation of the Biological Sciences Facility at the University of Iowa.
* Appropriates $2.7 million from the RIIF in FY 2001, $5.8 million in FY 2002, and $8.4 million in FY 2003 for construction of an addition to McCollum Science Hall at the University of Northern Iowa.
* Appropriates $300,000 from the RIIF for planning and design of a new business college building at Iowa State University.
* Appropriates $250,000 from the RIIF for improvements to or replacement of the water system at the School for the Deaf.

**Transportation** Department of Transportation



* Appropriates $1.0 million from the RIIF for infrastructure improvements at Iowa’s ten commercial service airports.
* Appropriates $500,000 from the RIIF to the Aviation Hangar Revolving Loan Fund for design, construction, and improvements to hangars at general aviation airports. The Bill creates the Aviation Hangar Revolving Loan Fund to provide loans for assistance for the design, construction, or improvement of hangars at general aviation airports.

**Treasurer** Treasurer of State



County Fairs

* Appropriates $1.1 million from the RIIF for infrastructure improvements at county fairs.
* 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 Act) establishes a new Community Attraction and Tourism Program under the administration of the Department of Economic Development.

**Veterans Affairs** Veterans Affairs Commission

* Appropriates $992,000 from the Rebuild Iowa Infrastructure Fund for continued funding of the expansion of the food preparation area and dining room at the Veterans Home.

**Environment First Fund** Environment First Fund

* Establishes the Environment First Fund and provides a $35.0 million standing appropriation from the RIIF to the Environment First Fund.

**Agric. & Land Stewardship** Department of Agriculture and Land Stewardship



Environment First Fund

* Appropriates $1.5 million from the Environment First Fund for the Conservation Reserve Enhancement Program (CREP) that provides incentives for wetland development. It is estimated the Program will generate $6.0 million in federal funds.
* Appropriates $1.5 million from the Environment First Fund for the Watershed Protection Program to accelerate the Watershed Protection Program to provide water quality protection, flood control, and reduced soil erosion. It is estimated that the Department will receive $3.3 million in federal funding for this Program.
* Appropriates $850,000 from the Environment First Fund to develop a statewide Nutrient Management Program to demonstrate the effectiveness of emerging agricultural systems for nutrient and pesticide management, air quality, and soil and water protection.
* Appropriates $50,000 from the Environment First Fund to assist farm operators in applying for grants associated with the Voluntary Farm Management Demonstration Program. It is estimated that the Program will generate $500,000 in federal funds through the United States Department of Agriculture (USDA) Sustainable Agriculture Research and Education Program.
* Appropriates $50,000 from the Environment First Fund for the development of plans for the reclamation of lands and water that were mined for coal.
* Appropriates $1.3 million from the Environment First Fund for the Alternative Drainage System Assistance Program.
* Appropriates $2.0 million from the Environment First Fund for the Soil Conservation Cost Share Program.
* Appropriates $1.5 million from the Environment First Fund to establish vegetative buffers, field borders, and wetlands on Iowa’s private land in an effort to improve water quality and wildlife habitat. The funds will be used to encourage and assist farmers to enroll in the Conservation Reserve Program (CRP) and assist them in enhancing revegetation efforts to improve water quality. It is estimated that the Program will generate $60.0 million in federal assistance to farmers through the USDA Natural Resources Conservation Reserve Program.

**Natural Resources** Department of Natural Resources

* Appropriates $50,000 from the RIIF for continued funding of the Elinor Bedell State Park and Wildlife Conservation Area.
* Extends the standing limited appropriation of $3.0 million from the RIIF for the Restore the Outdoors Program to FY 2004. Under current law, the appropriation terminates in FY 2001.
* Appropriates $600,000 from the Environment First Fund to establish a program to assist rural homeowners in improving on-site wastewater systems. It is estimated that the Program will generate $2.4 million in federal assistance through the Environmental Protection Agency.



Environment First Fund

* Appropriates $195,000 from the Environment First Fund to provide geographic information system data for use in developing, monitoring, and displaying result of watershed work.
* Appropriates $2.0 million from the Environment First Fund for continued funding for the establishment of water quality monitoring stations.
* Appropriates $70,000 from the Environment First Fund to develop a program to support local volunteer management efforts in water quality programs.
* Appropriates $372,000 from the Environment First Fund to establish and implement improved water quality planning, standards, and assessment.
* Appropriates $250,000 from the Environment First Fund to assist Department staff with the review of national pollution discharge elimination system permits.
* Appropriates $200,000 from the Environment First Fund for the enhancement of floodplain protection and dam inspection by providing an education program to assist local officials with decision-making on floodplain management issues.
* Appropriates $153,000 from the Environment First Fund to implement methods for meeting federal standards involving total maximum daily loads (TMDL) to improve water quality.
* Appropriates $2.9 million from the Environment First Fund for the dredging of lakes in accordance with the Department’s Classification of Iowa Lakes Restoration Report.
* Appropriates $250,000 from the Environment First Fund for the Tree Planting Program.



* Appropriates $60,000 from the Environment First Fund for development of the Lewis and Clark Rural Water System.
* Appropriates $500,000 from the Environment First Fund for continuation of the Waste Tire Abatement Program.
* Appropriates $3.0 million from the Environment First Fund for the Recreational Grant Program.
* Appropriates $2.3 million from the Environment First Fund for capital projects which qualify for funding from Marine Fuel Tax receipts. The Bill requires that if the Marine Fuel Tax receipts which are deposited into the RIIF exceed the $2.3 million appropriated from the Environment First Fund, the difference will be appropriated from the General Fund.
* Appropriates $10.5 million from the Environment First Fund for the Resource Enhancement and Protection (REAP) Fund.

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

**Vision Iowa Fund**



* 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 Act).
* 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.
* Requires the Department of General Services to notify a State agency if the Department intends to bill the State agency for infrastructure-related project management costs prior to providing the service. Allows State agencies to request that all or a part of the service not be provided by the Department of General Services if the services will be provided by a person employed by the State agency or under contract with the State agency.
* Requires all capital projects funded on the Capitol Complex to be constructed in accordance with the principles specified in the Capitol Complex Master Plan. This provision only applies to projects for which a construction site was not determined prior to the effective date of this Bill.

**More Information** Senate File 2453 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Dave Reynolds (Ext. 16934) Robin Madison (Ext. 15459)

Salary Bill – SF 2450

Salary Bill



**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, which is 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).

**Signed by Governor** Senate File 2450 was signed by the Governor on April 21. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Glen Dickinson (Ext. 14616)

STANDINGs APPROPRIATIONS BILL – SF 2452

**Standings Bill** **– SF 2452** The General Assembly passed the Standings Appropriations Bill on April 26.

**FY 2002 Appropriation** The Bill appropriates $26.5 million to the Department of Human Services for FY 2002 for county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, including:

* $12.0 million for distribution to counties.
* $10.5 million for deposit in the per capita expenditure pool.
* $2.0 million for deposit in the incentive and efficiency pool.
* $2.0 million for deposit in the risk pool.
* The Bill amends Chapter 426B (Property Tax Relief – Mental Health and Developmental Disabilities) Subsection 3, paragraph 3, Code of Iowa, by allowing a county receiving risk pool assistance, which did not levy the maximum amount allowed in a fiscal year, to repay the risk pool during the two succeeding fiscal years.
* The Bill amends HF 2555 (Tobacco Settlement Fund), 2000 Iowa Acts, by adding a paragraph in Section 3, Subsection 2. The paragraph allows purchase of service providers to be eligible for a higher rate increase than the rate increase negotiated with a host county.
* The Bill amends HF 2327 (County Levy), 2000 Iowa Acts, in several ways. It amends Section 1 by changing the dates for depreciation schedules and reimbursement rates for improvement of capital assets from July 1, 2000, to July 1, 2002. Strikes Section 5, Subsection 3 and amends the effective dates in Section 5, Subsections 2 and 4 , Section 6, and Section 10.

**Tobacco Fund Transfer** The Bill transfers $64.6 million from the money deposited in the Tobacco Settlement Fund to the General Fund for FY 2001. The Tobacco Settlement Fund moneys are considered part of the General Fund for cash flow purposes only and must be returned to the Tobacco Settlement Fund by the close of each fiscal year.



* The Bill replaces Chapter 12 (Treasurer of State), Section 65 (Tobacco Settlement Fund), Code of Iowa, with language pertaining to the creation of the Tobacco Settlement Endowment Fund, deposits of moneys, uses of funds, and the creation of a Healthy Iowans savings account.

**Educ. Excellence Reduced** The Bill reduces the FY 2001 Education Excellence standing appropriation made in Chapter 294A, Section 25, Subsection 1, Code of Iowa, by $2.0 million. The FY 2001 total appropriation for Education Excellence is $80.9 million. Current statute allocates the Education Excellence appropriation as follows:

* Phase I – Teacher Minimum Salaries - $15.1 million.
* Phase II – General Salary Increases - $42.3 million.
* Special Interest Funding - $2.0 million.
* Phase III – Performance based or supplemental pay - $23.4 million.
* This Bill reduces the allocation to Phase III by $2.0 million to $21.4 million.

**UNI Waste Reduction Ctr.** The Bill provides that the FY 2000 appropriation to the Board of Regents for the Iowa Waste Reduction Center at the University of Northern Iowa (UNI) not revert at the close of the fiscal year, but be made available for expenditure in FY 2001.

**Microsoft Settlement Fund** Creates a Microsoft Settlement Fund within the Treasurer of State for the deposit of any moneys the State receives as a result of a settlement of the federal or State antitrust lawsuit.

**Municipal Agencies** The Bill amends HF 2492 (Municipal Agencies), 2000 Iowa Acts, by changing the language pertaining to membership of the State Fire Service and Emergency Response Council in the Division of Fire Protection, Department of Public Safety.

**Pseudorabies** The Bill amends SF 2312 (Pseudorabies Control) by changing the requirements for herd testing to be recertified as psuedorabies-free from every thirty days to each month and from at least twenty-five to ten percent of the herd reacting negatively to the test.

**Changes to Fed. Block Grt.** The Bill decreases the amount of appropriations from federal grants and nonstate funds in HF 2533 (Federal Block Grants) by $40,000. Major changes include:

* A decrease of $6,500 to the Department of Education.
* An increase of $125,500 to the Department of Health and Human Rights.
* A decrease of $159,000 to the Judicial Branch.

**Corrective Changes** Corrective changes are made to the following 2000 Iowa Acts:

HF 2442 (International Relations/Legislative Protocol Officer)

SF 2373 (Worker’s Compensation)

HF 2492 (Fire and Emergency Medical Services Training)

HF 2362 (Domestic Abuse Death Review Team)

SF 182 (Licensure to Practice Acupuncture)

HF 2105 (Nurse Licensure Compact)

SF 2344 (Child and Family Services)

SF 2193 (Senior Living Trust Fund)

SF 2248 (College Student Aid Commission)

HF 2435 (Asbestos Removal Projects)

SF 2194 (Roads and Roads Right-of-Way)

SF 2411 (Public Retirement Bill)

SF 2371 (Water Quality Initiative)

HF 2331 (Operating a Boat while Intoxicated)

SF 2300 (Interference with Lawful Hunting)

HF 2316 (Regulation of Health Organizations for Purposes of Solvency)

HF 2317 (Insurance Regulation)

SF 421 (Jurisdiction of Juvenile Court – Adoption)

SF 2145 (National Crime Prevention & Privacy Compact)

HF 2148 (Telephone Listing)

SF 2254 (Child Support)

HF 683 (Mediation Services – Child Custody, Visitation)

SF 2447 (Vision Iowa Program)

HF 723 (Mistreatment of Animals)

HF 2106 (Vehicle Manufacturer)

SF 2047 (Electronic Commerce)

HF 2486 (Residency Requirements)

HF 2433 (Community College Governance)

SF 2248 (College Aid)

**Other Corrective Changes** The Bill makes these other corrective changes:

* Amends Chapter 30, Section 2, of the Code of Iowa, by changing the membership of the Iowa Emergency Response Commission from one member to represent the State Fire Service Institute of Iowa State University to one member to represent the State Fire Service and Emergency Response Council.
* Makes a corrective amendment to Chapter 239B (Family Investment Program), Section 24, 1999 Supplement, Code of Iowa and to Chapter 453A (Cigarette and Tobacco Tax), Section 2, Subsection 1, Code of Iowa.
* Directs the Code Editor to transfer Section 325A.16 (Motor Carrier Authority – Rules of Procedure), Code of Iowa, as amended during the 2000 Session, to the more appropriate place in Subchapter 1 of Chapter 325A.

**Name Change** The Bill clarifies that appropriations to the Drug Enforcement and Abuse Coordinator in HF 2533 (Block Grant Bill), 2000 Iowa Acts, are references to the Drug Policy Coordinator in HF 2153 (Drug Policy Coordinator), 2000 Iowa Acts, if enacted.

**Vetoes** The Bill states that if the Governor vetoes bills amended in this Bill, the amendments to the Bill provisions are void.



**New Standing Approp.** The Bill amends Chapter 80 (Department of Public Safety), Section 9, Subsection 2, 1999 Supplement, Code of Iowa, by providing a standing unlimited General Fund appropriation, administered by the Department of Public Safety, to pay death benefit claims for volunteer fire fighters, emergency medical care providers, and emergency rescue technicians who are killed in the line of duty. The benefit is a $100,000 lump sum payment to the volunteer’s beneficiary.

**Electronic Transfer of Funds** The Bill amends Chapter 527 (Electronic Transfer of Funds), Code of Iowa, allowing state banks to have automated teller machines (ATM’s) statewide.

**Child Support Recovery** The Bill appropriates $30,000 from the General Fund to the Department of the Blind for FY 2001. The appropriation includes:

* An increase of $15,000 for the establishment of statewide access to the Newsline for the Blind.
* An increase of $15,000 for access to newspapers through the Iowa Radio Reading Information Service.

**Child Support Recovery** The Bill increases the General Fund appropriation to the Department of Human Services for child support recovery by $200,000.

**Corrections** The Bill decreases the General Fund appropriation to the Department of Corrections by $9,000. The changes include:

* A decrease of $288,000 and 5.0 FTE positions for operations of the Fort Madison Correctional Facility.
* An increase of $50,000 for technology needs at the Oakdale Correctional Facility.
* An increase of $62,500 for technology needs at the Mitchellville Correctional Facility.
* An increase of $22,500 for First Community-Based Correction (CBC) District.
* An increase of $2,000 for the Second CBC District.
* An increase of $70,000 for the Fifth CBC District.
* An increase of $60,000 for the Sixth CBC District.
* An increase of $12,000 for the Seventh CBC District.

**More Information** Senate File 2452 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Sherry Weikum (Ext. 17846) Holly Lyons (Ext. 17845)

Merchant Marine Bonus – SF 2141



**Merchant Marine Bonus** The General Assembly passed Senate File 2141, Merchant Marine Bonus, on April 3. The Bill creates a Merchant Marine Bonus Fund and appropriates $150,000 from the General Fund for FY 2001 to provide bonuses to eligible World War II merchant marines or eligible dependents of such merchant marines.

**More Information** Senate File 2141 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Valerie Thacker (Ext. 15270)

FY 2000 Deappropriations Bill – HF 2039

**FY 2000 Deappropriations** The General Assembly passed HF 2039, the FY 2000 Deappropriations Bill, on January 13. The Bill:



* Deappropriates $18.1 million and makes supplemental General Fund appropriations of $76,000 and 6.0 FTE positions for a net decrease of $18.0 million and an increase of 6.0 FTE positions for FY 2000.
* Increases receipts, required reversions, and transfers to the General Fund by $11.0 million for FY 2000.
* Of the $29.1 million total in adjustments to the FY 2000 budget, the adjustments can be classified approximately as follows:
* $6.8 million in one-time budget reductions.
* $6.3 million in on-going budget reductions.
* $4.3 million in salary reductions and $364,000 in travel reductions.
* $8.9 million in revenue enhancements.
* $2.1 million in one-time fund transfers to the General Fund.
* Supplemental appropriation of $76,000 and 6.0 FTE positions to the Department of Inspections and Appeals to provide the State match for federal funds to enhance the complaint response time regarding intermediate federally-licensed care facilities.

**More Information** House File 2039 was signed by the Governor on January 18. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Douglas Wulf (Ext. 13250) Valerie Thacker (Ext. 15270)

Federal Funds and Block Grant Bill – HF 2533

**Block Grant Bill – HF 2533** On April 5, the General Assembly passed HF 2533, Federal Block Grant Bill.The Bill provides the mechanism for the State to receive $140.9 million in federal block grant funds, including the following:



* Substance Abuse - $12.5 million
* Community Mental Health Services - $3.1 million
* Maternal and Child Health Services - $7.0 million
* Preventive Health and Health Services - $1.9 million
* Drug Control and System Improvement Grant Program - $5.8 million
* Stop Violence Against Women Grant Program - $1.7 million
* Local Law Enforcement Block Grant Program - $320,000
* Residential Substance Abuse Treatment for State Prisoners Formula Grant Program - $520,000
* Community Services - $5.7 million
* Community Development - $30.0 million
* Housing and Urban Development (Federal 1998 Supplemental Appropriations and Recissions Act) - $3.2 million
* Low-Income Home Energy Assistance - $20.0 million
* Social Services - $18.8 million
* Child Care and Development Fund - $30.4 million

**Categorical Funds** The Bill also provides the mechanism for State agencies to receive $2.488 billion in categorical federal and nonstate funds.

**More Information** House File 2533 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

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

Oil Overcharge Bill – SF 2416



**Oil Overcharge – SF 2416** The General Assembly passed SF 2416, the Oil Overcharge Bill, on April 12. The Bill appropriates $600,000 in petroleum overcharge funds for FY 2001. This is a decrease of $185,000 (30.8%) compared to the FY 2000 net estimated appropriation and no change compared to the FY 2001 Governor’s recommendations. The Bill:

* Appropriates $350,000 to the Department of Human Rights from the Stripper Well Fund for qualifying energy conservation programs for low-income housing. This is no change compared to the FY 2000 appropriation.
* Appropriates $40,000 to the Department of Human Rights from the Exxon Fund for qualifying energy conservation programs for low-income housing. This is a decrease of $170,000 compared to the FY 2000 appropriation.
* Appropriates $60,000 from the Exxon Fund to the Department of Natural Resources for energy conservation and extension purposes. This is an increase of $10,000 compared to the FY 2000 appropriation.
* Appropriates $150,000 from the Stripper Well Fund to the Department of Natural Resources for administrative functions. This is a decrease of $25,000 compared to the FY 2000 appropriation.

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

STAFF CONTACT: Deb Kozel (Ext. 16767)

National World War II Memorial – HF 2059



**WW II Memorial**  The General Assembly passed HF 2059 on January 20, which appropriates $278,000 from the Rebuild Iowa Infrastructure Fund to the Commission of Veterans Affairs for Iowa’s contribution to the National World War II Memorial Fund. The funds will be used for construction of a national World War II memorial in Washington, D.C. The total estimated cost to design, construct, and maintain the memorial is $100.0 million. As of June 1999, approximately $60.0 million had been received from corporations, foundations, veterans groups, civic associations, states, and individuals. The memorial will be located between the Lincoln Memorial and the Washington Monument.

**Governor Signed** House File 2059 was signed by the Governor on January 31. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

tobacco settlement fund appropriations bill – hf 2555

**Tobacco Fund Approps.** The General Assembly passed HF 2555, the Tobacco Settlement Fund Appropriations Bill, on April 20. The Bill appropriates a total of $55.0 million from the Tobacco Settlement Fund for FY 2001. **Attachment 7** is a spreadsheet of the appropriations. The appropriations include:

**Human Services** To the Department of Human Services:

* $6.0 million to increase reimbursement rates for noninstitutional Medical Assistance providers to the Medicare rate and to implement resource-based relative value system reimbursement.
* $3.6 million to increase reimbursement rates for dental providers to 75.0% of usual and customary rates.
* $3.1 million to increase reimbursement rates for rehabilitative treatment and support service providers by 5.0%.
* $0.5 million to increase reimbursement rates for adoption, independent living, shelter care, and home studies providers by 5.0%.
* $2.3 million to increase reimbursement rates for hospitals by 3.0%.
* $2.4 million to increase reimbursement rates for home health care service providers to the Medicare rate.
* $0.3 million to increase reimbursement rates for critical access hospitals to the Medicare rate.
* $4.4 million to increase reimbursement rates for home health care and rehabilitative day care service providers for special needs children to serve additional children.
* $1.2 million to increase reimbursement rates for respite care service providers to serve additional families.
* $0.6 million to increase reimbursement rates for miscellaneous service providers by 1.0%.
* $0.2 million for the Children’s Health Insurance Program.

**Public Health** To the Department of Public Health:

* $11.9 million for substance abuse treatment.
* $2.8 million for the Healthy Iowans 2010 Program.
* $9.3 million for tobacco use prevention and cessation programs.

**Corrections** To the Department of Corrections: $0.6 million for Day Programming and the Drug Court Program.



**Property Tax Relief Fund** The Bill also appropriates $2.0 million to the Property Tax Relief Fund within the Treasurer’s Office to assist counties in increasing human service provider reimbursement rates under the Purchase of Service contracting system. In addition, the Bill establishes a Savings Account for Healthy Iowans within the Treasurer’s Office and appropriates $3.8 million to provide an ongoing source of investment earnings.

**Other Provisions** The Bill requires the Department of Human Services to seek a federal waiver to implement a pilot project for continuous eligibility for children served through the Medical Assistance Program. The Bill also expands infant and children income eligibility guidelines for the Medical Assistance and the Healthy and Well Kids in Iowa (HAWK-I) Programs to 200.0% of the federal poverty level.

**More Information** House File 2555 has not yet been signed by the Governor. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACTS: Deb Anderson (Ext. 16764) Beth Lenstra (Ext. 16301)

Valerie Thacker (Ext. 15270)

Tobacco Securitization Bill – HF 2579

**Tobacco Securitization** The General Assembly passed HF 2579, the Tobacco Securitization Bill, on April 26. The Bill 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 for the State to sell its future tobacco settlement payments due from the Master Settlement Agreement, subject to approval by a constitutional majority of each House of the General Assembly and approval by the Governor. 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. The Tobacco Settlement Authority is required to file a report regarding the program plan with the Legislative and Executive Councils. The program plan shall include the structure of any sale 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; and, any terms or provisions necessary to implement this Bill. The Bill is repealed March 1, 2001.

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**Program Plan** 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.

**More Information** The Governor has not yet signed House File 2579. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Dennis Prouty (Ext. 13509) Beth Lenstra (Ext. 16301)

SENIOR LIVING TRUST FUND BILL – SF 2193

**Senior Living Trust Fund** Senate File 2193 was signed by the Governor on March 1. The Bill creates an Iowa Senior Living Program, and provides grants as an incentive to convert existing nursing home beds to “assisted living” beds, and provides alternative long-term care services.

**Trust Fund Created** The grants are appropriated from the Senior Living Trust Fund. The Trust Fund is created from federal revenues received as a result of adjusting the charges from the State to the Health Care Financing Authority for the Medical Assistance (Medicaid) Program. Initial estimates indicated that between $205.0 million and $270.0 million may be received between FY 2001 and FY 2005. Revised estimates indicate that $105.0 million is expected to be received between FY 2001 and FY 2004.

**Appropriations** The Bill appropriates from the Trust Fund for FY 2001:



* $4.2 million and 7.0 FTE positions to the Department of Elder Affairs for administration and service delivery costs.
* $20.0 million for conversion grants, the cost of altering a nursing home bed to assisted living beds, or development of long-term care alternatives.
* $2.2 million and 5.0 FTE positions to the Department of Human Services (DHS) for administration and service delivery costs.
* $17.8 million to the DHS for nursing facility provider reimbursements or reimbursement methodology changes. This includes approximately $12.8 million to provide the historical 70th percentile reimbursement level and $5.0 million for changes in case mix (reimbursements based upon the severity of the case).

**Duties & Rule-Making** The Bill also provides numerous duties and administrative rule-making authority for the Department of Elder Affairs and the DHS relating to:

* Home and Community-Based Services.
* Programs for All-inclusive Care for the Elderly (PACE).
* Senior health care and support services database and distribution of the information.
* Caregiver Support Program for respite care and persons with disabilities.
* A resident assessment prior to initial admission into a nursing facility.

**Other Provisions** Other provisions included in SF 2193 include:

* Changes the name of the existing Long-Term Care Coordinating Unit to the Senior Living Coordinating Unit and adds four legislative members.
* Amends the statutory definition of “assisted living”.
* Requests an interim study for senior living insurance and incentives.
* Requires the DHS to create a task force to develop a case mix reimbursement methodology.
* Requires the DHS to evaluate the Senior Living Program and reimbursement methodology changes to residential care facilities.

**More Information** Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Russ Trimble (Ext. 14613) Sue Lerdal (Ext. 17794)

FY 2002 Allowable Growth Bill – SF 2082

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**Allowable Growth – SF 2082** On February 3, the General Assembly passed SF 2082, establishing a 4.0% rate of allowable growth for State cost per pupil for FY 2002. The rate of allowable growth is used to determine the amount by which State School Foundation Aid to local school districts will increase and the amount by which school districts’ controlled budgets may increase over the prior year’s amounts. As a result of this action, each school district’s cost per pupil will increase by $174 to $4,512 for the 2001–2002 school year.

**FY 2002 Impact** Senate File 2082 is estimated to increase FY 2002 State support of local school districts by $78.6 million (4.5%) and property tax support of local schools by $26.5 million (2.9%), compared to estimated FY 2001.

**FY 2001 Growth Rate** The FY 2001 allowable growth rate of 4.0% was set in the 1999 Session. State aid is estimated to increase by $41.8 million (2.5%) and property taxes by $52.8 million (6.1%) for FY 2001, compared to estimated FY 2000.

**District Estimates** The FY 2001 and FY 2002 State aid and property tax estimates are available by district from the LFB. However, these estimates are based on several statewide assumptions that may not accurately reflect conditions in local districts. Information on the assumptions used to compute these estimates may also be obtained from the LFB.

**More Information** Senate File 2082 was signed by the Governor on February 6. More information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

Budget Guarantee Bill – SF 2111

**Budget Guarantee – SF 2111** The General Assembly passed SF 2111 on March 28. The Bill as passed by the General Assembly provides:

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* A budget guarantee provision for FY 2001 that allows school districts with declining enrollments to receive additional funds that guarantee the FY 2001 regular program district cost is equal to 100.0% of the FY 2000 total program district cost. Total cost of this plan for FY 2001 is approximately $7.0 million and is funded entirely through property taxes.
* School districts with increasing enrollments can apply with the School Budget Review Committee to receive 50.0% of the total amount for on-time funding. Total cost of this plan for FY 2001 is approximately $5.9 million and is entirely funded through property taxes.

**Governor Signed** The Governor signed SF 2111 on April 6. District-by-district estimates are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

At-Risk Supplementary Weighting Bill – HF 2496

**At-Risk Suppl. Weighting** The General Assembly passed HF 2496, At-Risk Supplementary Weighting Bill, on April 26. The Bill 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.

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* 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.

**Funding**  The Bill also:

* Provides that 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 $7.1 million in new State dollars because approximately $800,000 has already been included in the FY 2001 allowable growth estimate.
* Provides that 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 that 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.

**More Information** Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

Income Tax Credits and Exclusions Bill – HF 2560



**Income Tax Credits** House File 2560 received final Legislative approval on April 26. The Bill makes four changes to the State individual and corporate income taxes. The changes include the creation of a credit for the rehabilitation of historic properties, the expansion of the research activities credit, the creation of a credit for assistive devices and workplace modifications for small businesses employing disabled individuals, and the increase of the amount of pension income that may be excluded in determining one’s tax liability.

**Qualifications for Credits** Up to $2.4 million per fiscal year in refundable tax credits is provided for the rehabilitation of historic properties that meet the criteria, either individually or as part of a district, for listing on the National Register of Historic Places, has been designated as a local landmark, or is a barn constructed prior to 1937. The amount of the credit equals 25% of the qualified rehabilitation expenditures. In order for commercial property to qualify for the credit, the cost of rehabilitation work must equal at least 50% of the assessed value of the property, excluding the land value, prior to the rehabilitation. For residential property or barns, the costs must equal at least $25,000 or 25% of the fair market value of the property, excluding the land, prior to the rehabilitation, whichever is less.



**Alternative Method** The Bill provides an alternative method for businesses to compute the Iowa research activities credit. The alternative method is the same as provided for computation of federal research tax credit at rates established in 1996. The alternative computation method will permit companies doing business in Iowa that do not qualify for the regular credit to now qualify for a research activities credit, and it will allow some businesses that qualify for the credit under the regular computation method to increase the amount of the credit they receive. The change will result in a decrease in FY 2001 General Fund revenues of approximately $3.0 million.

**Assistive Devices** To encourage small businesses to increase the hiring of disabled Iowans, the Bill provides a credit of up to 50% of the first $5,000 of costs incurred in acquiring or renting assistive devices or in making working place modifications to accommodate qualifying employees. The estimated impact of the Bill is a General Fund revenue decrease equal to $450,000 for FY 2001. The Bill limits the cost of the credit in aggregate to a maximum of $500,000 per fiscal year.



**Pension Income** The Bill provides for an increase in the amount of pension and other qualifying income that may be excluded in computing Iowa individual income tax. The amount of the exclusion increases from $5,000 to $6,000 for individual taxpayers and from $10,000 to $12,000 for married taxpayers filing jointly. This change would not take effect until tax year 2001.

**Historic Barns** Finally, the Bill provides property tax exemptions for the value of improvements made to historic barns and to one-room schoolhouses. The fiscal impact of both provisions on local governments is minimal.

STAFF CONTACT: Mike Lipsman (Ext. 14611)

Sales Tax Holiday – HF 2351

**Sales Tax Holiday** House File 2351 received final Legislative approval on April 25. This Legislation provides a two-day period each year during which clothing and footwear valued at less than $100 per item is exempt from State and local sales taxes. The sales tax holiday will occur the first Friday and Saturday of each August. The estimated fiscal impact of the Legislation for FY 2001 is a decrease of $3.0 million in General Fund revenues and a decrease of $400,000 in local option sales and services taxes.

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STAFF CONTACT: Mike Lipsman (Ext. 14611)

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.

**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.

**More Information** The Governor has not yet signed SF 2447. Additional information is available from the Legislative Fiscal Bureau upon request.

STAFF CONTACT: Robin Madison (Ext. 15459)

ENTERPRISE ZONE Bill – HF 2540

**Housing Enterprise Zone** The General Assembly passed HF 2540, the Housing Enterprise Zone Bill, on April 24. The Bill:



* Allows the Department of Economic Development to approve up to $4.0 million in refundable tax credits for qualified investments by value-added agriculture businesses. Currently, the tax credits are not refundable.
* Allows the Department of Economic Development to designate up to five value-added agriculture enterprise zones through July 1, 2001. The number of value-added agriculture enterprise zones is unlimited after that date.
* Allows any county to designate an area meeting specific criteria as an enterprise zone.
* Allows banks and nonprofit corporations to receive tax credit incentives for qualified housing investments in enterprise zones.
* Prohibits persons from receiving investment tax credits for the portion of enterprise zone housing projects financed by government grants, tax credits, and forgivable loans.
* Allows enterprise designations for significant plant closings.
* Allows insurance companies to receive investment tax credits for land and existing buildings purchased as part of a qualifying business expansion.

**Fiscal Impact** The fiscal impact on General Fund revenues of HF 2540 is $300,000 in FY 2001 and $1.3 million in FY 2002. Over an eight-year period, the fiscal impact is projected to be $20.3 million.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Accelerated Career Education Bill – SF 2439

**ACE – SF 2439** The General Assembly passed SF 2439, the Accelerated Career Education Bill, on April 11. The Bill creates a tax credit mechanism to be utilized by employers who sponsor persons enrolled in an Accelerated Career Education (ACE) Program at a community college. The total value of tax credits allowed is limited to $3.0 million in FY 2001 and $6.0 million in FY 2002 and beyond.

**Tuition Grant Program** The Bill also creates a tuition grant program for qualified persons enrolled in the ACE Program. An FY 2001 appropriation of $250,000 from the General Fund is included in SF 2428 (Economic Development Appropriations Bill).

**Inc. Tax Withholding** The Bill also lowers the annual maximum amount of income tax withholding that may be deposited in the Department of Economic Development’s Workforce Development Fund. However, this provision of the Bill is struck in SF 2428 in favor of a lower cap.

**Fiscal Impact** After the amendment contained in SF 2428, the fiscal impact of SF 2439 is a General Fund revenue decrease of $3.0 million in FY 2001 and $6.0 million in FY 2002.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Dairy Trade Practices - House File 2328



**Dairy Trade Practices** The General Assembly passed HF 2328 on March 28 and the Bill was signed by the Governor on April 13. The Act eliminates Chapter 192A, Marketing of Dairy Products, Code of Iowa, which was administered by the Department of Agriculture and Land Stewardship. The cost of administering Chapter 192A was covered by permit fees paid by dairy product producers and deposited in the Dairy Trade Practice account within the General Fund. The sole purpose of funds deposited in the Dairy Trade Practices account was to cover the cost of administering Chapter 192A.

**Fiscal Impact** Annual receipts from permit fees paid by dairy product producers ranged from $65,000 to $80,000. The cost of administering Chapter 192A ranged from $65,000 to $75,000 annually. The fiscal impact of the Bill will be a reduction in General Fund revenues of approximately $72,000 in FY 2001. The FY 1999 ending balance in the Dairy Trade Practices account was approximately $250,000. The Bill did not address the disposition of the ending balance in the account.

STAFF CONTACT: Sherry Weikum (Ext. 17846)

Judiciary Committee Update

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



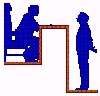
**Predatory Offenses Law** Senate File 2015 makes technical changes to the sexually predatory offenses law due to a recent Supreme Court Opinion. In State v. Tornquist, 600 N.W.2d 301 (Iowa 1999), the Supreme Court concluded that the enhancement provisions of Chapter 901A.2, Code of Iowa, may not be applied retroactively to permit use of convictions occurring before the date of the Act to enhance a sentence for a later conviction. The Bill addresses this issue, as well as repeals one definition of certain sexually predatory offenses. Senate File 2015 takes effect upon enactment and has no fiscal or correctional impact. However, it does make the enhancement provisions enforceable for certain sexually predatory offenses.

**Sex Abuse Criminal Charges** House File 2420 extends the statute of limitations for filing sexual abuse criminal charges. The Bill is not expected to have a significant correctional or fiscal impact.

**Appointment of Counsel** House File 2240 relates to notice of the appointment of counsel in guardianship and conservatorship proceedings. The Bill is expected to have no significant fiscal impact.



**Fire Protection/Emerg. Serv.** 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, State Fire Marshal’s Office. All equipment and supplies (approximately $800,000) and building lease costs ($210,000) are transferred from ISU to the 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 60¾ 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 that triggers the imposition of the levy.



**Public Defender** 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 the seriousness of a crime, in determining whether to appoint an attorney. The Bill is not expected to have a fiscal impact.

**Sex Offender Registry** Senate File 2031 makes changes to the criminal penalties relating to the sex offender registry. The Bill provides that an offender who knowingly violates any provisions of the sex offender registry law commits an aggravated misdemeanor for a first offense, and a Class D felony for a second or subsequent offense. Senate File 2031 provides that sex offenders who are required to register with the county sheriff must do so within five days of changing residences. The Bill is not expected to have a significant fiscal or correctional impact, since it is clarification of existing law due to a recent Supreme Court Opinion.



**Victim Compensation Fund** Senate File 2142 relates to victim eligibility for Victim Compensation Fund benefits. The Bill adds compensation for parents or caretakers of a dependent victim for lost wages related to the dependent’s medical and counseling appointments; and for lost wages of victims, parents, and caretakers for meetings with law enforcement and prosecutors in relation to criminal proceedings. Compensation for health care and lost wages for relatives of homicide victims is limited to a specified list of relatives. Compensation for crime scene cleanup is expanded to include crimes other than homicide. Senate File 2142 is estimated to increase expenditures from the Victim Compensation Fund by not more than $400,000 annually. Annual costs will not exceed the capacity of the Victim Compensation Fund, which is comprised of the following revenues: federal Victims of Crime Act funds, criminal surcharges and fines, restitution, donations, inmate wages, and recovery from insurance companies.



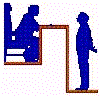
**Crime Prev. & Privacy** Senate File 2145 enacts the Crime Prevention and Privacy Compact of 1998. The Bill organizes an electronic information sharing system between the federal government and the states for the purposes of exchanging criminal history records, excluding sealed records, for purposes such as background checks, immigration matters, and national security clearances. Senate File 2145 requires the Federal Bureau of Investigation and the states which are parties to the Compact to maintain their own criminal history databases and to make such records available to the federal government or other states for background checks. The states are required to provide information and records for the National Identification Index and the National Fingerprint File. The Bill is expected to have no significant fiscal impact upon the Department of Public Safety. The Bill is expected to improve efficiencies related to employers’ ability to request background checks for employees.

**Juvenile Offenders** Senate File 2221 provides the district court with the option to suspend a sentence of a juvenile offender who has been waived to adult court, except for a juvenile who commits a Class A felony. Under the Bill, a juvenile waived to adult court may not receive a deferred judgment for a Class A felony. The Bill extends the duration of the juvenile court’s jurisdiction over certain offenders. The Bill is expected to have a minimal fiscal impact on the Department of Human Services. The Judicial Branch may realize some additional cases, but the fiscal impact cannot be determined. Senate File 2221 may increase aftercare and community-based services provided by counties, but the actual fiscal impact cannot be determined.



**Judicial Branch Admin.** Senate File 2303 relates to Judicial Branch administration. The Bill transfers certain duties from judicial officers to county boards of supervisors. Certain appointment duties are transferred from district judges to the Chief Judge. The pay and benefit plans of court employees are required to be set within the funds appropriated by the General Assembly. The Bill provides discretion for the Supreme Court to provide the same benefits to non-contract covered employees as those covered by a collective bargaining agreement. If the Supreme Court elects to provide the same benefits, there will be a fiscal impact. The current collective bargaining agreement provides covered staff with the retirement option of converting accrued sick leave to insurance benefits, rather than accepting the dollar value of sick leave up to $2,000. If the Supreme Court elects to provide this option, the fiscal impact to the Judicial Branch’s operating budget is estimated to be approximately $91,000 during FY 2001, $119,000 during FY 2002, $132,000 during FY 2003, and $159,000 during FY 2004. The Bill requests a legislative interim study related to the statutory requirements for appointing and compensating mental health advocates.

**Cigarettes & Tobacco** 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 of the United States. Violations by a holder of a wholesaler’s, distributor’s, or manufacturer’s permit are grounds for revocation of such a permit. Violators are also subject to the range of criminal penalties imposed under fraudulent practice 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.



**Court Appearances** Senate File 2146 relates to court appearance 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.



**Harassment** Senate File 2308 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.

**Bills Sent to the Governor** The General Assembly passed the following Judiciary Committee Bills:



**Child Custody** House File 683 relates to child custody and mediation. The Bill provides that a court may order mediation where custody and visitation rights are unresolved unless domestic abuse, child support, or medical support are involved. The Bill requires the Supreme Court to establish a mediation program that a district court may implement. The Supreme Court is required to submit a report to the General Assembly, which makes recommendations for implementing, modifying, and funding this Bill. The Bill takes effect July 1, 2001 (FY 2002), except for the reporting requirement. The fiscal impact of HF 683 cannot be determined since it is not known if judges will order mediation. However, the cost of a statewide program ranges from approximately $669,000 to $1,044,200 annually.

**Factory-Built Structures** Senate File 2427 requires installers of factory-built structures to be certified in accordance with rules adopted by the Commissioner of Public Safety. Senate File 2427 permits a fee to be assessed to recover the costs of administering the certification process. The Bill creates a standing appropriation for revenues generated by the fee, to be appropriated to the Commissioner for the administrative costs of the certification process. Senate File 2427 is anticipated to generate $77,000 in license and inspection fees to be used for the salary and support of one inspector to implement the certification and inspection process.

**Adoption Proceedings** Senate File 421 permits the juvenile court to exercise jurisdiction over adoption proceedings and termination of parental rights. The Bill is expected to have no significant fiscal impact.

**Probate Law Changes** House File 2518 makes changes to the probate law and makes technical corrections to Iowa’s Trust Code. The Bill has no fiscal impact.



**Violation Reclassifications** Senate File 2245 reclassifies certain simple misdemeanors to scheduled violations, which allows a defendant to pay only a fine, court costs, and surcharge without ever making a formal court appearance. The Bill also raises the fine limit for violations of certain local ordinances. It is estimated that county jails will save approximately $8,000 statewide during FY 2001 due to fewer jail admissions. For FY 2002 and beyond, it is estimated that county jails will save approximately $16,000 statewide due to fewer jail admissions. The General Fund cost of Senate File 2245 to the Judicial Department and Public Defender’s Office is not expected to be significant. Fines associated with certain scheduled violations are estimated to increase General Fund revenue by approximately $24,000 for FY 2001, $58,000 for FY 2002, and $73,000 for FY 2003.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

Bouncer Training and Criminal Code Consolidation – SF 2241

**Bouncer Training** Senate File 2241, Bouncer Training and Criminal Code Consolidation, was amended and passed by the General Assembly on April 26. The Bill allows local authorities to require security employees to be trained and certified. The training is to include mediation techniques, civil rights or unfair practices, and proper physical restraint methods.

**Theft Statute Changes** The Bill also consolidated computer theft and video rental theft into the theft statute. Election bribery, voting criminal offenses, and criminal offense of computer damage are consolidated into the criminal mischief statute. Finally, the Bill required each Community-Based Corrections District Department to implement an intermediate criminal sanctions program.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

Bills Affecting the Corrections System

**Corrections System Bills** The General Assembly passed several bills that will affect the operations of the Corrections System. They include:



* Senate File 2276 (Earned Time Bill) changed “good conduct time” to “earned time” and provides that inmates will accumulate earned time with the demonstration of good conduct and satisfactory participation in treatment programming. Earned time is to be awarded on a monthly basis. Under current practice the maximum good conduct time is calculated upon entry into the prison and deductions are made for misconduct. The Bill also changes the formula for calculating earned time so that an inmate can earn an additional 13 days off his or her sentence each year. The maximum annual savings from shortening sentences could be $726,000 per year.
* Senate File 2246 (Time Served Credit) allows inmates to be given credit for time served in another state. Current law prohibits inmates from receiving credit on an Iowa sentence for time served in another jurisdiction. The change is not expected to have a significant correctional impact.
* House File 2253 (Out-of-State Escape) provides that an escape or absence from custody by an Iowa offender that occurs wholly outside the State may be prosecuted in the State of Iowa. The Bill also provides for prosecution of an offense committed wholly outside the State when the offense is specifically prohibited by statute. The change is not expected to have a significant correctional impact.



* Senate File 2324 (DNA Testing) defines certain crimes for which an offender must submit a physical specimen for DNA profiling prior to release from jail or prison. The crimes include murder, attempted murder, kidnapping, sexual abuse, assault with the intent to commit sexual abuse, assault while participating in a felony, and first degree burglary. The Bill specifies conditions for the Court to order an offender to provide a physical specimen and permits the Parole Board to require a specimen as a condition of parole or work release.
* House File 2519 (Parole Board Vice Chairperson) amended Chapter 904A to codify the Parole Board Vice Chairperson position. The change reflects current practice. The position was created and funded as a salaried position by the Legislature beginning in FY 1999. The Bill also extends the sunset for the Sixth Judicial District Probation Revocation Pilot Project through FY 2002.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

attachments

**Blue Pages The following documents are attached:**



* Attachment 1 - State of Iowa General Fund Balance Sheet.
* Attachment 2 - Pie Chart reflecting General Fund Appropriations for FY 2001.
* Attachment 3 - Graphical Depiction of the Flow of General Fund Revenues After Expenditure Limitation (barrels).
* Attachment 4 - Table of information depicted in barrel diagram (Attachment 3).
* Attachment 5 - Tracking document of General Fund Appropriations - Final Action FY 2001.
* Attachment 6 – Spreadsheet listing appropriations for the Rebuild Iowa Infrastructure Fund and the Environment First Fund.
* Attachment 7 – Spreadsheet of Tobacco Settlement Fund Appropriations.

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

