

FISCAL UPDATE

Legislative Services Agency

November 25, 2003

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<http://staffweb.legis.state.ia.us/lfb>

FY 2005 ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE BUDGET REQUEST

DED Budget Request



The three departments and the Regents University programs of the Economic Development Appropriations Subcommittee are requesting \$23.0 million from the General Fund and 1,265.3 FTE positions for FY 2005, an increase of \$544,000 (2.4%) and a decrease of 8.3 (0.7%) FTE positions compared to the estimated net FY 2004 appropriation. This includes 857.8 FTE positions that are not appropriated by the General Assembly, and are funded by federal and other funds. The increase restores the Governor's 2.5% across-the-board reduction to the Departments and the Regents FY 2004 General Fund appropriations.

Salary Adjustment

The Department budget requests are compared to the estimated net FY 2004 appropriation, which includes salary adjustment, a salary transfer, an across-the-board reduction, and in some instances, a charter agency reduction. The Governor transferred \$15.2 million from the Department of Human Services, Medical Assistance (Medicaid) Program, to the Salary Adjustment Fund on August 4, 2003. Since the salary adjustment transfer is considered a one-time transfer of funds, many departments have requested that the FY 2004 salary adjustment transfer funding be replaced by a General Fund appropriation in FY 2005. The Department of Economic Development, the Department of Workforce Development, and the Public Employment Relations Board received a total of \$248,000 from the salary adjustment transfer from the Medical Assistance (Medicaid) Program. This amount has been included in the estimated net FY 2004 appropriations and Department requests for FY 2005. The Regents University programs did not receive funds from the salary transfer.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Russell Trimble (Ext. 14613)

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GROW IOWA VALUES BOARD MEETINGS

Grow Iowa Values

The Grow Iowa Values Board met in October and November and conducted the following business:

October Meeting

Election of Officers

Election of Officers – The Board elected Craig Lang to serve as Chairperson, replacing Holmes Foster who stepped down after the September meeting, and Nancy Dunkel was elected as Vice Chairperson.

Rules Approved



Marketing Board

Administrative Rules – The Board amended and approved administrative rules that govern the Grow Iowa Values Program. Some of the amendments included stronger provisions for various economic development program awards and extended the time period the Due Diligence Committee has for project application review from 60 to 120 days.

Marketing Board – The Marketing Board focused on completing the Request for Proposal (RFP) process for the marketing strategy development. The Board will meet in November to hear proposals and choose finalists.

Due Diligence

Due Diligence Committee – The Committee approved an extension for final project approval from 60 to 120 days for Wells Fargo and Gcommerce, Inc. The Committee also met with the Regents Institutions to discuss how appropriated dollars would be allocated given a shortfall in revenue. The Committee recommended an allocation of \$5.7 million for FY 2004 and \$4.3 million for FY 2005. The \$10.0 million allocation for these two fiscal years is approximately \$3.0 million less than the amount appropriated in the legislation. The allocations will be distributed proportionally to the amount specified in the legislation. The University of Iowa (SUI) and Iowa State University (ISU) will each receive two-fifths of the allocation and the University of Northern Iowa (UNI) will receive one-fifth. The remaining \$3.0 million committed by statute will be appropriated in FY 2006 through FY 2008.

CEBA



Community Economic Betterment Account (CEBA) and Value-Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP) – The Grow Iowa Values Board entertained a motion to allocate a portion of funds from the Grow Iowa Values Fund to VAAPFAP and CEBA. The two programs did not receive a General Fund appropriation for FY 2004. After lengthy discussion regarding legislative intent, the motion was tabled until the November meeting.

Return on Investment

Iowa Public Return on Investment Model – Harvey Siegelman, retired State Economist, and Lane Palmer, Development Resources Coordinator, presented “Iowa Public Return on Investment.” The model was developed for the State by an advisory group consisting of Harvey Siegelman, Strategic Economics Group; Peter Fisher, SUI; Michael Lipsman, Department of Revenue; Dan Otto, ISU; Alan Peters, SUI; Randy Pilkington, UNI; and David Plazak, ISU.

November Meeting

Marketing Board

Marketing Board – Thirteen companies responded to the RFP for market strategy development and three have been selected as finalists. Two companies are located in Iowa. The Board will be hearing marketing strategy presentations and will select a company at the next meeting.

Due Diligence



Due Diligence Committee – The Committee met prior to the Grow Iowa Values Board meeting and recommended that Professional Computer Systems, a company from Denison, be awarded \$329,000 from the Grow Iowa Values Fund in the form of a loan and a forgivable loan. The project is classified as an expansion project and is expected to create 27 new jobs in four years. The Company is a professional computer software and services company that has operated in Iowa for 21 years and provides financial accounting, billing, and customer management software and related services to municipal utilities and rural electric cooperatives across the United States.

Workforce Training

Workforce Training and Economic Development Funds – Mike Fastenau, Department of Economic Development, presented the community colleges allocations from the \$5.0 million appropriation. Of the \$5.0 million appropriated for FY 2004, \$4.0 million is for community college workforce training and economic development funds, and \$1.0 million is for business retention projects as specified in the legislation.

CEBA



Community Economic Betterment Account (CEBA) and Value-Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP) – The Grow Iowa Values Board approved a motion to allocate \$4.0 million for CEBA and \$3.0 million for VAAPFAP from the Grow Iowa Values Fund. The Funds will remain under the control of the Grow Iowa Values Board. When Grow Iowa Values Fund money and Department of Economic Development Funds are used for the same project, both the Department of Economic Development Board and the Grow Iowa Values Board must approve the project.

More Information

Additional information is available from the LSA upon request. For information on the Grow Iowa Values Fund, access the following web site at: <http://www.iowasmartidea.com/ivfboards.html>.

STAFF CONTACT: Russell Trimble (Ext. 14613)

DEPARTMENT OF MANAGEMENT CERTIFIES CHARTER AGENCIES SAVINGS

Charter Agencies



On November 3, the Director of the Department of Management (DOM) certified savings of \$1.6 million from the following three departments that became Charter Agencies:

- Department of Corrections - \$500,000.
- Department of Human Services - \$1.0 million.
- Department of Natural Resources - \$50,000.

Payment

Due to the savings, the DOM has authorized a payment to the Public Strategies Group (PSG) of \$78,000, or 5.0% of the savings. If PSG meets

additional requirements in working with the departments, they may be awarded an additional \$78,000 (5.0%). The DOM will determine if payment is due.

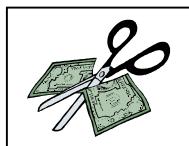
More Information

Additional information is available from the LSA upon request. For further information regarding PSG or Charter Agencies, access the web site: <http://www.legis.state.ia.us/reinvent.html>.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

DEPARTMENT OF HUMAN SERVICES – FY 2004 BUDGET REDUCTION

Budget Reduction



Senate File 453 (Reinvention of Government Act) required the Department of Human Services (DHS) to reduce the Department's General Fund appropriations made in HF 667 (FY 2004 Health and Human Services Appropriations Act) by \$10.0 million by January 2004. The Act required that "the appropriations subject to reduction shall include but are not limited to the appropriations made for child and family services, field operations, medical assistance program, and general administration."

Federal Funds

On November 3, the DHS announced plans for a \$10.0 million General Fund reduction for Child and Family Services, reporting that the decrease would be managed by using one-time increases in federal funds to offset the reduction. The additional federal revenue is to be allocated to the services that earn the additional funds within the Child and Family Services budget, thereby reducing the amount of State funds needed in FY 2004.

Additional Revenue

The additional federal revenue will be provided from two sources, including Temporary Assistance to Needy Families (TANF) and Title XIX (Medicaid) funds as follows:

- The DHS reports that \$4.0 million in TANF funds already appropriated to Child and Family Services and previously thought to be unavailable for use in that category has been determined as available. The Department is working with the consulting firm, Maximus, Inc., to ensure accuracy of Title IV-E eligibility determinations in preparation for a federal program improvement re-review resulting from an earlier audit. Through this process, it was determined that the policy used to outline TANF-eligible expenditures in Child Welfare was more restrictive than federal regulations allow.
- In addition, the DHS reports that a one-time increase of \$5.4 million in Title XIX funding is available due to a federal review of Medicaid funding for several programs in Child and Family Services. A DHS error in data interface was noted that caused providers to be determined ineligible to provide Medicaid funded services. The DHS corrected the error and filed a retroactive claim for the 24 months allowed, which may result in additional funds.
- There is also \$500,000 in enhanced federal match for Medicaid funded services allowed for only five quarters that will increase Title XIX funding for FY 2004.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

INTERIM STUDY COMMITTEE MEETING – DEPARTMENT OF NATURAL RESOURCES REGULATION

Interim Study



November Meeting

The 2003 General Assembly passed SF 453 (Reinvention of Government Act) that established an Interim Study Committee to review the Department of Natural Resources (DNR) enforcement and penalty policies that relate to counties and cities.

The Committee met on November 12. Senator Ron Wieck and Representative Sandy Greiner chaired the meeting and the Committee received the following testimony:

- City of Ames – Tom Neumann, Water and Pollution Control Department, discussed problems encountered with the DNR regarding discharge permits, city well replacement, and construction permits.
- City of Sioux City – Paul Eckert, City Manager, and staff discussed problems encountered with the DNR regarding the applications for State Revolving Fund loans, issues related to drinking water, and solid waste plan development.
- Des Moines County Regional Waste Commission – Hal Morton, Executive Director, discussed enforcement inconsistencies within the DNR and suggested stakeholder groups be developed to assist the DNR with rule development and implementation. Two areas of concern discussed were related to solid waste plan development and air quality permits.
- Department of Natural Resources – DNR staff discussed the following issues:
 - Wayne Gieselman, Division Administrator, discussed changes being made within the Environmental Protection Division at the DNR, including increased staffing at DNR Field Offices; development of long-term strategies; and training for individuals, businesses, cities, and counties.
 - Michael Murphy, Compliance and Enforcement Bureau Chief, provided a brief overview on the types of fines and the fine collection process.
 - Brian Tormey, Energy and Waste Management Bureau Chief, provided a brief overview of policy changes being made to increase efficiency and provide better customer service in the Energy and Waste Management Bureau.



Second Meeting

The second meeting will be held in January 2004. Committee members will ask for written documentation regarding DNR regulation issues from the three presenters at the first meeting. The Committee will also request written documentation from the Iowa League of Cities and the Iowa State Association of Counties.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

INTERIM STUDY COMMITTEE – JUDICIAL DISTRICTS AND RESOURCES

Interim Study



Report

Second Meeting

The first meeting of the Judicial District and Judicial Resource Interim Study Committee was held on October 7. The 31-member committee was approved by the Legislative Council pursuant to HF 694 (Courts Practices and Procedures Act). Senator Don Redfern and Representative Gene Maddox were elected as permanent co-chairpersons.

More Information

The second meeting of the Judicial District and Judicial Resource Interim Study Committee was held on November 12. The Committee discussed methodology and tools to address the disparity of judicial resources across the State.

Additional information is available from the LSA upon request or by accessing the web site:
<http://www.legis.state.ia.us/GA/80GA/Interim/2003/comminfo/judredist.htm>.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

ISSUE REVIEW – BANNER WILDLIFE MANAGEMENT AREA UPDATE

Issue Review

The Fiscal Division of the Legislative Services Agency (LSA) recently published an **Issue Review** that provides an update on the renovation of the Banner Wildlife Management Area.

Background Information



The Banner Wildlife Management Area consists of 222 acres that was purchased by the Department of Natural Resources (DNR) in 1954, and is located between Des Moines and Indianola on Highway 65/69. The Department estimates that 16,000 vehicles drive by the Area each day. The Summerset Bike Trail goes through the Banner Wildlife Management Area and is the midway point between the cities of Indianola and Carlisle. The Area also has an unsupervised shooting range.

Unfavorable Activities

Since there is no enforcement staff, a number of unfavorable activities have taken place at the Area, such as gatherings of people using drugs and alcohol, methamphetamine laboratories, unauthorized disposal of appliances and other large waste items, and general destruction of property. Currently, State and county enforcement officers have been responding to complaints.

Renovation Projects



Banner Wildlife Area

The DNR is renovating the Area and is planning on having all projects completed by summer 2004. The purpose of the renovation is to create a viable recreation area that offers a variety of activities to encourage additional people to use the Area. Upon completion of the renovation, the Area will be renamed to create a new identity, and the DNR will provide full-time seasonal enforcement staff to discourage unfavorable activities. The **Issue Review** identifies the renovations taking place and corresponding funding sources.

More Information

Additional information is available from the LSA upon request. The ***Issue Review*** is available from the LSA or may be accessed at the LSA web site: <http://staffweb.legis.state.ia.us/lfb>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

ISSUE REVIEW – BOARD OF REGENTS TUITION GROWTH

Issue Review



The Fiscal Division of the Legislative Services Agency (LSA) recently published an ***Issue Review*** on the Board of Regents Tuition Growth that provides the following information:

- Percent change in undergraduate tuition rates each year since FY 2000.
- Growth of tuition compared to the Consumer Price Index (CPI) and the Higher Education Price Index (HEPI). Iowa tuition rate increases have exceeded both the CPI and HEPI for at least ten years.
- Comparisons of Iowa undergraduate tuition rates to similar universities in other states and universities in the National Collegiate Athletic Association (NCAA) Big Ten and Big Twelve athletic conferences.

Tuition Rates

Tuition rates at public institutions are rising rapidly nationwide as a result of decreases in state appropriations. In Iowa, General Fund appropriations to the Board of Regents universities have decreased by \$97.9 million since FY 2000. However, the cumulative increase in gross tuition revenue over the same time period totals \$198.8 million.

More Information

Additional information is available from the LSA upon request. The ***Issue Review*** is available from the LSA or may be accessed at the LSA web site: <http://staffweb.legis.state.ia.us/lfb>.

STAFF CONTACT: Mary Shipman (Ext. 14617)

ISSUE REVIEW – CAPITOL SECURITY

Issue Review



The Fiscal Division of the Legislative Services Agency (LSA) recently published an ***Issue Review*** on Capitol Security. Additional security measures were implemented in the Capitol on January 13, 2002. Fifteen security officers monitor the Capitol and Judicial Building entrances through a 28D agreement with the Department of Public Safety. In FY 2004, \$1.8 million was appropriated for security personnel and infrastructure upgrades. Of that amount, \$1.0 million was appropriated from the Restricted Capital Fund and \$800,000 was appropriated from the Rebuild Iowa Infrastructure Fund (RIIF) in SF 452 (Infrastructure Appropriations Act).

More Information

Additional information is available from the LSA upon request. The ***Issue Review*** is available from the LSA or may be accessed at the LSA web site: <http://staffweb.legis.state.ia.us/lfb>.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

ISSUE REVIEW – IOWA COMMUNICATIONS NETWORK

Issue Review



The Fiscal Division of the Legislative Services Agency (LSA) recently published an ***Issue Review*** on the Iowa Communications Network (ICN).

The ICN was created by the 1989 General Assembly as a Statewide fiber optics network administered by the State. The ICN was built in three phases, beginning in 1991, with completion of Phase III in 2003.

Funding There is no General Fund appropriation for video subsidization for FY 2005. The Debt Service payments for Phases I and II will be completed in FY 2006. The Part III leases have begun to expire and those leases are being renegotiated. The current Part III lease payment is \$2.7 million annually.

More Information Additional information is available from the LSA upon request. The **Issue Review** is available from the LSA or may be accessed at the LSA web site: <http://staffweb.legis.state.ia.us/lfb>.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

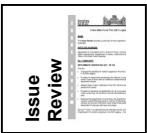
ISSUE REVIEW – REVIEW OF IOWA'S 85.0% SENTENCING LAW

Issue Review The Fiscal Division of the Legislative Services Agency (LSA) published an **Issue Review** entitled, "Reviews on Iowa's 85.0% Sentencing Law," which examines the impact on the State's prison population and budget.

More Information Additional information is available from the LSA upon request. The **Issue Review** is available from the LSA or may be accessed from the LSA web site: <http://www.legis.state.ia.us/lfb/ireview/ireview.htm>.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

ISSUE REVIEW – DIVISION OF CRIMINAL AND JUVENILE JUSTICE PLANNING

Issue Review  The Fiscal Division of the Legislative Services Agency (LSA) published an **Issue Review** on the Division of Criminal and Juvenile Justice Planning, Department of Human Rights. An overview of the Division's programs, activities, and funding sources is provided, as well as a discussion of legislative review for the possible restructuring or consolidation of the Division outside the Department of Human Rights.

More Information Additional information is available from the LSA upon request. The **Issue Review** is available from the LSA or may be accessed at the LSA web site: <http://staffweb.legis.state.ia.us/lfb>.

STAFF CONTACT: Sam Leto (Ext. 16764)

STATE CHILD CARE ADVISORY COUNCIL MEETING

Council Meeting  The State Child Care Advisory Council met October 30 to discuss a draft proposal that recommends Iowa move to a multi-level, Quality Rating System for Iowa Child Care.

The draft proposal was prepared by the Council's Quality Ad Hoc Committee. The Committee used the following criteria in finalizing the recommendation:

- Allow all regulated providers to participate.
- Offer provider recognition.

- Feature voluntary provider participation.
- Simplify the improvement effort by building on the existing Golden Seal designation approach.
- Provide for and enhance consumer (parent and provider) education.
- Be the most efficient and effective use of Iowa's resources, including both existing infrastructure and potential funding.

The Quality Rating System would provide standards that indicate a level of quality service to improve consumer choice through education. In addition, the proposed System would include a tiered reimbursement system with higher payments going to providers that offer higher quality care.

The Council adopted a motion to approve the proposal as a framework with a July 1, 2005, implementation date. A second motion was adopted to recommend that the Department of Human Services (DHS) work with the Quality Ad Hoc Committee to develop a "talking points" document to accompany the final proposal, and that the DHS assist in drafting language for legislation as requested.



Additional discussion regarding financial resources will occur at the next Council meeting, which has not yet been scheduled. The Fiscal Division of the Legislative Services Agency anticipates that the Council's recommendation in the current form could have a significant fiscal impact for the State in FY 2005 and beyond; however, the impact is undetermined at this time. Assuming legislation is proposed, any fiscal impact will depend upon how the General Assembly structures the Quality Rating System.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

STATE BOARD OF HEALTH MEETING

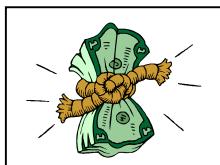
Board of Health



The State Board of Health met on November 12 and conducted the following business:

- Director Mary Mincer Hansen provided the following information:
 - The Director's Advisory Board will begin meeting again and will include representatives from the Iowa Medical Society, the Iowa Nurses Association, the State Board President, local public health boards, and each of the designated bioterrorism areas.
 - An update regarding the budget meeting held with the Chairpersons and Ranking Members of the Health and Human Services Appropriations Subcommittee was provided. Director Hansen noted that a detailed budget summary document will replace the Department's Annual Report and will include program objectives, clients served, and a breakdown of State and federal funds associated with each program.
 - The Governor's 2.5% across-the-board General Fund reduction that was implemented in October 2003 for FY 2004 will not require staff reductions. Various support and travel budget items will be decreased in order to implement the reduction.

- Jane Colacecchi, Department of Public Health, reported the Department submitted a report to the Government Oversight Committee regarding a potential merger of the Department with the Department of Human Services (DHS). Ms. Colacecchi noted the report indicated that a merger does not seem beneficial, especially on a budget level, as a merger would not result in cost savings for the State. It was noted there was uncertainty as to whether legislators thought the idea of a merger of this type was beneficial at a policy or budget level.
- Louise Lex, Department of Public Health, reported on the Lighten Up Iowa Campaign.
- The Board approved the reappointment of Carol Horner and Jeanne McKinney to the Substitute Medical Decision-Making Board.
- Jo Hinrichs, Department of Public Health, provided an overview of Community Empowerment. The Board adopted a motion to support the vision and goals developed by the Smart Start Core Stakeholders as part of Community Empowerment efforts for Iowa's Early Care, Health, and Education System.
- The Board received an update regarding the status of administrative rules for the Early Hearing Detection, Intervention, and General Provisions for Radiation Machines and Radioactive Materials.
- The Board approved the adoption of administrative rules with regard to the following:
 - Notification and Surveillance of Reportable, Communicable, and Infectious Diseases, Poisonings, and Conditions.
 - Volunteer Health Care Provider Program.
- Cheryll Jones, State Board Member, provided an update on the Department's Maternal and Child Health Conference was held in Cedar Rapids.



Next Meeting

The next meeting is scheduled for January 14, 2004.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES COMMISSION MEETING

Mental Health Commission



The Mental Health and Developmental Disabilities Commission met October 30. Members discussed the preliminary draft plan for the Child Welfare Redesign with a facilitator. Members identified items that may need edits, rewording, or additional information prior to the next meeting. The preliminary draft plan is available on the web site at:

http://staffweb.legis.state.ia.us/lfb/subcom/human_serv/interim_2003_files/October%2030%20MHDD%20Commission%20Draft%20Plan.pdf.

Next Meeting

The next meeting is scheduled for November 18.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

NOVEMBER BOARD OF REGENTS MEETING

Board of Regents



The Board of Regents met November 11 and 12 at the University of Northern Iowa. Significant agenda items included:

- FY 2004 Budget Reductions – Each of the institutions provided preliminary plans to address the Governor's 2.5% across-the-board reduction.
- Governance Report on Student Retention and Graduation Rates. The Report provides data about graduation and retention rates at the Regent universities. The three institutions graduate more than 64.0% of entering full-time freshmen within six years. This is higher than the 59.0% national average among National Collegiate Athletic Association (NCAA) Division I schools (both public and private). Iowa's rate also exceeds the national average of 55.0% for public four-year institutions.
- Approval of Tuition and Fees. The Board gave final approval to the tuition and fees proposed and discussed at the September and October meetings. Annual undergraduate tuition for fall 2004 will be \$4,702; an increase of \$360 (8.3%) compared to the fall 2003 tuition rate of \$4,342.
- Banking Committee. The Committee and the Board approved the following:
 - \$14.1 million of Telecommunications Facility Revenue Bonds for the University of Iowa. The bonds will be used to refund outstanding bonds from 1995. The bonds will be repaid with telecommunication revenues and student fees.
 - \$13.3 million of Utility System Revenue Bonds for Iowa State University. The bonds will be repaid with utility system charges and student fees.
 - Bond issuance schedule for 2004.
- The Board also reviewed and approved the following:
 - Institutional registers of capital improvement business transactions.
 - Institutional agreements, leases, and easements.
 - Governance report on purchasing.
 - Governance report on fringe benefits.
 - Revisions to the policy manual.



Next Meeting

The next meeting of the Board is scheduled for December 15 and 16 at Iowa State University.

More Information

Additional information is available from the LSA upon request. For information regarding Board meetings, including the full text of all agenda docket items, access the following web site:

<http://www2.state.ia.us/regents/Meetings/DocketMemos/03Memos/nov03/nodocket.htm>.

STAFF CONTACT: Mary Shipman (Ext. 14617)

RESULTS OF PRAXIS II TEACHER TESTING PILOT PROJECT PRESENTED TO BOARD OF EDUCATIONAL EXAMINERS

Board Meeting

At the November 14 Board of Educational Examiners meeting, Ines Bosworth, of Educational Testing Service (ETS), presented the results of the two-year teacher testing pilot project implemented as part of the initial Student Achievement and Teacher Quality Program legislation in FY 2002 and FY 2003.

Project Funding



The pilot project was funded with annual allocations of up to \$500,000 from the FY 2002 and FY 2003 appropriations to the Student Achievement and Teacher Quality Program. Section 272.2(16), Code of Iowa, specified that each applicant for a provisional teaching license during the two-year pilot project be required to take the Praxis II examinations for knowledge of pedagogies and for one content area at no cost to the applicant. No passing score was required.

Project Testing

The tests were administered on six dates in FY 2002 and four dates in FY 2003 before the project was discontinued because funds were fully expended. There were 5,313 examinees over the course of the pilot project. There were two pedagogy tests (K-6 and 7-12) and 37 different content area tests in the project. The performance data on seven of the content area tests was not reported because there were less than ten examinees. Another eight content area tests had less than 20 examinees, and those results are to be interpreted with caution, according to ETS.

Project Report



The Report from ETS compares Iowa's results on each test to those of Arkansas, Kansas (pedagogy only), Kentucky, Minnesota, Missouri, and Ohio, based on the passing score in each state. (These six states require a minimum passing score on the Praxis II exams for teacher licensure. Each state may not require all of the content area exams.) The Report also compares Iowa's median and mean scores on each test to those of each of the six states and to national medians and means. Results by teacher preparation institution are also included for each test where there were at least ten examinees from the school.

Report Findings

The Report includes the following summary findings:

- There is a general pattern of slightly higher performance for Iowa examinees on the pedagogy test for grades 7-12 than on the K-6 test. On six of the eleven comparisons with other states, Iowa examinees were scoring at better than 80.0%. Examinees were scoring at better than 90.0% on two of the comparisons.
 - On 56.0% of the content tests for which there are multi-state passing scores, Iowa pass rates were 80.0% or higher.
 - On 36.0% of the content tests for which there are multi-state passing scores, Iowa pass rates were 70.0% or higher.
 - On 8.0% of the content tests for which there are multi-state passing scores, Iowa performance was mixed to low. In Physical Education, pass rates ranged from 49.6% to 91.0%. In Special Education Preschool/ Early Childhood, pass rates were in the mid-40's.

Areas Discussed

During discussion of the Report, items to consider when studying the results were mentioned:

- Test scores tend to be low when testing is first initiated, and they improve with time as examinees learn to better prepare and as curriculum at teacher preparation institutions becomes aligned with the tests.
- For examinees in the six states to which Iowa was compared, the tests have high stakes attached because they are required for licensure.
- While examinees in all states may retake tests to improve scores, Iowa examinees would have had to do so at their own cost. In the case of retakes, the individual's best score is included in the analysis of results.

Report Summary

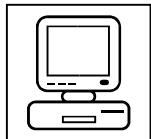
Ms. Bosworth noted that the Praxis II exams are not intended to be predictive of an examinee's future success as a teacher. Rather, they are intended to establish a minimum level of knowledge for initial licensure. However, Board members later discussed how to determine whether there is a correlation between exam results and student achievement. Audience members representing teacher preparation institutions expressed a variety of concerns about the results and about the possibility of Iowa requiring such tests for licensure in the future.

More Information

Additional information is available from the LSA upon request. To review the full report, access the following web site:
http://staffweb.legis.state.ia.us/lfb/subcom/ed_standing/ed_standing_docs.htm.

STAFF CONTACT: Robin Madison (Ext. 15270)

JUDICIAL BRANCH ELECTRONIC PAYMENT

Electronic Payment

A new online electronic payment (E-Pay) service in the Judicial Branch allows the payment of fines and court fees assessed for traffic tickets and other simple misdemeanor violations. In the first three weeks, the service has collected approximately \$16,000 from 240 users. The 12-month projection is estimated to collect \$275,000 from 4,100 users. The E-Pay service accepts credit cards and payments can be made 24 hours a day, seven days per week. The online payment service is a joint venture between the Iowa Judicial Branch and the Information Technology Enterprise of the Iowa Department of Administrative Services.

Online Program

The Judicial Branch first began online programs in January 2002, with free public access to court docket information. The Judicial Branch added a \$25 per month subscription service in September 2002. The online program averages 212,000 visits per day.

More Information

Additional information on the Judicial Branch's online services can be accessed at: http://www.judicial.state.ia.us/online_records/.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

STATEWIDE COURT ADMINISTRATIVE COUNCIL

Administrative Council

Since March 2003, the Judicial Branch has been seeking comments on the concept of creating a broad-based administrative council to provide guidance

in the overall administration of justice to the Court and State Court Administrator. The Supreme Court Commission on Planning for the 21st Century proposed the idea of an Administrative Council that would work parallel to the Judicial Council. Duties of the Administrative Council would be:

- Advise the Court on the development and implementation of non-adjudicative Statewide policies and procedures.
- Identify needs and problems for short-term and long-term improvements.
- Identify and recommend best practices in all non-adjudicative aspects.
- Take specific assignments from the Court.

Council Membership

The 15-member Council would consist of two district court judges, one district associate judge, one magistrate, two district court administrators, two Clerks of Court, one juvenile court officer, one court reporter, one Clerk of Court staff, one court attendant, one case coordinator, the State Court Administrator, and the Director of Technology and Information Services. Membership would be limited to one three-year term except for the State Court Administrator and Director of Technology and Information Services, which would retain on-going memberships.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

DEPARTMENT OF PUBLIC SAFETY FEDERAL GRANTS

Federal Grants



The Department of Public Safety has received the following federal grants:

- Crime Laboratory Improvement Program (CLIP) – The Division of Criminal Investigation has received an extension for this grant. The initial grant was for \$1.0 million and was received in February 2002. The extension will provide another \$1.0 million from October 1, 2003, through October 1, 2004. No further extensions will be available. The grant assists in providing overtime pay and annual training costs.
- National Criminal History Improvement Program (NCHIP) – The Division of Criminal Investigation has secured a continuation for this grant. The initial grant was for \$560,000 and was awarded in October 2000. The continuation will provide another \$560,000 to allow the State to remain in compliance with federal standards. The grant helps assist with the interface between the Iowa Sex Offender Registry and the National Sex Offender Registry.
- Project Safe Neighborhood – This \$73,000 grant was awarded to the Division of Criminal Investigation and is to assist in funding staff for the National Integrated Ballistics Information Network (NIBIN). This grant allows the Firearms Examiner to search known firearms and other shooting evidence for ballistic matches.
- IOWA Criminal Justice Information System – The Department of Public Safety received \$2.1 million for Intelligent Transportations Systems. These funds will be used to help upgrade the IOWA system to comply with the United States Department of Justice mandates regarding the National Crime Information Center (NCIC) 2000 requirements. Failure to comply by September 2005 will result in the loss of the NCIC services to the Iowa criminal justice community. Currently, 221 criminal justice agencies access the system through 2,110 workstations and mobile data computers.



- Hot Spots Grant – The Division of Narcotics Enforcement (DNE) has received \$500,000 to assist the DNE and the 18 counties involved in the South Central Iowa Clan Laboratory Task Force to continue their efforts against the manufacture of methamphetamine. Approximately 40.0% of Narcotics Enforcement funding comes from federally funded programs.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

NOVEMBER BOARD OF CORRECTIONS MEETING

Board of Corrections



The Board of Corrections met on November 7 in West Des Moines. Deputy Director Larry Brimeyer updated the Board on the Clinical Care Unit at Fort Madison. Currently, there are 92 inmates in the 200-bed special needs unit. The Department of Corrections (DOC) is in the process of transferring special needs inmates from Anamosa, Clarinda, and Oakdale to the facility. This permits medium-security beds at the transferring facilities to be used for general population inmates. The Clinical Care Unit is expected to be at full capacity by December 1.

Corrections Network

Dr. Harbans Deol and Marilyn Sales provided information regarding the development of the medical component for the Iowa Corrections Offender Network. The nursing component has been completed and has been in use for approximately 18 months. The DOC is working on the physician and pharmaceutical components.

Prison Venison



Staff updated the Board on the venison project. Senate File 397 (Antlerless Deer Act) provided that hunters could donate deer to feed the homeless or State prisoners. The Department of Natural Resources (DNR) has established a program to provide excess deer meat from the Iowa Food Bank through the Help Us Stop Hunger (HUSH) Program. As a secondary measure to utilize excess deer meat, the DOC and DNR have worked together to establish contracts with local meat lockers so that deer meat may be donated to the State Prison System. Several meat lockers have agreed to process deer meat for one dollar per pound for the prisons at Fort Madison, Anamosa, Newton, Oakdale, and Rockwell City.

Next Meeting

The next meeting is scheduled for January 15 in Des Moines.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

ENVIRONMENTAL PROTECTION COMMISSION MEETING

Commission Meeting

The Environmental Protection Commission met November 17 and discussed the following:

Legislative Proposals

Director Jeff Vonk, Department of Natural Resources (DNR), discussed the following legislative proposals for the 2004 Legislative Session:

- Eliminating the \$350,000 maximum amount that can be collected from public water system fees in the Water Quality Protection Fund.



- Adding development property waste systems to the Onsite Wastewater Treatment Program.
- Updating State law regarding confined animal feeding operations to correspond with federal Environmental Protection Agency (EPA) rules.
- Providing guidelines for selecting a Commissioner for the Environmental Protection Commission or the Natural Resource Commission.
- Changing State law regarding the ozone to correspond with federal EPA requirements.
- Identifying methods for handling and processing recycled oil.



Iowa Beautiful Contract

The Commission approved a contract between the DNR and the Keep Iowa Beautiful Program to develop a pilot program that will decrease illegal dumping of solid waste. The estimated cost of the contract is \$250,000.

Brownfields Contract

The Commission approved a contract with the DNR and Burns and McDonnell Engineering Company to develop engineering studies that combine heat and power systems in Brownfields redevelopment. The estimated cost is \$62,000.

Water and Land Quality

The Commission approved a contract between the DNR and the University of Iowa Hygienic Laboratory for environmental monitoring and laboratory services for FFY 2004. The estimated cost of the contract is \$815,000.

Clean Water Fund

The Commission approved the State Revolving Fund Intended Use Plan for 2004. This includes approval of 24 community projects that will receive \$28.6 million in loan assistance. The Fund will also provide loans for non-point source pollution prevention projects.

Agribusiness Petition

The Commission discussed the Petition for Rule Making submitted to them by the Agribusiness Association of Iowa related to monitoring air quality. The DNR will present their recommendations to the Commission at the next meeting. The petition included:

- Conducting a field study of ambient air concentrations of hydrogen sulfide and ammonia.
- Establishment of a Health Effects Panel to recommend levels of hydrogen sulfide and ammonia.
- Adopting a field study and sampling manual.
- Establishing criteria for placement of air quality monitors.

Health Effects Value



The Commission discussed a proposed rule regarding emissions from animal feeding operations. The rule would establish a Health Effects Value and a Health Effects Standard for hydrogen sulfide emitted from animal feeding operations. The Health Effects Value would be the level that causes a material and verifiable adverse health effect. The Value the DNR is proposing is 15 parts per billion over a one-hour time period. The Health Effects Standard would determine if there is a need to develop plans and programs to mitigate airborne pollutants from animal feeding operations. The Commission will vote on this proposal at the next meeting.

Open Burning The Commission approved a Final Rule regarding the changes made to State law regarding the open burning of demolished buildings upon passage of SF 2325 (Reorganization of State Regulatory Functions Act).

Next Meeting The next meeting is scheduled for December 15.

More Information Additional information is available from the LSA upon request or by accessing the DNR web site at: <http://www.iowadnr.com>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

NATURAL RESOURCE COMMISSION MEETING

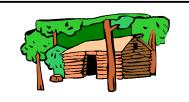
Commission Meeting The Natural Resource Commission met November 13 in Des Moines. The following issues were discussed:

Legislative Proposals Director Jeff Vonk, Department of Natural Resources (DNR), discussed the following legislative proposals for the 2004 Legislative Session:



- Adding zebra mussels and Eurasian milfoil to the nuisance species listing.
- Increasing boat registration fees.
- Restructuring and improving the process for collecting penalties from people that hunt and fish.
- Authorizing the DNR Director to approve land lease agreements.
- Allowing hunters to harvest elk that stray into Iowa.

Construction Projects Linda Hanson, DNR, detailed the following construction projects that were approved by the Commission:



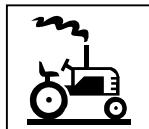
- The paving of park roads, construction of a horse shelter, and seeding of areas disturbed by construction at the Nine Eagles State Park for a total of \$869,000.
- Installation of electrical service to 79 existing campsites at Beeds Lake State Park for a total of \$83,000.
- Removal of the group camp buildings at Springbrook State Park for a total of \$37,000.
- The paving of roads and seeding of areas disturbed by construction at Lake Darling State Park for a total of \$91,000.
- Construction of four sediment dams in the Lake Darling watershed and other incidental work for a total of \$49,000.

Land Purchase The Commission approved the following land purchases:

- The purchase of 136 acres adjacent to the Big Sioux Wildlife Management Area in Lyon County. The cost of the land is \$129,000 and will be funded with federal funds (75.0%) and a donation from the Lyon County Chapter of Pheasants Forever (25.0%).
- A donation of three permanent easements totaling 14 acres of land located near Lake Darling State Park.

- The purchase of 76 acres adjacent to the Stephens State Forest in Lucas County. Funding totaling \$76,000 is from the Resource Enhancement and Protection (REAP) Fund.

Utility Easement



The Commission approved a permanent easement at Lake Manawa State Park for MidAmerican Energy Company. The easement allows MidAmerican to construct a new transmission line. The value of the easement was estimated at \$33,000. For payment, Mid American will purchase a new tractor for Park use valued at \$55,000.

Road Capital Budget

The Commission approved the five-year budget for the Parks and Institutional Road Program Capital Plan.

Timber Sale

The Commission was asked to approve the sale of 64,000 board feet of timber from the South Bear Area of the Upper Iowa Wildlife Unit in Winneshiek County. Two bids were received and the high bid of \$18,000 from Norton Tie and Timber Company was approved.

Endangered Listing



The Commission approved the Final Rule for the removal of the bobcat as a threatened species from the State Endangered and Threatened Plant and Animal Species listing. In 2001, the Commission downgraded the bobcat from "endangered" to "threatened."

Next Meeting

The next meeting is scheduled for December 11 in Des Moines.

More Information

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

STAFF CONTACT: Debra Kozel (Ext. 16767)

**AUDIT REPORT – TREASURER OF STATE IOWA
EDUCATIONAL SAVINGS PLAN TRUST**

Savings Plan Trust



The Office of Auditor of State released the FY 2003 audit report for the Treasurer of State Iowa Educational Savings Plan Trust, on October 29, 2003. The findings included:

- As of June 30, 2003, the Trust had 39,000 participants and 60,000 beneficiaries.
- Additional deposits to the Trust totaled \$251.4 million above FY 2002 deposits and included:
 - Contributions from participants of \$224.6 million.
 - Administrative fees from participants of \$1.3 million.
 - Net increase of fair value of Investments of \$25.5 million.
 - Investment income of \$69,000.
- Deductions from the Trust totaled \$10.5 million. They included:
 - Distributions to participants and beneficiaries of \$9.3 million.
 - Administrative Expenses of \$1.2 million.

Audit Tests



Audit tests were conducted relating to compliance of law, regulations, contracts, and internal controls over financial reporting. The Auditor of State's Report indicated that there was no instances of non-compliance required to be reported under the Government Auditing Standards and noted no matters involving the internal control over financial reporting.

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/fb/fupdate/fupdate.htm>