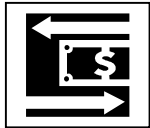


NOTICE OF APPROPRIATIONS TRANSFER

Appropriations Transfer



The Fiscal Services of the Legislative Services Agency received notification of a request to transfer funds pursuant to Section 8.39, Code of Iowa. The notice requests a transfer of \$15.2 million from the Department of Human Services, Medical Assistance Program. The funds are being transferred as follows: \$13.5 million to the Department of Management for the Salary Adjustment Fund and \$1.7 million to the Judicial Branch for General Operations.

Reason for Transfer

The Medical Assistance budget in FY 2003 is anticipated to have a surplus, which is expected to carry forward into FY 2004. House File 683 (FY 2004 Grow Iowa Values Fund Act) outlined the distribution of the \$30.0 million in salary adjustment, in descending order, to the Department of Corrections, the Department of Human Services, the Department of Public Safety, and then to the remaining State departments, boards, commissions, councils, and agencies. According to the Department of Management, the actual calculation of salary adjustment need indicates it would cost \$30.0 million to fully fund salary adjustment for the Department of Corrections and the Department of Human Services.

Action Finalized

Action on this transfer will not be finalized prior to July 7, 2003.

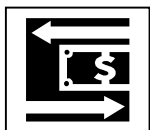
More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Dean (Ext. 17846)

NOTICE OF APPROPRIATIONS TRANSFER FROM THE DEPARTMENT OF HUMAN SERVICES

Appropriations Transfers



The Fiscal Services of the Legislative Services Agency received notification of a request to transfer funds pursuant to Section 8.39, Code of Iowa. The notice requests transfers of FY 2003 appropriations relating to the Department of Human Services. A total of \$727,500 is being transferred.

Funds are being transferred to the following budget units:

- State Supplementary Assistance \$490,000

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- Independence Mental Health Institute 200,000
- Personal Assistance 37,500

Funds are being transferred from the following budget units:

- MI/MR/DD State Cases \$400,000
- Volunteers 35,000
- Medical Contracts 25,000
- Health Insurance Premium Payment 30,000
- Sexual Predators Treatment/Civil Comm. 200,000
- Family Support Subsidy 37,500

More Information

Additional information is available from the Legislative Services Agency.

Burk (Ext. 17942)

STAFF CONTACT: Sue Lerdal (Ext. 17794) Jennifer Vermeer (Ext. 14611) Lisa

GOVERNMENT OVERSIGHT COMMITTEE MEETING

Oversight Meeting



The Government Oversight Committee met June 16 and 17. The agenda included:

- Reports mandated by the 80th General Assembly.
- The federal Help America Vote Act (HAVA).
- Legislative changes to the Iowa Lottery.
- Update on the Senior Living Trust Fund.
- Update on the Integrated Information for Iowa (I-3) System Project.
- A discussion on the \$3.00 fee increase to access drivers' records from the Internet.

More Information

Additional information is available from the LSA upon request. An overview of the meeting will be available in the next issue of the Iowa Legislative Interim Calendar and Briefing on the web site at:

<http://www.legis.state.ia.us/GA/80GA/Interim/2003/>.

STAFF CONTACT: Sam Leto (Ext. 16764) Douglas Wulf (Ext. 13250)

UNITED STATES SUPREME COURT REVERSES IOWA SUPREME COURT RULING ON STATE WAGERING TAX RATES

Supreme Court Ruling



On June 9, the United States (U.S.) Supreme Court reversed the Iowa Supreme Court's ruling that declared the State's taxation of racetrack casinos at a different rate than riverboat casinos unconstitutional as it relates to the Equal Protection Clause of the U.S. Constitution.

-
- Iowa Supreme Court** The 9-0 ruling handed down by the U.S. Supreme Court was remanded back to the Iowa Supreme Court, which still has the authority to uphold their ruling as applied to Iowa's Equal Protection Clause in the State Constitution. It is uncertain when the Iowa Supreme Court will reconsider the earlier ruling.
- Racetrack Tax Rate** The Iowa Supreme Court ruling on June 12, 2002, lowered the tax rate on Iowa's racetrack establishments from 32.0% to 20.0%, the rate that riverboats are taxed. The tax rate was scheduled to increase to 34.0% on January 1, 2003, and to 36.0% on January 1, 2004. The ruling also required the State to reimburse the racetracks an estimated \$112.0 million for the years that the racetracks were taxed above the 20.0% rate.
- Back Taxes** If the Iowa Supreme Court ruling is consistent with the U.S. Supreme Court, the racetracks will be required to reimburse the State approximately \$40.0 million for back taxes from June 12, 2002. State wagering tax revenues will increase approximately \$46.0 million in FY 2004 due to the higher rates. In addition, the State will not be required to pay back the estimated \$112.0 million to the racetracks.
- More Information** Additional information is available from the LSA upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

UPDATE ON .08 FEDERAL INCENTIVE FUNDS

- Legislative Update** House File 65 (FY 2004 .08 Blood-Alcohol Content Act) lowered the limit for blood-alcohol concentration while driving a motor vehicle from 0.10% to 0.08%.
- Federal Incentive Funds** Since the Act will go into effect on July 1, 2003, the State will receive one-time federal incentive funds in FFY 2003. The amount Iowa will receive is contingent upon the number of states that have enacted a .08 law at the time Iowa's law is enacted. When HF 65 was adopted, it was estimated that Iowa would receive between \$1.4 and \$2.1 million. Since April 30, seven additional states have enacted legislation, for a total of 39 states. It is now estimated that Iowa will receive \$1.8 million in federal incentive funds. If additional states adopt a .08 law, the amount will decrease. States have until September 30, 2003, to certify that they are eligible for the incentive funds.
- Projects** Incentive funds can be used for any projects eligible for assistance under Chapter 23, U.S. Code, which include highway construction and traffic safety projects. State matching funds are not required. The Department of Transportation (DOT) will be the recipient of the funds, and will transfer a portion to the Department of Public Safety (DPS). Of the total amount obligated to the DPS, at least 40.0% must benefit local programs. The Governor is recommending that \$1.2 million in incentive funds be provided to the State Patrol.



- More Information** Additional information is available from the LSA upon request or from the LSA web site at:
http://staffweb.legis.state.ia.us/lfb/fiscalnotes/data/80_1428HVv0_FN.pdf.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

FEDERAL FUNDING FOR COMMUNITY EMERGENCY RESPONSE TEAMS

Federal Grant Money



The Federal Emergency Management Agency (FEMA) announced the availability of \$19.0 million in federal grant funds for the Community Emergency Response Teams (CERT) Program. The Program began in 1985 as an initiative of the Los Angeles City Fire Department and was nationally funded for the first time in 1993. The funding is designed to enable state and local governments to train citizens on how to respond to emergency situations in their communities.

Federal Funding

In FFY 2002, the CERT Program was funded at \$17.0 million through a FY 2002 supplemental appropriation. The \$19.0 million in grants for FFY 2003 is designated for "train-the-trainer" programs provided at the state level. The FEMA will administer the grants through 10 regional offices. State authorities will have 30 days to submit a completed application to FEMA regional offices. Regional offices are expected to provide funding within 30 days of receipt of a completed application, and are required to provide funding by September 30, 2003. State officials should have received documentation from the FEMA regional offices at the beginning of June.

Funding Formula

The funding formula for the grant provides a minimum of 0.75% of the total grant to the 50 states, the District of Columbia, and Puerto Rico, and 0.25% to the four small island territories. The remaining funds are distributed based upon the 2000 Census population. According to the grant allocations released by FEMA, Iowa is eligible to receive \$254,000 of the \$19.0 million.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Dean (Ext. 17846)

UPDATE ON FAIR LABOR STANDARDS ACT LAWSUITS

Overtime Law Suit

Approximately 293 employees sued four State agencies from 1994 to 1996 for overtime pay they claimed was due under the federal Fair Labor Standards Act (FLSA) and Chapter 91A, Code of Iowa. The agencies sued include the Departments of Public Safety (DPS), Transportation (DOT), Corrections (DOC), and Natural Resources (DNR).

Calculation of Damages



The Iowa Supreme Court decision, *Anthony v. State*, 632 N.W. 2d 897 (Iowa 2001) resolved the liability issues except for the calculation of damages. The lawsuits were remanded back to District Court to determine damages owed to employees. The Attorney General's Office and the plaintiffs' attorney filed proposed rulings on damages regarding the DPS case. The judge will decide the actual damages based on these proposals.

Public Safety Case

District Court Judge Stovall awarded \$5.5 million to 147 supervisors in the DPS, Divisions of the Iowa State Patrol, Criminal Investigation, and Narcotics Enforcement. The award may be paid in three annual installments over several years if an agreement is reached with the plaintiffs. The funding source for payment of damages is expected to be the Road Use Tax Fund as most of the employee salaries were paid from that Fund during the time for which liability has been imposed. The plaintiffs' attorney has appealed the award, and payment is pending the outcome of the appeal.

Natural Resources Case

District Court Judge Stovall awarded \$70,000 to six supervisors within the DNR. The plaintiffs' attorney has appealed this award, and payment is pending the outcome of the appeal. The funding source for payment of damages is expected to be the Fish and Game Protection Fund for five supervisors, and the General Fund for one supervisor.

Corrections Case

A settlement was recently reached with 68 supervisory correctional staff in the DOC. The State has agreed to pay \$2.4 million in three annual installments beginning July 1, 2003. The funding source for payment of damages is expected to be the General Fund.

Transportation Case



A decision was made on June 17 regarding the DOT case that involves 72 supervisors. The damages are estimated to be \$9.0 million. The funding source for payment of damages is expected to be the Road Use Tax Fund.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

JUNE BOARD OF CORRECTIONS MEETING

Corrections Meeting



The Board of Corrections met at the Clarinda Correctional Facility on June 5. Superintendent Mark Lund welcomed the Board, staff and guests, and noted tours of the prison and Clarinda campus would be available after the meeting. He highlighted the private sector employment of inmates by H & H Trailers, Inc. Approximately 50 inmates work daily for the company, which operates trailer manufacturing inside the prison. Upon release, the inmates may be employed by the company in facilities located in Clarinda.

Restoration of Programs

Director Maynard indicated that some correctional programs previously eliminated might be restored in FY 2004. He also stated he has been working with other State agencies to increase the number of employed inmates.

Golden Dome Award

Director Maynard recognized Business Manager Randy Bengard, Clarinda, for being a Governor's Golden Dome Award winner. Mr. Bengard is the Business Manager for both the Department of Corrections (DOC) and the Department of Human Services (DHS) operations at Clarinda.

Council Bluffs Facility



Fourth Community-Based Corrections (CBC) District Department Director, Matt Gelvin, presented information on the 26-bed Women's Residential Facility located in Council Bluffs. The new facility has been vacant for approximately 18 months due to budget reductions. The District Department plans to open the facility in mid-August. The proposed budget has been reduced \$189,000 by eliminating 5.5 FTE positions. The District Department estimates it will need an additional \$205,000 in FY 2005 to fully fund operating costs for one year. The District Department will hold an open house for the facility on August 14.

Retiring Judge

District Director Gelvin noted that Judge Burgett is retiring on July 4. The Judge has served on the Fourth Judicial District Department Board since its inception, and has led efforts to operate Drug Courts in Iowa.

Legislative Update

Assistant Director, Michael Savala, provided an update on legislative action. He noted the majority of provisions in SF 448 (FY 2004 DOC Policy Bill) were

included in HF 683 (FY 2004 Grow Iowa Values Fund Appropriations Act). The provisions include:

- \$822,000 from the Rebuild Iowa Infrastructure Fund (RIIF) to renovate existing space to add 38 beds at the Luster Heights Prison Camp and an additional 225 beds at the Clarinda Correctional Facility.
- \$1.5 million and 22.3 FTE positions to operate the additional beds as follows:
 - \$664,000 and 9.5 FTE positions at the Luster Heights Prison Camp for a full year.
 - \$793,000 and 12.8 FTE positions at Clarinda for the last two months of FY 2004. Annual operating expenditures are estimated to be \$2.4 million and 42.9 FTE positions in FY 2005.

Administrative Rules



The Board approved amending an administrative rule relating to sex offenders. Currently, sex offenders who appeal their risk assessment score do not receive a contested case hearing. The risk assessment score determines whether or not the offender's name is published on the Sex Offender Registry web site maintained by the DPS. The Iowa Supreme Court recently ruled that the offenders are entitled to an administrative contested case hearing pursuant to Chapter 17A, Code of Iowa. The revised administrative rule provides the process for such hearings. A cost analysis will be submitted.

Maintenance Requests

Facilities Engineer, Mickel Edwards, updated the Board on funding for the DOC's FY 2004 major maintenance requests. Ten projects were approved to address life and safety concerns.

Next Meeting

The next Board meeting will be held on July 11 at Fort Dodge.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

UPDATE ON THE CLINICAL CARE UNIT AT THE IOWA STATE PENITENTIARY AT FORT MADISON

Clinical Care Unit



The Department of Corrections (DOC) opened the first 40 beds of the 200-bed Clinical Care Unit at Fort Madison in September 2002. Staff for the remaining 160 beds have been hired and are being trained. An additional 80 beds will open on June 27, and the remaining 80 beds are scheduled to open in July.

Capacity

Once all of the 200 additional beds become operational, designed capacity for Iowa's prison system will be 6,972 beds. Currently, the prison population is 8,382 inmates, which is 123.0% of the current design capacity.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

COMMISSION FOR THE DEPARTMENT OF ELDER AFFAIRS HOLDS MEETING

Elder Affairs Commission



The Commission for the Department of Elder Affairs met on June 16 and conducted the following business:

- Greg Anliker reported on FY 2003 and FY 2004 plan revisions and amendments for the local Area Agencies on Aging, which need approval from the Commission so Agencies are authorized to expend funds.
- Mr. Anliker also reported that historically Agencies have used program income (revenue generated from client payments) for cash flow. The federal Administration on Aging indicated these balances were too high and carrying these balances forward was not an acceptable practice. A two-year period was given to change this process, and cash flow will become a greater challenge for the Agencies.
- Director Mark Haverland provided an update on the Department's activities, including:
 - The Department is working with the American Association of Retired Persons (AARP) on setting up a town meeting for September that will be used to develop a comprehensive long-term care plan for the State.
 - The Department is having discussions with the Iowa Insurance Commission regarding transferring the oversight of continuous care retirement communities from the Commission to the Department. The Department may submit recommendations to the Legislature regarding the issue.
 - Ideas are being considered about how to make the Older Iowans Legislature (OIL) more useful and effective in the future.
 - As required by the Legislature, Department staff are meeting with staff from the Department of Human Services (DHS) to resolve potential conflict of interest issues involved with Case Management Assessments.
 - The Department is working with the Department of Cultural Affairs on an Age Exchange Program that records the stories and life memories of senior citizens.
- Joel Wulf provided an update regarding legislation that was approved during the 2003 Legislative Session that impacted the Department.
- Jeanne Yordi reported that the Department is in the process of implementing a Volunteer Ombudsman Program and that these individuals will be used in addition to Resident Advocate Committees. Similar programs in other states are being studied and a training manual is being developed.
- Linda Hildreth provided an update regarding legislation that was approved during the 2003 Legislative Session that had a positive impact on how elder abuse cases are handled, including allowing the State's long-term care ombudsmen to have access to information on both founded and unfounded cases of elder abuse. Ms. Hildreth also noted that an Elder Rights Conference would be held on October 13 and 14 in West Des Moines.
- Deanna Clingan-Fischer provided a legal assistance update, reporting there are end of life issues being discussed with regard to substitute decision-making, Power of Attorney, and decision maker of last resort.



- Phyllis Huber reported on the success of the Senior Internship Program, noting the requirement was to have 31 job placements; however, the Department has already filled 62 job placements and anticipates there may be as many as 80 by the end of the year.

Next Meeting The next meeting will be held September 24 at the Urbandale Public Library.

More Information Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

REVITALIZE IOWA'S SOUND ECONOMY PROJECTS

Grants Awarded Several cities and counties were awarded Revitalize Iowa's Sound Economy (RISE) grants from February to May 2003. The funds approved for Immediate Opportunity projects totaled \$415,000, and funds approved for Local Development projects totaled \$5.3 million.

Opportunity Projects Immediate Opportunity projects include those that demonstrate an immediate funding commitment is essential to influence job location, creation, or retention. The following chart shows projects that were approved for RISE funding in April. There were no RISE funds requested in February, March, or May.

**RISE
 Immediate Opportunity Projects**

City/ County	Business/Site Involved	RISE Funds Approved	Total Road Project Cost	Percent of Non-RISE Participation	Jobs Assisted	Total Capital Investment (Non-RISE)	Date of Commission Approval
City of Bancroft	Aluma, Ltd.	\$ 175,000	\$ 220,000	20%	10*	\$ 870,000	April
Worth County	Iowa Ethanol	240,000	490,000	51%	40	59,000,000	April
Total		<u>\$ 415,000</u>	<u>\$ 710,000</u>			<u>\$ 59,870,000</u>	

* Will also assist in the retention of 50 existing jobs.

Local Projects Local Development projects include those that support local economic development, but do not meet the threshold set for Immediate Opportunity projects. The following chart shows Local Development projects that were approved for RISE funding in February through May.

RISE
Local Development Projects

City/ County	Business/Site Involved	RISE Funds Approved	Total Road Project Cost	Percent of Non-RISE Participation	Date of Commission Approval
City of West Burlington	Flint Ridge Industrial Park	\$ 326,000	\$ 652,000	50%	February
Pottawattamie County	Council Bluffs Municipal Airport	2,350,000	4,700,000	50%	March
Des Moines County	Industrial Park	495,000	1,125,000	56%	March
City of Dewitt	Industrial Park	136,000	272,000	50%	April
City of Colo	Colo Business Park	189,000	378,000	50%	May
Polk City	Parker Boulevard	900,000	2,307,000	61%	May
Monroe County	Iowa Bioprocessing Center	783,000	1,566,000	50%	May
Forest City	Nerem Industrial Park	135,000	270,000	50%	May
Total		<u>\$ 5,314,000</u>	<u>\$ 11,270,000</u>		

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

ENVIRONMENTAL PROTECTION COMMISSION HOLDS MEETING

Commission Meeting

The Environmental Protection Commission met on June 16 in Des Moines. The following issues were discussed:

The Commission was asked to approve a contract with the Iowa Waste Reduction Center to provide technical assistance for the Iowa Air Emission Assistance Program. The contract cost is estimated at \$1.6 million and will be financed with funds from Title V air quality permit fees that are collected by the Department of Natural Resources (DNR) from companies required to have federal air quality permits. The contract was approved.

Economic Development

The Commission was asked to approve an agreement between the DNR and the Department of Economic Development for administering the Environmental Business Assistance Program. The cost of the agreement is not to exceed \$70,000 and will be financed with Title V air quality permit fees. The agreement was approved.

Polk County Agreement

The Commission was asked to approve an agreement between the DNR and the Polk County Board of Supervisors for administration and issuance of air quality permits in Polk County. The cost of the agreement is \$731,000 and will be financed with Title V air quality permit fees. The agreement was approved.

Linn County Agreement

The Commission was asked to approve an agreement between the DNR and the Linn County Board of Health for administration and issuance of air quality permits in Linn County. The cost of the agreement is \$591,000 and will be financed with \$417,000 from the Air Contaminant Fund and \$174,000 from federal grant funds. The agreement was approved.

Air Quality Support

The Commission was asked to approve a contract with the University of Iowa Hygienic Laboratory to provide air quality support activities to the DNR. The cost of the agreement is \$2.3 million for FY 2004, and will be financed with \$1.2 million from the Air Contaminant Fund, \$916,000 from federal grant funds, and \$175,000 from the DNR. The contract was approved.

Open Burning



The Commission was asked to approve the Notice of Intended Action that makes changes to the State's laws regarding open burning. The Commission approved changes that included:

- The DNR can request additional information from individuals conducting an open burn to ensure national ambient air quality standards are maintained.
- Requires the burning of disaster rubbish or agricultural structures be conducted within the National Emissions Standards for Hazardous Air Pollutants.
- Distinctions between training fires and controlled burns of demolished buildings.
- Definitions of the terms "training fire" and "bona fide training."

Ambient Air Quality

The Commission was given information about a Petition for Rule Making submitted by the Agribusiness Association of Iowa and other Iowa associations regarding ambient air quality standards. The Commission asked the DNR to provide more information at the next meeting.

Wetlands Inventory

The Commission was asked to approve a contract for a pilot project with St. Mary's University GeoSpatial Services to update the National Wetlands Inventory for 2,350 square miles of wetlands. The last update was completed in 1985. The contract for this phase of the project is \$50,000 and will be funded by the DNR with matching federal funds from the Fish and Wildlife Service. The contract was approved.

Water Quality Services



The Commission was asked to approve a contract with the University of Iowa Hygienic Laboratory to provide water quality testing services. The contract is for testing wastewater and industrial discharges for nutrients. The cost of the contract is \$32,000 and will be funded from the Environment First Fund. The contract was approved.

Environmental Services

The Commission was asked to approve a contract with the University of Iowa Hygienic Laboratory for environmental monitoring and laboratory services. The cost of the contract is \$34,000 and will be funded from the Environment First Fund. The contract was approved.

Toxic Cleanup Days

The Commission was asked to approve a contract with the Metro Waste Authority Regional Collection Center to provide Toxic Cleanup Days in Calhoun, Decatur, Ringgold, Wayne, and Woodbury Counties. The cost of the contract is \$73,000 and will be funded by the participating counties and the DNR. The contract was approved.

Stormwater Permit Fees



The Commission was asked to approve a Petition for Rulemaking requesting a reduction for permit fees for Stormwater Permits at construction sites involving less than five acres. The request reduced the fee from \$150 to \$10. The Commission denied the request for the following reasons:

- The Department's administrative costs for issuing a \$10 permit are the same as for issuing a \$150 permit.
- Reducing the fee would not provide enough revenue to fund staff activities.
- The Stormwater Permit Fee Fund was reduced by the Legislature in FY 2002 to fund other DNR activities.

Water Pollution Control

The Commission was asked to approve a Notice of Intended Action that expands the uses for the Water Pollution Control State Revolving Fund to provide financial assistance for nonpoint source water pollution control projects. The Notice was approved.

Next Meeting

The next meeting will be held on July 21 in Des Moines.

More Information

Additional information is available from the LSA upon request. For review of Commission agendas, minutes, and other related information, please review the DNR web site at: <http://www.iowadnr.com/>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

NATURAL RESOURCE COMMISSION HOLDS MEETING

Commission Meeting



The Natural Resource Commission met on June 12 at the University of Northern Iowa. The following issues were discussed.

Linda Hanson, Department of Natural Resources (DNR), asked the Commission to approve construction projects. The following projects were approved:

- Beach improvements to Nine Eagles State Park in Decatur County for \$126,000.
- Construction of a maintenance building at Pine Lake State Park in Harding County for \$199,000.
- Parking lot improvements at the Coralville access area in Johnson County for \$152,000.
- Roadway and campground improvements to the Lewis and Clark State Park in Monona County for \$633,000.
- Construction of an earthen dredge spoil site at the Lake of Three Fires State Park in Taylor County for \$308,000.
- Hydraulic dredging at the Lake of Three Fires State Park in Taylor County for \$947,000.
- Boat ramp construction at Banner Wildlife Management Area in Warren County for \$86,000.

Land Purchase

The Commission was asked to approve the purchase of a tract of land located in Fayette County adjacent to the northern edge of Echo Valley State

Department of Natural Resources Capital Projects for FY 2004

Fund Source	FY 2003 Carryforward	FY 2004 Appropriation	Total Available
Tobacco Settlement Fund			
Destination Park	\$ 700,000	\$ 3,000,000	\$ 3,700,000
Restore the Outdoors Fund	538,000	2,500,000	3,038,000
Total Tobacco Settlement Fund	\$1,238,000	\$5,500,000	\$6,738,000
Environment First Fund			
REAP--Open Spaces	\$ 0	\$ 3,132,000	\$ 3,132,000
REAP--Land Management	0	1,000,000	1,000,000
Marine Fuel Tax	220,000	2,300,000	2,520,000
Lake and Stream Restoration	0	1,000,000	1,000,000
Total Environment First Fund	\$ 220,000	\$ 7,432,000	\$ 7,652,000
Fish and Wildlife Trust Fund	\$ 0	\$ 5,400,000	\$ 5,400,000
Parks and Institutional Roads Fund	\$ 0	\$ 2,872,000	\$ 2,872,000
Sewage Revolving Loan Fund	\$ 0	\$ 664,000	\$ 664,000
Total Funding	\$ 1,458,000	\$ 21,868,000	\$ 23,326,000

Park. The proposed purchase was for 188 acres of land at the appraised price of \$289,000 with funding from the federal Sport Fish Restoration Fund. The purchase was approved.

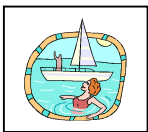
Capital Projects

Ms. Hanson provided an overview of the FY 2004 Capital Projects Plan that will be approved by the Commission at the next meeting. The following is a summary of the FY 2004 Capital Projects Plan:

Watershed Cost Share

Mike Brandup, DNR, asked the Commission to approve the recommendations made by the Department for watersheds that will receive cost share funding. The following recommendations were discussed and approved by the Commission:

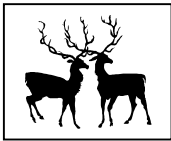
- Constructed lakes included: Lake Geode, Williamson Pond, Hawthorn Lake, and Roberts Creek.
- Natural lakes included: West Okobojo Lake, Center Lake, Big Spirit Lake, Little Spirit Lake, East Okobojo Lake, Upper Gar Lake, Minnewashta Lake, and Lower Gar Lake.



Blue Heron Lake The Commission was asked to approve a contract with the City of West Des Moines to build a fishing pier at Blue Heron Lake at an estimated cost of \$200,000. A grant for \$150,000 from the federal Sport Fish Restoration Fund was obtained by the DNR and the City of West Des Moines will pay the remaining \$50,000. The contract was approved.

Special Deer Hunts The Commission was asked to approve the 22 special deer-hunting locations for the 2004 deer-hunting season. The locations were approved.

Deer Hunting Season The Commission was asked to approve the Final Rule for the 2004 deer-hunting season. The Commission approved the Final Rule, which made the following changes:



- Deletes restrictive language on archery equipment.
- Allows issuance of an additional 30,150 antlerless deer licenses.
- Allows a deer license holder in the first shotgun season to purchase one additional antlerless deer license.
- Establishes a late January deer season in all Iowa counties.
- Allows deer hunters to purchase three antlerless deer licenses during the regular season and allows the purchase of three additional licenses for the late January season.

Depredation Block Hunt The Commission was asked to approve the Notice of Intended Action that defines a depredation block hunt. A person issued a hunting license for a depredation block hunt should obtain permission from the landowner prior to hunting. The Notice of Intended Action was approved.

Research Studies The Commission was asked to approve an agreement with Iowa State University for research studies that will be conducted by the Cooperative Fish and Wildlife Research Unit in FY 2004 for a total cost of \$246,000. The Commission approved the studies.

Clear Lake State Park The Commission was asked to approve the designation of the Clear Lake State Park – Ritz Unit. This designates the land purchased on Clear Lake after a fire destroyed the Ritz Supper Club as a part of the Clear Lake State Park. The Park will be given after-hours designation for fishing activities. The Commission approved the designation.

Next Meeting The next meeting will be held on June 26 in Des Moines.

More Information Additional information is available from the LSA upon request. For review of Commission agendas, minutes, and other related information, please review the DNR web site at: <http://www.iowadnr.com/>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

AUDIT REPORT - DEPARTMENT OF CORRECTIONS

Corrections Audit Report The State Auditor issued the FY 2002 Audit Report for the Department of Corrections (DOC) Central Office. The Legislative Services Agency (LSA) received the report on June 5, 2003. The report included two reportable conditions:



- Cash receipts – A budget analyst prepares a spreadsheet of all cash and checks received while the accountant records the date that cash and checks are deposited. It is the policy of the DOC that an independent individual reconcile the amounts received to the amounts deposited. The reconciliation was not performed for the first seven months of FY 2002.

Recommendation – The DOC should reinstate procedures that provide for independent reconciliation of deposits to ensure that all receipts are deposited intact.

Response – The DOC will try to implement the above procedure. The continued decrease in staff causes concern about complying with good accounting practices.

- Statutory Requirements – The Community-Based Corrections (CBC) District Departments are required to file an annual report with the Board of Supervisors in each District Department and with the DOC within 90 days of the close of the fiscal year. Seven of the eight CBC District Departments did not complete the report in a timely fashion.

Recommendation – The DOC should implement procedures that ensure the District Departments comply with Section 905.4, Code of Iowa.

Response – The DOC implemented a new offender automated tracking system in FY 2002. The preparation of the annual report was delayed as a result of the deployment of the new system.

More Information

Additional information is available from the LSA upon request.

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This document can be found on the LSA web site:
<http://staffweb.legis.state.ia.us/lfb/fupdate/fupdate.htm>