

FY 2007 MENTAL HEALTH ALLOWED GROWTH RECOMMENDATION

MH Allowed Growth



On October 21, the Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury (MH/MR/DD/BI) Commission recommended an increase of 4.5% in the Mental Health Allowed Growth appropriation for FY 2007. If the recommendation is enacted, an appropriation of \$39.4 million will be needed, which is an increase of \$10.9 million compared to the enacted FY 2006 appropriation. For the specific line item appropriation, this would result in an increase of 38.3% compared to the FY 2006 appropriation. If historical practice continues, the Governor's January budget recommendations for FY 2006 will include a funding recommendation for the FY 2007 Mental Health Allowed Growth, and the General Assembly will appropriate funds for FY 2007.

More Information

Additional information is available from the Legislative Services Agency (LSA) upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

FY 2006 DEPARTMENT OF TRANSPORTATION BUDGET REQUEST

Budget Request



The Department of Transportation (DOT) is requesting \$294.5 million for programs, operations, special purpose, and capital projects for FY 2006, an increase of \$7.6 million (2.7%) compared to estimated FY 2005. Of this amount, the DOT is requesting \$273.5 million for operations expenses and 3,376.0 FTE positions, a decrease of \$2.4 million (0.9%) and 45.0 FTE positions (1.3%) compared to estimated FY 2005. The request must still be approved by the Department of Management and the Governor.

Funding Sources

Of the \$294.5 million request:

- \$101,000 is being requested from the General Fund, which is no change compared to the estimated FY 2005 appropriation.
- \$51.4 million is being requested from the Road Use Tax Fund, an increase of

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\$8.7 million (20.5%) compared to the estimated FY 2005 appropriation.

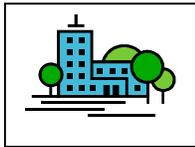
- \$243.0 million is being requested from the Primary Road Fund, a decrease of \$1.1 million (0.5%) compared to the estimated FY 2005 appropriation.

Significant Increases

The significant increases include:

- **Worker's Compensation** – An increase of \$489,000 (20.7%) compared to the estimated FY 2005 appropriation. The increase is due to an increase in health claims.
- **County Treasurer Driver's License Issuance** – An increase of \$172,000 (15.7%) compared to the estimated FY 2005 appropriation. The increase includes:
 - \$145,000 for increased technology costs to support county treasurer's automation system for issuing driver's licenses, vehicle registrations, and titles.
 - \$27,000 for State Auditor costs associated with a fiscal impact study of the county issuance of driver's licenses per HF 2433 (County Treasurer Licensing Act).

New Requests



New requests include:

- **Motor Vehicle Division Building** – \$9.4 million for a new Motor Vehicle Division building. Costs include \$7.9 million for design, bid letting, and construction, and \$1.5 million for furnishings. The Department has leased space for the Division at the Park Fair Mall since 1989 at a cost of \$640,000 annually. The lease will expire in June 2007.
- **DAS Utility Services** – \$864,000 for Department of Administrative Services (DAS) Utility Services. This request replaces the Personnel Reimbursement request. The DAS Utility Services request is for costs associated with personnel and utility services provided by the DAS.
- **Heating, Ventilation, and Air Conditioning (HVAC) Improvements** – \$250,000 for costs associated with heating, cooling, and exhaust system improvements at various locations statewide.
- **Utility Improvements** – \$150,000 for costs associated with municipal water and sewer hookups and electrical upgrades at various locations statewide.
- **Garage Roofing Projects** – \$150,000 for costs associated with replacing garage roofs at various locations statewide.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

FEDERAL EXCISE TAX ON ETHANOL ELIMINATED

American Jobs Creation Act

On October 22 the President signed the American Jobs Creation Act of 2004. Beginning January 1, 2005, the Act eliminates the 5.2-cent excise tax on ethanol-blended gasoline and provides a 5.2-cent tax credit for ethanol producers as detailed below.

- **Elimination of Ethanol Excise Tax Exemption** – Prior to the Act, the federal excise tax on gasoline was 18.4 cents per gallon, while ethanol-blended gasoline

was taxed at 13.2 cents per gallon due to a 5.2-cent tax exemption for ethanol producers. The 18.4 cents and 13.2 cents were deposited into the General Fund. Following a 0.1-cent deduction from each amount for the federal Underground Storage Tank Fund, 18.3 cents and 13.1 cents were transferred to the federal Highway Trust Fund.



Under the Act, the 5.2-cent tax exemption on ethanol-blended gasoline will be eliminated, and the total 18.3 cents collected from ethanol-blended gasoline will be deposited into the Highway Trust Fund, which is the same amount as gasoline. As a result, the Iowa Department of Transportation estimates the State could receive an additional \$25.0 million per year from the Fund for the Highway Program. The \$25.0 million is based on the calculation structure set out in the Transportation Equity Act of the 21st Century (TEA-21), and may change when the Act is reauthorized.

- **Ethanol Excise Tax Credit** – In order to make up for the 5.2-cent tax exemption elimination, a Volumetric Ethanol Excise Tax Credit (VEETC) of 5.2 cents was created to provide continued tax benefits to ethanol producers. The tax credit will be deducted from the General Fund, and will not impact the Highway Trust Fund.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

IOWA LEARNS COUNCIL FORUMS

Forums Scheduled



The Iowa Learns Council, appointed by Governor Vilsack, has completed recommendations. The Governor has scheduled several forums throughout the State to review the recommendations and receive public comment. The following forums have been held or are scheduled:

- November 16 – Jefferson Scranton School in Jefferson
- November 18 – Prairie High School in Cedar Rapids
- November 22 – Indian Hills Community College in Ottumwa
- December 1 – Mississippi Bend Area Education Agency in Bettendorf
- December 7 – Grand River Center in Dubuque
- December 8 – Sioux Center Community School in Sioux Center
- December 9 – Fremont-Mills Community School in Tabor

The meeting format includes remarks by the Governor and First Lady Christie Vilsack. Approximately 40 minutes of each meeting is allocated to public input. The meetings begin at 7:00 PM and last approximately an hour and a half.

More Information

Additional information regarding the Council, including the membership and complete text of the recommendations, may be accessed on the web site at: <http://www.state.ia.us/iowalearns/>

STAFF CONTACT: Mary Shipman (Ext. 14617)

CULTURAL AND ENTERTAINMENT DISTRICTS DESIGNATED

Sites Announced



On November 8 the Department of Cultural Affairs announced the designation of the State's first Cultural and Entertainment Districts. The eight communities were announced as part of the statewide Cultural Caucus and Celebration at the State Historical Building in Des Moines.

More than 90 cities in the United States have planned or implemented cultural districts. Iowa is the second state, after Maryland, to establish a program to designate such districts. House File 692 (Taxation Changes, Grow Iowa Values, and Regulatory Reform Act) required the Department to establish the program in FY 2004.

Definition

A Cultural and Entertainment District is defined as "a well-recognized, labeled, mixed-use, compact area of a city in which a high concentration of cultural facilities serves as the anchor . . ." The districts cannot be larger than one square mile in area. The designations are effective for three years and may be renewed.

New Districts



The newly-designated Districts are:

- **Cedar Falls** – The designation of the Downtown Cultural District enhances existing efforts to rehabilitate and market the downtown area. The first major building renovation occurred in the early 1990s, and several partnerships between local arts agencies have been established. Those partnerships will form the backbone of the District's activities.
- **Charles City** – The existing Charles City Main Street Program will provide the organizational infrastructure needed to establish the Cultural District in the downtown area. The area is well suited to pedestrians and includes the Historic Homes Tour.
- **Cherokee** – The City will use the Cultural District designation to aggressively market its thriving cultural community and to create synergies and cooperation among entities. The District includes the Public Library, the Horse Arena, the renovated Historic Railroad Depot, and a proposed Institution for Performing Arts.
- **Davenport** – The Downtown Davenport Cultural District will expand upon the efforts of the Arts and Culture Task Force established five years ago.
- **Dubuque** – The designation of the Downtown Dubuque Cultural Corridor will enhance the City's master plan to continue developing such a corridor along the spine of the City's center.
- **Iowa City** – Two districts have been established in Iowa City: The Old Capitol District includes the downtown area, the pedestrian mall, the Iowa Avenue Literary Walk, and the Old Capitol. The Iowa River District includes Hancher Auditorium.
- **Muscatine** – The Pearl City Cultural District will focus on event planning, financial support, participant and new member recruitment, and community growth. Plans include period lighting, sidewalk improvements, landscaping, additional parking, walking tours, and new community art.
- **Spencer** – The Downtown Cultural District will draw attention to and build upon existing attractions, which includes the SCT Playhouse, Arts on Grand, Parker



Historical Museum, and Bogenrief's Studio. Projects planned over the next three years include official federal recognition of a Downtown Art Deco Historical District, a new art deco bridge on Grand Avenue, and conversion of the Old Middle School to an artists incubator and studio.

More Information

Additional information is available from the LSA upon request.

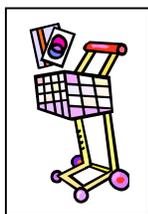
STAFF CONTACT: Robin Madison (Ext. 15270)

LEGISLATIVE FISCAL COMMITTEE MEETING**Legislative Fiscal Committee**

The Legislative Fiscal Committee met on November 18 and conducted the following business:



- Received a revenue update and budget information from staff of the Fiscal Services Division of the LSA. The next meeting of the Revenue Estimating Conference (REC) is scheduled for December 14.
- Discussed the General Fund balance sheet. The General Fund had an ending balance of \$166.6 million at the conclusion of FY 2004. The projected ending balance for FY 2005 is \$290.9 million and \$60.9 million for FY 2006.
- Reviewed the FY 2006 built-in and anticipated expenditure increases of \$545.3 million. Significant increases include:
 - \$129.4 million for the Homestead Property Tax Credit.
 - \$115.1 million for Medicaid.
 - \$105.6 million for K-12 school foundation formula funding.
 - \$77.0 million for projected State employee salary increases.
- Reviewed General Fund-related expenditures that have been transferred to non-General Fund sources over the last four fiscal years.
- Received a tour of the Iowa State University Howe Engineering Building and the Virtual Reality Applications Center.
- Heard from a representative of the Department of Management regarding the planned FY 2006 Governor's budget process, referred to as "buying and selling" Departmental "offers." The Department plans to meet with legislators designated by respective Democrat and Republican leadership to provide further information.
- Received an update on estimated FY 2005 and FY 2006 Medicaid expenditures and federal revenue changes.
- Reviewed various appropriation transfers submitted by departments.

**Next Meeting**

The next meeting is scheduled for December 16.

More Information

Handouts provided to the Committee may be accessed on the LSA web site at: http://staffweb.legis.state.ia.us/lfb/subcom/fiscal_comm/handouts.htm
Additional information is available from the LSA upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794) David Reynolds (Ext. 16934)

GOVERNMENT OVERSIGHT COMMITTEE MEETING

November Meeting

The Government Oversight Committee met on November 17 and 18 and discussed the following:

Agenda Items

Ed Stanek provided the Lottery Semi-Annual Report.

Carlene Russell, Department of Elder Affairs, provided an update on the State's Congregate Meal Sites.

Senior Living Trust Fund



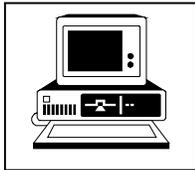
Carla Pope, Iowa Finance Authority (IFA), explained the distribution of revolving funds allocated to the IFA from the Senior Living Trust Fund. In addition, Lin Christensen, Department of Human Services, provided an update on nursing facility conversion grants funded by the Senior Living Trust Fund.

Security

John Benson, Homeland Security Emergency Management (HLSEM), provided an update on the Iowa E/911 System. Ann Garvey, HLSEM, discussed agricultural grants for security.

Follow-ups

The Committee received responses to requests for additional information regarding the following topics:



- Sharon Sperry, I/3 Implementation Team, provided an update on the implementation, and Lori McClanahan discussed customer focus groups to handle customer complaints.
- Director Charlie Smithson, Iowa Ethics and Campaign Disclosure Board, responded to Committee questions regarding lobbying and employee compensation.
- Doug Wulf, LSA, provided information regarding department agreements with the Public Strategies Group (PSG) for FY 2005 and expenditures incurred by and payments made to the PSG.
- Janet Zwick, Department of Public Health, provided an update on Gambling Treatment regarding revised provider contracts and allotments of additional funding for existing and new services.
- Lynn Walding, Alcoholic Beverages Division, Department of Commerce, gave an update on the status of the bid process for warehouse operations.



Subcommittee Reports

Chairpersons of the various Subcommittees gave verbal reports and requested that all Subcommittees be continued into 2005.

Next Meeting

The next meeting is scheduled for December 8 and 9.

More Information

Additional information is available from the LSA upon request or by accessing the 2004 Interim Calendar on the General Assembly web site at: <http://www.legis.state.ia.us/Current/Interim/>. Copies of the agenda and handouts are available at: <http://staffweb.legis.state.ia.us/lfb/committee/oversight/oversight.htm>.

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

NATURAL RESOURCE COMMISSION MEETING

Commission Meeting

The Natural Resource Commission met on November 10 and discussed the following:

Iowa City Deer Hunt

The Commission discussed the report submitted by the Iowa City Deer Task Force that included:

- The results from the 2003 hunt, which included the harvest of 80 deer in 23 sites.
- The request for the 2004 hunt, which would be held December 6 through 21.
- The concerns from the Department of Natural Resources (DNR) that the proposed hunt will be held during the regular deer hunting season.
- The concerns that too many antlered deer are harvested.

The Commission approved the Iowa City Deer Hunt, but specified the hunt must be held in January and that only antlerless deer can be harvested.

Lewis & Clark Center



The Commission approved a \$200,000 contribution from the DNR Parks Bureau to Monona County for the continued construction of the Visitor's Center at Lewis and Clark State Park. Construction of the building began when Monona County received a Vision Iowa Grant; however, funds have not been disbursed, as the project's funding was incomplete. In addition to the DNR funding, Monona County will issue \$400,000 in bonds, and the Department of Transportation (DOT) will contribute \$375,000.

Administrative Rules



The Commission approved the following final rules:

- Metal detector use in State Parks – no fiscal impact.
- State Parks and Recreation Areas – no fiscal impact.
- Land and Waters Conservation Fund Program – no fiscal impact.
- Game Management Areas – no fiscal impact.
- Fish stocking procedures – minimal fiscal impact.
- Sports fishing rule – no fiscal impact.
- Aquatic invasive species – no fiscal impact.
- Wild turkey spring hunting season – no fiscal impact.

Cooperative Agreement

The Commission approved a cooperative agreement between the DNR, the University of Iowa, and the Nebraska Games and Parks Commission to investigate the shallow habitat in the Missouri River in Fremont and Otoe Counties.

Land Purchase

The Commission approved the following land purchases:

- The purchase of 138 acres adjacent to the Muskrat Slough Wildlife Management Area in Jones County for a discounted price of \$125,000. The appraised value was \$303,000.



- A real estate agreement between the DNR and the DOT for land located at the entrance of Lacey-Keosauqua State Park in Van Buren County. The DNR will transfer their authority to the DOT due to a bridge replacement on Highway 1. The DNR will relocate the State Park entrance sign, and the DOT will reimburse them for the replacement costs.
- The exchange of property between the DNR and a private landowner for land located in Lewis and Clark State Park. No additional funds were used for the exchange.

Next Meeting

The next meeting is scheduled for December 9.

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)

ENVIRONMENTAL PROTECTION COMMISSION MEETING

November Meeting

The Environmental Protection Commission met on November 15 and discussed the following:

Open Feedlot Rules

The Commission approved the Notice of Intended Action for Open Feedlot Regulations but did not approve the Emergency Rules. The Notice includes:



- The creation of separate divisions for confinement feeding operations and open feedlot operations.
- An amendment of manure control alternatives for open feedlots.
- Site criteria for using alternative technology for open feedlots.

Database Contract

The Commission approved a contract for \$135,000 with Salem Associates to develop an in-house database related to the federal Safe Drinking Water Act.

Geological Survey

The Commission approved two contracts with the United States (U.S.) Geological Survey:

- A contract for \$181,000 for stream gauging and groundwater monitoring.
- A contract for \$160,000 for monitoring Iowa's largest rivers and development of pollutant loads from them.

Brownfield Contract

The Commission approved a contract for \$50,000 with the Department of Public Health to develop risk-based standards relating to Brownfield areas. A Brownfield area is a commercial or industrial area that has been abandoned and is perceived to have environmental contamination.

Controlled Burns



The Commission approved the Notice of Intended Action related to the controlled burning of a demolished building. Some of the changes include:

- Requires formal approval and documentation by the respective city council for the controlled burn of a demolished building.
- Decreases the number of controlled burns from three to one per year.

- Limits access to the location of controlled burns and requires supervision by a city employee or representative.

Next Meeting

The next meeting is scheduled for December 20.

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)

STATE SOIL CONSERVATION COMMITTEE MEETING**Committee Meeting**

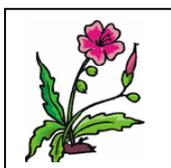
The State Soil Conservation Committee met on November 16. The following items were discussed:

Conservation Districts

Jerry Fine, Conservation Districts of Iowa (CDI), explained that the Soil and Water Conservation District Commissioners had met to discuss options to obtain funding for expenditure reimbursement. The Districts will be working with the Legislature to obtain funding for FY 2005 and FY 2006. In previous years, the Districts received a General Fund appropriation for expense reimbursement.

Field Services

Jim Gillespie, Department of Agriculture and Land Stewardship (IDALS), reported that producers are being contacted to complete water quality projects that will be funded from the State Revolving Loan Fund and that the first loan was being processed. Gillespie also reported that unused funding from the FY 2005 Resource Enhancement and Protection (REAP) Fund was redistributed in October.

Water Resources

Dean Lemke, IDALS, provided an update on the Conservation Reserve Enhancement and Protection (CREP) Program. Fall construction projects have been delayed, as the United States Army Corps of Engineers determined that CREP projects require a regional or individual permit rather than using the Nationwide 27 permit that does not require individual project review. The Department will be meeting with the federal Environmental Protection Agency to determine if this change can be resolved. A regional or individual permit extends the timeline for the CREP projects.

Soil Division

Ken Tow, IDALS, provided an update on the federal Conservation Security Program and announced that four Iowa watersheds were included for FFY 2005. The Program is voluntary and provides financial and technical assistance for watershed conservation projects. Mr. Tow also discussed the timeline and responsibilities for selecting a new Division Administrator with the Committee.

Next Meeting

The next meeting is scheduled for January 6, 2005.

More Information

Additional information is available from the LSA upon request. For more information about the State Soil Conservation Committee, access the web site at: <http://www.agriculture.state.ia.us/scccommittee.htm>

STAFF CONTACT: Debra Kozel (Ext. 16767)

NOVEMBER BOARD OF REGENTS MEETING

Board of Regents Meeting

The Board of Regents met on November 3 and 4. Significant agenda items included:

Proposed Tuition Increase

The Board proposed a 4.0% increase in base tuition for fall 2005. This would increase undergraduate resident tuition by \$188, from \$4,702 to \$4,890. Increases were also proposed for various other tuition categories such as nonresident, graduate, and professional degree tuition rates. The proposed increases are projected to result in new gross tuition revenues of \$19.8 million for FY 2006.



The statutory requirement that required the Board to make a final decision on tuition increases in November was eliminated during the 2004 Legislative Session. The Board is expected to make a decision in December. However, the Board may increase the tuition rates at a later date. Board members have indicated increases will be likely if the General Assembly does not provide the \$40.0 million in additional General Funds requested by the Board for FY 2006. Student body presidents representing each of the universities gave brief presentations in support of the proposed increases.

Comp. Fiscal Report



The Board reviewed the annual Comprehensive Fiscal Report for FY 2004. The Report reviews general operating and restricted fund revenues and expenditures. For FY 2004, total expenditures of the Board were \$3.0 billion, with \$1.7 billion in general operating funds and \$1.3 billion in restricted funds.

Bonding Resolution

The Board approved a bonding resolution of \$24.6 million for the Memorial Union at Iowa State University.

Next Meeting

The next meeting is scheduled for December 15 and 16.

More Information

Additional information, including the full text of agenda materials, may be accessed on the Board of Regents web site at:

<http://www2.state.ia.us/regents/Meetings/DocketMemos/04Memos/nov04/1104%20Agenda.htm>

STAFF CONTACT: Mary Shipman (Ext. 14617)

STATE BOARD OF HEALTH MEETING

Board Meeting

The State Board of Health met on November 10 and conducted the following business:

Director's Update

Director Hansen provided the following information:



- Dr. Jeff Lovas, a pediatrician with the University of Iowa Hospitals and Clinics, is also serving as a part-time physician with the Department. Dr. Lovas is working on the Department's obesity initiative, serves on the Physician's Advisory Committee, and is the Department representative on the Mental Health/Mental Retardation/Developmental Disability/Brain Injury (MH/MR/DD/BI) Commission.
- The Department requested a status quo budget for FY 2006. The Department was also required to submit a budget based on a buyer-seller concept, which has been sent to the Governor. The Buying Team is reviewing the request; however, no decision has been made to date.

- The statewide plan for obesity is in the beginning planning stage.
- Bonnie Mapes is the new Director of the Division of Tobacco Use Prevention and Control and will be introduced at a future Board meeting.
- The Department's legislative platform for the 2005 Legislative Session is still a work in progress.

Flu Vaccine

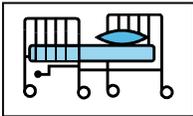


Dr. Patricia Quinlisk reported 460,000 doses of flu vaccine have been received across the State. An additional 75,000 doses are anticipated to be shipped between mid-November and January, but the exact time is unknown. It is also unknown whether the federal Centers for Disease Control and Prevention (CDC) will ship the additional doses to the Department or directly to the local level for distribution. A Vaccine Advisory Committee has been established to develop a plan for the distribution of the additional doses in the event these are received by the Department. In the past, the Department has only ordered and distributed vaccine for children with chronic conditions or who are low-income.

Whooping Cough

Dr. Quinlisk also reported that the Department is conducting several statewide investigations regarding Whooping Cough, noting there were 250 cases reported in Ringgold County. No deaths have been reported. Vaccine against Whooping Cough is only 80-85% effective and does not provide lifelong immunity. Adults contract Whooping Cough and pass it to children without realizing it. The Department is conducting extensive statewide education on the subject.

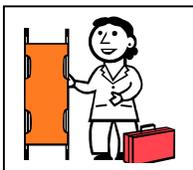
Admin. Rules



The Board adopted the following Administrative Rules relating to the Department of Public Health:

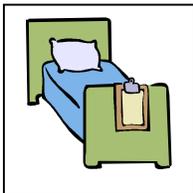
- Automated External Defibrillator Grant Program – Establishes and implements the Program, which provides matching funds to local boards of health, community organizations, or cities. For FY 2005, \$250,000 was appropriated from the Healthy Iowans Tobacco Trust (HITT) for this purpose.
- Certificate of Need (CON) Program – Changes that recognize long-term care and rehabilitation hospitals as defined by federal regulations. Also, provides clarifications that the conversion of a long-term care or rehabilitation hospital to a general acute care hospital or to a different type of specialty hospital is a permanent change in bed capacity and requires a CON. The fiscal impact is minimal.

DPH Noticed Rules



The Board approved the following Administrative Rules relating to the Department of Public Health for adoption at a future meeting:

- Notification and Surveillance of Reportable Communicable and Infectious Diseases – Changes provide for model rules for quarantine and isolation that may be adopted by local boards of health. The fiscal impact is minimal.
- Emergency Medical Services Provider Education, Training, and Certification – Changes standardize and update document references and definitions for emergency medical providers; allow out-of-state students to do clinical and field experience in Iowa; lengthen the time period for testing to two years following training classes; increase certification fees for endorsements and paramedic specialist; and bring discipline in line with other professions with extensive clarifications. The fiscal impact is minimal.



- Emergency Medical Services Program Authorization – Changes update and standardize definitions and rules for the regulatory oversight of emergency services care; define scope of practice for providers; add paramedic specialist service level designation; and update document references. There is no fiscal impact.
- White Flashing Light Authorization – Changes standardize definition and reporting language for the regulatory oversight of the use of the white flashing light used by emergency medical providers. There is no fiscal impact.
- Trauma Care Facility Categorization and Verification – Changes standardize definitions for the rules that provide trauma care facility self-designated guidelines. There is no fiscal impact.
- Trauma Triage and Transfer Protocols – Changes standardize definitions for the rules that provide trauma protocol guidelines and update trauma care facility categorization level terminology, protocol terminology, and references. There is no fiscal impact.
- Trauma Registry – Changes standardize definitions for the rules that provide trauma registry guidelines for data reporting by trauma care facilities and ambulance services. Also, updates trauma care facility categorization level terminology and trauma date references. There is no fiscal impact.
- Trauma Education and Training – Changes standardize definitions for the rules that provide trauma training and education requirements for trauma care facility and emergency medical personnel. Also, updates trauma care facility categorization level terminology and emergency medical personnel terminology and training requirements. There is no fiscal impact.
- Trauma System Evaluation Quality Improvement Committee – Establishes the Quality Improvement Committee for the trauma system. There is no fiscal impact.
- Iowa Law Enforcement Emergency Care Provider – Changes standardize definitions for the rules that provide regulatory oversight for the Iowa Enforcement Automated External Defibrillator Program and eliminate law enforcement training program references, as well as references to the Public Access to Defibrillation Program (PAD). There is no fiscal impact.
- Emergency Medical Services System Development Grants Fund – Changes standardize definitions for the rules that provide the guidelines for the emergency medical services system development grant funding and add definitions that further clarify the funding, as well as eliminate unnecessary rule language. There is no fiscal impact.
- Love Our Kids Grant – Changes standardize definitions for the rules that cover the Love Our Kids Grant. There is no fiscal impact.
- Automated External Defibrillator Grant Program – Establishes and implements the Program, which provides matching funds to local boards of health, community organizations, or cities. For FY 2005, \$250,000 was appropriated from the Healthy Iowan Tobacco Trust (HITT) for this purpose.
- Certificate of Need (CON) Program – Changes that recognize long-term care and rehabilitation hospitals as defined by federal regulations. Also, provides clarifications that the conversion of a long-term care or rehabilitation hospital to a general acute hospital or to a different type of specialty hospital is a permanent change in bed capacity and requires a Certificate of Need (CON). The fiscal impact is minimal.

DIA Noticed Rules



The Board also approved the following Administrative Rules relating to the Department of Inspections and Appeals for adoption at a future meeting:

- Critical Access Hospitals – Changes to conform Iowa’s hospital licensing rules with recent federal regulatory changes that impact the State’s critical access hospitals. The changes will allow these hospitals to dedicate no more than 10 beds to inpatient psychiatric or rehabilitation services without violating the 25-bed limitation imposed by the federal Centers for Medicare and Medicaid Services (CMS). There is no fiscal impact.
- Governor’s Award for Quality Care – Provides for clarification and simplification of the process by which licensed long-term care facilities may be nominated and selected for a Governor’s Award for Quality Care. In addition, the changes include two new criteria to be used in screening potential nominees, including outstanding or unresolved complaint investigations and outstanding audit findings.

Next Meeting

The next meeting is scheduled for January 12, 2005.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

LEGISLATIVE LONG TERM CARE TASK FORCE MEETING

Task Force Meeting



The Legislative Long Term Care Task Force met on November 9 and conducted the following business:

- Director Concannon, Department of Human Services (DHS), provided an update on the use of a Robert Wood Foundation Cash and Counseling Grant received by the Department.
- Director Haverland, Department of Elder Affairs, provided an update on the progress of the National Governor’s Association (NGA) Workgroup and the discussions held regarding a Universal Assessment Tool.
- An overview and discussion of universal assessment was provided by Molly Baldwin, Maine Bureau of Elder and Adult Services; Susan Reinhard, Center for State Health Policy, Rutgers, The State University of New Jersey; and Director Concannon.
- Ken Carlson, Iowa Council of Health Care Centers, provided recommendations for rebalancing Iowa’s long-term care system.
- Ms. Reinhard also provided information on the next steps to consider for establishing a State universal assessment, as well as rebalancing Iowa’s long-term care system.

Next Meeting

The next meeting is scheduled for January 4, 2005.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

ADOPTION SUBSIDY PROGRAM STUDY COMMITTEE MEETING

Interim Committee



The Adoption Subsidy Program Study Committee met on November 8. The Committee was established by the Legislative Council and authorized to meet for one day to review the State's Adoption Subsidy Program. The Committee received the following information:

- Mary Nelson and Charlcie Carey, Department of Human Services (DHS), provided an overview of the Program, including anticipated growth in caseload and Program costs.
- Lynhon Stout, Iowa Foster and Adoptive Parents Association (IFAPA), and a panel of adoptive parents provided viewpoints concerning the Program and potential changes.
- Charles Bruner and Karon Perlowski, Child and Family Policy Center, provided information regarding the benefits the Program provides, as well as recommendations for the legislative monitoring of potential changes to the Program.

Recommendations

The Committee recommended that a fiscal analysis of alternatives for reducing Program costs be prepared and that the General Assembly further review the Program during the 2005 Legislative Session.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

NOVEMBER COUNCIL ON HUMAN SERVICES MEETING

Council Meeting

The Council on Human Services met on November 10 and conducted the following business:

Admin. Rules

The Council approved an Administrative Rule to establish an Internet-based application for the Food Assistance Program. The estimated fiscal impact is \$275,000, including a one-time cost of \$37,500 from the General Fund, \$100,000 from the Iowa Access Fund, and \$137,500 from federal funds.

RFPs

Mary Nelson provided overviews for two Department Requests for Proposal (RFPs) recently issued for the Child Welfare Community Care Initiative and for a Child Care Management Information System.

2005 Legislative Agenda



Kate Walton provided the legislative proposals the Department plans to pursue for the 2005 Legislative Session. These include:

- Changes to Chapters 252I, 252B, 252J, 252D, and 600, Code of Iowa, regarding child support collections, obligations, and processes.
- Technical changes to Family Investment Program (FIP) agreements.
- Technical changes to the calculation used to determine the average cost per year for persons served by the Department.
- Changes to Chapters 235A and 235B, Code of Iowa, regarding child abuse reporting and notification to licensure boards.



- Changes regarding Child in Need of Assistance (CINA) proceedings and eligibility for services.
- An unknown set of changes based on the Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury (MH/MR/DD/BI) Commission recommendations.
- Changes to Section 812.4, Code of Iowa, regarding the due date for a court-ordered mental health evaluation.
- An unknown set of changes based on yet-to-be-issued federal regulations regarding the implementation of the Medicare Part D prescription drug benefit.
- Technical changes to parallel practice with statutory requirements regarding child welfare decategorization programs.

Budget Offers

Bill Gardam reported that the DHS has submitted 29 “offers” to the Governor within the five budget areas. Additional information will not be available to the Council until January 2005.

DOJ Settlement

The Council received an update on the pending Department of Justice (DOJ) settlement for the State Resource Centers at Glenwood and Woodward.

Director’s Report



Director Concannon provided information on the following:

- Status of negotiations with the federal government on Intergovernmental Transfers (IGTs).
- Status of the Legislative Long-Term Care Task Force.
- Status of the Robert Wood Foundation Cash and Counseling Grant and the necessity of legislative changes.
- Progress regarding the Preferred Drug List (PDL) and action of the Pharmaceutical and Therapeutics Committee.
- An update regarding National Adoption Month.
- An update regarding the Legislative Medicaid Crisis Intervention Team and concerns regarding the funding needed for Medicaid in FY 2005 and FY 2006 without changes and without the current level of federal funds.
- Creation of a Governor’s Elderly Services Cabinet, with the first meeting scheduled for November 17.
- An update regarding the Children’s Mental Health Oversight Committee.
- Concern that the Department has not provided adequate information regarding the issue of child welfare provider audits and recoupments.



Next Meeting

The next meeting is scheduled for December 8.

More Information

A copy of the Department's 2005 Legislative Package may be accessed on the LSA web site at:
http://staffweb.legis.state.ia.us/lfb/subcom/human_serv/interim_2004.htm
Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942) Jennifer Vermeer (Ext. 14611)
Sue Lerdal (Ext. 17794)

AGING SERVICES CABINET MEETING

New Cabinet

The Aging Services Cabinet met on November 17. This was the first meeting of the Cabinet, which was established by a Governor's Executive Order. The Cabinet is comprised of the Directors from the Departments of Human Services (DHS), Elder Affairs, Inspections and Appeals, and Public Health. The mission of the Cabinet is to enhance coordination between the agencies regarding programs and services for older Iowans.

Cabinet Discussion

The following issues were discussed:

- Director Concannon, DHS, provided an overview of the Executive Order, including the requirements of the Cabinet, which includes:
 - Identifying current activities that serve older Iowans.
 - Identifying a narrow set of priority issues that have a significant impact to older Iowans.
 - Making recommendations to address priority issues.
- Josh Mandelbaum, Governor's Health Policy Advisor, reviewed coordination by the Governor's Office.
- Director Haverland, Department of Elder Affairs, provided an overview of the activities and vision statement of the Legislative Long Term Care Task Force that is chaired by Senator Tinsman.
- Director Concannon also provided an update on the negotiations with the federal government relating to Intergovernmental Transfers (IGTs).
- Director Hansen, Department of Public Health, provided an overview of the activities of the National Governor's Association (NGA) Workgroup.



More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Vermeer (Ext. 14611)

COMMISSION FOR THE DEPARTMENT OF ELDER AFFAIRS MEETING

Commission Meeting

The Commission for the Department of Elder Affairs met November 16 and received the following information:



Director Haverland provided an overview of the October Senior Living Coordinating Unit meeting, noting he believes the State lacks innovation and in order to improve long-term care options in the State, he is creating a workgroup to review barriers, such as the Fire Marshal, culture, and the legislative environment.

Director Haverland also reported the Department is developing a long-range plan for long-term care that will be provided for the Commission's consideration at a later date.

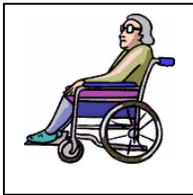
Budget Update

The Department anticipates receiving a status quo budget for FY 2006. For FY 2005, the Department received State appropriations totaling \$10.8 million from the General Fund and the Senior Living Trust Fund.

The Department continues to monitor the Robert Wood Johnson Foundation Grant received by the Department of Human Services to initiate a Cash and Counseling Program.

The Department has hired two additional Long-Term Care Ombudsmen as authorized by SF 2298 (FY 2005 Omnibus Appropriations Act).

Other Updates



The following updates and information were also provided to the Commission:

- The Department plans to seek \$100,000 and 1.0 FTE position to compile data that has been collected in relation to the Program of All-Inclusive Care for the Elderly (PACE).
- Progress on the use of the federal Aging and Disability Resource Center Grant.
- Progress regarding the National Governor's Association (NGA) Workgroup and the development of a Universal Assessment Tool.
- Presentation on the federal Nutrition and Congregate Meal Programs.
- Report on the Veterans Affairs Commission's plan to contract \$50,000 of the \$100,000 appropriation to three Retired Senior Volunteer Programs (RSVPs) for the Veterans Affairs Project.
- Review of the FY 2004 Unmet Needs Report.

Admin. Rules

The Commission approved Administrative Rules relating to the following:

- Assisted Living, medications, and other technical changes.
- Adult Day Services, medications, and other technical changes.
- Elder Group Homes, medications, and other technical changes.

2005 Legislative Agenda



The Commission received the Department's 2005 legislative agenda, which includes:

- Addition of elderly advocacy groups to the membership of the Medical Assistance Advisory Council (MAAC).
- Changes to Iowa's dependent adult abuse laws.
- Technical changes to Department statute regarding:
 - The definition of home and community-based services.
 - Removing responsibility for the Resident Advocacy Committees (RACs) from the Department.



- Changing responsibility for the Retired Senior Volunteer Program (RSVP) from the Department to the Governor's Volunteer Commission.
- Changes to the Senior Living Coordinating Unit.
- Changes to Chapter 231B, Code of Iowa, regarding Elder Group Homes in order to parallel with regulations for Assisted Living Programs.
- Statutory changes regarding Assisted Living Programs in order to match federal Medicare and Medicaid definitions requiring 24/7 nursing care.
- Aligning staffing requirements for adult day services.
- Providing for Substitute Decision Makers in certain situations.

Next Meeting

The next meeting is a teleconference scheduled for December 3.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

ISSUE REVIEW - MEDICAID FUNDING GROWTH FY 2005 THROUGH FY 2007

Issue Review

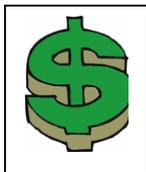


The Fiscal Services Division of the LSA recently published an **Issue Review** on Medicaid Funding Growth from FY 2005 through FY 2007. The Medical Assistance (Medicaid) Program faces significant funding issues for the next three years. State General Fund expenditures for Medicaid are estimated to increase by \$339.8 million from FY 2005 through FY 2007. The increase is due to three factors:

- Caseload Growth - \$139.4 million. Caseloads are expected to grow between 4.0% and 6.2% each year. The average annual increase for each of the three years is approximately \$46.5 million.
- Depletion of the one-time balance in the Senior Living Trust Fund - \$134.3 million.
- Impending elimination of Intergovernmental Transfers (IGTs) - \$66.1 million.

The estimated State General Fund increases for each of the next three fiscal years are shown below. The increases are compared to the original FY 2005 appropriation (prior to a FY 2005 supplemental need):

- \$52.0 to \$85.0 million for FY 2005.
- \$181.5 million in FY 2006, assuming the discontinuation of IGTs.
- \$339.8 million in FY 2007, assuming the discontinuation of IGTs and a zero balance in the Senior Living Trust Fund.



More Information

A copy of the **Issue Review** is available from the LSA upon request or by accessing the LSA web site at:
<http://staffweb.legis.state.ia.us/lfb/ireview/ireview.htm>

STAFF CONTACT: Jennifer Vermeer (Ext. 14611)

ISSUE REVIEW - PROJECTED INFRASTRUCTURE FUNDING

Issue Review



The Fiscal Services Division of the LSA recently published an *Issue Review* on Projected Infrastructure Funding, which examines revenue and appropriation trends of the two primary funding sources available for infrastructure-related projects. These include the Rebuild Iowa Infrastructure Fund (RIIF) and the Restricted Capital Fund of the Tobacco Settlement Trust Fund.

Rebuild Iowa Infrastructure Fund

- For FY 2006 and FY 2007, funding for new infrastructure projects will be limited due to the enactment of appropriations for these fiscal years in past legislative sessions. Projected revenue for FY 2006 and FY 2007 totals \$88.6 and \$84.3 million respectively. A total of \$81.5 million has been appropriated for FY 2006 and \$55.7 million for FY 2007.

Of the \$81.5 million appropriated for FY 2006, \$15.0 million was appropriated to the newly established Vertical Infrastructure Fund. The \$15.0 million will need to be appropriated for specific projects during the 2005 Legislative Session. In addition to the \$15.0 million, an estimated \$7.1 million will be available for new appropriations in FY 2006 and \$28.6 million for FY 2007.

- Beginning in FY 2008, an estimated \$100.7 million will be available for new appropriations as a result of the re-allocation of the \$70.0 million of State Wagering Taxes currently deposited into the Endowment for Iowa Health Account. This amount is estimated to increase annually, reaching \$116.2 million by FY 2015.

Restricted Capital Fund

- All of the projected revenues in the Restricted Capital Fund, except for an estimated \$5.4 million, have either been appropriated or are considered obligated through FY 2007. For FY 2006, \$14.2 million is currently appropriated, while \$17.8 million is obligated for debt service on existing bonds. For FY 2007, there are no appropriations currently enacted; however, \$15.4 million is obligated for debt service.



More Information

A copy of the *Issue Review* is available by accessing the LSA web site at: <http://staffweb.legis.state.ia.us/lfb/ireview/ireview.htm>

STAFF CONTACT: David Reynolds (Ext. 16934)

ISSUE REVIEW – ROAD USE TAX FUND REVENUE UPDATE

Issue Review



The Fiscal Services Division of the LSA recently published an *Issue Review* on the Road Use Tax Fund, including the types of programs funded and forecasted revenues for FY 2005 through FY 2009. The Issue Review also includes information on recent changes to the excise tax on gasoline resulting from HF 716 (Ethanol Sales Promotion Act), passed by the 2001 General Assembly.

The following table compares Road Use Tax Fund receipts by revenue type for FY 2003 and FY 2004. Of the total revenues, 47.5% is allocated to the Primary Road Fund, 24.5% to the Secondary Road Fund, 8.0% to the Farm-to-Market Road Fund, and 20.0% to the City Street Fund.

Road Use Tax Fund Receipts
Year End
(Dollars in Millions)



	Actual FY 2003	Actual FY 2004	Change FY 2004 vs. FY 2003	Percent Change
Motor Vehicle Use Tax	\$ 216.4	\$ 224.4	\$ 8.0	3.7%
Motor Vehicle Fuel Tax	414.9	420.1	5.2	1.3%
Registration/Title Fees & Misc.	370.0	376.8	6.8	1.8%
Underground Tank Fees	20.5	20.6	0.1	0.5%
Driver License Fees	13.0	18.9	5.9	45.4%
Interest	8.3	4.9	-3.4	-41.0%
Other Fees	13.7	16.3	2.6	19.0%
TOTAL RECEIPTS	\$ 1,056.7	\$ 1,082.0	\$ 25.3	2.4%

More Information

A copy of the **Issue Review** is available by accessing the LSA web site at:
<http://staffweb.legis.state.ia.us/lfb/ireview/ireview.htm>

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

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