

FISCAL UPDATE

April 26, 2007

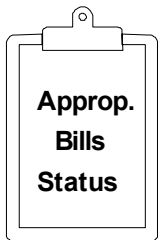
Legislative Services Agency

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STATUS OF APPROPRIATIONS BILLS

As of April 19, 2007



Appropriations Subcommittee Bills		
Appropriations Subcommittee	LSB/ File #	Status
Administration and Regulation Appropriations Bill	HF 874	Passed Senate on April 16.
Agriculture and Natural Resources Appropriations Bill	SF 551	Passed House Appropriations on April 17.
Economic Development Appropriations Bill	SF 562	Final Action on April 17.
Education Appropriations Bill	SF 588	Passed House Appropriations Committee on April 19.
Health and Human Services Appropriations Bill	HF 909	Passed House Appropriations Committee on April 16.
Judicial Branch Appropriations Bill	SF 563	Final Action on April 12.
Justice System Appropriations Bill	SF 575	Passed House Appropriations Committee on April 18.
Transportation Appropriations Bill	HF 752	Final Action on April 18.
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.
Comprehensive and Affordable Health Care Bill	SF 573	Passed Senate on April 3.
Disaster Aid Grant Fund Bill	HF 896	Passed House on April 16.
Energy Utility Assessment and Resolution Program Bill	HF 347	Passed House Commerce Committee on February 8.
Federal Block Grant Bill	HF 787	Final Action on April 10.
Greenhouse Gas Emissions Bill	SF 574	Passed House on April 18.
George Washington Carver Endowed Chair Bill	HF 518	Passed House Appropriations Committee on March 27.
Healthy Iowans Tobacco Trust (HITT)	HF 907	Passed House Appropriations Committee on April 16.
Iowa Power Fund Bill	SF 599	Passed Senate Appropriations Committee on April 19.

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Other Appropriations Bills (Cont.)		
Pharmaceutical Disposal Program Bill	SF 579	Passed Senate on April 16.
School District Reorganization and	HF 889	Passed House Appropriations Committee on
School District Reorganization and	SF 447	Passed Senate on March 26.
Sensitivity Training Bill	HF 876	Passed House Appropriations Committee on
Standings Bill	SF 601	Passed Senate Appropriations Committee on April 19.
Statewide Preschool Program for	HF 877	Final Action on April 18.
Statewide Preschool Program for Four-Year-Olds Bill	SF 350	Passed House on March 28.
Student Achievement and Teacher	SF 277	Senate Adopted Conference Committee
FY 2007 Supplemental	SF 403	Final Action on April 2.
Supplemental Appropriations for	SF 95	Signed by Governor on February 14.
Targeted Small Business Task Force	HF 890	Passed Senate Appropriations Committee on
Vietnam Veterans Bonus Bill	SF 578	Passed Senate on April 16.
Waste Tire Management Fund Bill	HF 900	Passed House Appropriations Committee on April 12.

CONFERENCE COMMITTEE AGREEMENT ON STUDENT ACHIEVEMENT AND TEACHER QUALITY BILL – SF 277

Teacher Quality

The Senate amended House Amendment S-3298 to SF 277 (Student Achievement and Teacher Quality Program Bill) on April 16. On April 17, the House refused to concur with Senate Amendment H-1738.

Senate Amendment

Senate Amendment H-1738 makes the following changes to House Amendment S-3298:

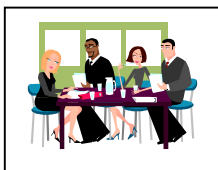
- Reduces the FY 2008 and FY 2009 General Fund appropriations to the Student Achievement and Teacher Quality Program by \$400,000 each year, for an FY 2008 appropriation of \$173.9 million and an FY 2009 appropriation of \$248.9 million.
- Creates a Professional Support Fund in the State Treasury to be administered by the School Budget Review Committee (SBRC) to provide one-time grants to school districts to add one or more teacher librarians, guidance counselors, or school nurses. To qualify for the grants, districts must have a cash reserve of 25.0% or less and a demonstrated need.
- Reduces the FY 2008 and FY 2009 allocations for National Board Certification awards by \$400,000, leaving annual allocations of \$1.1 million.
- Allocates \$1.0 million of the remaining FY 2008 and FY 2009 allocations for National Board Certification awards to the Professional Support Fund administered by the SBRC for grants to local school districts.
- Strikes the provision that a Teacher Quality Committee's decision regarding the use and distribution of professional development funds is subject to the local school board's approval.



Conference Committee

The House and Senate appointed members to a conference committee that met on April 17 and 18. Two areas of contention were identified:

- The use of the SBRC to award grant funding to local school districts.
- The role of the local school boards in determining the use and distribution of professional development funds.



The Committee voted in favor of the provisions in Senate Amendment H-1738, with the exception of the allocation of \$1.0 million to the SBRC. In lieu of that provision, the Committee voted to direct that not more than \$1.0 million of the FY 2008 and FY 2009 allocations for National Board Certification awards be used to supplement the allocation of funds for market factor teacher incentives and to further direct the Department of Education to use the funds to assist school districts to recruit, employ, and retain teacher librarians, guidance counselors, and school nurses.

More Information

The NOBA (Notes on Bills and Amendments) for SF 277 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Robin Madison (Ext. 15270)

GOVERNOR SIGNS FOSTER CARE SIBLING VISITATION ACT – SF 480

Sibling Visitation Act



The Governor signed SF 480 (Foster Care Sibling Visitation Act) on April 16. The Act provides for sibling visitation for children who are subject to a court order and out-of-home placement and allows Courts to suspend or terminate visitation if it is determined to be detrimental to the child.

The Act also allows for the positioning of the Court to request visitation, if an individual wishes to assert a sibling relationship and requires that sibling placement and visitation efforts be reflected in case permanency plans. If parental rights are terminated, the Act requires steps be taken to preserve sibling relationships and that Courts review determinations when permanency hearings are held if sibling visitation has been terminated.

Fiscal Impact



It is estimated that the Act will increase General Fund expenditures ranging from \$317,000 to \$623,000 annually for the Department of Human Services (DHS) beginning in FY 2008, as summarized in the table below.

	<u>2,616 Visits</u>	<u>5,232 Visits</u>
Visit Facilitation	\$ 262,000	\$ 523,000
Mileage	44,000	89,000
DHS Administration	11,000	11,000
Total	<u>\$ 317,000</u>	<u>\$ 623,000</u>

The range in cost depends on potential improved efforts by the DHS to place siblings in the same foster home and to engage foster parents and relatives in regular sibling visits that may reduce the need for departmental facilitation.

More Information

The Fiscal Note for SF 480 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes/>.

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FINAL ACTION ON ECONOMIC DEVELOPMENT APPROPRIATIONS BILL – SF 562

Appropriations Bill



The General Assembly passed SF 562 (FY 2008 Economic Development Appropriations Bill) on April 17. 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 support from Other Funds by \$1.5 million compared to estimated FY 2007.

Cultural Affairs



The Bill appropriates \$6.4 million and 83.8 FTE positions, a decrease of \$4,000 and an increase of 1.6 FTE positions. The changes include:

- An increase of \$100,000 and 1.0 FTE position for 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 for one-time FY 2007 appropriations.

Economic Development

The Bill appropriates \$15.6 million and 153.3 FTE positions, an increase of \$1.0 million and 18.1 FTE positions. The changes include:

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

IFA

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

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 changes include:

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

The Bill also appropriates \$5.8 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 \$1.8 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 the addition of 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/>.

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FINAL ACTION ON FOUR-YEAR-OLD PRESCHOOL BILL – HF 877

Preschool Program



The General Assembly passed HF 877 (Statewide Preschool Program for Four-Year-Olds Bill) on April 18. The Program provides for the following:

- Establishes the goal of providing an opportunity for all children in the State to enter school ready to learn by expanding voluntary access to quality preschool curricula for all children who are four years old.
- Requires collaboration with other agencies and organizations within the community in providing services and meeting the diverse needs of the children, families, and communities.
- Provides ten hours of preschool instruction per week. The Program teacher is required to possess a bachelor's or graduate degree in early childhood or related major, be appropriately licensed, and be employed by or under contract with the school district.
- Requires the Department of Education to adopt administrative rules for the teacher requirements, program requirements, and school district responsibilities.

Program Funding



The Program funding is calculated as follows:

- Four-year-old students are eligible unless they are participating in a preschool program already funded by State or federal funds.
- House File 877 appropriates funds for FY 2009 - FY 2011 for the initial start-up of community programs. A \$15.0 million FY 2008 appropriation for the initial start-up of this program is included in SF 588 (FY 2008 Education Appropriations Bill).
- The Program's funding for the second and subsequent years is driven by the prior year's preschool budget enrollment in a manner similar to the School Foundation Formula, but the preschool pupils are not counted in the school districts' regular budget enrollments. The Program's funding is accounted for separately from School Foundation Aid by the school districts, even though payments are made through the School Foundation standing unlimited appropriations. The Program does not include a property tax component.
- The Program formula uses the State cost per pupil from the School Foundation Formula under Chapter 257, Code of Iowa, in calculating preschool program funding. Since the State cost per pupil comes from the School Foundation Formula, it grows each year by the allowable growth rate for K-12 schools approved by the General Assembly.

- The “preschool foundation aid” is the product of 60.0% of the actual enrollment of eligible preschool students from the previous October 1 count multiplied by the State cost per pupil from the School Foundation Formula.
- The Department of Education is authorized to fund up to 3.0 FTE positions from the appropriated funds to provide administration and oversight of the Program.

Projected Costs

The table below provides the projected Program costs.



Four-Year-Old Preschool Program Funding
(Dollars in Millions)

	General Fund Appropriation	Preschool Foundation Aid	Total State Funding
FY 2008	\$ 15.0	\$ 0.0	\$ 15.0
FY 2009	15.0	15.3	30.3
FY 2010	15.0	31.1	46.1
FY 2011	16.2	47.6	63.8
FY 2012	0.0	67.1	67.1
FY 2013	0.0	87.3	87.3
FY 2014	0.0	108.9	108.9

Note: The FY 2008 appropriation is made in SF 588 (Education Appropriations Bill).

More Information

The NOBA (Notes on Bills and Amendments) for HF 877 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

**FINAL ACTION ON JUDICIAL BRANCH APPROPRIATIONS
BILL – SF 563**

Appropriations Bill



The General Assembly passed SF 563 (FY 2008 Judicial Branch Appropriations Bill) on April 12. The Bill appropriates \$127.4 million from the General Fund and 1,985.5 FTE positions that are not limited in the Bill. This is an increase of \$2.1 million and 11.5 FTE positions compared to estimated FY 2007. The Bill also appropriates \$2.0 million from the Jury Witness Fee Revolving Fund to the Judicial Retirement Fund.

Juror Pay

The Bill increases juror pay from \$10 per day to \$30 per day and 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 permits a juror to waive the right to compensation or reimbursement for service or attendance.

Fiscal Impact

The fiscal impact of increasing juror pay from \$10 to \$30 per day is estimated to be \$2.0 million in additional expenditures from the Jury Witness Fee Revolving Fund.

More Information

The NOBA (Notes on Bills and Amendments) for SF 563 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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FINAL ACTION ON TRANSPORTATION APPROPRIATIONS BILL – HF 752

Transportation Approps.

The General Assembly passed HF 752 (Transportation Appropriations Bill) on April 18. 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. 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.



House Concurred

The House concurred with Senate Amendment H-1735. The Amendment requires the Director of the Department of Transportation to assess the feasibility and cost-effectiveness of implementing a telecommuting policy, develop and implement a telecommuting policy, and provide an annual report beginning January 1, 2009.

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/>.

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HOUSE APPROPRIATIONS COMMITTEE PASSES AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS BILL – SF 551

Approps. Bill

The House Appropriations Committee passed SF 551 (FY 2008 Agriculture and Natural Resources Appropriations Bill) on April 17. The Bill appropriates

\$41.6 million from the General Fund and 1,592.0 FTE positions, an increase of \$1.9 million and 2.0 FTE positions compared to estimated FY 2007.

Agriculture

The Bill provides an increase of \$745,000 from the General Fund and 1.0 FTE position for the Department of Agriculture and Land Stewardship for the following:



- An increase of \$91,000 for the Department of Administrative Services' surcharge for overhead costs at the laboratory in Ankeny.
- An increase of \$259,000 for the Dairy Products Control Bureau to cover increased costs of milk inspections.
- An increase of \$283,000 for the Grape and Wine Development Fund.
- An increase of \$38,000 for the purchase of laptop computers for Meat and Poultry Inspectors.
- An increase of \$55,000 and 1.0 FTE position for an Organics Specialist.
- An increase of \$50,000 for the Emerald Ash Borer Awareness Program.

Natural Resources

The Bill provides for an increase of \$200,000 from the General Fund and 1.0 FTE position for the Department of Natural Resources (DNR) for the following:



- An increase of \$100,000 and 1.0 FTE position for a Park Ranger at Honey Creek State Park.
- An increase of \$25,000 for the Emerald Ash Borer Detection Program.
- An increase of \$75,000 for the federal Tier 2 Reporting Program and database development, as specified by the Emergency Planning and Community Right to Know Act.

Environment First Fund

The Bill provides for a net increase of \$5.0 million to the Environment First Fund. Major funding changes include:

- A decrease of \$500,000 for the Conservation Reserve Program.
- An increase of \$5.5 million to the Resource Enhancement and Protection Fund.
- An increase of \$1.5 million to the Soil Conservation Cost Share.
- An increase of \$1.0 million for the Agriculture Drainage Wells Program.
- A decrease of \$2.5 million for the Marine Fuel Tax Fund. During the 2006 Legislative Session, the Fund was designated as a separate Fund under the direction of the DNR and is no longer a part of the Environment First Fund.

More Information

The NOBA (Notes on Bills and Amendments) for SF 551 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba>.

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HOUSE APPROPRIATIONS COMMITTEE PASSES HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL – HSB 301

Approps. Bill



The House Appropriations Committee passed HSB 301 (FY 2008 Health and Human Services Appropriations Bill) on April 16. The Bill, which is now HF 909, appropriates a total of \$1.272 billion, which includes \$1.144 billion from the General Fund, \$127.6 million from the Health Care Trust Fund (HCTF), and 6,830.7 FTE positions. This is a total increase of \$109.6 million and 144.82 FTE positions compared to estimated FY 2007.

Other Funds



The Bill also appropriates \$337.3 million in Other Funds, a net increase of \$13.9 million compared to estimated FY 2007. This includes:

- \$6.5 million from the Gambling Treatment Fund, which is no change compared to estimated FY 2007.
- \$145.5 million from the Temporary Assistance to Needy Families (TANF) Fund, an increase of \$4.3 million compared to estimated FY 2007.
- \$74.9 million from the Senior Living Trust Fund (SLTF), an increase of \$60,000 compared to estimated FY 2007.
- \$1.3 million from the Pharmaceutical Settlement Account, an increase of \$945,000 compared to estimated FY 2007.
- \$103.2 million from the IowaCare Account, an increase of \$10.0 million compared to estimated FY 2007.
- \$4.0 million from the Health Care Transformation Account, a decrease of \$564,000 compared to estimated FY 2007.
- \$2.0 million from the Veterans Trust Fund for new appropriations in FY 2008.

Supplemental Appropriations The Bill appropriates \$23.1 million from the FY 2007 ending balance. This includes \$10.4 million to rebase nursing facilities for FY 2008, \$12.0 million for Medicaid in FY 2007, and \$700,000 for tobacco use prevention and treatment for FY 2007.

Dept. Elder Affairs

The Bill includes an increase of \$395,000 from the General Fund for the Department of Elder Affairs for an Alzheimer's disease task force, two additional long-term care ombudsmen, and implementation of an Office of Substitute Decision Maker. The Bill also includes an increase of \$60,000 from the SLTF for dementia-specific education for direct-care workers.

Dept. of Public Health



The Bill includes a net increase of \$9.4 million for the Department of Public Health from the General Fund and the HCTF. The major changes include:

- Addictive Disorders – An increase of \$9.5 million for tobacco use prevention and treatment and substance abuse treatment.
- Healthy Children and Families – An increase of \$380,000 for childhood obesity prevention and the Assuring Better Child Health and Development (ABCDII) Program.
- Chronic Conditions – An increase of \$1.2 million for child health specialty clinics, the Iowa Consortium for Comprehensive Cancer Control, and cervical and colon cancer screening.

- Community Capacity – An increase of \$3.1 million for the mental health professional workforce shortage, local public health redesign, and various health care collaborative efforts.
- Environmental Hazards – An increase of \$121,000 for child blood lead testing.
- Infectious Diseases – An increase of \$360,000 for a Bureau Chief position in the Center for Acute Disease Epidemiology (CADE) and to cover inflationary costs for vaccines.
- Public Protection – A net decrease of \$5.6 million, with increases for child sex abuse prevention and management of the anti-viral stockpile. The decrease (\$5.9 million) is due to the retention of fees by the public health boards.
- Resource Management – An increase of \$150,000 for administration of tobacco-related programs.

Dept. of Human Services



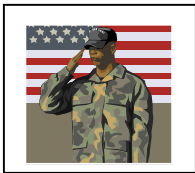
The Bill includes a net increase of \$102.6 million for the Department of Human Services (DHS) from the General Fund and the HCTF. The major changes are summarized as follows:

- \$63.5 million net increase for the Medical Assistance (Medicaid) Program, including funding to increase the income disregard for parents from 50.0% to 58.0%, to reduce the Children’s Mental Health Waiver waiting list, for increased enrollment in the Medicaid for Independent Young Adults Program, to expand enrollment for Medicaid-eligible children, to provide State match for the federal Money Follows the Person grant, and for habilitation services.
- \$3.5 million increase for the State Children’s Health Insurance Program for caseload growth and outreach efforts.
- \$1.3 million increase for Child Support Recoveries for service costs and changes related to the federal Deficit Reduction Act of 2005.
- \$250,000 increase for Medical Contracts for expanded monitoring of the Medicaid home and community-based waivers.
- \$1.5 million decrease for State Supplementary Assistance due to decreased costs and utilization.
- \$16.4 million net increase for the Child Care Assistance Program to maintain current caseload previously covered by federal carryforward funds, for caseload growth, to annualize provider rates, and for additional provider participation under the Quality Rating System (QRS). A decrease of \$1.0 million is included, which is replaced with FY 2007 carryforward funds from TANF.
- \$242,000 increase for the Toledo Juvenile Home for mental health and behavioral services staff and inflation.
- \$287,000 increase for the Eldora Training School for mental health and behavioral services staff and inflation.
- \$7.8 million net increase for Child and Family Services for a 3.0% provider rate increase; replacement of carryforward funds used in FY 2007; changes in the federal match rate; and increases for group care, the Preparation for Adult Living Services Program, child sex abuse prevention, the Elevate foster care support group, foster care children sibling visitation, and foster care maintenance and independent living rates. A decrease of \$1.2 million is included to transfer the State match for the Children’s Mental Health Waiver to Medicaid.



- \$527,000 increase for the Adoption Subsidy Program for changes in the federal match rate and an increase for adoption subsidy maintenance rates.
- \$767,000 increase for the four Mental Health Institutes for fuel, utility, and staffing costs.
- \$1.3 million increase for the Sexual Predator Commitment Program for fuel, utility, and staffing costs.
- \$5.6 million increase for the Mental Health Allowed Growth appropriation.
- \$275,000 net increase for the two State Resource Centers for fuel, utility, and staffing costs.
- \$4.5 million increase for General Administration and Field Operations for increased staffing for various programs. Of this, \$350,000 is for development of a Mental Health Policy Plan.

Veterans



The Bill includes a net decrease of \$2.9 million from the General Fund for the Department of Veterans Affairs. This includes:

- \$331,000 increase for department staff and cemetery costs.
- \$250,000 decrease for the Veterans County Grant Program.
- \$3.0 million decrease for the Veterans Trust Fund.

The Veterans Trust Fund receives a total of \$3.5 million, which includes a \$1.5 million appropriation from the General Fund. Of the \$3.5 million, \$2.0 million is appropriated to the Veterans Housing Assistance Program under the Iowa Finance Authority.

More Information

The NOBA (Notes on Bills and Amendments) for HSB 301/HF909 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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HOUSE APPROPRIATIONS COMMITTEE PASSES HEALTHY IOWANS TOBACCO TRUST APPROPRIATIONS BILL – HF 907

HITT Appropriations

The House Appropriations Committee passed HF 907 (FY 2008 Healthy Iowans Tobacco Trust Appropriations Bill) on April 16. The Bill appropriates a total of \$70.1 million and 12.0 FTE positions from the Trust, a decrease of \$440,000 and no change in FTE positions compared to estimated FY 2007.

Dept. of Human Services



The Bill appropriates \$39.7 million, which is a net decrease of \$200,000. The change includes:

- \$496,000 increase for Medicaid.
- \$496,000 decrease for Child and Family Services.
- \$200,000 decrease to eliminate funding for the Children's Health Insurance Program.

Dept. of Public Health The Bill appropriates \$23.8 million, a net decrease of \$285,000. The change includes:

- \$310,000 decrease for the Automated Defibrillator Grant Program.
- \$100,000 increase for epilepsy education and support.
- \$75,000 decrease to eliminate funding for smoking cessation products.

Dept. of Corrections



The Bill appropriates \$4.0 million, a net increase of \$20,000. The change includes:

- \$330,000 increase to establish Drug Court Programs in Johnson and Linn Counties in Community-Based Corrections District VI.
- \$310,000 decrease to eliminate funding for the Value-Based Treatment Program at the Newton Correctional Facility.

Dept. of Education The Bill appropriates \$2.5 million, an increase of \$155,000 for grants for before- and after-school programs.

Dept. of Econ. Development The Bill appropriates \$125,000, which maintains the current level of support.

Tobacco Endow. Transfer The Bill transfers \$9.1 million from the Endowment for Iowa's Health Account to the Healthy Iowans Tobacco Trust, a decrease of \$1.8 million compared to the FY 2007 transfer.

More Information The NOBA (Notes on Bills and Amendments) for HF 907 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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HOUSE APPROPRIATIONS COMMITTEE PASSES JUSTICE SYSTEM APPROPRIATIONS BILL – SF 575

Appropriations Bill



The House Appropriations Committee passed SF 575 (FY 2008 Justice System Appropriations Bill) on April 18. The Bill appropriates a total of \$499.0 million from the General Fund and 6,313.9 FTE positions, an increase of \$36.9 million and 329.7 FTE positions compared to estimated FY 2007.

Attorney General

The Bill includes an increase of \$1.2 million to fill authorized, vacant unfunded FTE positions and to increase grants awarded for Victim Assistance, Legal Services for people in poverty, and Farm Mediation Services.

Department of Corrections The Bill includes a total increase of \$26.3 million and 289.4 FTE positions compared to the FY 2007 General Fund appropriation.

State Public Defender The Bill includes a total increase of \$3.6 million to fund the projected increase in claims and fund currently authorized positions in the Office of the State Public Defender.

Department of Public Safety The Bill includes a total increase of \$5.0 million and 30.0 FTE positions compared to the FY 2007 General Fund appropriation.

More Information

The NOBA (Notes on Bills and Amendments) for SF 575 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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

HOUSE APPROPRIATIONS COMMITTEE PASSES WASTE TIRE MANAGEMENT FUND – HF 900

Waste Tire Bill

The House Appropriations Committee passed HF 900 (Waste Tire Management Fund Bill) on April 12. The Bill allocates funds appropriated from the Waste Tire Management Fund as follows:

- 45.0% will be used for the following:
 - 1.3 FTE positions in the Department of Natural Resources (DNR) for program administration that includes waste tire stockpile abatement. This is an increase of 0.3 FTE position compared to estimated FY 2007.
 - 1.5 FTE positions to provide field office assistance for waste tires and illegal solid waste dumping. This is no change in FTE positions compared to estimated FY 2007.
- 15.0% will be used for a public awareness and education program regarding waste tires and illegal dumping.
- 40.0% will be used for waste tire stockpile abatement projects that require landowner cost-share funding.

**Fiscal Impact**

Currently the funding for the Waste Tire Program is 20.0% of the \$5.00 surcharge on motor vehicle title certificates and funding was to sunset on June 30, 2007. The Bill allows \$500,000 from the surcharge to be deposited into the Waste Tire Management Fund for FY 2008.

Unobligated Funds

As of July 1, 2007, any unobligated funds in the Fund will be reallocated to fund the 1.3 FTE positions in the DNR for program administration.

Any unencumbered or unobligated funds from July 1, 2007, through July 1, 2016, will remain in the Waste Tire Management Fund and be reallocated using the percentages stated in the Bill.

More Information

The NOBA (Notes on Bills and Amendments) for HF 900 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

SENATE APPROPRIATIONS COMMITTEE PASSES IOWA POWER FUND BILL – SSB 1348

Appropriations Bill

The Senate Appropriations Committee passed SSB 1348 (Iowa Power Fund Bill) on April 19. The Bill, now SF 599, creates an Office of Energy Independence and appropriates \$24.7 million from the General Fund to the Iowa Power Fund created in the State Treasury for FY 2007. It also appropriates \$25.0 million from the General Fund to the Iowa Power Fund each fiscal year beginning July 1, 2008, and ending June 30, 2011.

Uses of the Funds



The Bill allocates \$2.5 million each year to the Department of Economic Development for deposit into the Workforce Training and Economic Development Fund of the community colleges for development and expansion of the energy industry and targeted industry areas. An 18-member Iowa Power Fund Board is created by the Bill and is responsible to consider and approve grants, loans, or investments made from the Iowa Power Fund that are consistent with the goals of the Board. Financial incentives for renewable energy efficiency projects and products are also authorized in the Bill. The Board may also direct moneys from the Iowa Power Fund to purchase private or public technical assistance needed to conduct due diligence activities and to develop an Iowa Energy Independence Plan. Administrative costs are also provided for the Iowa Power Fund.

Studies and Reports



The Bill requires the Office of Energy Independence to submit an annual report concerning the activities and programs of the Office to the Governor and the General Assembly by November 1 of each year. The Iowa Utilities Board (IUB) is required to conduct a study of energy efficiency plans and programs offered by all gas and electric utilities and to report the results with recommendations to the General Assembly by January 1, 2008. The IUB and the Iowa Energy Center are required to conduct a consumer survey relating to consumer knowledge of energy use and efficiency and report results to the General Assembly by January 1, 2008.

More Information

The NOBA (Notes on Bills and Amendments) for SSB 1348/SF 599 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba>.

STAFF CONTACT: Sam Leto (Ext. 16764)

**SENATE APPROPRIATIONS COMMITTEE PASSES FY 2008
STANDING APPROPRIATIONS BILL – SF 601**

Standing Approps. Bill



The Senate Appropriations Committee passed SF 601 (FY 2008 Standing Appropriations Bill) on April 19. The Bill appropriates a total of \$237.2 million from the General Fund for FY 2008. This is an increase of \$87.4 million compared to the estimated FY 2007 appropriations for the affected budget units in this Bill. This Bill also appropriates \$174.1 million from Other Funds for FY 2008. This is an increase of \$3.2 million compared to the estimated FY 2007 appropriations for the affected budget units. In addition, this Bill adds 1.0 FTE position to the Department of Transportation. The significant features of the Bill are highlighted below.

Mental Health Growth

The Bill appropriates \$64.6 million for mental health allowed growth for FY 2009. This is an increase of \$8.1 million compared to the FY 2008 estimated appropriation that includes the \$5.5 million increase for FY 2008 in HF 909 (FY 2008 Health and Human Services Appropriations Bill) and the \$12.0 million in SF 598 (Mental Health Bill).

Limited Standing Approps.

The Bill limits the following FY 2008 General Fund standing appropriations to the amounts specified to maintain the current level of funding:

- \$14.4 million to the Department of Education for Instructional Support.
- \$8.6 million to the Department of Education for Non-Public Transportation.

- \$55.5 million to the Department of Education for the Educational Excellence Program.
- \$2.7 million to the Department of Revenue for the Statewide Fire and Police Officer Retirement Fund.

Property Tax Credit Fund



The Bill notwithstanding certain General Fund standing appropriations, as well as conflicting and voting provisions of Section 8.56, Code of Iowa, applicable to the Senior Living Trust Fund and the Cash Reserve Fund, and deposits \$157.9 million from the FY 2007 General Fund ending surplus into the Property Tax Credit Fund.

The Bill appropriates funds from the Property Tax Credit Fund for the following FY 2008 property tax credits and exemptions:

- \$102.7 million for the Homestead Property Tax Credit.
- \$34.6 million for the Agricultural Land and Family Farm Tax Credit.
- \$2.8 million for the Military Service Tax Credit.
- \$19.8 million for the Elderly and Disabled Tax Credit.

Cash Reserve Fund

The Bill notwithstanding the requirement that an appropriation be made from the General Fund to the Cash Reserve Fund in the event the Cash Reserve Fund does not maintain a maximum balance equal to 7.5% of the Revenue Estimating Conference estimate for FY 2008 as established in December 2006.

Area Education Agencies

The Bill reduces the State aid allocation for Area Education Agencies (AEAs) by \$5.3 million for FY 2008. This reduction is \$2.8 million less than the FY 2007 reduction. The Bill states that it is the intent of the General Assembly that any additional reduction for the AEAs in FY 2009 not exceed \$2.5 million and that there not be a reduction in FY 2010.

Salary and Compensation



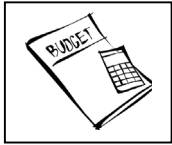
The Bill includes the following salary and compensation provisions:

- Increases the salaries for the justices, judges, and magistrates by \$2.4 million.
- Increase the salary ranges for State officers by 3.0%.
- Appropriates \$108.6 million from the General Fund for the Salary Adjustment Fund and allocates \$8.2 million for the Judicial Branch.
- Appropriates \$2.3 million from the Road Use Tax Fund and \$11.8 million from the Primary Road Fund to the Salary Adjustment Fund.
- Provides supplemental expenditure authorization for revolving trust funds, or other special funds, except the Road Use Tax Fund and the Primary Road Fund, to be used to fund salary adjustments.

General Fund Approps.

The Bill makes the following FY 2008 General Fund appropriations and adjustment:

- \$2.0 million to the Department of Education for allocation to the community colleges to supplement faculty salaries. Provides a formula for allocation between colleges and specifies that colleges must allocate the funds to



instructors based on negotiated agreements or, in lieu of such an agreement, equally among instructors, with part-time instructors receiving a prorated share.

- \$2.0 million to the College Student Aid Commission for the All Iowa Opportunity Assistance Program. This appropriation is to supplement the General Fund appropriation of \$1.0 million for this Program in SF 588 (Education Appropriations Bill). These funds are to be allocated to the All Iowa Opportunity Scholarship Program. This level of funding will permit private colleges and universities students to receive scholarship funds.
- \$500,000 to the Department of Public Health for a grant to operate the 211 Program Call Centers.
- \$1.0 million for the World Food Prize Award beginning in FY 2009. This is a standing appropriation.
- Repeals allocations of \$18.0 million in judicial receipts, resulting in the receipts being deposited into the General Fund. Makes appropriations from the General Fund to the Judicial Branch (\$14.0 million), Indigent Defense (\$3.0 million), Department of Corrections (\$560,000), and Office of the Attorney General (\$450,000) to offset the repeal of the allocations.
- Extends the \$29.3 million General Fund appropriation and the sunset date for the Early Intervention Block Grant Program through FY 2012.
- Increases the General Fund standing appropriation to the Department of Education for programs for at-risk children to \$12.6 million, an increase of \$46,000 compared to the current statutory amount and an increase of \$1.3 million compared to the FY 2007 appropriation.



Statutory Changes

The Bill makes the following statutory changes:

- Decreases the total amount of Wage-Benefit Program tax credits that may be awarded each fiscal year from the current \$10.0 million to \$4.0 million. The change is effective in FY 2008. The credit limit for FY 2007 remains at \$10.0 million.

FISCAL IMPACT: Decreasing the maximum allowed credits under the Wage-Benefit Program will increase net General Fund revenue by \$6.0 million per year, beginning in FY 2008.

- Specifies that if a special election is to establish a gas or electric utility pursuant to this Section, or if such a proposal is to be included on the ballot at the regular city or general election, the mayor or city council is required to give notice to the county commissioner of elections and to any utility whose property would be affected by such election, at least 60 days before the proposed date of the regular city or general election, or special election.
- Increases the maximum amount of historic preservation tax credits that may be awarded each fiscal year from the current \$2.4 million to \$6.0 million. The change is effective in FY 2008. Assuming the new credits authorized for FY 2008 will have a tax year designation of 2008, the change will not impact General Fund revenue for FY 2008.

FISCAL IMPACT: The change will decrease net General Fund receipts by \$3.6 million beginning FY 2009.



Elder Services

The Bill provides the Department of Inspections and Appeals with regulatory control of elder group homes, assisted living programs, and adult day

services for licensing and monitoring purposes. The Bill eliminates regulatory control over such programs and facilities by the Department of Elder Affairs and makes transitional provisions for administrative rules.

More Information

The NOBA (Notes on Bills and Amendments) for SF 601 is available on the LSA web site at <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Debra Kozel (Ext. 16767) Dwayne Ferguson (Ext. 16561)
Mary Shipman (Ext. 14617)

SENATE APPROPRIATIONS COMMITTEE PASSES TARGETED SMALL BUSINESS FY 2007 SUPPLEMENTAL APPROPRIATIONS BILL – HF 890

Supplemental Approps.

The Senate Appropriations Committee passed HF 890 (The Targeted Small Business Task Force Recommendations Bill) on April 19. The Bill makes FY 2007 supplemental General Fund appropriations totaling \$4.0 million to support the Targeted Small Business Task Force recommendations.

More Information

The NOBA (Notes on Bills and Amendments) for HF 890 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Ron Robinson (Ext. 16256)

HOUSE PASSES WILD AND DANGEROUS ANIMAL REGULATION BILL – SF 564

Wild Animals

The House passed SF 564 (Wild and Dangerous Animal Regulation Bill) on April 17. 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, with each day of occurrence being considered as a separate offense. A person that intentionally causes a wild animal to escape is guilty of an aggravated misdemeanor.

Fiscal Impact

The fiscal impact of SF 564 is an increase in 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 564 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

**HOUSE PASSES DISASTER AID GRANT FUND
BILL – HF 896**

Disaster Aid Grant Fund



The House passed HF 896 (Disaster Aid Grant Fund Bill) on April 16. The Bill provides for the following:

- Creates a Disaster Aid Individual Assistance Grant Fund for use by the Executive Council.
- Permits the Executive Council to use grant funds to reimburse the Department of Human Services (DHS) for the actual expenses in administering the grants.
- Limits funding for grants to \$1.0 million per fiscal year, following the Governor's disaster proclamation, to meet the needs of individuals affected by the disaster.
- The Program is administered by the DHS.
- Grants are limited to 25.0% of 130.0% of the federal poverty level, or \$3,110, and may only be used for the replacement of personal property, home repair, food assistance, and temporary housing assistance.
- Requires grant applicants to sign an affidavit committing to refund any part of the grant that is duplicated by other assistance as listed in the Bill.
- Requires the DHS to adopt administrative rules by January 1, 2008.

Fiscal Impact

The DHS estimates three events per year at a total cost of \$617,000 or \$206,000 per event.

More Information

The NOBA (Notes on Bills and Amendments) for HF 896 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

**SENATE AMENDS AND PASSES ADMINISTRATION AND
REGULATION APPROPRIATIONS BILL – HF 874**

Appropriations Bill



The Senate amended and passed HF 874 (FY 2008 Administration and Regulation Appropriations Bill) on April 16.

The Bill appropriates a total of \$94.2 million from the General Fund and 1,898.8 FTE positions. This is an increase of \$8.3 million and 16.9 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.

Senate Amendment

The Senate Amendment adds 13.0 FTE positions to the Department of Revenue and requires the Directors of the departments and agencies that receive appropriations in this Bill to assess the feasibility and cost-effectiveness of implementing a telecommuting policy, develop and implement a telecommuting policy, and provide an annual report beginning January 1, 2009.

More Information

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

STAFF CONTACT: Douglas Wulf (Ext. 13250)

SENATE PASSES EDUCATION APPROPRIATIONS BILL – SF 588

Senate Action

The Senate passed SF 588 (FY 2008 Education Appropriations Bill) on April 18. The Bill appropriates a total of \$960.1 million from the General Fund and 12,722.0 FTE positions to the Department for the Blind, the College Student Aid Commission, the Department of Education, and the Board of Regents. This is an increase of \$67.7 million and 30.2 FTE positions compared to estimated FY 2007.

Department for the Blind

The Bill appropriates \$2.4 million to the Department for the Blind for FY 2008. This is an increase of \$400,000 for Title I and general operating costs.

College Aid Commission

The Bill appropriates \$64.6 million to the College Student Aid Commission for FY 2008, which includes the following:

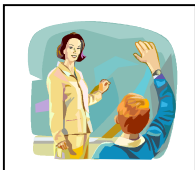
- \$41,000 increase for the Iowa Grant Program.
- \$75,000 for the National Guard Education Assistance Program.
- \$715,000 for the Teacher Shortage Loan Forgiveness Program.
- \$1.0 million for a new appropriation for the All Iowa Opportunity Assistance Program, which includes an allocation of \$500,000 to the All Iowa Opportunity Foster Care Grant Program.
- \$250,000 for the Vocational Technical Tuition Grant Program.
- \$256,000 for the Work Study Program.
- \$1.9 million for the Tuition Grant Program to nonprofit institutions.
- \$208,000 for the Tuition Grant Program to for-profit institutions.

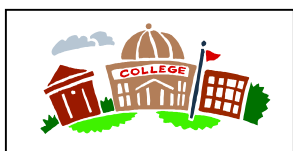


Dept. of Education

The Bill appropriates \$263.9 million to the Department of Education for FY 2008, which includes the following:

- \$2.0 million increase and 10.0 additional FTE positions for the Administration Division.
- \$1.7 million for a new appropriation to supplement federal funds for special education services for children from birth to age three due to expansion of eligibility and decreases in federal support.
- \$15.0 million for a new appropriation to provide access to preschool for four-year-old children.
- \$400,000 for a new appropriation for transfer to the Department of Human Services (DHS) for Early Head Start pilot projects.
- \$100,000 for a new appropriation for transfer to the DHS for a study of requiring mandatory registration of child care providers.



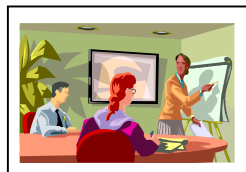


- \$3.0 million for a new appropriation for student achievement strategies as outlined in SF 81 (Student Advancement Policy Bill), if enacted.
- \$500,000 for a new appropriation for the Belin/Blank Center at the University of Iowa for support of the Advanced Placement On-Line Academy.
- \$400,000 for a new appropriation to establish a statewide education data warehouse.
- \$400,000 for a new appropriation for the Before- and After-School Grant Program.
- \$12.4 million increase for community college general aid.
- \$460,000 increase for the State Library to replace a \$200,000 FY 2007 Rebuild Iowa Infrastructure Fund appropriation and to upgrade the State Data Center web site and expand electronic resources.
- \$209,000 increase for the Library Service Areas (regional libraries) to assist local libraries with early childhood programming.
- \$250,000 increase for the Enrich Iowa Library Program to increase Open Access reimbursement to local libraries from \$0.30 to \$0.35 per transaction.
- \$679,000 increase for Iowa Public Television for development of multi-channel program content, for an initiative to educate Iowa students for a changing world, and to educate the public regarding digital television.
- \$124,000 increase for the Regional Telecommunications Councils to replace E-Rate funding.

Board of Regents

The Bill appropriates \$629.2 million to the Board of Regents for FY 2008, which includes the following:

- \$25.0 million increase to the Board Office for distribution to the institutions for the general operating budgets.
- \$250,000 for a new appropriation to the University of Iowa for support of the Larned A. Waterman Nonprofit Resource Center.
- \$130,000 for a new appropriation for Agriculture Health and Safety at the University of Iowa for the Farmers With Disabilities Program.
- \$367,000 increase for the Iowa School for the Deaf.
- \$205,000 increase for the Iowa Braille and Sight Saving School.



More Information

The Notes on Bills and Amendments (NOBA) for SF 588 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

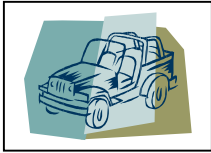
STAFF CONTACT: Robin Madison (Ext. 15270) Mary Shipman (Ext. 14617)

SENATE PASSES OFF-HIGHWAY VEHICLES BILL – HF 742

Off Highway Vehicles

The Senate passed House File 742 (Off-Highway Vehicles Bill) on April 17. The Bill implements an electronic registration and renewal system for snowmobiles and all-terrain vehicles (ATV) in the Department of Natural Resources (DNR).

Violations



The Bill specifies that a person convicted of a violation while their registration privilege has been suspended or revoked is guilty of the following:

- A simple misdemeanor if the person had no other violations within the previous three years.
- A serious misdemeanor if the person had one other violation in the previous three years.
- An aggravated misdemeanor if the person had two or more convictions in the past three years.

Fiscal Impact

The fiscal impact of HF 742 is an estimated increase in revenue to the Snowmobile Registration Fund and ATV Registration Fund of \$225,000 for FY 2008 and \$250,000 for FY 2009. Related program expenditures in the DNR are estimated to increase by \$150,000 for FY 2008 and each year after. Remaining funds will be used for cost-share grants to local communities, estimated to increase by \$75,000 for FY 2008 and \$100,000 for FY 2009.

Correctional Impact

The correctional impact of HF 742 is expected to be minimal.

More Information

The Fiscal Note for HF 742 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

SENATE PASSES VIETNAM VETERANS BONUS BILL – SF 578

Vietnam Veterans Bonus



The Senate passed SF 578 (Vietnam Veterans Bonus Bill) on April 16. The Bill provides for the following:

- Creates a Vietnam Veterans Bonus Fund.
- Appropriates \$500,000 from the Veterans Trust Fund for FY 2008 and permits the carryforward of remaining funds into FY 2009.
- Requires the Commission of Veterans Affairs and the Department of Veterans Affairs to administer the Bonus Program.
- Eligibility for the Vietnam Veterans Bonus of up to \$500 per veteran includes:
 - Service on active duty in the Vietnam service area for at least 120 days between July 1, 1973, and May 31, 1975.
 - Iowa residency for six months prior to active duty.
 - Did not receive a similar bonus from another state.
- Eligibility for the Vietnam Veterans Bonus of up to \$300 per veteran includes:
 - Service on active duty for at least 120 days between July 1, 1973, and May 31, 1975, but did not serve in the Vietnam service area.
 - Iowa residency for six months prior to active duty.
 - Did not receive a similar bonus from another state.



- Permits one survivor of each eligible veteran who is deceased to be eligible for the \$300 or \$500 bonus.
- Exempts the payment from various taxes beginning January 1, 2007, and applicable for tax years beginning on and after that date.
- The fiscal impact of the tax exemption is estimated to be less than \$20,000.
- Provides a penalty of a serious misdemeanor for a false application.

More Information

The NOBA (Notes on Bills and Amendments) for SF 578 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACTS: Jennifer Acton (Ext. 17846) Sue Lerdal (Ext. 17794)

SENATE PASSES PHARMACEUTICAL DISPOSAL PROGRAM BILL – SF 579

Disposal Program



The Senate passed SF 579 (Pharmaceutical Disposal Program Bill) on April 16. The Bill allocates \$225,000 from the Solid Waste Alternatives Program (SWAP) Account in the Groundwater Protection Fund to a designated agency to complete a one-year pilot project. The project will demonstrate the proper way to manage and dispose of unused, excessive, old, or seized pharmaceuticals.

Fiscal Impact

The balance of the SWAP Account as of April 4, 2007, was \$1.2 million. However, the Department of Natural Resources reported there are signed SWAP contracts totaling \$1.4 million and unsigned SWAP contracts totaling \$558,000. The SWAP Account receives revenue of approximately \$2.0 million per year.

More Information

The NOBA (Notes on Bills and Amendments) for SF 579 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

SENATE WAYS AND MEANS COMMITTEE PASSES ENTERPRISE ZONE, PRISON POPULATION BILL – SF 589

Enterprise Zone Bill

The Senate Ways and Means Committee passed SF 589 (Enterprise Zone, Prison Population Bill) on April 17. The Bill prohibits the inclusion of the prison population in the calculation of the percentage loss of county population when evaluating the criteria for designating an enterprise zone.

Fiscal Impact



Senate File 589 is estimated to reduce State General Fund revenue, due to the addition of Page County as a county eligible to designate enterprise zones, as follows:

- \$1.6 million in FY 2009
- \$2.1 million in FY 2010
- \$2.5 million in FY 2011
- \$3.0 million in FY 2012

- \$3.0 million in FY 2013

More Information

The Fiscal Note for SF 589 is available on the LSA web site at:
<http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Ron Robinson (Ext. 16256)

ISSUE REVIEW – SPECIAL EDUCATION FUNDING

Issue Review

The Fiscal Services Division of the LSA recently published an *Issue Review* on Special Education Funding.

The *Issue Review* provides an examination of special education funding calculation and the revenue sources, special education requirements, funding trends over the past 16 years, school size and special education usage, and negative special education balances.

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: Dwayne Ferguson (Ext. 16561)

**SENATE CONFIRMS DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER GENE MEYER**

Commissioner Meyer

The Senate confirmed Eugene T. Meyer as the Commissioner of the Department of Public Safety on April 16 with a vote of 38 to 12. Governor Culver had appointed Commissioner Meyer on January 12, 2007. He is the 20th person to serve as the Commissioner of Public Safety since its inception.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

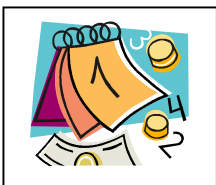
**APPEAL BOARD ACTION – CONSOLIDATED INTERACTIVE
VIRTUAL INFORMATION CENTER (CIVIC) PROGRAM
SETTLEMENT**

Settlement Agreement



The federal National Guard Bureau and the State entered into a cooperative agreement in September 2000 to support the Consolidated Interactive Virtual Information Center (CIVIC). The Agreement was terminated in September 2002. The CIVIC Program was financed through the federal government and supported by a private partner, International Simulation and Training Systems (ISTS), LLC, of Urbandale, Iowa.

Payment Schedule



According to terms and conditions of the lawsuit between the State and federal government, the State agreed to pay the federal government \$5.7 million (Settlement Amount) plus interest at a rate of 2.95% from February 10, 2005, until the Settlement Amount is paid in full. The State agreed to pay the \$5.7 million in the following installments:

- \$700,000 on or before June 30, 2005.
- At least \$1.0 million on or before June 30, 2006.
- At least \$1.0 million on or before June 30, 2007.

- The outstanding balance of the Settlement Amount, plus accrued interest on or before June 30, 2008. The State may pay the Settlement Amount, plus accrued interest, before June 30, 2008, without any penalties or charges.

Appeal Board Action

To date, the Appeal Board has ratified \$1.8 million in payments to the federal government. The Appeal Board also approved a one-time payment of \$1.3 million to ISTS, LLC, primarily for contract termination costs. This payment was authorized at the April 2, 2007, Appeal Board Meeting.

Additional Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

BOARD OF CORRECTIONS MEETING

Meeting

The Board of Corrections met April 13 at the Department of Corrections (DOC) Central Office in Des Moines. The Board approved the minutes from the March 2, 2007, meeting, and set the next meeting date as May 4 in Sioux City.

Board Action



The Board recognized Renee Sneitzer and Dr. Frank Martinez for their years of service on the Board and wished them well in their future endeavors. Board Chair Robyn Mills asked Interim Director John Baldwin about opening the 178-bed Special Needs Unit at Oakdale. Mr. Baldwin responded that staff are being hired, the FY 2007 supplemental request of \$3.4 million is in process, and the ribbon cutting ceremony is July 13. The Board approved proposed administrative rules regarding centralized visiting and banking at the Institutions.

Program Updates

The Board received testimony from staff at the North Central Correctional Facility at Rockwell City regarding the Lions of Iowa Eyeglasses/Hearing Aid Recycling Center. Warden John Ault, Iowa State Penitentiary at Fort Madison, provided updates on the changes made to the Honor Program at the facility. Deputy Director Roger Baysden informed the Board of study results showing the importance of inmate work in reducing recidivism. Members of the Iowa Substance Abuse Program Directors Association provided information on substance abuse treatment programs available in communities.

Human Services

Department of Human Services (DHS) staff provided information regarding mental health services available through the DHS program delivery system. They also discussed workloads of their psychiatrists. An update was provided on potential federal funding that will involve program services to parolees through a coordinated effort of DHS, the DOC, and Iowa Workforce Development Department.

Durrant Study



Mr. Michael Lewis, Managing Principal of the Durrant Group, Inc., presented the results of their study of the corrections system:

- Basic programs need to be enhanced and expanded.
- Aging facilities should be replaced.
- More beds should be constructed at Mitchellville.

- The maximum security unit at the Iowa State Penitentiary at Fort Madison should be demolished and replaced.
- The risk/needs classification system needs to be updated and validated. Additional beds will be required in the future, but the classification system should determine the security level of those beds. It is not feasible to make specific recommendations for prison construction until the classification system is revised and validated.

Additional Information

Additional information is available by contacting the LSA.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

IOWA ARMY NATIONAL GUARD UNIT MOBILIZED FOR ACTIVE DUTY IN IRAQ
Operation Iraqi Freedom

The Iowa Army National Guard's 833rd Engineer Company (formerly known as Company B, 224th Engineer Battalion) from Ottumwa has been ordered to federal active duty in June 2007. The Company consists of approximately 120 soldiers. This unit was last deployed in support of Operation Iraqi Freedom from October 2004 to December 2005.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

NEW IOWA GOLD STAR MILITARY MUSEUM EXHIBIT
World War I

On April 14, the Iowa Gold Star Military Museum at Camp Dodge will unveil a new permanent exhibit in honor of the 90th anniversary of U.S. participation in World War I. The Exhibit will depict the everyday life of U.S. Army Soldiers from 1917-1919 and explain the role Camp Dodge played in the War. During World War I, more than 200,000 soldiers (including 37,000 Iowans) spent time at Camp Dodge through induction into or discharge from the U.S. Army, as well as receiving combat training for the European Theater. The display includes original uniforms, equipment, photos, artifacts, and visual displays of life at Camp Dodge.

More Information

Additional information is available from the LSA upon request.

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