

FISCAL UPDATE

March 26, 2007

Legislative Services Agency

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STATUS OF APPROPRIATIONS BILLS

As of March 22, 2007

Appropriations Subcommittee Bills

Appropriations Subcommittee	LSB/ File #	Status
Administration and Regulation Appropriations Bill	HF 874	Passed House on March 20.
Agriculture and Natural Resources Appropriations Bill	SF 551	Passed Senate Appropriations Committee on March 13.
Economic Development Appropriations Bill	SF 562	Passed Senate Appropriations on March 20.
Education Appropriations Bill	SSB 1332	Passed Joint Subcommittee on March 7.
Judicial Branch Appropriations Bill	SF 563	Passed Senate Appropriations on March 21.
Justice System Appropriations Bill	SSB 1338	Passed Joint Subcommittee on March 13.
Transportation Appropriations Bill	HF 752	Passed House on March 20.

Other Appropriations Bills

Allowable Growth Rate Act	SF 109	Signed by Governor on February 22.
Advanced Placement Examination Fee Bill	HF 47	Passed House Education Committee on March 7.
Autumn Olive Education Project Bill	HF 366	Passed House Natural Resources Committee on February 7.
Comprehensive and Affordable Health Care Bill	SF 367	Passed Senate Commerce Committee on March 1.
Energy Utility Assessment and Resolution Program Bill	HF 347	Passed House Commerce Committee on February 8.
Federal Block Grant Bill	HF 787	Passed House on March 20.
School District Reorganization and Sharing Incentives Bill	HF 534	Passed House Appropriations Committee on March 21.
School District Reorganization and Sharing Incentives Bill	SF 447	Passed Senate Appropriations Committee on March 21.



Approp.
Bills
Status

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Other Appropriations Bills (Cont.)			
Sensitivity Training Bill		HF 224	Passed House Appropriations Committee on March 20.
Statewide Preschool Program for Four-Year-Olds Bill		HF 527	Passed House Education Committee on February 22.
Statewide Preschool Program for Four-Year-Olds Bill		SF 350	Passed Senate Education Committee on February 28.
Student Achievement and Teacher Quality Bill		SF 277	Passed Senate on March 5.
Supplemental Appropriations Bill		SF 403	Passed House Appropriations Committee on March 21.
Supplemental Appropriations for Veterans Programs Act		SF 95	Signed by Governor on February 14.
Waste Tire Management Fund Bill		HF 511	Passed House Environmental Protection Committee on February 23.

HOUSE APPROPRIATIONS COMMITTEE PASSES FY 2008 ADMINISTRATION AND REGULATION APPROPRIATIONS BILL – HF 874

Appropriations Bill



The House Appropriations Committee passed HF 874 (FY 2008 Administration and Regulation Appropriations Bill) on March 20.

The Bill appropriates a total of \$94.2 million from the General Fund and 1,877.8 FTE positions. This is an increase of \$8.3 million and 6.9 FTE positions compared to estimated FY 2007. This Bill also appropriates a total of \$20.1 million from Other Funds, an increase of \$211,000 compared to estimated FY 2007.

The House Appropriations Committee amended the Bill by increasing the appropriation to the Central Administration Division of the Department of Human Rights by \$15,000 for costs associated with participation in the Abraham Lincoln Bicentennial Commission, and adding 2.0 federally funded FTE positions to the Health Facilities Division of the Department of Inspections and Appeals.

More Information

The NOBA (Notes on Bills and Amendments) for HF 874 is available on the LSA web site at: www3.legis.state.ia.us/noba.

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

SENATE APPROPRIATIONS COMMITTEE PASSES FY 2008 ECONOMIC DEVELOPMENT APPROPRIATIONS BILL – SF 562

Appropriations Bill

The Senate Appropriations Committee passed SF 562 (FY 2008 Economic Development Appropriations Bill) on March 20. The Bill appropriates a total of \$40.1 million from the General Fund and 499.9 FTE positions to the Department of Cultural Affairs, Department of Economic Development, Iowa Finance Authority, Board of Regents economic development programs, Iowa Workforce Development (IWD), and the Public Employment Relations Board

(PERB). This is an increase of \$3.2 million and 15.2 FTE positions compared to estimated FY 2007. The Bill also increases funding from Other Funds by \$1.4 million for a total of \$10.4 million.

Cultural Affairs



The Bill appropriates \$6.3 million and 83.8 FTE positions, a decrease of \$104,000 and an increase of 1.6 FTE positions. The change includes:

- An increase of \$50,000 and 1.0 FTE position for the administration of Chapter 4047A, Code of Iowa, Property Rehabilitation Tax Credit Act.
- An increase of 0.6 FTE position due to the anticipated increase in the naming of additional Great Places.
- A new appropriation of \$186,000 for rent of the new Records Center.
- A decrease of \$340,000 due to one-time FY 2007 appropriations.

Economic Development

The Bill appropriates \$15.7 million and 153.3 FTE positions, an increase of \$1.1 million and 18.1 FTE positions. The significant change includes:

- An increase of \$500,000 for the Main Street Program.
- An increase of \$250,000 for tourism operations.
- An increase of \$350,000 for the World Food Prize.

IFA

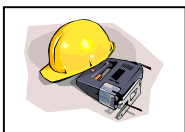
The Bill appropriates \$200,000 to the Iowa Finance Authority (IFA), which maintains the current level of funding.

Regents Programs

The Bill appropriates \$3.6 million and 67.4 FTE positions for economic development programs at Iowa State University (ISU), the University of Iowa (SUI), and the University of Northern Iowa (UNI), an increase of \$550,000 and 2.1 FTE positions. The change includes:

- An increase of \$250,000 and 0.1 FTE position for ISU to support the Small Business Development Centers.
- An increase of \$300,000 and 2.0 FTE positions for UNI to support the myentrenet Internet application.

Workforce Development



The Bill appropriates \$13.0 million and 182.5 FTE positions, an increase of \$1.5 million and a decrease of 7.6 FTE positions. The significant change includes:

- An increase of \$528,000 and 7.0 FTE positions for health and safety programs for additional Occupational Safety and Health Administration (OSHA) inspectors.
- An increase of \$1.0 million for Field Office operations.

The Bill appropriates \$5.7 million from the Unemployment Compensation Reserve Fund interest to the IWD for deposit into the Field Office Operating Fund for operation of the Field Offices. This is an increase of \$1.7 million compared to estimated FY 2007.

PERB

The Bill appropriates \$1.2 million and 11.0 FTE positions, an increase of \$97,000 and 1.0 FTE position for an Administrative Law Judge.

More Information

The NOBA (Notes on Bills and Amendments) for SF 562 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Ron Robinson (Ext. 16256)

**HOUSE PASSES FY 2008 TRANSPORTATION
APPROPRIATIONS BILL – HF 752**

Appropriations Bill

The House passed HF 752 (FY 2008 Transportation Appropriations Bill) on March 20. The Bill appropriates a total of \$316.5 million from the Primary Road and Road Use Tax Funds, an increase of \$1.6 million compared to estimated FY 2007. The Bill also appropriates 3,374.0 FTE positions, a decrease of 1.0 FTE position compared to estimated FY 2007.

Significant Changes

Significant changes include the following:

- A net increase of \$2.8 million for the Operations, Planning, Motor Vehicle, and Highways budget units as follows:
 - An increase of \$2.4 million for fuel costs.
 - An increase of \$261,000 for support of additional lane miles.
 - An increase of \$445,000 for salt costs.
 - An increase of \$225,000 for upgrading the Electronic Records Management System (ERMS).
 - An increase of \$215,000 for operating expenses for the new Motor Vehicle Center in Ankeny and the Des Moines satellite site.
 - A decrease of \$640,000 for elimination of the Park Fair Mall lease.
 - A decrease of \$120,000 to eliminate 1.0 FTE position due to reorganization.
- A decrease of \$437,000 for workers' compensation costs.
- An appropriation of \$1.0 million to develop a unified, customer-based International Registration Plan (IRP) and International Fuel Tax (IFT) Administration System. The total cost is \$2.0 million. The Department received \$1.0 million in FY 2007.
- An appropriation of \$2.3 million for construction of a new maintenance garage in Clarinda.



More Information

The NOBA (Notes on Bills and Amendments) for HF 752 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

**HOUSE PASSES FEDERAL BLOCK GRANT
APPROPRIATIONS BILL – HF 787**

Appropriations Bill



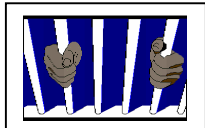
The House passed HF 787 (FFY 2008 Federal Block Grant Bill) on March 20.

The Bill authorizes the receipt and expenditure of federal funds totaling \$4.4 billion for FFY 2008, a decrease of \$23.8 million compared to FFY 2007.

More Information

The NOBA (Notes on Bills and Amendments) for HF 787 is available on the LSA web site at: www3.legis.state.ia.us/noba.

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

SENATE PASSES CONTRABAND IN JAILS BILL – SF 529**Senate Action**

The Senate passed SF 529 (Contraband in Jails Bill) on March 19, which expands the definition of the criminal offense of possessing contraband in correctional institutions to include such contraband in a secure facility for the detention or custody of juveniles, a detention facility, or a jail. The Bill also imposes the \$125 law enforcement initiative surcharge on offenders convicted of possessing contraband.

Correctional Impact

It is estimated the prison population will increase by five offenders in FY 2008 and nine each year thereafter. On an annual basis, there will be 73 convictions. Of these, there will be 22 new Class D felony convictions and 51 new aggravated misdemeanor convictions. Nine of the Class D felons will be sentenced to prison for one year, on average. They will then be paroled to Community-Based Corrections (CBC) supervision for an average of 13 months. Thirteen of the Class D felons will receive probation for an average length of stay of 31 months; seven of these will serve an average of 28 days in the county jail. There will be 51 new aggravated misdemeanor convictions annually. All of these offenders will be sentenced to probation for an average of 16 months. Of these, 29 will serve an average of 28 days in the county jail.

Fiscal Impact

The fiscal impact of SF 529 to the General Fund is an estimated increase in expenditures of approximately \$83,000 in FY 2008 and approximately \$276,000 in FY 2009. The cost increase is significantly higher in the second year due to the average length of stay on supervision. New offenders will be placed on supervision, either in prison or probation or parole, while offenders from the previous year remain on supervision.

County Jails

The anticipated increase in costs for county jail operations is expected to be \$15,000 annually.

Additional Information

The Fiscal Note for SF 529 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

FINAL ACTION ON CRIME VICTIM ASSISTANCE BILL – SF 70**Victim Compensation**

The General Assembly passed SF 70 (Crime Victim Assistance Bill) on March 20. The Bill relates to eligibility for benefits and expenditures from the Crime Victim Compensation Fund. The Bill permits the Attorney General to maintain the Iowa Victim Information and Notification Everyday (IowaVINE) System. The Bill increases the payment limits for medical care, counseling services, bedding and clothing held as evidence, loss of support for dependents of a murder victim or a victim disabled from work over 60 days, and clarifies the lost wages benefit is \$1,000 per parent or caretaker rather than \$1,000 per case.

The Bill also creates new benefits, including dependent care expenses incurred by the victim while attending criminal justice proceedings or medical or counseling services; replacement of locks, windows, and other security items; and transportation costs to medical, funeral, counseling, and criminal justice proceedings. The Bill allows compensation to be paid to victims of reckless boating, hit and run boating, and boating under the influence of drugs.

House Amendment

The Senate accepted the House amendment, which exempts victim compensation awards, victim restitution payments, and damages from civil actions from State individual income tax. It is likely the amendment will not reduce State tax revenue. Most of the covered payments are already exempt from federal and State income taxes.

Fiscal Impact

The estimated fiscal impact of SF 70 is an increase in expenditures of \$1.4 million from the Crime Victim Compensation Fund. The expansion of benefits will not exceed the capacity of the Fund. These expenditures would reduce the year-end fund balance. Any federal reimbursement for direct payment to victims will be received in the next fiscal year.

Additional Information

The Fiscal Note for SF 70 is available on the LSA web site at:
<http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

SENATE PASSES DOMESTIC VIOLENCE PROTECTIVE ORDERS BILL – SF 534

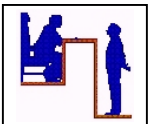
Senate Action

The Senate passed SF 534 (Domestic Violence Protective Orders Bill), which extends the same protections of a protective order to victims or witnesses of a domestic abuse criminal case.

Background

Violations of protective orders or no-contact orders are punished by contempt proceedings. Convicted offenders are required to serve seven days in the county jail. Filing fees may be waived for certain individuals.

Fiscal Impact



It is not possible to estimate the fiscal impact because the number of offenders is unknown; however, one conviction under the Bill will cost the State \$100 in court costs. Holding one offender in county jail for seven days is estimated to cost the county \$105. Any potential decrease in revenue is expected to be minimal.

More Information

The Fiscal Note for SF 534 is available on the LSA web site at:
<http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

SENATE PASSES JURY PROCEDURES AND FEES BILL – SF 138

Senate Action

The Senate amended and passed SF 138 (Jury Procedures and Fees Bill) on March 20. The Bill increases juror pay from \$10 to \$30 per day for each day of service or attendance. The Bill provides that all jurors are entitled to mileage reimbursement for each mile traveled to and from the residence to the place of service or attendance. The Bill also permits a juror to waive the right to receive compensation or reimbursement for service or attendance.

Fiscal Impact

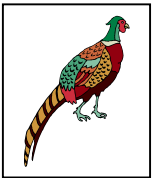
The fiscal impact of SF 138, as amended, is an increase in expenditures from the Jury Witness Fee Revolving Fund of \$2.0 million. There will be a potential cost savings to the Jury Witness Fee Revolving Fund by allowing jurors to waive the right to receive compensation; however, the savings cannot be determined.

Additional Information

The Fiscal Note for SF 138 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

SENATE PASSES GAME BIRD HABITAT DEVELOPMENT PROGRAM BILL – SF 558

Game Bird

The Senate passed SF 558 (Game Bird Habitat Development Program Bill) on March 20. The Bill provides for the following:

- Creates the Game Bird Habitat Fee Development Program.
- Increases the wildlife habitat fee by \$3.00 and specifies the funds to be allocated as follows:
 - Two dollars to the Game Bird Wetlands Conservation Account that will be used for wetlands projects that develop game bird habitat in areas that are accessible for public hunting.
 - One dollar to the new Game Bird Buffer Strip Assistance Account that will be used to develop buffer strip projects for game bird habitat areas that are accessible for public hunting. Landowners will receive cost share assistance for improvement projects that may or may not be eligible for matching federal funds.
- The Bill also specifies the Department of Natural Resources may use funds to publicize the Program.

Fiscal Impact

The fiscal impact of SF 558 is an increase in revenue to the Fish and Game Protection Fund of approximately \$707,000 per year beginning in FY 2008. The funds will be allocated with \$471,000 for the Game Bird Wetlands Conservation Account and \$236,000 to the Game Bird Buffer Strip Assistance Account.

More Information

The Fiscal Note for SF 558 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes/>.

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SENATE WAYS AND MEANS COMMITTEE PASSES WILD AND DANGEROUS ANIMAL REGULATION BILL – SF 511

Wild Animals

The Senate Ways and Means Committee passed SF 511 (Wild and Dangerous Animal Regulation Bill) on March 21. The Bill creates a new section in the Code of Iowa for the regulation of wild animals. The Program will be administered by the Department of Agriculture and Land Stewardship in coordination with local governments. The Bill provides for the following:

- Specifies when a person can or cannot own a wild animal.
- Specifies when an owner must register the animal with the Department, pay a registration fee, and have a microchip implanted.

- Details the registration fees that vary depending on the type of animal being registered.

Any person that owns a wild animal and is in violation is subject to a civil penalty of at least \$200 and up to \$2,000 for each day of occurrence considered as a separate offense. A person who intentionally causes a wild animal to escape is guilty of an aggravated misdemeanor.

Fiscal Impact

The fiscal impact of SF 511 is an increase in General Fund expenditures of \$155,000 and 2.0 FTE positions in FY 2008 and \$123,000 in FY 2009. The number of wild animals in possession is unknown, and additional staff may be required to implement the program.

More Information

The Fiscal Note for SF 511 is available on the LSA web site at:
<http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

This document can be found on the LSA web site:
<http://www.legis.state.ia.us/Fiscal/fiscupdt/>