

FISCAL UPDATE

October 20, 2006

Legislative Services Agency

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

OCTOBER REVENUE ESTIMATING CONFERENCE

REC Meeting

The Revenue Estimating Conference (REC) met on October 16, and increased the FY 2007 estimated net General Fund receipts by \$179.3 million, and established an initial revenue estimate for FY 2008.

FY 2007



The REC estimate for FY 2007 net General Fund receipts is now \$5,540.2 million, an increase of \$157.5 million (2.9%) compared to actual FY 2006. Major changes from the March estimate include:

- A \$71.5 million increase in gross income tax receipts. The projected income tax revenue increase compared to FY 2006 is now \$135.1 million. Gross income tax revenue increased \$31.3 million through October 15, 2006.
- An \$85.4 million increase in gross corporate tax receipts. The projected corporate tax revenue increase compared to FY 2006 is now \$56.8 million. Corporate tax revenue increased \$37.7 million through October 15, 2006.
- A \$16.4 million decrease in insurance tax receipts. The projected insurance tax revenue decrease compared to FY 2006 is now \$11.4 million.
- A \$10.0 million decrease in estimated tax refunds.

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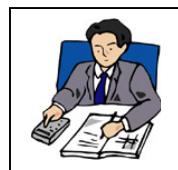
FY 2007 Revenue Estimating Conference Projection

Dollars in Millions

	Actual FY 2006	March FY 2007 Estimate	October FY 2007 Estimate	Increase (Decrease) to Estimate
Income Tax	\$2,854.2	\$2,917.8	\$2,989.3	\$71.5
Sales/Use Tax	1,881.1	1,946.3	1,950.0	3.7
Corporate Tax	348.6	320.0	405.4	85.4
Insurance Tax	121.4	126.4	110.0	-16.4
Other Taxes	222.1	216.8	223.6	6.8
Total Taxes	5,427.4	5,527.3	5,678.3	151.0
Other Receipts	343.3	314.6	325.1	10.5
Total Taxes & Other Receipts	5,770.7	5,841.9	6,003.4	161.5
Transfers	144.0	62.4	62.8	0.4
Accruals (Net)	54.0	9.5	16.6	7.1
Refunds	-586.0	-552.9	-542.6	10.3
Net General Fund Receipts	\$5,382.7	\$5,360.9	\$5,540.2	\$179.3

FY 2008

The REC estimate for FY 2008 net General Fund receipts was established at \$5,739 million, an increase of \$198.9 million (3.6%) compared to the REC October estimate for FY 2007. Gross personal income tax receipts are estimated to increase \$139.3 million (4.7%) and gross sales/use tax receipts \$77.2 million (4.0%). Increased estimated tax refunds are projected to reduce growth \$20.7 million.



FY 2008 Revenue Estimating Conference Projection

Dollars in Millions

	Estimate FY 2007	October FY 2008 Estimate	Estimated FY 2008 Change
Income Tax	\$2,989.3	\$3,128.6	\$139.3
Sales/Use Tax	1,950.0	2,027.2	77.2
Corporate Tax	405.4	408.1	2.7
Insurance Tax	110.0	115.5	5.5
Other Taxes	223.6	227.1	3.5
Total Taxes	\$5,678.3	\$5,906.5	\$228.2
Other Receipts	\$325.1	\$327.3	\$2.2
Total Taxes & Other Receipts	\$6,003.4	\$6,233.8	\$230.4
Transfers	62.8	62.8	0.0
Accruals (Net)	16.6	5.8	-10.8
Refunds	-542.6	-563.3	-20.7
Net General Fund Receipts	\$5,540.2	\$5,739.1	\$198.9

Summary Table

The following table provides a summary of the past two fiscal years and the two present REC estimates. A more detailed spreadsheet of the FY 2007 and FY 2008 estimates is available on the web site at:

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



Revenue Estimating Conference Projection

	Dollars in Millions			
	Actual FY 2005	Actual FY 2006	Estimated FY 2007	Estimated FY 2008
Income Tax	\$2,782.3	\$2,854.2	\$2,989.3	\$3,128.6
Sales/Use Tax	1,812.3	1,881.1	1,950.0	2,027.2
Corporate Tax	280.9	348.6	405.4	408.1
Insurance Tax	130.9	121.4	110.0	115.5
Other Taxes	224.5	222.1	223.6	227.1
Total Taxes	\$5,230.9	\$5,427.4	\$5,678.3	\$5,906.5
Other Receipts	338.0	343.3	325.1	327.3
Total Taxes & Other Receipts	5,568.9	5,770.7	6,003.4	6,233.8
Transfers	88.4	144.0	62.8	62.8
Accruals (Net)	-34.1	54.0	16.6	5.8
Refunds	-696.9	-586.0	-542.6	-563.3
Net General Fund Receipts	<u>\$4,926.3</u>	<u>\$5,382.7</u>	<u>\$5,540.2</u>	<u>\$5,739.1</u>
Year-over-year Incr./Decr.	<u>\$242.8</u>	<u>\$456.4</u>	<u>\$157.5</u>	<u>\$198.9</u>

More Information

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

STAFF CONTACT: Jeff Robinson (Ext. 14614)

ADMINISTRATION AND REGULATION APPROPRIATIONS
SUBCOMMITTEE FY 2008 BUDGET REQUESTS

Department Requests

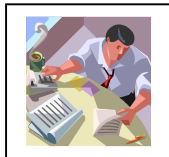


The LSA received the FY 2008 budget requests submitted by the Department of Administrative Services (DAS), the Auditor, the Department of Commerce, the Ethics and Campaign Disclosure Board, the Governor's Office, the Governor's Office of Drug Control Policy, the Department of Human Rights, the Department of Inspections and Appeals, the Department of Management, the Department of Revenue, the Secretary of State, the Treasurer, and the Iowa Public Employees' Retirement System (IPERS). The departments are requesting a total of \$89.8 million from the General Fund, an increase of \$3.8 million compared to estimated FY 2007.

Administrative Services

The DAS is requesting an additional one-time appropriation of \$2.4 million for the I/3 System to be distributed among all users within State government. This portion of the System was previously funded with carryforward funds. In the future, departments will have to request additional funds individually to pay for I/3 System expenditures.

Department of Commerce



The Department of Commerce is requesting \$24.1 million, an increase of \$300,000 compared to estimated FY 2007. Increases include:

- The Banking Division is requesting an additional \$200,000 for two bank examiners and one information technology specialist.
- The Credit Union Division is requesting an additional \$40,000 to replace a database server and for imaging solutions.
- The Insurance Division is requesting an additional \$60,000 for a program planner.

Inspections and Appeals



The Department of Inspections and Appeals is requesting \$9.4 million, an increase of \$816,000 compared to estimated FY 2007. Increases include:

- An increase of \$411,000 and 6.0 FTE positions to expand the Court Appointed Special Advocacy Board (CASA) statewide.
- An increase of \$363,000 to complete food inspections in Polk and Jasper Counties currently funded by receipts.
- An increase of \$43,000 to add an additional auditor to conduct bingo and other required audits.

Other Departments



Other departments requesting additional funds include:

- The Department of Revenue is requesting an additional \$366,000 for operating costs for the Property Assessment Appeal Board.
- The State Auditor is requesting \$61,000 to complete additional audits.
- The Ethics and Campaign Disclosure Board is requesting an additional \$5,000 for an electronic filing system that would allow certain documents to be submitted electronically.
- The Governor's Office of Drug Control Policy is requesting an additional \$29,000 to leverage federal funds to fill one vacant program planner position.
- The Department of Human Rights is requesting an additional \$8,000 for the Abraham Lincoln Bicentennial Commission and an additional \$20,000 for the Status of African Americans to maintain their current level of service.
- The Secretary of State is requesting an additional \$60,000 for voter registration and elections.
- The IPERS is requesting an additional \$118,000 from the IPERS Trust Fund to pay for 1/3 costs.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Doug Wulf (Ext. 13250) Sam Leto (16764)
Jess Benson (Ext. 14613)

AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE FY 2008 BUDGET REQUESTS

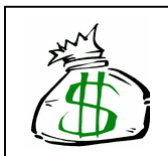
Department Requests

The LSA received the FY 2008 budget requests submitted by the Department of Agriculture and Land Stewardship (DALs) and the Department of Natural Resources (DNR). The two departments are requesting a total of \$42.8 million from the General Fund and 1,584.8 FTE positions for FY 2008. This is an increase of \$4.2 million and 38.0 FTE positions compared to estimated FY 2007.

Dept. of Agriculture

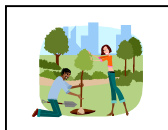
The DALs is requesting \$22.7 million and 425.4 FTE positions from the General Fund, an increase of \$3.0 million and 21.0 FTE positions compared to estimated FY 2007. This includes:

- An increase of \$134,000 for Soil and Water Conservation District expenditure reimbursement.
- An increase of \$259,000 for the Regulatory Dairy Products Program.
- An increase of \$91,000 to pay for the Department of Administrative Services surcharge at the Ankeny Laboratory.
- An increase of \$45,000 to supplement the funding for the Iowa Horse and Dog Program.
- An increase of \$55,000 and 1.0 FTE position for a Document Specialist for the Organic Certification Program.
- An increase of \$610,000 and 3.0 FTE positions for large scale inspectors.
- An increase of \$38,000 for three slide-in prover units that test retail motor fuel dispensers.
- An increase of \$76,000 for computers for the Meat and Poultry Inspection Bureau.
- An increase of \$65,000 and 1.0 FTE position for a Compliance Agent for the Organic Certification Program.
- An increase of \$400,000 and 1.0 FTE position to promote value-added products.
- An increase of \$150,000 and 2.0 FTE positions for Refined Fuel Meter Inspectors.
- An increase of \$81,000 and 1.0 FTE position for a State Apiarist.
- An increase of \$65,000 and 1.0 FTE position for a Minerals Inspector.
- An increase of \$65,000 and 1.0 FTE position for an Ag Compliance Investigator for the Organic Certification Program.
- An increase of \$325,000 and 10.0 FTE positions for Soil Technicians.
- An increase of \$269,000 for a Johnes disease Program.
- An increase of \$200,000 to provide agri-business planning assistance.



- An increase of \$15,000 for continued development of the web-based system for the Soil Conservation Cost Share Fund.
- An increase of \$100,000 for training and implementation of the web-based system for the Soil Conservation Cost Share Fund.

Dept. of Natural Resources



The DNR is requesting \$20.1 million and 1,159.4 FTE positions from the General Fund, an increase of \$1.2 million and 17.0 FTE positions compared to estimated FY 2007. This includes:

- An increase of \$650,000 and 7.0 FTE positions for monitoring livestock operations.
- An increase of \$500,000 and 10.0 FTE positions for maintenance at State Parks.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

ECONOMIC DEVELOPMENT APPROPRIATIONS
SUBCOMMITTEE FY 2008 BUDGET REQUESTS

Department Requests

The LSA received the FY 2008 budget requests submitted by the Department of Economic Development, the Iowa Finance Authority, the Department of Workforce Development, the Public Employment Relations Board (PERB), and the Board of Regents Economic Development Programs.

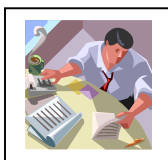
Economic Development

The Department of Economic Development is requesting \$14.6 million from the General Fund for FY 2008. This is no change compared to estimated FY 2007.

Iowa Finance Authority

The Iowa Finance Authority is requesting \$200,000 from the General Fund for FY 2008. This is no change compared to estimated FY 2007.

Workforce Development



The Department of Workforce Development is requesting \$12.6 million from the General Fund for FY 2008, an increase of \$1.1 million compared to estimated FY 2007. The Department is also requesting continued authority to utilize \$4.0 million in interest from the Unemployment Insurance Reserve Fund to support the Workforce-Field Offices. The significant increases include:

- An increase of \$1.0 million to support the Workforce-Field Offices.
- An increase of \$75,000 and 2.1 FTE positions to prepare an inventory listing for certain chemicals stored at Iowa businesses.

PERB

The Public Employment Relations Board (PERB) is requesting \$1.2 million from the General Fund for FY 2008, an increase of \$97,000 and 1.0 FTE position compared to estimated FY 2007 to add an Administrative Law Judge and for operational costs.

Board of Regents

The Board of Regents Economic Development Programs is requesting \$3.2 million from the General Fund for FY 2008, an increase of \$160,000 compared to estimated FY 2007 due to increasing costs for staffing programs.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Ron Robinson (Ext. 16256)

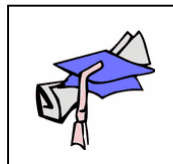
EDUCATION APPROPRIATIONS SUBCOMMITTEE FY 2008 BUDGET REQUESTS

Department Requests

The LSA received the FY 2008 budget requests submitted by the Department for the Blind, the College Student Aid Commission, the Department of Cultural Affairs, the Department of Education, and the Board of Regents.

Dept. for the Blind

The Department for the Blind is requesting a FY 2008 General Fund appropriation of \$2.2 million, an increase of \$190,000 compared to estimated FY 2007. The General Fund appropriation is used to match available federal funding. For several years, the Department has been using funds from the Gifts and Bequests Account and other one-time sources to avoid staff reductions and maintain services.

College Aid Commission

The College Student Aid Commission is requesting FY 2008 General Fund appropriations totaling \$62.8 million, an increase of \$2.6 million compared to estimated FY 2007. Increases include:

- Tuition Grant Program (Non Profit) - \$1.9 million to provide grants to more students and increase the maximum grant by \$125, from \$4,000 to \$4,125. This level of funding will provide an average grant of \$3,455 to an estimated 14,000 students. The grants require an institutional match.
- Tuition Grant Program (For Profit) - \$208,000 to provide grants to more students and increase the maximum grant by \$125. The maximum grant set by statute is \$4,000. However, the actual operational maximum is \$2,800. This level of funding will provide an average grant of \$1,990 to an estimated 2,700 students. The grants are provided to students that attend proprietary (for profit) colleges and universities. The grants require an institutional match.
- Vocational-Technical Grant Program - \$250,000 to provide grants to 292 more students. The maximum grant is \$1,200. This level of funding will provide an average grant of \$851 to an estimated 3,271 students.
- College Work Study Program - \$6,000 to provide awards to eight more students. This level of funding will provide an average award of \$650 to an estimated 223 students. This Program is authorized to receive a standing appropriation of \$2.8 million by statute; however, the statutory standing appropriation has been nullified each year since FY 2001. For FFY 2007, the Federal Work Study Program will provide approximately \$13.7 million to Iowa for work study. Federal work study funds are distributed directly to eligible institutions. State funds supplement the federal funds and are not required to match federal funds.
- College Student Aid Commission Administration - \$15,000 to provide an inflationary increase for administration of State-funded grant and loan programs.
- National Guard Educational Assistance - \$75,000 to restore funding to the previously approved FY 2007 level of funding. This level of funding will provide an average award of \$3,167 to an estimated 1,200 students. The maximum award is equal to 100.0% of the average tuition and fees at the Board of Regents institutions.
- Osteopathic Forgivable Loans - \$100,000. The loans require an institutional match. This level of State funding, combined with institutional matching funds

and loan repayments receipts, will provide loans of \$6,000 to 100 students. Recipients are required to practice in Iowa upon completion of residency programs. If the Iowa work requirement is not met, the loans must be repaid.



- Iowa Grant Program - \$41,000 to provide grants to 80 more students. The maximum grant is \$1,000. This level of funding will provide an average grant of \$466 to an estimated 2,297 students.
- Teacher Shortage Forgivable Loan Program - \$11,000. The loans require matching funds. The maximum loan award is \$3,000. This level of State funding, combined with matching funds and loan repayment receipts, will provide average loan awards of \$1,421 to 401 students. The FY 2007 appropriation is supplemented by \$595,000 in federal funds that will not be available for FY 2008.

Cultural Affairs



The Department of Cultural Affairs requested a total of \$6.9 million in FY 2008 General Fund appropriations, an increase of \$509,000 compared to estimated FY 2007. The request includes decreases totaling \$340,000 resulting from the discontinuation of three FY 2007 one-time appropriations for Historical Resource Development Emergency Grants, an African-American Historical Museum, and Arts Education and Enrichment Programming. Increases totaling \$849,000 include:

- Administration - \$20,000 to support increased promotion of historical and arts programming.
- Arts Council - \$179,000 to increase funding to \$.50 per capita.
- Cultural Grants - \$81,000 for a general increase in grants.
- Historical Society - \$346,000 to support production of a major exhibit on Iowa's first-in-the-nation presidential caucuses and to implement on-line public access to historical collections.
- Historic Sites - \$6,000 to support increased promotion of historic sites.
- Archiving Former Governor's Papers - \$23,000 to support increased staff.
- Great Places - \$194,000 to support designation of additional Great Places.



Dept. of Education

The Department of Education requested a total of \$429.2 million in FY 2008 General Fund appropriations, an increase of \$93.0 million compared to estimated FY 2007. The request includes decreases totaling \$824,000 resulting from the discontinuation of five FY 2007 one-time appropriations for Statewide Graduation Requirements, Reading Instruction Pilot Project Grant, Parent Liaison, Model Core Curriculum, and Farmers with Disabilities (Vocational Rehabilitation). Increases totaling \$93.8 million include:

- Administration - \$400,000 to provide an additional 4.0 FTE positions for implementation and development of the model core curriculum, statewide graduation requirements, and the Community College Management Information System.
- Community College General Aid - \$12.2 million for a general increase.
- Community Empowerment - \$6.0 million, which includes \$5.5 million appropriated in HF 2769 (Community Empowerment Initiative Act) and \$475,000 to support the State Technical Assistance Team, implement the Empowerment Coordinator Training Series, and expand the IPTV Ready to Learn Program.



- Teacher Quality and Student Achievement - \$53.3 million, which includes \$35.0 million appropriated in HF 2792 (Additional Education Funding Act) and \$18.3 million for increased minimum salaries, additional professional development days, and Teacher Development Academies.
- Voluntary Preschool Access - \$15.0 million, which is a new appropriation to provide access to quality preschool for all four-year-old children.
- District Sharing and Efficiencies - \$400,000, which is a new appropriation to promote increased student opportunities, shared administrative functions, reorganization and dissolution incentives, and regional academies.
- State Library - \$460,000, which includes \$200,000 to replace a FY 2007 Rebuild Iowa Infrastructure Fund appropriation and \$260,000 to upgrade the State Data Center web site and expand electronic resources available to Iowans.
- Library Service Areas - \$209,000 to assist local libraries with early childhood programming.
- Enrich Iowa Libraries - \$250,000 to increase Open Access reimbursement from \$.30 to \$.35 per transaction.
- 21st Century Skills - \$350,000, which is a new appropriation to develop curriculum in the areas of financial literacy, civil literacy, health and wellness awareness, problem solving, creativity, and use of technology.
- Project Lead the Way - \$2.0 million, which is a new appropriation to foster the growth of pre-engineering education programs in Iowa schools.



- Special Education Services Birth to Three Years (Part C) - \$1.7 million, which is a new appropriation to supplement federal funding. Expanded eligibility has increased the number of children eligible for services from 2,588 in FFY 2005 to 4,289 in FFY 2006, while federal funding decreased from \$3.8 million to \$3.7 million over that time period.
- Statewide Education Data Warehouse - \$1.0 million, which is a new appropriation to develop a statewide data warehouse to be used by teachers, parents, administrators, Area Education Agency staff, Department staff, and policymakers.
- Vocational Rehabilitation - \$204,000 to match additional federal funds to be used to serve clients on the waiting lists.
- Iowa Public Television - \$679,000 for development of multi-channel program content, an initiative on education of Iowa students for a changing world, an initiative to educate the public regarding digital television, and an increase in expenditures for services from the Department of Administrative Services.
- Regional Telecommunications Councils (RTCs) - \$124,000 to replace E-Rate funding.

Board of Regents



The Board of Regents is requesting FY 2008 General Fund appropriations totaling \$687.2 million, an increase of \$83.9 million compared to estimated FY 2007. Increases include:

- Universities - \$83.3 million, including:
 - \$30.1 million to provide an inflationary increase.
 - \$19.9 million to replace one-time funding sources provided for FY 2007.

- \$14.0 million for new priorities targeted to increase salaries and add faculty positions.
- \$11.3 million for Tuition Replacement. This is not a funding increase, but a change of funding source. For the past several years, a portion of the Tuition Replacement appropriation has been made from tobacco funds and the Rebuild Iowa Infrastructure Fund. The Tuition Replacement appropriation is used to pay the debt service on Academic Revenue Bonds used for building projects.
- \$5.5 million to provide an inflationary increase for special purpose appropriations, such as the Hygienic Lab at the University of Iowa, Extension Service and Ag Experiment Station at Iowa State University, and the Recycling and Reuse Center at the University of Northern Iowa.
- \$2.5 million for Iowa Public Radio.
- Special Schools - \$587,000 for an inflationary increase to approximate growth similar to the 4.0% allowable growth for regular K-12 school districts.

More Information

Additional information is available from the LSA upon request.

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

DEPARTMENT OF HUMAN SERVICES FY 2008 BUDGET REQUEST

Council Meeting



The Council on Human Services met on September 12-13 and approved the Department of Human Services (DHS) budget request for FY 2008. A total of \$1.3 billion was requested from the General Fund, an increase of \$161.8 million compared to estimated FY 2007.

A total of \$206.6 million was also requested from Other Funds for FY 2008, a decrease of \$29.8 million compared to estimated FY 2007. This includes funding from Temporary Assistance to Needy Families (TANF), the Healthy Iowans Tobacco Trust, and the Senior Living Trust Fund.

FY 2008 GF Request

The General Fund budget request includes the following changes for FY 2008:

FIP

The request includes a decrease of \$206,000 for the Family Investment Program (FIP), including:

- A decrease of \$506,000 due to eliminating the Electronic Benefits Transfer (EBT) retailer fee.
- An increase of \$250,000 to streamline income maintenance programs.
- An increase of \$50,000 to increase utilization of the Food Assistance Program by people age 60 and older.



Child Support

The request includes an increase of \$1.6 million for the Child Support Recovery Unit, including:

- An increase of \$888,000 to replace revenue generated from child support collections for FIP families as FIP caseload declines and revenue is lost due to the federal Deficit Reduction Act (DRA) of 2005.

- An increase of \$88,000 to cover increased costs of service.
- An increase of \$155,000 to cover increased customer base.
- An increase of \$127,000 to perform reviews of all FIP child support cases as mandated by the DRA.
- An increase of \$272,000 to update payment processing technology.
- An increase of \$89,000 to provide matching funds for two grants for which the Department has applied.
- An increase of \$24,000 to hire a Child Support investigator with the Department of Revenue.

Medicaid

The request includes an increase of \$116.8 million for Medical Assistance (Medicaid), including:

- An increase of \$38.0 million to build in the FY 2007 expected Medicaid supplemental appropriation.
- An increase of \$61.2 million for increased costs and utilization in Medicaid.
- A decrease of \$6.0 million for savings related to the Iowa Medicaid Enterprise (IME).
- An increase of \$10.3 million to rebase nursing facilities, as required by statute.
- A decrease of \$10.3 million to forego the nursing facility rebase, if the Department's request to change the statute is granted.
- A decrease of \$489,000 for postage savings related to reducing Medicaid ID card mailings from monthly to yearly.
- An increase of \$9.3 million to increase the income disregard for parents of children in Medicaid from 50.0% to 58.0%.
- An increase of \$1.5 million to reduce Home and Community-Based Services (HCBS) Waiver waiting lists.
- An increase of \$1.4 million for providing Medicaid to children aging out of foster care.
- An increase of \$10.6 million to fund the transition to the Remedial Services Program from the Rehabilitative Treatment Services Program.
- An increase of \$1.3 million to fund the Children's Mental Health Waiver. These funds are transferred from the Child Welfare appropriation.



Medical Contracts



The request includes an increase of \$800,000 for Medical Contracts, including:

- An increase of \$50,000 to perform citizenship data matches with the Department of Public Health.
- An increase of \$750,000 to increase oversight and implement quality assurance in the HCBS Waivers.

hawk-i

The request includes an increase of \$2.8 million for State Children's Health Insurance Program (***hawk-i***), including:

- An increase of \$3.9 million to fund ***hawk-i*** at the estimated FY 2007 ending enrollment level.
- An increase of \$783,000 to fund increased enrollment during FY 2008.
- An increase of \$135,000 for outreach.
- A decrease of \$2.0 million due to the anticipated availability of FY 2007 carryforward funds.

Supplementary Assistance

The request includes a decrease of \$1.1 million for State Supplementary Assistance due to anticipated availability of FY 2007 carryforward funds.

Child Care

The request includes an increase of \$17.7 million for Child Care, including:

- An increase of \$10.5 million to maintain current caseload previously funded by federal carryforward funds.
- An increase of \$3.7 million for caseload growth.
- An increase of \$2.9 million to annualize the FY 2007 provider rate increase.
- An increase of \$611,000 to serve additional providers under the Quality Rating System (QRS).

Toledo



The request includes an increase of \$341,000 for the Toledo Juvenile Home, including:

- An increase of \$269,000 and 6.0 FTE positions for mental health and behavioral services.
- An increase of \$68,000 for operational inflation.
- An increase of \$4,000 for medication administration and management.

Eldora

The request includes an increase of \$500,000 for the Eldora Training School, including:

- An increase of \$370,000 and 8.5 FTE positions for mental health and behavioral services.
- An increase of \$130,000 for operational inflation.

Child and Family Services



The request includes a net increase of \$4.3 million for Child and Family Services, including:

- An increase of \$2.1 million for caseload growth and annualization for the Preparation for Adult Living Services (PALS) Program.
- An increase of \$1.0 million to replace FY 2006 carryforward funds used in FY 2007.
- An increase of \$767,000 for Group Care.
- An increase of \$711,000 for changes in the Federal Matching Assistance Participation (FMAP) rate.

- An increase of \$674,000 to maintain foster care and supervised apartment living rates at the level required by the Code of Iowa.
- An increase of \$250,000 for Community Partnerships for Protecting Children (CPPCs).
- An increase of \$61,000 to maintain supervised apartment rates for the PALS Program at the level required by the Code of Iowa.
- A decrease of \$1.2 million to transfer the State match for the Children's Mental Health Home and Community-Based Services Waiver to Medicaid.

Adoption Subsidy



The request includes an increase of \$3.2 million for Adoption Subsidy, including:

- An increase of \$2.0 million to replace FY 2006 carryforward funds used in FY 2007.
- An increase of \$524,000 for caseload growth.
- An increase of \$445,000 for changes in the FMAP rate.
- An increase of \$230,000 to maintain adoption subsidy maintenance rates at the level required by the Code of Iowa.

Family Support Subsidy

The request includes an increase of \$400,000 for Family Support Subsidy to provide State match for a federal Child Mental Health Initiative Grant. The grant was received in September 2006.

MH/MR/DD/BI

The request includes an increase of \$9.7 million for Mental Health/Mental Retardation/Developmental Disabilities/Brain Injury (MH/MR/DD/BI), which includes the following significant changes:

- An increase of \$847,000 for the four Mental Health Institutes for inflation, accreditation costs, and annualization of a FY 2007 bed expansion.
- An increase of \$1.5 million for the two State Resource Centers for inflation, per diem for those without a county of legal settlement, replacement for the decrease in the FMAP rate, and replacement for lost revenue for transferring individuals to the HCBS Waiver Program.
- An increase of \$781,000 for the State Cases Program for replacement of FY 2006 carryforward funds used in FY 2007 and a 3.0% increase in the appropriation.
- An increase of \$1.6 million for the Sexual Predator Commitment Program for inflation, per diem costs, additional clients, overtime travel costs, and a pre-release transitional program.
- An increase of \$4.3 million for Mental Health Allowed Growth referred to in HF 2797 (FY 2007 Standing Appropriations Act). The increase enacted for Mental Health/Developmental Disabilities (MH/DD) is \$1.8 million and \$2.1 million for Brain Injury (BI). The General Assembly may increase the amount to \$7.6 million in total to represent the 2.0% for MH/DD and the 1.0% for BI initially agreed on prior to increasing the FY 2007 appropriation at the end of the 2006 Legislative Session.

Administration



The request includes an increase of \$8.7 million for Administration, including:

- An increase of \$5.3 million for Field Operations for increased caseloads for child care programs, the Family Investment Program (FIP), and child and family service-related program staff.
- An increase of \$612,000 for General Administration for translation and mental health-related staff.

FY 2008 Other Funds

The budget request includes the following changes for Other Funds for FY 2008:

- Temporary Assistance to Needy Families (TANF) – A decrease of \$5.9 million, including:
 - A decrease of \$1.6 million for the FIP and PROMISE JOBS Programs.
 - An increase of \$211,000 to supplement federal Social Services Block Grant (SSBG) transfers.
 - A decrease of \$4.5 million for Child and Family Services programs.
- Healthy Iowans Tobacco Trust Fund – A request for \$39.9 million, which is no change compared to estimated FY 2007.
- Senior Living Trust Fund – An increase of \$111,000 for administration and program management.
- Juvenile Detention Home Fund – An increase of \$1.5 million for Group Care and training for relatives with foster care placements.



More Information

The next meeting is scheduled for October 10-11 at the Clarinda Mental Health Institute. Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942) Kerri Johannsen (Ext. 14611)
Sue Lerdal (Ext. 17794)

DEPARTMENT OF PUBLIC HEALTH FY 2008 BUDGET REQUEST

Gen. Fund Request



The Department of Public Health is requesting \$28.1 million from the General Fund for FY 2008, which is no change compared to estimated FY 2007. The request includes the following changes to budget line items:

- Addictive Disorders - An increase of \$2.0 million for substance abuse treatment.
- Healthy Children and Families - An increase of \$480,000 for childhood obesity prevention.
- Chronic Conditions - An increase of \$300,000 for Child Health Specialty Clinics.
- Community Capacity - An increase of \$425,000, including \$250,000 for local public health redesign and \$175,000 for health care workforce shortage planning.
- Elderly Wellness - An increase of \$250,000 to expand oral health access for older Iowans.

- Infectious Diseases - An increase of \$1.2 million, including:
 - \$521,000 for the purchase of immunizations.
 - \$325,000 and 3.0 FTE positions for regional epidemiologists at the local level.
 - \$289,000 and 2.0 FTE positions for a deputy Epidemiologist and a Bureau Chief for the Center for Acute Disease Epidemiology (CADE).
 - \$37,000 for pharmaceuticals for the Prescription Services Program.
- Public Protection - A net decrease of \$4.7 million, including:
 - A decrease of \$5.9 million due to the retention of fees by the licensure boards.
 - An increase of \$1.0 million for regional preparedness and response.
 - An increase of \$239,000 and 6.0 FTE positions for the State Medical Examiner's Office.
- Resource Management - An increase of \$60,000 for fees paid to the Department of Administrative Services (DAS) and the Attorney General.



Other Funds

The Department is also requesting \$28.7 million from the Healthy Iowans Tobacco Trust (HITT) for FY 2008, an increase of \$4.5 million compared to estimated FY 2007, and \$6.0 million from the Gambling Treatment Fund, which is no change compared to estimated FY 2007. The change in HITT funding includes:

- An increase of \$3.0 million for tobacco use prevention and treatment for adults and middle and high school populations.
- An increase of \$761,000 for Healthy Iowans 2010 initiatives, including \$630,000 for local boards of health and \$131,000 and 0.5 FTE position for a statewide Emergency Medical Services (EMS) Medical Director.
- An increase of \$315,000 and 1.0 FTE position for Child Care Nurse Consultants.
- An increase of \$315,000 for cardiovascular risk reduction.
- An increase of \$197,000 for the storage and management of the Anti-Viral Stockpile.



More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

DEPARTMENT OF ELDER AFFAIRS FY 2008 BUDGET REQUEST

Gen. Fund Request

The Department of Elder Affairs is requesting \$4.6 million from the General Fund for FY 2008, an increase of \$254,000 compared to estimated FY 2007. The change includes:

- An increase of \$160,000 and 2.0 FTE positions for additional long-term care ombudsmen.

- An increase of \$94,000 and 1.0 FTE position for a Public Information Officer/Rules Coordinator.

SLTF Request



The Department is also requesting \$9.2 million from the Senior Living Trust Fund for FY 2008, an increase of \$871,000 compared to estimated FY 2007. The change includes:

- An increase of \$635,000 and 1.5 FTE positions for a State Substitute Decision Maker Office and two regional offices.
- An increase of \$236,000 to expand the Elder Abuse Initiative by two projects.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

CIVIL RIGHTS COMMISSION FY 2008 BUDGET REQUEST

Budget Request

The Civil Rights Commission is requesting \$1.3 million from the General Fund for FY 2008, an increase of \$97,000 compared to estimated FY 2007. The increase offsets the loss of federal funds.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

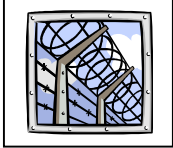
DEPARTMENT OF CORRECTIONS FY 2008 BUDGET REQUEST

Budget Request



The Department of Corrections (DOC) is requesting \$343.1 million from the General Fund for the operating budget for FY 2008, an increase of \$29.6 million compared to estimated FY 2007. The change includes:

- \$1.9 million for food, fuel, and pharmacy cost increases.
- \$632,000 for fee increases that are reimbursed to the Department of Administrative Services.
- \$1.8 million for sex offender treatment and supervision.
- \$2.0 million for evidence-based practices and training.
- \$1.1 million for treatment issues in Community-Based Corrections (CBCs).
- \$300,000 for substance abuse assessment at the Iowa Medical Classification Center at Oakdale.
- \$1.6 million for case management in CBCs.
- \$1.5 million for the education program in the prison system.
- \$100,000 to study the Therapeutic Community Initiative.
- \$17.4 million to annualize operating costs of the 178-bed Special Needs Unit at the Iowa Medical Classification Center at Oakdale.
- \$1.3 million, including:



- \$112,000 to replace expired federal funds for a drug court in the First CBC District Department.
- \$196,000 for Central Office staff for a health and safety compliance officer and to replace expired federal funds (Prison Rape Elimination Act).
- \$500,000 to fund the on-going operating costs of the Iowa Corrections Offender Network (ICON).
- \$400,000 for the County Confinement Account, which reimburses counties for holding certain alleged violators of parole, work release, and Operating While Intoxicated (OWI) conditions in local jails.
- \$145,000 for the Anamosa State Penitentiary's share of the recent upgrade to the city's water system.

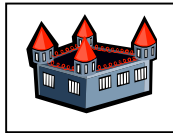
HITT

The DOC is also requesting \$4.2 million from the Healthy Iowans Tobacco Trust, a decrease of \$310,000 compared to estimated FY 2007. The reduction eliminates funding for the faith-based treatment program at the Newton Correctional Facility.

Capital Projects

The DOC is requesting \$18.0 million for capital projects, including:

- \$5.0 million for additional CBC beds. An additional need of \$39.0 million is projected in future fiscal years. Projects include potential facilities in Waterloo, Sioux City, Ottumwa, and Des Moines.
- \$1.0 million to complete the mental health facility in the Sixth CBC District Department.
- \$2.5 million to complete the Fort Dodge CBC residential facility.
- \$2.0 million to upgrade security systems in all nine prisons. An additional need of \$2.0 million is projected for each of the next four fiscal years.
- \$2.7 million to provide therapeutic community beds at the Fort Dodge Correctional Facility (\$1.2 million) and the Iowa Correctional Institution for Women at Mitchellville (\$1.5 million).
- \$2.0 million for new boilers at the Anamosa State Penitentiary.
- \$1.3 million to replace the hot water loop at the Newton Correctional Facility and upgrade the electrical system at the Correctional Release Center.
- \$1.0 million for a 300-bed Special Needs Unit and minimum-security beds at the Iowa Correctional Institution for Women at Mitchellville.
- \$333,000 for the final lease-purchase payment of the electrical upgrade at the Iowa State Penitentiary at Fort Madison.



Vertical Infrastructure

The DOC is also requesting \$38.9 million for vertical infrastructure projects that include health, life and fire safety issues, critical deferred maintenance projects, compliance with the Americans with Disabilities Act (ADA), and infrastructure issues.

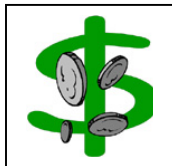
Additional Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

DEPARTMENT OF JUSTICE FY 2008 BUDGET REQUEST

Budget Request



The Department of Justice (Attorney General) is requesting \$11.7 million from the General Fund for FY 2008, an increase of \$2.1 million compared to estimated FY 2007. This includes:

- Office of the Attorney General – An increase of \$465,000, including \$200,000 for a Senior Fraud Prosecution Unit and \$215,000 for a Charities Unit.
- Victim Assistance Grants – An increase of \$995,000 for grants to providers of shelter care services for victims of sexual abuse and domestic violence.
- Legal Services Poverty Grants – An increase of \$650,000 for the contract with Iowa Legal Aid for civil legal services for low-income Iowans.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

IOWA LAW ENFORCEMENT ACADEMY FY 2008 BUDGET REQUEST

Department Request

The Iowa Law Enforcement Academy is requesting \$1.3 million, an increase of \$60,000 compared to estimated FY 2007. The increase is to fill one instructor position and for increased fuel, vehicle depreciation, and utility costs.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

OFFICE OF THE STATE PUBLIC DEFENDER FY 2008 BUDGET REQUEST

Budget Request



The Office of State Public Defender is requesting \$49.8 million from the General Fund for FY 2008, an increase of \$4.3 million compared to estimated FY 2007. The change includes:

- \$2.4 million for the Indigent Defense appropriation.
- \$1.9 million to cover increased case costs.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

DEPARTMENT OF PUBLIC DEFENSE FY 2008 BUDGET REQUEST

Department Request

The Department of Public Defense is requesting \$7.9 million from the General Fund for FY 2008, an increase of \$282,000 compared to estimated FY 2007. The Military Division is requesting \$208,000 and 3.0 FTE positions for three security guards and \$75,000 for Department of Administrative Services increased costs.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

DEPARTMENT OF PUBLIC SAFETY FY 2008 BUDGET REQUEST

Department Requests

The Department of Public Safety is requesting \$84.7 million from the General Fund for FY 2008, an increase of \$4.7 million compared to estimated FY 2007. The major increases are as follows:

- \$170,000 for increased Department of Administrative Services (DAS) billings.
- \$700,000 to continue funding for the Iowa On-line Warrants and Articles (IOWA) System.
- \$581,000 and 7.0 FTE positions for two Special Agents and five Gaming Enforcement Officers for the new gaming facility at Burlington, one Gaming Enforcement Officer for Worth County, and one licensing assistant. The costs will be offset by reimbursement from the gaming industry directly deposited into the General Fund.
- \$508,000 for increases in fuel, overtime, and equipment for the Division of Criminal Investigation (DCI). The increase for fuel is an increase of \$0.30 per gallon, which would increase the Division to approximately \$2.00 per gallon (net of taxes).
- \$388,000 and 3.0 FTE positions for the Internet Crimes Against Children and Electronic Crimes Unit.
- \$145,000 for increases in fuel and overtime for the Division of Narcotics Enforcement (DNE). The increase for fuel is an increase of \$0.30 per gallon, which would increase the Division to approximately \$2.00 per gallon (net of taxes).
- \$390,000 and 2.0 FTE positions for the Building Code Bureau to fulfill the requirements in HF 2797 (FY 2007 Standing Appropriations Act) regarding plan review and inspection of various public buildings. The cost will be offset by fee revenue deposited directly into the General Fund.
- \$140,000 for increases in fuel, in-state travel for inspections, and equipment in the State Fire Marshal's Office. The increase for fuel is an increase of \$0.30 per gallon, which would increase the Division to approximately \$2.00 per gallon (net of taxes).
- \$2.4 million and 1.0 FTE position for an electrician technician and to fund clothing, fuel, equipment, and support for Troopers. The increase for fuel is an increase of \$0.30 per gallon, which would increase the Division to approximately \$2.00 per gallon (net of taxes).

**More Information**

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

DEPARTMENT OF TRANSPORTATION FY 2008 BUDGET REQUEST

Budget Request

The Department of Transportation (DOT) is requesting \$316.5 million for operations, special purpose, and capital projects for FY 2008, an increase of \$1.6 million compared to estimated FY 2007. Of this, the Department is requesting \$298.1 million for operations expenses and 3,374.0 FTE positions, an increase of \$2.8 million and a decrease of 1.0 FTE position compared to estimated FY 2007.

Funding Sources



Of the total \$316.5 million request:

- \$46.7 million is requested from the Road Use Tax Fund, a decrease of \$267,000 compared to estimated FY 2007.
- \$269.8 million is requested from the Primary Road Fund, an increase of \$1.9 million compared to estimated FY 2007.

Significant Changes

The significant increases and decreases include:

- **Operations Budget Unit** – A net increase of \$3.9 million and 36.0 FTE positions compared to estimated FY 2007, including:
 - An increase of \$4.3 million for the transfer of 39.0 FTE positions from the Administrative Services and Planning budget units.
 - A decrease of \$640,000 due to elimination of the Park Fair Mall Lease.
 - An increase of \$225,000 for expansion and maintenance of the Electronic Records Management System (ERMS).
 - An increase of \$215,000 for operating expenses for the new Motor Vehicle Building in Ankeny and the Des Moines Satellite Site.
- **Administrative Services Budget Unit** – A decrease of \$3.9 million compared to estimated FY 2007 for the transfer of 35.0 FTE positions to the Operations budget unit. The Department is eliminating the Administrative Services budget unit due to reorganization.
- **Highways Budget Unit** – An increase of \$3.1 million compared to estimated FY 2007 for the transfer of 2.0 FTE positions from the Operations Division, support costs for additional lane miles, and increases in fuel and salt costs.
- **Worker's Compensation Costs** – A decrease of \$437,000 compared to estimated FY 2007.
- **Clarinda Garage** – A new request of \$2.3 million to construct a new maintenance garage in Clarinda.
- **Utility Improvements** – A request of \$400,000 for utility improvements at DOT facilities throughout the State.



More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

INFRASTRUCTURE FY 2008 BUDGET REQUESTS**FY 2008 Requests**

State agencies are requesting a total of \$475.1 million for infrastructure-related projects and programs for FY 2008. These include vertical infrastructure projects, facility maintenance, environmental programs, and technology projects. The table below shows total funding requests by funding source.

FY 2008 Department Requests for Infrastructure-Related Funding
(Dollars in Millions)



	Estimated FY 2007	Dept. Req. FY 2008
Rebuild Iowa Infrastructure Fund	\$ 82.2	\$ 364.5
Environment First Fund	35.0	44.9
Vertical Infrastructure Fund	15.0	40.0
Technology Reinvestment Fund	17.5	19.1
Endowment for Iowa's Health Account	13.6	5.0
State Aviation Fund	0.0	1.6
Endowment for Iowa's Health Restricted Capitals Fund	103.8	0.0
Federal Economic Stimulus and Jobs Holding Fund	4.3	0.0
	<u>\$ 271.4</u>	<u>\$ 475.1</u>

Infrastructure Requests

Significant requests are summarized below:

- \$53.9 million for construction of a new Chemistry Building at Iowa State University.
- \$40.0 million for major maintenance at State facilities under the purview of the Department of Administrative Services.
- \$38.9 million for major maintenance at Department of Corrections institutions.
- \$25.0 million for fire safety and deferred maintenance projects at Regents institutions.
- \$20.0 million for routine maintenance at State facilities under the purview of the Department of Administrative Services.
- \$18.7 million for construction of a College of Public Health Academic Building at the University of Iowa.
- \$15.2 million for infrastructure improvements at various Department of Corrections institutions.
- \$13.0 million for renewal of the Pentacrest area and heating, ventilation, and air conditioning (HVAC) improvements at the University of Iowa.
- \$11.8 million for renovation of Sabin Hall at the University of Northern Iowa.
- \$11.0 million for the Resource Enhancement and Protection (REAP) Program.
- \$10.6 million for a new Targeted Industries Infrastructure Program through the Department of Economic Development.
- \$10.0 million for the Department of Agriculture and Land Stewardship for the Soil Conservation Cost Share Program.



More Information

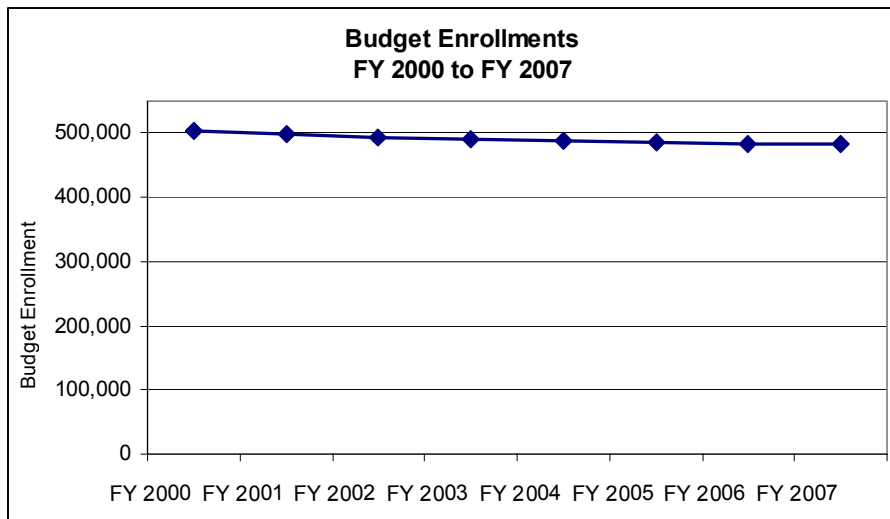
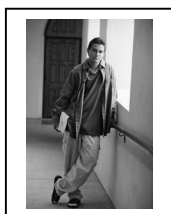
Additional information is available from the LSA upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

K-12 PUBLIC SCHOOL BUDGET ENROLLMENT CHANGE

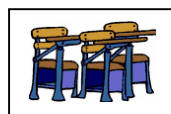
Budget Enrollment

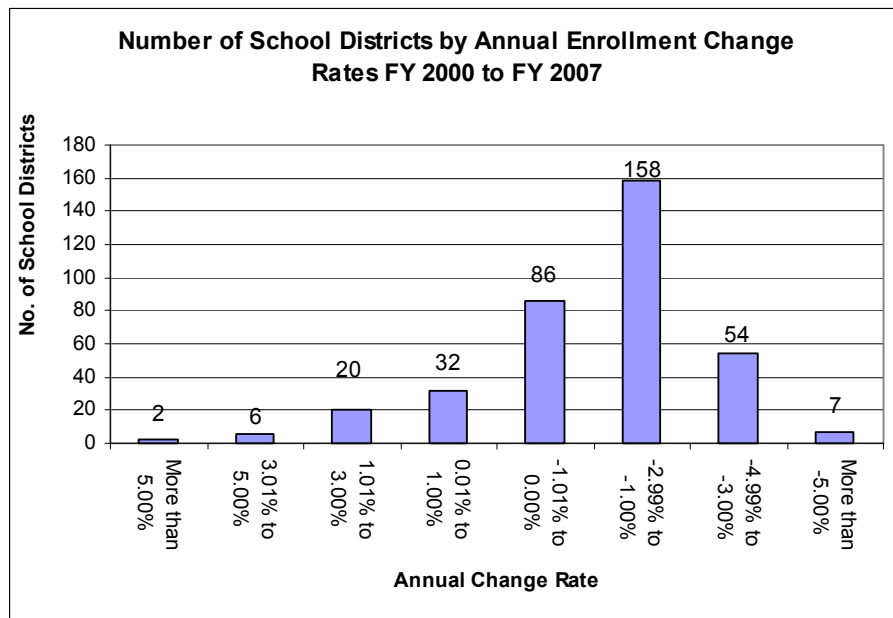
The K-12 public school budget enrollment declined from 502,533 to 483,105 students between FY 2000 and FY 2007, a 3.9% decrease or an annual decrease rate of 0.6%. The following chart shows the slow decline in the statewide budget enrollment totals.



School District Enrollments

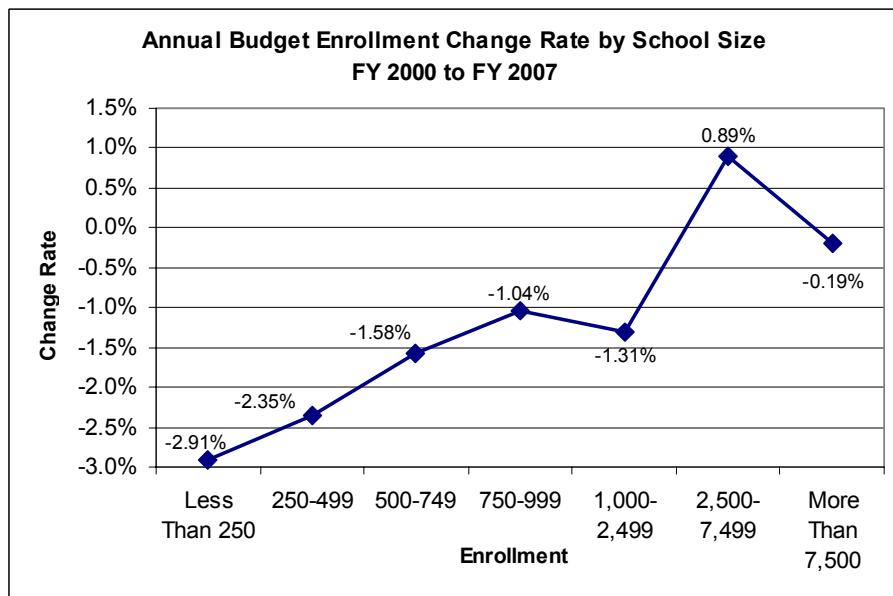
School district enrollments are not decreasing at an even rate. Sixty school districts (16.4%) have grown over this eight-year period, while 305 (83.6%) had decreasing enrollments. Waukee has been the fastest growing school district, growing at an annual rate of 13.4%, followed by Johnston with a 5.1% growth rate. Ankeny, Carlisle, College, Bondurant-Ferrar, Linn-Mar, and Southeast Polk grew at more than a 3.0% rate. Gilmore City-Bradgate and Sentral showed the most rapid decline with a -6.8% annual enrollment change rate. South Page, Nishna Valley, Alden, Pomeroy-Palmer, and Twin Rivers have decreased at an annual rate of more than -5.0%. The following chart shows the number of school districts by the annual enrollment change rate.





Annual Enrollment Rate

The next chart shows that the annual rate of enrollment decline varies by the size of the school districts. Small school districts (less than 250 students) are decreasing at an average annual rate of -2.9%. The rate of decline slows, until school districts with between 2,500 and 7,500 students show a small average annual growth of +0.9%. The largest school districts had enrollments declining at a -0.2% rate.



More Information

Information on specific school district enrollments is available from the LSA upon request.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

GOVERNOR APPOINTS SUPREME COURT JUSTICE

Appointment

On Friday, October 13, Governor Vilsack appointed Brent Appel, an attorney from Ackworth, to the Iowa Supreme Court. Appel will replace Justice James Carter who retired on October 16.

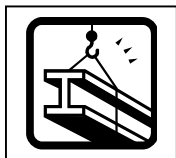
More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

GROUNDBREAKING FOR NEW CAMP DODGE FACILITY

New Construction



The groundbreaking for the new Camp Dodge Armed Forces Readiness Center (AFRC) was held on October 4. The facility consists of more than 211,000 total square feet and is estimated to cost approximately \$33.1 million. The three-building facility is 100.0% federally funded, and is the first construction project awarded to a National Guard organization by the 2005 Base Realignment and Closure Commission. The entire project will be completed by October 2008. The Iowa National Guard reports that the facility is the largest construction project undertaken by the Guard since World War II.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

DECREASE IN ETHANOL MARKET SHARE

Market Share Decrease

The market share of ethanol-blended gasoline decreased significantly in August to 38.2%. This is the lowest market share percentage since 1997. The decrease can be attributed to a decrease in ethanol-blended gasoline usage resulting from an increase in the retail price of the fuel during the summer months.

Prior Years

Although the market share of ethanol-blended gasoline has consistently increased in recent years, from 53.7% in FY 2002 to 75.1% in FY 2006, it declined slightly in the last few months of FY 2006 and continued to decrease into FY 2007. Before decreasing to 38.2% in August, the market share was 60.5% in July.

Anticipated Increase

Since the retail price of ethanol-blended gasoline dropped below that of non-blended gasoline in recent months, it is anticipated that ethanol-blended gasoline usage will increase, thereby increasing the market share percentage to the levels attained in FY 2006.

More Information

Additional information is available from the LSA upon request.

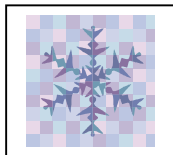
STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM AND WEATHERIZATION PROGRAM INTERIM STUDY COMMITTEE MEETING

Interim Committee Mtg.

The Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Program Interim Study Committee met on October 11.

Committee Purpose



The Legislative Council was asked to establish the Committee in HF 2734 (FY 2007 Health and Human Services Appropriations Act). The Committee will meet twice to study issues involving the LIHEAP and Weatherization Program, including the Community Action Agencies' assessment and resolution proposal and whether to involve the Department of Human Services (DHS) in the administration of the programs to enable low-income persons to access additional assistance programs through a single location. The Committee will make recommendations to the 2007 General Assembly.

Presentations



On October 11, the Committee received testimony from Bill Brand, Jerry McKim, and Jim Newton, Department of Human Rights, Division of Community Action Agencies; Lana Ross, Iowa Community Action Association; Bob Krebs, DHS; Teresa Anderson, MidAmerican Energy Company and Iowa Utility Association; Bob Haug, Iowa Association of Municipal Utilities; Regi Goodale, Iowa Association of Electric Cooperatives; and Lynh Patterson, Department of Public Health.

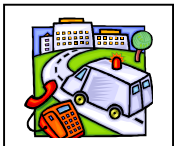
More Information

The next meeting is scheduled for November 29. The handouts from the meetings will be available on the General Assembly's web site at: <http://www.legis.state.ia.us/asp/Committees/CommitteeInfo.aspx>. Additional information is available from the LSA upon request.

STAFF CONTACT: Sam Leto (Ext. 16764) Ann Ver Heul (Ext. 18027)

EMERGENCY SERVICES INTERIM STUDY COMMITTEE MEETING

Interim Committee Mtg.

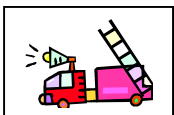


The Emergency Services Interim Study Committee met on October 4. The Legislative Council was asked to establish the Committee in HF 2782 (FY 2007 Infrastructure Appropriations Act). During the 2006 Legislative Interim, the Committee will meet twice to study the State's emergency services and provide findings and recommendations for the 2007 General Assembly to consider regarding the governance, structure, and funding of these services and the training available for these providers.

Stakeholder Participation

The Committee will receive input from various State agencies, including the State Fire Marshal, as well as representatives of emergency services providers, including, but not limited to, the Iowa Firemen's Association, the Iowa Fire Chiefs Association, professional fire fighters, and emergency room physicians.

Presentations



On October 4, the Committee received testimony from Joe Specht, Iowa Firemen's Association; Ric Jones, Iowa Emergency Medical Services Association; Dr. Mark Singsank; Rick Claassen and Ellen Hagen, Iowa Fire Chiefs Association; Bob Platts, Iowa Association of Professional Fire Chiefs; Clint Petersen, State Fire Service and Emergency Response Council; Dan

Neenan, Northeast Iowa Community College; and George Oster, former director, Fire Service Extension, Iowa State University.

More Information

The next meeting is scheduled for November 13. The handouts and PowerPoint presentations provided at the meeting are available on the General Assembly's web site at: <http://www.legis.state.ia.us>. Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942) Emily Gardyas (Ext. 14800)

**MENTAL HEALTH, MENTAL RETARDATION,
DEVELOPMENTAL DISABILITIES, AND BRAIN INJURY
SERVICES FUNDING INTERIM STUDY COMMITTEE**

Interim Committee Mtg.

The Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury (MH/MR/DD/BI) Services Funding Interim Study Committee met on October 3.

MH History

The Committee reviewed history, values, goals, and objectives of the adult MH/MR/DD/BI service system with staff of the LSA, the Department of Human Services (DHS), and representatives of the Iowa State Association of Counties (ISAC).

Clients Served

Staff from the LSA and representatives of the DHS and the ISAC provided information regarding the number of persons served, the services provided, and historical inflation information.

Reimbursement Rate

Representatives from the DHS and the ISAC reported on the reimbursement rate setting process for services.

Property Taxes

A discussion was held with staff from the LSA, ISAC, and DHS regarding an explanation of the portion of the county property tax collections used for the cost of mental health services.

County Costs

Staff from the LSA and representatives of the DHS and the ISAC provided information regarding counties' revenues and expenditures.

More Information

The next meeting is scheduled for November 28. Handouts are available on the web site at: <http://www.legis.state.ia.us>. Additional information is available from the LSA upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794) Kerri Johannsen (Ext. 14611)
John Pollak (Ext. 13818) Patty Funaro (Ext. 13040)

**MESKWAKI TRIBAL COURT INTERIM STUDY COMMITTEE
MEETING**

Interim Committee Mtg.



The Meskwaki Tribal Court Interim Study Committee met on September 29 in Des Moines. The Committee's purpose is to continue work to determine the proper manner for the Iowa Court System to recognize civil judgments, decrees, and orders issued by the Meskwaki Tribal Court. Testimony received at the first meeting included:

- Elbidge Coochise, Chief Judge, Meskwaki Tribal Court, presented the history of the Meskwaki Tribal Court and proceedings for civil procedure.

- Henry M. Buffalo, Jr., Chief Justice, Meskwaki Appellate Court, presented the history of the Indian Civil Rights Act of 1968 and tribal court proceedings in Minnesota.
- Theresa Essman-Mahoney, Clerk of Court, Meskwaki Tribal Court, presented information on the 70 civil cases filed in 2006 and key decisions of the Appellate Court.
- Nancy Burk, Burk Law Offices, Toledo, presented information on working relationships she has established with the Tribe and was asked to provide the Committee with proposed rules for primary jurisdiction.
- Joe Little, Acting Associate Director, Bureau of Indian Affairs, Division of Tribal Support, Albuquerque, New Mexico, presented information on concurrent jurisdiction, states that have passed legislation, and states that have implemented concurrent jurisdiction through Court rules.
- Dennis Johnson, Dorsey and Whitney Law Offices, Des Moines, presented information from past cases with the Tribe and proposed draft legislation.



More Information

The Committee discussed topics to be covered at the second meeting, which will be scheduled after the November general election. Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846) Rachele Hjelmaas (Ext. 18127)

BENEFITS ADVISORY COMMITTEE MEETING

Committee Meeting

The Benefits Advisory Committee (BAC) of the Iowa Public Employees' Retirement System (IPERS) met on October 9.

Reclassify Classes

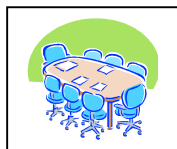


David Martin, Benefits Division, discussed a request received by IPERS that jailers and installation security officers be reclassified from regular to protection occupation class for IPERS benefits pensions. Mr. Martin noted the differences between the two classes relating to contributions to IPERS and the benefits from IPERS. A survey is being sent to all affected employees, and the results will be provided to the BAC at the November meeting. A law change would be required, but the IPERS would not initiate the required changes.

Dividend Recommendations

Donna Mueller, CEO, explained the options for making cost-of-living dividend payments in November for members that retired prior to July 1, 1990, and the Favorable Experience Dividend (FED) payable in January to members that retired after July 1, 1990. The IPERS recommends a continued freeze on the November dividends and that the January FED payments be maintained at the percentage factor of 1.07 percent. The BAC voted to approve the IPERS recommendation.

Committee Membership



The BAC named a Membership Committee in August to review petitions filed by the Iowa County Attorney's Association and the International Brotherhood of Teamsters (IBT). The Association wanted to share a position on the BAC with the Police Council, Sheriffs, and Chiefs Association. The Membership Committee recommended that this petition be denied in lieu of existing Iowa Administrative Rules. The petition by IBT would replace the Iowa Association of Chiefs of Police and Peace Officers with IBT on BAC. The Membership Committee recommended that this petition be approved after

consideration of several factors. The BAC accepted both recommendations by the Membership Committee.

IPERS FY 2008 Budget

The proposed IPERS budget request for FY 2008 of \$17.1 million was reviewed by the BAC. The request is an increase of \$117,300 compared to estimated FY 2007 for additional I/3 System costs. The Department of Administrative Services (DAS) is requesting additional funding in FY 2008 for the I/3 System that will be allocated to State agencies. Since IPERS does not receive General Funds, IPERS is unsure if this additional cost to IPERS will be covered by the DAS request.

Actuarial Audit



The first-ever audit of an IPERS Actuarial Valuation Report was conducted by Gabriel, Roeder, Smith and Company. The purpose of the audit was as follows:

- To express an opinion regarding the reasonableness and accuracy of the valuation results, actuarial assumptions, and application of the actuarial cost method.
- Provide recommendations to improve the quality and accuracy of the actuarial report.

The audit provided IPERS with recommendations for improvements. The general conclusion of the audit was that the actuarial work done by Milliman USA is sound.

More Information

The next meeting is scheduled for November 13. Additional information is available from the LSA upon request.

STAFF CONTACT: Sam Leto (Ext. 16764)

SUSTAINABLE NATURAL RESOURCES MEETING

Committee Meeting

The Sustainable Natural Resources Funding Advisory Committee met September 20 in Perry.

Public Opinion

The Subcommittee designated to determine the timeframe and costs associated with obtaining public opinion recommended that the Committee define natural resources before creating a survey. This would identify a measurable product and the parties that are accountable. The Subcommittee also recommended that enticements be included for people to complete the survey and that the survey use concrete terms, rather than philosophical ideas.

Funding Discussion



Duane Sand, Iowa Natural Heritage Foundation, discussed potential funding sources based on the Committee's ranking:

- Issue State bonds to increase acquisition of public land.
- Increase sales tax on campers, trailers, and other related products.
- Increase sales tax or designate a portion of existing sales tax for sustainable natural resources.
- Create a severance tax on ethanol that is sold to out-of-state entities.
- Expand the uses of the Underground Storage Tank Fund.

- Create tax incentives for persons protecting farmland and wildlife.

Public Fundraising



Angela Grover, The Nature Conservancy, discussed public fundraising and recommended that the Committee complete a feasibility analysis. She stated that conservation issues are normally a second tier issue when compared to other issues such as war, education, and health care. She said that polling the public will identify the public's willingness to pay for natural resources. She noted that the State must ensure accountability of funds to instill trust in the government and in additional funding. She encouraged the Committee to reach an agreement and then present the recommendations to legislators.

Defining Natural Resources

The Committee then discussed the definition of natural resources and included the following categories:

- Fish, wildlife, and natural areas.
- Soil and water.
- Parks and trails.

More Information

The next meeting is scheduled for October 11 at the Tama County Nature Center. For more information, access the web site at: <http://www.iowadnr.com/sustainablefunding/index.html>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

WATERSHED IMPROVEMENT REVIEW BOARD MEETING

Watershed Meeting

The Watershed Improvement Review Board met September 20 in Ankeny.

Grants Awarded



The Board reviewed 38 grant applications that requested \$11.7 million and took the following action:

- Awarded grants for 16 applications for \$4.9 million.
- Awarded grants to projects located in 24 counties.
- The grants awarded requested funding ranging from \$49,000 to \$500,000.

More Information

The next meeting will be a teleconference scheduled for October 6. For more information on the Watershed Improvement Review Board, access the web site at: <http://www.agriculture.state.ia.us/IWIRB.htm>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

WATERSHED QUALITY PLANNING TASK FORCE MEETING

Committee Meeting

The Watershed Quality Planning Task Force met October 4 in Des Moines.

Information Presentations

The following presentations were made to the Task Force:

- Dean Lemke, Department of Agriculture and Land Stewardship (DALs), provided a summary on the 2001 report issued by the Watershed Task Force. Lemke also summarized the DALs programs related to water quality.



- Bernie Hoyer, Department of Natural Resources (DNR), provided a summary on the Governor's Water Quality Summit that was held in 2003.
- Deb Kozel, Legislative Services Agency, discussed funding appropriated for water quality programs.
- Tom Oswald, Natural Resources Conservation Service (NRCS), provided an overview of federal conservation programs related to water quality.
- Chuck Corell, DNR, provided an overview of DNR programs related to water quality.

More Information

The next meeting is scheduled for December 6 in Des Moines. For more information, access the web site at: <http://www.iowadnr.com/>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

COLLEGE STUDENT AID COMMISSION MEETING

Commission Meeting

The College Student Aid Commission met September 21 in Des Moines.

Election of Officers

Janet Adams was elected Chairperson and Phillip Hall was elected Vice Chairperson. The position of Secretary-Treasurer was eliminated, as staff provides that function.

FY 2008 Budget



Staff proposed a FY 2008 budget with an overall increase of \$2.6 million (4.3%). The Commission members amended the budget by increasing all need-based aid programs by 6.0% and restoring the Work Study Program to the statutory level of \$2.8 million. Work Study received an appropriation of \$140,000 for FY 2007. Additional detail is available in the Education Appropriations Subcommittee budget request article in this issue of *Fiscal Update*.

More Information

The next meeting is scheduled for November 16 in Des Moines. Additional information, including the full text of meeting materials is available by accessing the Commission's web site at: <http://www.iowacollegeaid.org/about.html>.

STAFF CONTACT: Mary Shipman (Ext. 14617)

BOARD OF REGENTS MEETING

Board Meeting

The Board of Regents met September 27-28 at the University of Northern Iowa (UNI) in Cedar Falls.

ACT Study



The Board received a report from American College Testing (ACT) representatives and a status report from the Admissions Study Team. The presentation focused on results of Iowa 2006 ACT test-takers. The presentation is part of a study as required by HF 2395 (Board of Regents Admission Requirements Act). House File 2395 required the Regents to study the readiness of Iowa high school graduates for college study and whether an adjustment is needed in the Regents admission policy. Currently, the Regents admit all Iowa high school graduates that complete the recommended courses and rank in the upper half of their class. The

study is to be completed and recommendations submitted to the General Assembly by January 8, 2007.

Capital Plans



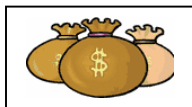
The Board approved the Five-Year Capital Plan of \$553.9 million (\$491.5 million from State funds and \$62.4 million from private funds). This includes the FY 2008 capitals request of \$132.0 million, to be funded by capital appropriations or Academic Building Revenue Bonds. Projects included in the FY 2008 request include:

- \$53.9 million for the Chemistry Building at Iowa State University (ISU).
- \$5.8 million for the electrical distribution system at UNI.
- \$18.7 million for the College of Public Health at the University of Iowa (SUI).
- \$25.0 million to correct fire and environmental safety deficiencies, deferred maintenance, and campus safety improvements. This includes \$500,000 for each of the special schools.
- \$11.8 million for Sabin Hall renovation at UNI.
- \$4.2 million for the old Music Building renovation at SUI.
- \$13.0 million for Pentacrest renewal and HVAC modernization at SUI.

Bond Resolution

The Board approved a resolution authorizing the Executive Director to fix the date of sale for \$25.0 million of Utility System Revenue Bonds for SUI. The sale will be scheduled for the November Board meeting. The bond proceeds will be used to fund a number of utility projects previously reviewed and approved by the Board. The SUI Utility System is self-supporting.

FY 2008 Budget



The Board approved the proposed FY 2008 State budget request of \$717.8 million. This is an increase of \$72.8 million as follows:

- \$19.9 million to replace one-time sources of funding.
- \$36.4 million for an inflationary increase.
- \$16.5 million for strategic initiatives.

The Board Office is estimating that tuition revenue will increase by \$24.4 million for FY 2008, from \$469.4 million to \$493.8 million.

Additional detail regarding the FY 2008 budget request is available in the Education Appropriations Subcommittee budget request article in this issue of ***Fiscal Update***.

More Information

The next meeting is scheduled for November 8-9 at Iowa State University in Ames. For additional information, including the full text of meeting materials, access the Board of Regents web site at:

<http://www2.state.ia.us/regents/Meetings/DocketMemos/memos.html>

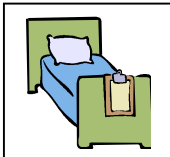
STAFF CONTACT: Mary Shipman (Ext. 14617)

MEDICAL ASSISTANCE ADVISORY COUNCIL MEETING

MAAC Meeting	The Medical Assistance Advisory Council (MAAC) met October 4 at the Iowa Medicaid Enterprise (IME).
Program Reviews	The Council reviewed the proposed Administrative Rules for Elderly Waiver Case Management, the transfer of the State Payment Program to the counties, and the new Medicaid Remedial Services Program.
Medicaid Issues	The Council discussed holding a meeting between new legislators and the Council after the election to provide information on Medicaid impacts and issues.
DPH Initiatives	Representatives from the Department of Public Health provided an update on the I-Smile initiative and new Medicaid coverage of smoking cessation products, beginning January 1, 2007.
Medicaid Statistics	Representatives from the Department of Human Services provided an update on Medicaid enrollment and expenditures.
More Information	The next meeting has not been scheduled. Additional information is available from the LSA upon request.

STAFF CONTACT: Kerri Johannsen (Ext. 14611)

MEDICAL ASSISTANCE PROJECTIONS AND ASSESSMENT COUNCIL MEETING

MAPAC Meeting	The Medical Assistance Projections and Assessment Council (MAPAC) met October 3.
IowaCare 	<p>The Department of Human Services (DHS) gave an update on current IowaCare enrollment and final FY 2006 expenditures. The DHS also updated the Council on the implementation status of the health care reform initiatives in HF 841 (IowaCare and Medicaid Reform Act).</p> <p>Broadlawn Medical Center and the University of Iowa Hospitals and Clinics updated the Council on progress and challenges in providing services under IowaCare.</p>
More Information	<p>The next meeting date has not been scheduled. Handouts from the meeting are available on the web site at: http://www.legis.state.ia.us/scripts/docmgr/docmgr_comdocs.dll/showtypeintefirm?id=true&type=ih&fy=2005&com=70. Additional information is available from the LSA upon request.</p>

STAFF CONTACTS: Kerri Johannsen (Ext. 14611) Sue Lerdal (Ext. 17794)

AGING SERVICES CABINET MEETING

Person-Directed Care	The Aging Services Cabinet met October 6. Director Steve Young, Department of Inspections and Appeals, reported on the status of administrative rules for person-directed care.
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Healthy Communities

Carlene Russell, Department of Elder Affairs (DEA), reported that the DEA will receive a \$900,000, three-year grant from the federal Administration on Aging that will be used to implement the Stanford Chronic Disease Self-Management, Enhanced Fitness, and Eat Better and Move More Prevention Programs for older Iowans.

Lifelong Links

Mary Anderson, DEA, reported on the launch of the LifeLongLinks web site, which will serve Iowans and professionals who help Iowans make decisions regarding health, family, legal, finances, community support, environment, and life's transitions and changes. The web site may be accessed at: www.LifeLongLinks.org.

Ms. Anderson also reported that the Department will receive a federal two-year supplemental grant award of \$85,000 for the Aging and Disability Resource Center, which will be used to add the Food Assistance Program application to the Seamless System.

Legal Assistance

Director Mark Haverland, DEA, reported that the Department will receive a three-year federal grant of \$100,000 to implement the Iowa Senior Legal Assistance Integration Project that will target clients age 60 and older.

Workforce Issues

Director Mary Hansen, Department of Public Health, led a discussion on future challenges facing the Iowa workforce, in particular, the aging of Iowa's health care workforce. In addition, the National Coalition on Health Care and the Iowa chapter of the American Association of Retired Persons (AARP) will sponsor a Health Care Forum at Drake University on October 11.

Case Management

Eileen Creager, Department of Human Services (DHS), reported on Case Management under the Medicaid Elderly Waiver, which began on October 1. Provider training was offered on September 28 and a follow-up on the ICN will be offered in mid-November. All 99 counties are covered for the service, and two different providers are available in several counties.

Aging Services

Clay McClure, Governor's Office, reported that she is available to discuss any concerns from individuals and organizations regarding areas in aging services that may be impacted by the transition in the Governor's administration.

More Information

The next meeting has not been scheduled. Additional information is available from the LSA upon request.

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

STATE CHILD CARE ADVISORY COUNCIL MEETING**Council Meeting**

The State Child Care Advisory Council met September 28.

Market Rate Survey

Julie Ingersoll, Department of Human Services (DHS), discussed who conducts the Market Rate Survey (MRS) of child care provider rates; how the reimbursement rates are calculated; why rates for providing care to special needs children have been excluded from the past two surveys; and alternative approaches to establishing rates that have been studied.

Quality Funds

The DHS provided a draft spreadsheet of projects that will be funded in FY 2007 with federal Child Care Development Funds for Quality, Infant and

Toddler, and School-Age Earmarks. It is estimated that \$4.9 million will be expended, including \$2.5 million in one-time funds.



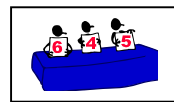
Ms. Ingersoll also reported that \$3.1 million in federal Quality and Infant and Toddler funds previously held for disbursement by the Iowa Child Care and Early Education Network, which dissolved, was transferred to the State Public Policy Group in August, which is serving as the new fiscal agent. The funds were received in FY 2003 and FY 2004, and it is possible that a portion will have to be returned to the federal government depending on the issue of obligation versus liquidation of funds. A final audit of the funds has not yet been completed.

FY 2008

The DHS budget request for the Child Care Assistance Program for FY 2008 was discussed. The request is an increase of \$17.7 million for the Child Care Assistance Program. This includes increased funding to maintain and expand caseload, annualize provider rate increases, and serve additional providers through the Quality Rating System (QRS).

Quality Rating System

Ms. Ingersoll reported that the DHS has received 140 applications from providers wishing to be certified under the QRS. Of these, 102 have been awarded certifications. In addition, Art Ala Carte has been awarded a contract to conduct a public awareness campaign regarding the QRS.



The DHS did not request additional funds for Child Care Nurse Consultants in FY 2008. The Nurse Consultants conduct health and safety assessments of providers who wish to be certified under the QRS. The Department of Public Health is expected to request additional funds for this purpose in FY 2008.

Early Childhood

Shannell Wagler, Department of Management, reported that collaborative budget offers between departments last year for funding for Early Childhood became confusing; therefore, departments will have individual budget proposals for FY 2008 that will highlight if they are part of a collaborative effort.

More Information

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

STAFF CONTACT: Lisa Burk (Ext. 17942)

IOWA TELECOMMUNICATION AND TECHNOLOGY COMMISSION MEETING

ITTC Meeting

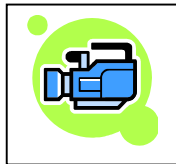
The Iowa Telecommunication and Technology Commission (ITTC) met in their new offices in the Grimes Building September 28. The Iowa Communications Network (ICN) recently completed a move from Camp Dodge to the Grimes Building.

Old Business

The ICN continues to work with the Board of Regents on the BOREAS (Broadband Optical Research Education and Sciences Network) project. Construction has been completed in Altoona, and an internet purchasing agreement with Chicago and Kansas City is being reviewed. The ICN is also reviewing the voice contract. The Regents are requesting a waiver, and the

internet waiver will need to be modified. The Request for Proposal (RFP) for this project should be issued in the next two weeks.

New Business



The Commission granted one-year waivers for ICN data/internet services to Buena Vista, Waldorf, and Loras Colleges to purchase data and internet access from local companies in addition to the ICN.

The Commission voted not to increase video rates from FY 2007 to FY 2008. The FY 2008 hourly rates are as follows:

- | | |
|----------------------------|---------|
| • K-12 Use | \$14.36 |
| • Community College/K-12 | \$6.91 |
| • Community College Use | \$8.75 |
| • Regents/Private College | \$9.18 |
| • Administrative Use | \$16.74 |
| • Federal and Telemedicine | \$60.16 |

The Commission approved two budget offers for the ICN for FY 2008. The first is a request for \$2.2 million to replace 109 generators at Parts I and II sites and regeneration sites. The pricing includes the equipment and installation costs. The second request is for \$2.1 million to replace and upgrade aging equipment for voice and internet protocol technology equipment. With the investment of \$2.1 million, the ICN is forecasted to receive \$1.9 million during the 2007-08 school year from the Universal Service Fund.



The Commission approved the FY 2008 proposed operating budget. The ICN anticipates \$35.1 million in gross revenues for FY 2008, \$22.8 in direct expenses, \$13.7 in operating expenses, and \$8.9 million for general sales and administrative expenses. The remaining \$4.8 million is for net equipment expenditures for the Network. There are currently 83.0 full-time employees of the ICN. The ICN hopes to hire an additional 13 employees for FY 2008.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

HONEY CREEK PREMIER DESTINATION PARK AUTHORITY MEETING

Meeting



The Honey Creek Premier Destination Park Authority met October 4 and approved the Authorizing Resolution for the issuance of approximately \$33.1 million in double tax-exempt revenue bonds for development and funding of the Honey Creek Premier Destination Park near Lake Rathbun. The bonds will be sold October 11, and the proceeds are expected to be received by October 19.

More Information

The next meeting was not scheduled. For more information on the Honey Creek Premier Destination Park, access the web site at:

<http://www.iowadnr.com/parks/honeycreek/updates.html>. Additional information is available from the LSA upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

ISSUE REVIEW – IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Issue Review

The Fiscal Services Division of the LSA recently published an *Issue Review* on Iowa Public Employees Retirement System (IPERS).

Summary



The *Issue Review* provides an overview of the IPERS, including historical background, current benefit payment information, review of its financial condition based on actuarial valuation, and the estimated fiscal impacts of HF 729 (Pension Omnibus Act) due to increasing contribution rates on employees and employers covered by the IPERS.

The IPERS currently serves over 300,000 members employed by an estimated 2,400 participating employers. The IPERS Fund balance was \$18.8 billion as of June 30, 2005. The Fund's investments returned 11.25 percent in FY 2005. In 2005, IPERS benefit payments totaled approximately \$841.0 million to all retirees and beneficiaries.

House File 729 (Pension Omnibus Act) increased the contribution rates beginning July 1, 2007, for most public employers and employees for the first time since 1979. The *Issue Review* provides a table that presents the changes in contribution rates from FY 2007 to FY 2011. For FY 2008, the contributions to the IPERS will increase by an estimated \$28.3 million, with approximately \$11.3 million (40.0%) coming from employees and approximately \$17.0 million (60.0%) coming from employers.

The Legislative Public Retirement Systems Committee is required to study and report to the General Assembly by October 1, 2007, regarding pension flexibility, supplemental defined contribution and hybrid retirement plans, and cost-of-living adjustment plans.

More Information

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

STAFF CONTACT: Sam Leto (Ext. 16764)

ISSUE REVIEW – WATERSHED IMPROVEMENT REVIEW PROGRAM

Issue Review

The Fiscal Services Division of the LSA recently published an *Issue Review* that provides an overview of the Watershed Improvement Review Program.

Background Information

The Program was established during the 2005 Legislative Session in SF 200 (Agriculture Powers, Duties, and Watershed Improvement Act). The legislation also created a Watershed Improvement Fund that provides funding for Watershed Improvement Grants to enhance the State's water quality. The Watershed Improvement Review Board reviews the grant applications and determines the projects that will receive funding.

Grants Awarded

For FY 2006, the Board reviewed 48 grant applications requesting \$12.7 million. The Board awarded \$4.8 million to 17 grant applicants for projects

totaling \$14.0 million. Although no specific funding match is required, all grants must detail additional funding that will be used to fund the project.

For FY 2007, the Board reviewed 38 grant applications requesting \$11.7 million. The Board awarded \$4.9 million to 16 grant applicants for projects totaling \$18.0 million.

Funding



The General Assembly appropriated \$5.0 million for FY 2006 and FY 2007 for Watershed Improvement Grants. House File 882 (FY 2006 Standing Appropriations Act) appropriated \$5.0 million from the Underground Storage Tank (UST) Fund to the Watershed Improvement Review Fund for FY 2006. For FY 2007, \$5.0 million was appropriated to the Fund from the Endowment for Iowa's Health Restricted Capitals Fund in HF 2782 (FY 2007 Infrastructure Appropriations Act).

Copies Available

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

STAFF CONTACT: Debra Kozel (Ext. 16767)

ISSUE REVIEW – THE INSTITUTE FOR TOMORROW'S WORKFORCE

Issue Review

The Fiscal Services Division of the LSA recently published an **Issue Review** on the Institute for Tomorrow's Workforce.

Summary

The **Issue Review** provides a history of the Institute for Tomorrow's Workforce (ITW) and reviews the FY 2006 revenue and expenditures, as well as the anticipated revenue and expenditures for FY 2007.

Reports Due



The ITW is currently under contract with the Pay for Performance Commission (PPC) and the Department of Management to conduct a study of pay-for-performance incentives for teachers. A report from the PPC is due to the General Assembly and the Governor in January 2007. The Institute is simultaneously conducting a study of the State's educational delivery system and will provide a report to the General Assembly and Governor in January 2007.

Subcontract

Learning Point Associates (LPA) of Naperville, Illinois, is under subcontract with the ITW to conduct the two studies and provide recommendations. Details of the contract with LPA are included in the **Issue Review**.

More Information

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

STAFF CONTACT: Robin Madison (Ext. 15270)

ISSUE REVIEW – IOWA GREAT PLACES PROGRAM

Issue Review

The Fiscal Services Division of the LSA recently published an **Issue Review** on the Iowa Great Places Program, coordinated by the Department of Cultural Affairs.

Summary

The **Issue Review** provides the history, funding, and application process of the Iowa Great Places Program. The Program is designed to assist local communities in developing innovative and entrepreneurial cultural and tourism efforts. The initiative involves a partnership of 18 State agencies to create “a one-stop shop” for existing State programs that can provide services and funding to local efforts.

More Information

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

STAFF CONTACT: Robin Madison (Ext. 15270) David Reynolds (Ext. 16934)

ISSUE REVIEW - COURTHOUSE SECURITY

Issue Review

The Fiscal Services Division of the LSA recently published an **Issue Review** on Courthouse Security.

Summary

The **Issue Review** provides a review of issues related to courthouse security in Iowa. In 1999, the Iowa Supreme Court established the Court Security Improvement Task Force. Currently, there are no statewide court security requirements, although the 1999 Court Security Improvement Task Force Study is used as a guideline in many counties.



Pro-rating the cost of 1.0 FTE position at \$50,000, the estimated cost for providing funding for a designated court security officer totals approximately \$1.5 million based on District Court service days. Some counties already provide security on court service days. Based on the response to the State Court Planner's 2005 survey on courthouse security, the actual estimated need is approximately \$800,000. If the General Assembly approved State funding for half of a court security officer in all 100 courthouses (0.5 FTE per courthouse), regardless of the number of court service days, the estimated cost of courthouse security would be approximately \$2.5 million.

House Resolution 1751 (Federal Court Security Improvement Act of 2005) would authorize an appropriation of \$409.0 million from FFY 2006-2010 to provide increased funding for court security through grants to states. The Bill is currently in the Senate Judiciary Committee as S.B. 1968.

More Information

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

STAFF CONTACT: Jennifer Acton (Ext. 17846)

AUDIT REPORT – DEPARTMENT FOR THE BLIND

Audit Report

The LSA received a copy of the State Auditor's FY 2005 Audit Report for the Department for the Blind.

Internal Control



The only finding in the audit related to internal control. Certain expenditures for the statewide audio newslines service did not have detailed supporting documentation and/or a contract agreement for services provided to allow determination of whether expenditures were reasonable or accurate.

The Department responded that further documentation has been requested from the vendor. The Auditor accepted the Department's response.

More Information

The complete Audit Report is available on the web site at:
<http://auditor.iowa.gov/reports/reports.htm>. Additional information is available
from the LSA upon request.

STAFF CONTACT: Robin Madison (Ext. 15270)

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