

FISCAL UPDATE

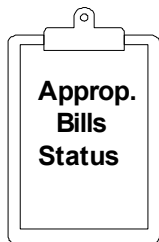
February 14, 2005

Legislative Services Agency

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

STATUS OF APPROPRIATIONS BILLS



Appropriations Subcommittee Bills		
Appropriations Subcommittee	LSB/File#	Status
Transportation	LSB 1094JA	Passed Joint Subcommittee on February 9.
Other Appropriations Bills		
FY 2007 Allowable Growth Rate Bill	SF 36	Signed by Governor on February 2.
Business Depreciation Amendment Bill	HF 102	Passed House on January 25.
Internal Revenue Code Update Bill	HF 186	Passed House Ways and Means Committee on January 31.

TRANSPORTATION APPROPRIATIONS SUBCOMMITTEE PASSES APPROPRIATIONS BILL – LSB 1094JA

Appropriations Bill

The Transportation Appropriations Subcommittee passed LSB 1094JA (FY 2006 Transportation Appropriations Bill) on February 9. The Bill appropriates a total of \$294.7 million and 3,376.0 FTE positions to the Department of Transportation (DOT) from the following sources:



- \$243.2 million from the Primary Road Fund
- \$51.4 million from the Road Use Tax Fund
- \$101,000 from the General Fund

Total Funding

The total funding represents a net increase of \$7.8 million compared to estimated FY 2005. The significant funding increase is a \$9.4 million appropriation for the construction of a new facility to house the Motor

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Vehicle Division administrative offices, which includes the Des Moines Driver's License Station.

The Bill also includes funding decreases for DOT operations totaling \$2.4 million and 45.0 FTE positions compared to FY 2005. The reductions were requested by the DOT and recommended by the Governor.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

**ADMINISTRATION AND REGULATION APPROPRIATIONS
SUBCOMMITTEE MEETINGS**

Subcommittee Meetings

The Administration and Regulation Appropriations Subcommittee met the week of February 7 and conducted the following business:

PSG



Bob Rafferty, Public Strategies Group (PSG), responded to follow-up questions about the relationship between the State and the PSG. Mr. Rafferty agreed to provide a list of State mandates for counties. Jim Chrisinger, Department of Management, agreed to provide a list of projects that would be funded from the Innovations Fund to support reinvention efforts.

Department of Revenue

Director Michael Ralston, Department of Revenue, reviewed the FY 2006 Governor's recommendation for the Department. Mr. Ralston agreed to provide a comparison of the State's gas tax rate with other states, as well as data concerning the accuracy of the Revenue Estimating Conference (REC).

Inspections and Appeals

Director Steve Young, Department of Inspections and Appeals, reviewed the functions of the Department, as well as the FY 2006 Governor's recommendation for the Department. Beverly Zylstra and Dean Lerner also responded to questions.

Other Presenters

The following presenters also reviewed the Governor's FY 2006 budget recommendations:

- Michael Fitzgerald, Treasurer of State
- Elisabeth Buck, Governor's Office
- Charlie Krogmeier, Secretary of State's Office

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=32>.

STAFF CONTACT: Ron Robinson (Ext. 16256) Douglas Wulf (Ext. 13250)
Sam Leto (Ext. 16764)

**AGRICULTURE AND NATURAL RESOURCES
APPROPRIATIONS SUBCOMMITTEE MEETINGS**

Subcommittee Meetings

The Agriculture and Natural Resources Appropriations Subcommittee met the week of February 7 and conducted the following business:

Natural Resources



On February 8, Jeff Vonk, Department of Natural Resources (DNR), discussed the FY 2006 Governor's recommendation for the Department. The Governor is recommending an increase of \$5.6 million for regulation of animal livestock, water quality monitoring, the Geographic Information System (GIS) Program, the Pollution Prevention Program, and the Kaizen Efficiency Program.

CREP Overview

On February 9, Dean Lemke, Department of Agriculture and Land Stewardship, provided an overview of the Conservation Reserve Enhancement Program (CREP).

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=33>

STAFF CONTACT: Debra Kozel (Ext. 16767)

**ECONOMIC DEVELOPMENT APPROPRIATIONS
SUBCOMMITTEE MEETINGS**

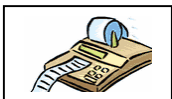
Subcommittee Meetings

The Economic Development Appropriations Subcommittee met the week of February 7 and conducted the following business:

PERB and Workforce Dev.

On February 8, the Subcommittee received budget presentations from the Public Employment Relations Board (PERB) and Iowa Workforce Development. The Governor is recommending an unspecified increase of \$400 for the PERB and an increase of \$557,000 for Iowa Workforce Development compared to estimated FY 2005. The increase for Iowa Workforce Development will fund additional FTE positions for Workers' Compensation and the Occupational Safety and Hazard Administration (OSHA).

Return on Investment



On February 9, Harvey Siegelman, President, Strategic Economics Group; Dan Otto, Iowa State University; Mike Lipsman, Department of Revenue; Peter Fisher, University of Iowa; Randy Pilkington, University of Northern Iowa; and Lane Palmer, Department of Economic Development, provided an overview of the Public Return on Investment Model.

More Information

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STAFF CONTACT: Russell Trimble (Ext. 14613)

**EDUCATION APPROPRIATIONS SUBCOMMITTEE
MEETINGS**

Subcommittee Meetings

The Education Appropriations Subcommittee met the week of February 7 and conducted the following business:

Vocational Rehabilitation

Steve Wooderson, Division of Vocational Rehabilitation, provided information regarding the Division's operations, including State funding needed to fully match federal funds and an update on the client waiting list.



The Division was unable to fully match available federal funds in FFY 2004 and returned \$2.0 million to the federal government. The FFY 2005 match shortfall is significantly reduced, due to a one-time Rebuild Iowa Infrastructure Fund appropriation for renovating the Parker Building. The Division anticipates the loss of \$630,000 in federal funds for FFY 2005 and the loss of \$3.0 million in FFY 2006.

Department for the Blind

Director Allen Harris and Bruce Snethen, Deputy Director, Department for the Blind, provided information regarding the Department's programs and operations. In addition, an update was provided regarding contributions and expenditures from the Department's Gifts and Bequests funds. Since FY 2002, the Department has used the funds to supplement the General Fund appropriation for operations as follows:



- FY 2002 - \$25,000
- FY 2003 - \$83,000
- FY 2004 - \$312,000
- FY 2005 - \$400,000 (estimated)

The balance in the funds on June 30, 2000, was \$2.8 million. As of February 7, 2005, the balance was \$2.7 million. The Commission for the Blind has directed the Department to discontinue the use of Gifts and Bequests funds for operations at the end of FY 2005.

Midwestern Compact



Larry Isaak, President, Midwestern Higher Education Compact (MHEC), provided a variety of information about the Midwestern Compact. The three main functions of the Compact include cost savings through negotiated purchasing contracts, research and policy analysis, and student access. Iowa is not currently a member of the Compact. To become a member, Iowa would need to approve the Compact legislation and pay annual dues of \$90,000. Also speaking on behalf of the Compact were State Representative Lyn Carlson from Minnesota and former State Senator Lana Oleen from Kansas.

More Information

Copies of agendas, minutes, and selected materials distributed to Subcommittee members are available on the LSA web site at:
<http://www3.legis.state.ia.us/ga/committee.do?id=35>.

STAFF CONTACT: Mary Shipman (Ext. 14617) Robin Madison (Ext. 15270)

**HEALTH AND HUMAN SERVICES APPROPRIATIONS
SUBCOMMITTEE MEETINGS**

Subcommittee Meetings

The Health and Human Services Appropriations Subcommittee met the week of February 7 and conducted the following business:

Purchasing Results

On February 8, Randy Bauer, Department of Management, presented on the Purchasing Results Budget Process. In addition, Dimitri Pantazopoulos, QEV Analytics, provided an overview of a cigarette tax poll.

Mental Health

On February 9, presentations were provided on the progress of the Mental Health Redesign by Michael Bergan, Chairperson, and Linda Kellan, Vice

Chairperson, Mental Health Commission. In addition, Mary Nelson, Department of Human Services (DHS), provided information regarding issues with the Community Mental Health Services Block Grant.

Tentative Schedule



The tentative schedule for the week of February 14 is as follows:

- Tuesday, February 15 – Child and Family Policy Center and Community Health Centers.
- Wednesday, February 16 – To be determined.
- Thursday, February 17 – To be determined.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=37>.

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

JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE MEETINGS

Subcommittee Meetings



The Justice System Appropriations Subcommittee met the week of February 7 and conducted the following business:

- Information from the Second, Fourth, and Fifth Community-Based Corrections (CBC) District Departments regarding drug courts.
- A presentation from Brigadier General Mark Zirkelbach, Department of Public Defense, Military Division.
- A presentation by David Miller, Administrator, Homeland Security and Emergency Management Division, Department of Public Defense.
- A presentation from Tom Becker, State Public Defender.

More Information

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STAFF CONTACT: Beth Lenstra (Ext. 16301) Jennifer Acton (Ext. 17846)

TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE MEETINGS

Subcommittee Meetings



The Transportation, Infrastructure, and Capitals Appropriations Subcommittee met the week of February 7.

The Subcommittee reviewed and passed LSB 1094JA (FY 2006 Transportation Appropriations Bill), which appropriates a total of \$294.7 million and 3,376.0 FTE positions.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=40>.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223) David Reynolds (Ext. 16934)

GOVERNMENT OVERSIGHT COMMITTEE MEETINGS

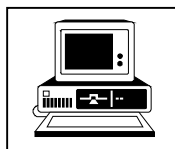
Committee Meetings

The Government Oversight Committee met the week of February 7 and conducted the following business:

Capitol Water Damage

Patrick Deluhery, Tim Ryburn, Mark Johnson, and Dean Ipsen from the Department of Administrative Services (DAS) and Mark Willemsen, Legislative Facilities Manager, provided an update regarding the water damage in the Capitol and the associated clean-up and estimated repair costs. The Committee requested information regarding the cause, the response time for security and the fire department, and DAS staff time to determine the problem. The Committee also asked about steps taken to upgrade the detection and surveillance systems to avoid future occurrences.

Campaign Reporting



Director Charlie Smithson, Ethics and Campaign Disclosure Board; and John Gillispie, Administrator, Information Technology Enterprise (ITE); responded to questions regarding the Electronic Campaign Reporting System. Mr. Smithson indicated that for State campaigns, 35.0% of the reports are filed electronically, and for local campaigns, approximately 16.0% are electronically filed. Issues discussed also dealt with the costs associated with system modifications and whether the Board or the ITE is responsible for the costs. The collaboration between the Board and ITE has improved according to the testimony provided.

Vehicle Fleet Parking



Director Mollie Anderson, DAS, discussed the transfer of State vehicles to the new parking garage north of the Historical Building, as well as the expenditure of funds from the State Vehicle Depreciation Account. Director Anderson presented additional information regarding the business decisions relating to transferring vehicles to the parking garage. Committee members expressed concerns about the decision, and Director Anderson agreed to make the Committee aware of any future business decisions relating to the vehicle fleet before initiating decisions.

Chairperson Alons noted that he will be proposing legislation to privatize the vehicle fleet, similar to what was done for the Alcohol Beverages Division. He stated the purpose of such legislation relates to concerns about security and damage liability for vehicles owned by the State.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=41>

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

GOVERNOR'S FY 2006 BUDGET RECOMMENDATIONS FOR THE EDUCATION APPROPRIATIONS SUBCOMMITTEE

FY 2006 Increase



The Governor is recommending an overall General Fund increase of \$90.6 million in FY 2006 for the Department for the Blind, the College Student Aid Commission, the Departments of Cultural Affairs and Education, and the Board of Regents. The increase includes:

- An increase of \$296,000 for the Department for the Blind to replace funding from the Gifts and Bequests Funds and to match federal funds. The Department anticipates spending approximately \$400,000 from Gifts and Bequests in FY 2005 to supplement operations. The Commission for the Blind has voted to end the practice in FY 2006.
- An increase of \$1.0 million for the College Student Aid Commission, including an increase of \$1.7 million for the Iowa Tuition Grant Program, a decrease of \$175,000 to begin phasing out the Teacher Shortage Forgivable Loan Program, and a decrease of \$465,000 to eliminate the State of Iowa Scholarship Program.
- An increase of \$8.2 million for the Department of Cultural Affairs to fund Iowa's Great Places, a new program that incorporates the existing Cultural Grants Program, maintenance of historic sites, tax credits for Cultural and Entertainment Districts, and funding for technology initiatives, a museum theater program, and traveling exhibits. The increase also includes \$1.0 million for the Cultural Trust and \$728,000 for the Arts-Across-Curriculum pilot project, as well as \$75,000 to archive the papers of former Iowa Governors.
- An increase of \$60.0 million for the Department of Education, including a \$5.6 million (4.0%) general increase for community colleges, \$6.1 million for school district sharing incentives, and an increase of \$47.4 million for the Student Achievement and Teacher Quality Program.
- An increase of \$21.5 million for the Board of Regents, a general increase of 3.6%. The increase includes \$20.0 million for the general operating budgets of the universities, \$966,000 for tuition replacement, and \$528,000 for the Iowa School for the Deaf and the Braille and Sight Saving School.



More Information

Additional information is available from the LSA upon request. *The Analysis of the Governor's FY 2006 Budget Recommendations* is available on the LSA web site at:

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

STAFF CONTACT: Robin Madison (Ext. 15270) Mary Shipman (Ext. 14617)

GOVERNOR'S FY 2006 BUDGET RECOMMENDATIONS FOR THE HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE

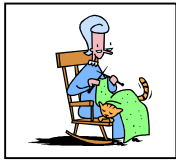
Budget Recommendation

The Governor is recommending a General Fund increase of \$124.0 million for agencies funded by the Health and Human Services Appropriations Subcommittee. Significant changes include:

Elder Affairs

The Governor's recommendation for the Department of Elder Affairs is an increase of \$630,000. The majority of the increase provides additional funds for Case Management.

Public Health



The Governor's recommendation for the Department of Public Health is a net increase of \$4.3 million. Significant changes include:

- An increase of \$970,000 for tobacco prevention marketing and community partnerships.
- An increase of \$927,000 for the initiative to reduce obesity.
- An increase of \$882,000 for Community Health Consultants to provide grants and other assistance to local communities as part of the Building Healthy Communities Initiative.
- An increase of \$836,000 for mobile dental clinics in order to serve clients in under-served areas.
- An increase of \$698,000 for additional staff, lab resources, and other support for the State Medical Examiner's new lab facility.
- A decrease of \$670,000 to eliminate the Healthy Opportunities for Parents to Experience Success (HOPES) Program.
- An increase of \$500,000 for grants to allow medical providers to change to electronic medical records.

Human Services



The Governor's recommendation for the Department of Human Services (DHS) is a net increase of \$124.0 million. Significant changes include:

- Family Investment Program (FIP) – Includes an increase of \$1.5 million for FIP caseload growth and to meet federal maintenance of effort requirements.
- Child Support Recoveries – Adds FTE positions to generate an additional \$4.7 million in child support collections. Of this amount, \$4.5 million is for families and \$200,000 is revenue for the Family Investment and Foster Care Programs.
- Medical Assistance (Medicaid) Program – In total, the Governor is recommending an increase of \$129.0 million for FY 2006. The increase is funded by \$74.0 million in FY 2006 appropriations and \$55.0 million from a projected carry forward from the Governor's FY 2005 General Fund supplemental recommendation. The significant changes include:
 - An increase of \$65.0 million to adjust the FY 2006 base for the FY 2005 supplemental appropriation.
 - An increase of \$31.4 million for a 3.6% increase in enrollment and for increases in medical costs and utilization across the Program.
 - An increase of \$16.5 million for a 3.0% increase in provider reimbursement rates.
 - An increase of \$14.6 million to offset a projected shortfall in the Hospital Trust Fund.
 - A decrease of \$8.5 million to reflect savings required in the new Iowa Medicaid Enterprise contracts.
 - An increase of \$5.9 million to offset a projected shortfall in the Senior Living Trust Fund.
 - An increase of \$3.0 million for new FTE positions in the DHS offices to process applications for the new Medicare Part D Low-Income Subsidy.

- An increase of \$1.0 million to add Medicaid coverage for foster care children up to age 21.
- Medical Contracts – An increase of \$5.0 million for changes in contract requirements for the new Iowa Medicaid Enterprise. The cost increase is offset by \$8.5 million in contractually required savings in the Medicaid budget. In addition, the Governor recommends an increase of \$1.2 million to develop a universal assessment tool for frail elderly and disabled persons.
- State Children’s Health Insurance Program – An increase of \$1.1 million to replace a one-time balance from the Healthy and Well Kids in Iowa (*hawk-i*) Trust Fund and an increase of \$2.4 million for caseload growth.
- State Supplementary Assistance – An increase of \$653,000 to provide funding for federally required Cost of Living Adjustments.
- Child and Family Services:
 - A decrease of \$29.0 million to transfer funds to provide a separate appropriation for Subsidized Adoption.
 - An increase of \$3.2 million to replace one-time Temporary Assistance to Needy Families (TANF) funds used in FY 2005.
 - An increase of \$2.2 million to replace one-time funds carried over from FY 2004.
 - An increase of \$2.2 million for an increase for Residential Treatment Services (RTSS) providers.
 - An increase of \$892,000 to extend services for youth transitioning from foster care to adulthood.
 - An increase of \$600,000 for child welfare redesign initiatives, including family team meetings, technology for frontline workers, and flexible services.
- Adoption Subsidy – Includes increases of \$29.0 million due to the transfer of funds from the Child and Family Services appropriation, \$2.3 million for caseload growth, and \$722,000 to maintain adoption subsidy maintenance rates at the level required by the Code of Iowa.
- Glenwood State Resource Center – Includes increases of \$1.1 million for the FY 2006 portion of the federal Department of Justice settlement cost, \$1.0 million for continuation of the FY 2005 supplemental recommendation, \$992,000 for under-funding the State share, and \$777,000 for the continuation of core services after 24 beds are closed.
- Woodward State Resource Center – Includes increases of \$1.0 million for continuation of the FY 2005 supplemental recommendation, \$899,000 for the FY 2006 portion of the federal Department of Justice settlement cost, and \$523,000 for under-funding the State share.
- Mental Health Redesign – Includes increases of \$4.5 million for the implementation of the Adult Redesign and \$500,000 for a portion of the annual costs of the Home and Community-Based Waiver related to the Children’s Redesign.
- Mental Health/Mental Retardation (MH/MR) State Cases – Includes an increase of \$1.3 million for additional persons served and cost of services.



- Sexual Predator Commitment Program – Includes an increase of \$710,000 for increased costs due to additional clients.
- Mental Health Allowed Growth – An increase of \$4.8 million to include the enacted FY 2006 appropriation increase provided in SF 2298 (FY 2005 Omnibus Appropriations Act).

More Information

Additional information is available from the LSA upon request. *The Analysis of the Governor's FY 2006 Budget Recommendations* is available on the LSA web site at:
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STAFF CONTACT: Lisa Burk (Ext. 17942) Jennifer Vermeer (Ext. 14611)
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GOVERNOR'S FY 2006 BUDGET RECOMMENDATIONS FOR THE JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE

Budget Recommendation



The Governor is recommending an increase of \$25.9 million (5.0%) from the General Fund for agencies funded by the Justice System Appropriations Subcommittee. Highlights include:

- Department of Corrections (DOC) – An increase of \$7.5 million (2.8%). The increases include \$1.8 million for Community-Based Corrections (CBC) District Departments for additional parole/probation agents and \$5.7 million for the Prison System for additional positions, basic life safety issues, and mental health issues.
- State Public Defender's Office – An increase of \$3.4 million (9.4%). This includes \$1.6 million to permit the Office to fill vacant authorized positions and \$1.8 million to fund a projected increase in claims from private attorneys.
- Judicial Branch – An increase of \$10.6 million (8.8%). Pursuant to Chapter 602, Code of Iowa, the Governor is required to pass the Supreme Court's budget recommendation for the Judicial Branch unchanged to the General Assembly.
- Department of Public Safety – An increase of \$4.2 million (6.3%). This includes increased costs of reimbursements to the Department of Administrative Services, special agents to cover enforcement needs of three new race tracks, laboratory supplies and equipment for the new Crime Lab, staff and positions for the Iowa State Patrol, and firefighter training funds.



More Information

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

STAFF CONTACT: Beth Lenstra (Ext. 16301) Jennifer Acton (Ext. 17846)

GOVERNOR'S FY 2006 BUDGET RECOMMENDATION FOR THE DEPARTMENT OF TRANSPORTATION

FY 2006

The Governor is recommending an overall increase of \$140,000 in FY 2006 for the Department of Transportation (DOT). The increase is for costs associated with use of the Integrated Information for Iowa (I/3) Budget System.

More Information

Additional information is available from the LSA upon request. *The Analysis of the Governor's FY 2006 Budget Recommendations* is available on the LSA web site at:
<http://staffweb.legis.state.ia.us/lfb/docs/BudgAnalysis/BudgAnalysis.htm>.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

GOVERNOR'S FY 2006 INFRASTRUCTURE-RELATED BUDGET RECOMMENDATIONS

Budget Recommendation

The Governor is recommending a total of \$139.8 million for infrastructure-related projects for FY 2006 from the following funding sources:



- Rebuild Iowa Infrastructure Fund: \$41.1 million
- Restricted Capital Fund: \$35.2 million
- Vertical Infrastructure Fund: \$15.0 million
- Environment First Fund: \$35.0 million
- Iowa Values Bridge Financing Fund: \$13.4 million

Admin. Services

Significant appropriation recommendations for the Department of Administrative Services (DAS) are as follows:

- \$2.0 million from the Vertical Infrastructure Fund for routine maintenance of State-owned facilities.
- \$5.0 million from the Vertical Infrastructure Fund for major maintenance and repairs to State facilities.
- \$4.7 million from the Vertical Infrastructure Fund for continued funding of the Records Building renovation.
- \$1.8 million from the Rebuild Iowa Infrastructure Fund (RIIF) for costs associated with relocation of State agencies, temporary leasing, and other expenses incurred during renovation of buildings on the Capitol Complex.
- \$7.7 million from the Iowa Values Bridge Financing Fund to replace the electrical distribution system on the Capitol Complex.
- \$6.5 million from the RIIF for deposit into the Pooled Technology Fund to be used for the centralized purchase of technology for State agencies.

Ag. and Land Stewardship

Significant appropriation recommendations for the Department of Agriculture and Land Stewardship are as follows:

- \$5.5 million from the Environment First Fund for the Soil Conservation Cost Share.
- \$2.7 million from the Environment First Fund for the Watershed Protection Program.
- \$2.0 million from the Environment First Fund for the Conservation Reserve Enhancement Program (CREP).
- \$1.0 million from the Environment First Fund for the Farm Demonstration Program.

Corrections



Significant appropriation recommendations for the Department of Corrections are as follows:

- \$11.7 million from the Restricted Capital Fund for continued funding of the bed expansion projects at the Iowa Medical and Classification Center at Oakdale.
- \$1.8 million from the RIIF and \$2.0 million from the Restricted Capital Fund for relocation and expansion of the Davenport Community-Based Correctional Facility.

Economic Development

The Governor is recommending \$5.0 million from the RIIF and \$6.2 million from the Iowa Values Bridge Financing Fund for the Department of Economic Development for the Community Attraction and Tourism Program.

Education



Significant appropriation recommendations for the Department of Education are as follows:

- \$8.0 million from the RIIF for conversion of Iowa Public Television (IPTV) transmitter sights and headquarters to digital transmission.
- \$2.7 million from the RIIF for the cost of maintenance and leases associated with the build-out of Part III of the Iowa Communications Network (ICN).
- \$2.0 million from the RIIF to replace IPTV analog transmitters.

Human Services

The Governor is recommending \$1.1 million from the Restricted Capital Fund for the Department of Human Services to expand the capacity at the Cherokee Critical Care Unit for Sexual Offenders (CCUSO).

Technology Commission

The Governor is recommending \$1.7 million from the Restricted Capital Fund for the Iowa Telecommunications and Technology Commission to replace aging equipment of the ICN.

Natural Resources



Significant appropriation recommendations for the Department of Natural Resources are as follows:

- \$15.5 million from the Environment First Fund for the Resources Enhancement and Protection (REAP) Program.
- \$1.0 million from the Iowa Values Bridge Financing Fund for lake restoration.
- \$1.0 million from the Iowa Values Bridge Financing Fund for construction costs associated with the Destination State Park development.
- \$2.5 million from the Restricted Capital Fund for State matching funds for construction of the Lewis and Clark Rural Water System.
- \$2.3 million from the Environment First Fund for Marine Fuel Tax Capital Projects.
- \$2.0 million from the Environment First Fund for operation and maintenance costs at State parks.

Public Defense

Significant appropriation recommendations for the Department of Public Defense are as follows:

- \$1.2 million from the Vertical Infrastructure Fund and \$300,000 from the RIIF for construction of a new Readiness Center and organizational maintenance shop in Iowa City.
- \$1.0 million from the Vertical Infrastructure Fund for maintenance and renovation projects.

Board of Regents

The Governor is recommending \$10.3 million from the Restricted Capital Fund for the Board of Regents for tuition replacement.

Transportation

The Governor is recommending \$2.8 million from the Iowa Values Bridge Financing Fund for the Department of Transportation for aviation programs.

More Information

Additional information is available from the LSA upon request. *The Analysis of the Governor's FY 2006 Budget Recommendations* is available on the LSA web site at:
<http://staffweb.legis.state.ia.us/lfb/docs/BudgAnalysis/BudgAnalysis.htm>.

STAFF CONTACT: David Reynolds (Ext. 16934)

SIXTY-FIVE CENT WIRELESS E911 SURCHARGE FOURTH QUARTER REPORT

Quarterly Report

The Legislative Services Agency received the Fourth Quarter Report from the Office of Homeland Security and Emergency Management Division. The Division received \$2.7 million in revenue from the E911 wireless surcharge. The amounts expended are as follows:

- \$559,000 for wireless service providers cost recovery.
- \$266,000 for wire-line transport costs for local carriers.
- \$1.1 million for automated location information costs for local carriers.
- \$500,000 for debt retirement (remaining debt balance of \$1.8 million).
- \$159,000 for Public Safety Answering Points (PSAPs).
- \$82,000 in carryover for future Phase 2 network and PSAP upgrades and improvements (\$192,000 in the fund to date).

More Information

Copies of the Report are available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

SENIOR LIVING COORDINATING UNIT - 2004 ANNUAL REPORT

Sr. Living Report

The Senior Living Coordinating Unit issued the 2004 Annual Report as required by Section 231.58(g), Code of Iowa, in January 2005. The Report outlines the activities and accomplishments of the Unit from the previous year and provides an overview of the initiatives funded with appropriations from the Senior Living Trust Fund. Other highlights include:

- History of the unit.
- 2004 initiatives impacting long-term care planning.

- Overview of current Long-Term Care Program activities.

More Information

Copies of the report may be accessed on the Department of Elder Affairs web site at: <http://www.state.ia.us/elderaffairs/resources/reports.html>.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF PUBLIC HEALTH - REQUIRED REPORTS

Required Reports

The Department of Public Health has completed the following required reports:

- 2004 Access to Obstetrical Care Report, pursuant to Section 135.11(18), Code of Iowa.
- 2004 Child Death Review Team Report, pursuant to Section 135.43, Code of Iowa.
- 2004 Organ Procurement Report, pursuant to Section 142C.17, Code of Iowa.
- Administrative Staff Sharing between the Boards of Medical, Dental, Nursing, and Pharmacy, as required by SF 2298 (FY 2005 Omnibus Appropriations Act).
- State Advisory Committee on Viral Hepatitis Report, as required by HR 145, 2004 Legislative Session.
- Substance Abuse Treatment Programs Success Rates, as required by HF 2577 (FY 2005 Healthy Iowans Tobacco Trust Appropriations Act).



More Information

The reports may be accessed on the Department's web site at: http://www.idph.state.ia.us/resources_legmand.asp.

STAFF CONTACT: Lisa Burk (Ext. 17942)

MEDICAL ASSISTANCE ADVISORY COUNCIL MEETING

MAAC Meeting

The Medical Assistance Advisory Council (MAAC) met on February 2. The Council discussed the following items:

- A presentation from Susan Parker, Department of Human Services (DHS), regarding the implementation of the Preferred Drug List (PDL).
- An update on the Iowa Medicaid Enterprise by Mary Tavegia, DHS.
- An update on the managed care program by Dennis Janssen, DHS.
- A presentation regarding the estimated funding needs for the Medicaid Program for FY 2005 and FY 2006 and the Governor's FY 2006 budget recommendations by Jennifer Vermeer, Legislative Services Agency.



More Information

Additional information is available from the LSA upon request.

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FEBRUARY COUNCIL ON HUMAN SERVICES MEETING**Council Meeting**

The Council on Human Services met on February 9 and conducted the following business:

Adm. Rules

The Council approved the following Administrative Rules for adoption:

- Provides a Supplementary Security Income (SSI) cost-of-living increase to State Supplementary Assistance recipients. The half year State cost in FY 2005 is estimated at \$51,000, and an entire year in FY 2006 is estimated at \$104,000.
- Establishes a Refugee Services Foundation. The Department of Human Services (DHS) was unable to provide the Council with a fiscal impact regarding this private fundraising effort.
- Implements Community Care services for Child Welfare management. The Department plans to use funds currently expended on Child Welfare for this change in service provision.
- Changes in definitions regarding family-centered supervision services. The Department estimates these changes will cost less than \$100,000 annually.

Noticed Rules

The Council approved the following Administrative Rules for adoption at a future meeting:

- Establishes limitations upon family-centered services for children placed in shelter care and group care facilities, and prohibits rehabilitative services to children placed in Psychiatric Medical Institutions for Children (PMICs).

Presentations

The Council heard from the following presenters:

- Susan Parker, DHS, provided information on the Preferred Drug List (PDL).
- Julie Ingersoll, DHS, provided information on the Child Care Management Information System and the Governor's Initiative for Early Childhood.
- Bill Gardam, DHS, provided a review of the Governor's budget offers.
- Mary Nelson, DHS, provided an update regarding the Child Welfare Redesign.

Next Meeting

The next meeting is scheduled for March 9. Additional information is available from the LSA upon request.

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