

FISCAL UPDATE

July 7, 2006

Legislative Services Agency

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

DEPARTMENT OF PUBLIC HEALTH – FY 2006 APPROPRIATIONS TRANSFER

Transfer Request

The Fiscal Services Division of the Legislative Services Agency (LSA) received notification of a request to transfer funds within the Department of Public Health (DPH) pursuant to Section 8.39, Code of Iowa. The Department is transferring \$20,000 from the Elderly Wellness appropriation to the Infectious Diseases appropriation for FY 2006.

Reason for Transfer



The transfer is due to increased costs for vaccines and communications associated with the Mumps epidemic. The funds are available in the Elderly Wellness appropriation because Dickinson, Johnson, Jackson, Muscatine, and Wapello Counties will not expend the entire amounts received from the State in FY 2006 for public health nursing or home care aide services.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF HUMAN SERVICES LEASE PURCHASE

Lease Purchase

The Department of Human Services (DHS) submitted a lease purchase notification to implement energy conservation improvements at the Woodward Resource Center. The notice was submitted pursuant to Section 8.46, Code of Iowa, which requires State agencies to notify the LSA at least 30 days prior to entering into a lease purchase agreement.

Facility Improvements



The Department has worked with the State of Iowa Facilities Improvement Corporation (SIFIC) to identify the energy conservation improvements and the associated utility cost savings. The project includes the purchase and installation of chillers, a cooling tower, chilled water pumps, condenser water pumps, underground piping, and microprocessor controls. The project is necessary because the existing chillers at Woodward are non-functional, and the facility has been renting a chiller for the past year.

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Cost of Improvements

The total estimated cost of the agreement is \$3.2 million, which includes \$2.5 million in principal and \$657,500 in interest. The annual lease payments are projected to total \$317,000 and will be paid from the Resource Center's federal, State, and local funds. The SIFIC estimates annual utility savings of \$163,000 as a result of the improvements, which is intended to offset a portion of the annual lease purchase payment.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

GOVERNMENT OVERSIGHT COMMITTEE MEETINGS

Oversight Meeting

The Government Oversight Committee met on June 19-20.

June 19

On June 19, the Committee received testimony from Representative Ed Fallon, Deb Dessert, and Ako Abdul-Samad regarding the Iowa Workforce Development (IWD) and the Central Iowa Employment and Training Consortium (CIETC).

June 20

On June 20, the Committee heard from the following individuals:

- Douglas Wulf and Jess Benson, LSA, presented information on Other Pay received by Executive Branch staff in FY 2005 and 22 pay periods in FY 2006. Other Pay is any pay in addition to an employee's actual salary.
- Acting Director Dave Neil, IWD, and Doug Williams, Des Moines Area Community College, presented information regarding the Rapid Response meeting held in Newton as a result of the closure announcement of the Maytag facility by the Whirlpool Corporation.
- Lawrence Vander Esch, former inmate at Mt. Pleasant and Oakdale Correctional Facilities, presented his perspective on problems with the Sex Offender Treatment Program, and ideas for better efficiencies and savings in these facilities.



More Information

Committee meetings involving CIETC are recorded and may be accessed on the website at:

http://www4.legis.state.ia.us/lfb/SubCom/related_links/Oversight_Recordings.html. Additional information is available from the LSA upon request.

STAFF CONTACT: Sam Leto (Ext. 16764) Douglas Wulf (Ext. 13250)
Richard Nelson (25822)

ENVIRONMENTAL PROTECTION COMMISSION MEETING

Rathbun Lake Tour



Members of the Environmental Protection Commission toured the following areas of Rathbun Lake on June 18:

- Various water quality protection projects that included Greenville Marsh, a 200-acre wetland and riparian area restoration project. The funding includes \$525,000 in federal funds and \$175,000 in State funds from the Southern Iowa Conservation and Development Authority appropriation from the Environment First Fund.
- The future sites of Honey Creek Destination Park and the Rathbun Lake Lighthouse and Visitor Center.

- Rathbun Lake Fishery that is owned by the Department of Natural Resources (DNR).



Greenville Marsh was completed this past spring to filter water runoff and reduce sediment.

June Meeting



The Environmental Protection Commission met on June 19 at the Rathbun Regional Water Association located near Centerville. The Commission approved the following contracts with Iowa State University:

- \$408,000 for intensive lake monitoring.
- \$69,000 for stream habitat assessment.
- \$34,000 for wetland biological monitoring.
- \$159,000 for the Manure Application Certification Program.

U of I Contracts

The Commission approved the following contracts with the University of Iowa Hygienic Lab:

- \$750,000 to complete use attainability analysis as specified in SF 2363 (Water Quality Standards Act) that was passed by the 2006 General Assembly.
- \$1.8 million contract to support Air Quality Bureau activities that include asbestos sampling, data management, and other air quality monitoring.

Air Quality Contracts



The Commission approved the following contracts related to air quality programs:

- \$677,000 contract with Linn County and \$716,000 contract with Polk County to implement and administer air quality programs.
- \$70,000 contract with the Department of Economic Development to administer a Small Business Environmental Assistance Program. This is a non-regulatory Program that provides information to business owners that have questions related to air quality, pollution, and other environmental concerns.

Solid Waste Projects

The Commission approved funding of \$717,000 for 13 projects in the Solid Waste Alternatives Program. The Department received 21 proposals totaling \$2.3 million.

Administrative Rules

The Commission approved the following Administrative Rules:

- Final Notice on the Rule that extends the Department's authority to evaluate construction permit applications and manure management plans.
- Final Notice on air quality rules related to controlling pollution and emission standards for contaminants.
- Final Notice on the designated wetlands rule.
- Final Notice on the uniform covenants rule.
- Final Notice on the rules for wastewater permit fees.

Referred Cases

The following cases were referred to the Attorney General's Office:

- The Pellet Chemical Company for underground storage tank violations.
- The Bulk Petroleum Corporation for underground storage tank violations.

Revolving Loan Fund

The Commission approved the Intended Use Plans for the Clean Water State Revolving Loan Fund and the Drinking Water State Revolving Loan Fund for FY 2007.

LiDAR Contract



The Commission approved a \$2.0 million contract with the federal Geological Survey to acquire LiDAR topography data. LiDAR is a measuring system that detects and locates objects on the same principle as radar but uses the pulses of a laser light to analyze atmospheric phenomena. The federal Natural Resource Conservation Service has committed to paying \$1.0 million and the DNR will pay the additional \$1.0 million with a loan from the Clean Water State Revolving Loan Fund, as the technology will be used for non-point source water quality projects.

More Information

Commission agendas, minutes, and other related information may be accessed on the DNR web site at: <http://www.iowadnr.com/>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

JUNE BOARD OF REGENTS MEETING

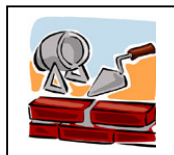
June Meeting

The Board of Regents met on June 20 at Iowa State University (ISU) in Ames and June 21-22 at Lakeside Laboratory in Okoboji.

Surcharge Approved



At the meeting at ISU, the Board approved a one-time surcharge of \$200 for the school year 2006-2007. The surcharge will be \$100 per semester for full-time students and a prorated amount for part-time students. The surcharge is expected to generate \$10.9 million during FY 2007 that will be used for operating expenditures, and is a temporary one-time charge. With the surcharge, tuition and fees for full-time undergraduates for the 2006-2007 year will be \$6,055 at the University of Iowa (SUI), \$6,060 at ISU, and \$6,112 at the University of Northern Iowa (UNI).

Bonding Resolutions

The Board approved the following bond resolutions:

- Sale of \$25.0 million of Athletic Facilities Revenue Bonds for the SUI for Kinnick Stadium. This is the last issuance for the Kinnick Stadium project. The Board approved sale of up to \$120.0 million for this purpose at the February 2005 meeting. A total of \$92.5 million in bonds have been issued for this project to date, as follows: \$25.0 million in February 2005, \$40.0 million in August 2005, and \$27.5 million in May 2006. The bonds will be repaid with athletic facility revenues.
- Issuance of up to \$24.5 million of SUI Facilities Corporation Revenue Bonds for purchase, renovation, and equipment of 102,000 gross square feet of condominium space in the Old Capitol Town Center in Iowa City. Annual debt service of \$1.6 million will be paid from lease rentals.
- Preliminary resolution to sell up to \$9.5 million of Dormitory Revenue Refunding Bonds for ISU and \$5.6 million of Academic Building Revenue Refunding Bonds for ISU. The refundings will reduce interest costs. The present value savings of the two refundings is estimated at \$715,000.

Committee Reports

The Board received reports from the following Committees:

- Economic Development – The Committee recommended and the Board approved allocation of \$5.0 million in Battelle funding for endowed chairs and faculty salaries at each of the universities. The allocation is \$2.0 million for SUI, \$2.0 million for ISU, and \$1.0 million for UNI. The allocations require matching funds. The Committee also discussed the Grow Iowa Values Fund process for FY 2007.
- Property and Facilities – The Committee recommended and the Board approved the FY 2007 capital plans.
- Education and Student Affairs – The Committee recommended and the Board approved the following:
 - Proposed program name changes (one at ISU and two at SUI), a department name change at UNI, and two program terminations at ISU.
 - Iowa Braille and Sight Saving School report and work plan.
 - Proposed new program of Master in Medical Education at SUI.
 - New Centers at ISU. The two new Centers are the Iowa Center for Advance Neurotoxicology and the Nutrition and Wellness Research Center.
- Human Resources – The Committee recommended and the Board approved the FY 2007 salary policies. The Committee also heard reports on the salaries of presidents at peer group institutions and tuition assistance programs.

Other Business

The Board conducted the following other business:

- Approved the FY 2007 budgets for the special schools and the Board Office.
- Received an update on the Presidential search at SUI.
- Received the FY 2005 Unit Cost of Instruction.

More Information

The next meeting is scheduled for August 8-9 at SUI. Additional information, including the full text of all agenda items, may be accessed on the Board's web site at: <http://www2.state.ia.us/regents/Meetings/meetings.html>

STAFF CONTACT: Mary Shipman (Ext. 14617)

**COMMISSION FOR THE DEPARTMENT OF ELDER AFFAIRS
MEETING**

Commission Meeting

The Commission for the Department of Elder Affairs (DEA) met June 14-15.

Director's Report

Director Mark Haverland provided the following information:



- The Department has concerns regarding the timing of the filing of Administrative Rules for Case Management as these are to be effective in August and will involve significant changes for the Area Agencies on Aging.
- The Department and the local American Association for Retired Persons (AARP) will hold a conference, "Connecting with Experience," that will focus on accommodating older workers. A date for the conference was not provided.
- The Department of Cultural Affairs is involving the DEA in the Great Places Iowa Program in order to designate certain Iowa communities as elderly-friendly.
- The Department is collaborating with the Division of Homeland Security in order to bring attention to the special needs of older people and those with disabilities in the event of emergency situations.
- The National Area Agencies on Aging Conference will be held in August 2006 and will be attended by Director Haverland.
- The reauthorization of the federal Older Americans Act is in process. Historically, reauthorization has taken an extensive amount of time. The House Bill, in its current form, includes no new programs and places continued emphasis on the home and community-based services network.



DEA Overview

Greg Anliker, DEA, provided the Department's organizational structure, as well as a financial overview of the Department's budget according to funding sources. Mr. Anliker also described the process for approving the plans each Area Agency on Aging would be submitting to the Commission.

AAA Presentations

Each of the 13 Area Agencies on Aging presented information regarding the mission and activities of the respective Agency, as well as an Area Plan for the delivery of services.

Legislative Update

Joel Wulf, DEA, provided an overview of enacted legislation passed during the 2006 Session that impacted the Department. An update of Department issues and concerns was also provided.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

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

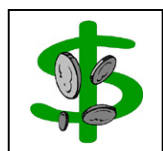
The Council on Human Services met via teleconference June 14.

Adm. Rules

The Council approved the following Administrative Rules for notice and adoption:



- Implements the Preparation for Adult Living Services (PALS) Program stipend and adopts rules for the aftercare program.
- Implements Medicaid coverage for independent young adults.
- Requires proof of U.S. citizenship or national status as a condition of eligibility for Medicaid.
- Eliminates the use of diagnosis codes in determining an emergency medical condition and instead uses a medical release or doctor's statement to verify that an emergency condition did exist under Medicaid.
- Implements an increase in nursing facility personal needs allowance to \$50 and supplemental payments to residents with less than \$50 income.
- Updates medical institution statewide average costs and charges for Medicaid.
- Implements the disregard of one vehicle for Family Medical Assistance Program-related eligibility.
- Implements a 3.0% rate increase for most Medicaid providers.
- Requires providers to keep all tax reporting data current with the Iowa Medicaid Enterprise and to pay any federal tax-reporting penalty the Department incurs because of inaccurate data about the provider. Also, permits termination of a provider's enrollment if the data is not brought current.
- Adds IowaCare renewal application and clarifies and updates premium policy.
- Continues increased mileage reimbursement for PROMISE JOBS and Medicaid non-emergency transportation.
- Allows waiver of pre-service training requirements for foster or adoptive parent applicants.
- Implements a 3.0% rate increase for most purchase-of-service providers and clarifies the shelter care payment process.
- Implements a rate increase for foster family care, foster care supervised apartment living, and adoption maintenance subsidy.
- Implements a 3.0% rate increase for rehabilitative treatment and supportive service providers.
- Increases maximum subsidy for adoption legal expenses.

**Director's Report**

Deputy Director Sally Titus discussed the outcomes of the 2006 Legislative Session and how the Department will be working to implement legislative directives.

More Information

The next meeting is scheduled for July 12. Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942) Kerri Johannsen (Ext. 14611)

JUNE HAWK-I BOARD MEETING

***hawk-i* Board Meeting**

The ***hawk-i*** Board met on June 19 at the Des Moines Botanical Center.

Reports/State News

Shellie Goldman, Department of Human Services (DHS), reviewed news articles and reports pertaining to the State Children's Health Insurance Program (SCHIP) from around the country. A majority of the stories focused on States' efforts to expand health coverage for citizens and reduce uninsured rates.

Administrator's Report



Ms. Goldman reviewed Iowa's SCHIP enrollment and statistics for FY 2006. Current SCHIP enrollment is 35,732, including both the ***hawk-i*** and Medicaid expansion populations. She also briefly discussed the State appropriations to ***hawk-i*** for FY 2006 and FY 2007 and indicated the appropriations were expected to be sufficient to cover the State portion of Program costs. Ms. Goldman also provided the following information:

- The SCHIP is up for reauthorization at the federal level this year and the DHS will be watching the process carefully.
- The DHS has experienced problems with MAXIMUS, the contractor responsible for administration of the ***hawk-i*** Program, and has levied fines against the contractor. Representatives from MAXIMUS are expected to attend the August Board meeting.
- The DHS will supply outreach brochures to schools, and will also provide an opportunity to request information about ***hawk-i*** on free and reduced lunch application forms.

Contracts Submitted

Three contracts and two amendments were submitted for approval by the Board:

- The Wellmark Classic Blue indemnity plan contract will be a three-year contract with rates as set by the Board in May and re-negotiated annually. The Board approved the contract.
- The Wellmark Health Plan of Iowa managed care contract will be a three-year contract with rates as set by the Board in May and re-negotiated annually. The Board approved the contract.
- The Department of Public Health was expected to submit a one-year outreach contract for Board approval; however, the contract is still in negotiations. Board members were concerned that a gap in outreach will occur in important back-to-school months if the contract is not in effect, and agreed that if the contract is completed before the August meeting, members will meet for its consideration via conference call.
- The Board approved amendments to contracts with John Deere Health Plan and Delta Dental reflecting annual rate negotiations.



Outreach Update Meghan Wolfe, Johnson County Department of Public Health, reported on outreach efforts in Johnson County, including the results of efforts and barriers specific to the County.

More Information The next meeting is scheduled for August 21. Additional information is available from the LSA upon request.

STAFF CONTACT: Kerri Johannsen (Ext. 14611)

DEPARTMENT OF HUMAN SERVICES AND CENTRAL POINT COORDINATORS MEETING

DHS Meeting with CPCs The Department of Human Services (DHS) met with local Central Point Coordinators (CPCs) June 6 at the Iowa Medicaid Enterprise (IME) Office.

State Perspective Director Kevin Concannon discussed the outcomes of the 2006 Legislative Session that impact the CPCs. He also discussed the Department's view of current mental health services and future goals for the system.

CPC Perspective The CPCs discussed issues of concern for counties and provided perspectives on recent legislative outcomes and the future of the mental health system.

Medicaid Changes



Gene Gessow, Iowa Medicaid Director, briefed the CPCs on upcoming changes to the Medicaid State Plan that will impact citizens served by the counties. State Plan services affected include Adult Rehabilitative Option (ARO), Targeted Case Management, and Home and Community Based Services (HCBS) Waivers.

The federal Deficit Reduction Act of 2005 is driving the changes for Targeted Case Management and the HCBS Waivers. The changes to ARO services were prompted by recent audits performed and questions issued by the federal Centers for Medicare and Medicaid Services (CMS).

Discussion Department of Human Services officials answered questions from the CPCs regarding changes to Vocational Rehabilitation services and ongoing problems with disputed billings.

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

STAFF CONTACT: Kerri Johannsen (Ext. 14611)

MAY MH/MR/DD/BI COMMISSION MEETING

Commission Meeting The Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury (MH/MR/DD/BI) Commission met May 18 in Des Moines.

Review of HF 2780 The Commission reviewed and discussed HF 2780 (Mental Health Redesign Act) and implications for providers and clients.

Director's Report Director Kevin Concannon and Mary Nelson, Department of Human Services (DHS), discussed major outcomes of the 2006 Legislative Session in addition to the Mental Health Redesign Act.

Accreditations	The Commission discussed accreditations for 12 mental health care providers at different stages of the process, and reviewed the Commission calendar.
Work Group Reports	The Residency Team provided updates on workgroup activities.
Info. and Referral Network	Jan Gray presented on the Iowa Enhanced Information and Referral Network.
More Information	The Commission met again on June 15. The next meeting is scheduled for July 20 at Iowa Lutheran Hospital in Des Moines. Additional information is available from the LSA upon request.

STAFF CONTACT: Kerri Johannsen (Ext. 14611)

SENIOR LIVING COORDINATING UNIT MEETING

Unit Meeting The Senior Living Coordinating Unit met June 16.

Senior Living Program



The following information was provided relating to the Senior Living Program:

- Dick Harmon, Department of Elder Affairs (DEA), provided information on the use of home and community-based services, as well as unmet service needs. A discussion was held regarding the perceptions that may be generated regarding the data, as well as future improvements for gathering and use of the data.
- Lisa Burk, LSA, provided projections for the Senior Living Trust Fund (SLTF). At the beginning of FY 2007, the Fund will have a balance of an estimated \$88.5 million, which includes a General Fund transfer of \$21.1 million and an appropriation of \$25.0 million from the Endowment. This amount may be more if Medicaid funds are left at the close of FY 2006, which are required to be transferred to the SLTF.

If expenditures for FY 2007 total the appropriated levels of \$74.8 million, the Fund will have an estimated ending balance of \$13.8 million at the close of FY 2007.

- Carla Pope, Iowa Finance Authority, reported there are currently 10-11 projects in process that are funded with revolving loan funds appropriated from the SLTF in FY 2005.

Long Range Plan

Mary Anderson, Deanna Clingan-Fischer, and Carlene Russell, DEA, provided information on implementation strategies for issues covered in the Long Range Plan for Long-Term Living, including the development of a comprehensive educational program, public guardianship, and nutrition services.

Consumer Choice

Director Kevin Concannon, Department of Human Services (DHS), reported that the Consumer Choices Option, also known as cash and counseling, is not expected to be operational until October 2006.

Case Management



Director Concannon also reported that the federal Centers for Medicare and Medicaid approved Case Management as a covered service under the Medicaid Elderly Waiver, and the DHS is currently working on the administrative rules for this, as well as revising manuals. It is anticipated that the rules will be filed emergency on July 1 and be effective in August.

PACE Program	Mikayla Funaro, DHS, reported that Siouxland Hospice and Mason City Mercy Hospital wish to be providers under the Program for All Inclusive Care for the Elderly (PACE). Actuaries have completed work regarding the funding levels needed and work with the Boards of these organizations is in progress.
Assisted Living	Ms. Funaro also reported that the Assisted Living State Plan Amendment is still in process with the federal CMS.
More Information	The August 18 meeting is cancelled and the next meeting is scheduled for October 20. Additional information is available from the LSA upon request.


STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF HUMAN SERVICES SELECTS NEW SUPERINTENDENT FOR TOLEDO JUVENILE HOME

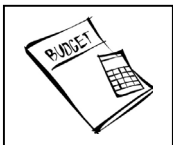
New Superintendent	Deb Hanus has been selected as the new Superintendent for the Toledo Juvenile Home, effective immediately. Ms. Hanus has held various positions at Toledo since 1982 and has most recently served as the Interim Superintendent and as Treatment Services Director.
More Information	Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

BOARD OF CORRECTIONS MEETING

Board Meeting	The Board of Corrections met on June 9 at the Iowa Correctional Institution for Women at Mitchellville.
Activities 	Deputy Director Larry Brimeyer, Department of Corrections (DOC), provided information on DOC recent activities. The DOC and Community-Based Corrections (CBC) staff attended a planning session for the FY 2008 budget process on May 23. Four thoroughbred horses were adopted from the Horse Program at the Newton Correctional Facility on May 26. The DOC is also planning on providing offender re-entry training to staff.
Women Offenders	Warden Diann Wilder Tomlinson, Mitchellville Correctional Institution for Women, provided an overview of women offenders. It is anticipated there will be over 1,000 women offenders in prison in 10 years. Additional treatment needs include substance abuse and dual diagnosis treatment. Assistant Deputy Director Sheryl Lockwood reported that the female population is currently at 123.0% of capacity and the female offender population is increasing at a faster rate than the male population. About 41.0% of the offenders held at Mitchellville are on psychotropic medication. Probation/Parole Supervisor Michelle Dix reported that the number of women offenders under CBC supervision more than doubled over the past 10 years.

FY 2008 Budget



Deputy Director John Baldwin, DOC, provided a synopsis of the results of the May 23 budget planning session. Topic areas include:

- Fixed costs, such as the projected costs to comply with HF 619 (Sex Offender Act).
- Evidence-based practices and training issues.

- Centralized screening and sex offender assessment.
- Training and vacation relief and workload.
- Transitional planning for offenders to be released back into the community.
- Mental health issues and additional beds at Mitchellville.
- Substance abuse treatment needs.

Inmate Telephone



Deputy Director Baldwin also provided the proposed budget for inmate telephone rebate expenditures in FY 2007. The Board approved the \$1.2 million budget as follows:

- Inmate education funding – \$750,000
- Inmate legal services – \$150,000
- Victim Coordinator – \$85,000
- Mental Health Program – \$45,000
- Religious Coordinator – \$75,000
- Oakdale telephone administration – \$50,000
- Inmate translation services – \$20,000

Performance Measures

Administrator Barb Long presented information regarding performance measurement and a corrections scorecard. The DOC is focusing on recidivism, safe environment, victim reparation, and resource management.

Administrative Rule

General Counsel Michael Savala requested Board approval for amending the rules governing the Sex Offender Treatment Program by eliminating the polygraph examination from the psychosexual assessment conducted on Program participants. The change is required due to a recent Iowa Appeals Court ruling, and also amends the rules to reflect the updated standards for Sex Offender Treatment Standards issued by the Iowa Board for the Treatment of Sexual Abusers. Polygraph examinations will continue to be used in treatment, but will no longer be included as part of the psychosexual assessment. The Board approved the proposed changes.

Systemic Study



Deputy Director Baldwin provided an update on the progress made regarding a systemic study of the State prison system as authorized by HF 2782 (FY 2007 Infrastructure Appropriations Act). The DOC was appropriated \$500,000 to maximize efficient use of the current infrastructure; study existing capacity and treatment needs versus projected growth; an engineering review; and recommendations on housing federal detainees, new infrastructure, and new treatment opportunities.

More Information

The next meeting is scheduled for July 7 at the North Central Correctional Facility in Rockwell City. Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

STATE APPEAL BOARD ACTION AGAINST THE DEPARTMENT OF PUBLIC DEFENSE

State Appeal Board

The State Appeal Board released the list of administrative action taken for the month of May. The Department of Public Defense, National Guard, had a decided case (Luther v. State) totaling \$32,500. The case originated from a State employee working at the 132nd airbase in Des Moines who was clearing snow that landed on the roadway resulting in a three car accident.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

DEPARTMENT OF TRANSPORTATION COMMISSION APPROVES FY 2007 HIGHWAY PROGRAM

FY 2007 Highway Program



The Department of Transportation (DOT) Commission approved \$456.9 million for the FY 2007 Highway Program on June 13, which includes \$373.5 million for highway construction projects and \$83.4 million for statewide services. The Program includes the following projects:

- Polk County: \$79.8 million for completion of the I-235 project.
- Osceola County: \$20.6 million for construction of the Sibley bypass.
- Wapello County: \$18.8 million for construction of the Ottumwa bypass.
- Marion County: \$14.0 million for construction of the Knoxville bypass.
- Jefferson County: \$12.0 million for a new bridge on the Fairfield bypass.
- Fremont County: \$10.1 million for construction of I-29 along the Missouri border to Iowa 2.
- Statewide: \$25.0 million for statewide consultant services.

Projects Deferred



The FY 2007 Highway Program is \$118.7 million over the programmed amount; therefore, the Commission agreed to defer \$118.7 million of highway projects from FY 2007 to FY 2008. If revenues do not meet the necessary levels in FY 2008, projects may be deferred into future years. Factors affecting the decrease in revenues include the following:

- Due to lower than anticipated federal funds and an increase of approximately 20.0% in letting costs resulting from increases in construction materials and fuel, the FY 2006 Highway Program was approximately \$69.0 million over the programmed amount. As a result, in March 2006, the Commission agreed to defer 28 projects worth \$38.5 million from FY 2006 to FY 2007.
- Although Primary Road Fund revenues met the projected annual growth level of 0.5% in FY 2006 (revenues increased by 1.6% in FY 2006 compared to FY 2005), this percentage is less than the growth experienced in previous years. The DOT is currently projecting a 0.5% growth rate in Primary Road Fund revenues for FY 2007.
- Although the obligation authority (the amount of authorized federal funds that states are allowed to expend) for FY 2007 is not yet known, the DOT is estimating 85.0% instead of the anticipated 90.0%. This equates to an estimated \$12.0 million less in federal funding.

Fiscal Summary

The following table provides a fiscal summary of the FY 2007 Highway Program.



FY 2007 Highway Program

FY 2007 Program Balance	\$ -7.2
FY 2006 Projects Deferred to FY 2007*	-49.3
Increased Construction Costs	-29.8
Other Costs	-32.4
Total FY 2007 Program Balance	\$ -118.7

* The deferred projects totaled \$38.5 million in FY 2006, but now equate to \$49.3 million due to the increase in letting costs over the past year.

Source: Department of Transportation

More Information

A complete list of deferred highway projects may be accessed on the DOT web site at: <http://www.dot.state.ia.us/morgue/news2006/06130601.htm>. Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

**DEPARTMENT OF TRANSPORTATION COMMISSION
AWARDS RISE GRANTS**

RISE Projects



The Department of Transportation (DOT) Commission awarded an estimated \$818,000 in Immediate Opportunity grants from the Revitalize Iowa's Sound Economy (RISE) Program to the cities of West Branch, for a road project leading to Proctor & Gamble; Waterloo, for a road project leading to ConAgra Foods; and Washington, for a road project leading to Iowa Renewable Energy. Immediate Opportunity grants demonstrate that an immediate funding commitment is essential to influence job location, creation, or retention.

RISE Grants Awarded

The following table provides information on the RISE grants awarded:

RISE Immediate Opportunity Grants Awarded

Applicant	Total Project Cost	RISE Funds Approved	Local Participation		Jobs Created	Total Capital Investment (in millions)
			\$	%		
West Branch	\$ 917,000	\$ 350,000	\$ 567,000	62.0	70	\$ 34.7
Waterloo	873,000	300,000	573,000	66.0	50	45.2
Washington	496,000	168,000	328,000	66.0	28	50.2

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)