

# FISCAL UPDATE

## Legislative Services Agency

November 1, 2007

(515)-281-5279 FAX 281-8027

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

### OCTOBER REVENUE ESTIMATING CONFERENCE

#### REC Meeting

The Revenue Estimating Conference (REC) met on October 9 and increased estimated FY 2008 net General Fund receipts \$49.1 million compared to the April estimate. Of this amount, \$39.6 million was due to law changes approved after the April REC meeting, leaving \$9.5 million in additional growth over the April estimate.

#### FY 2008

The REC estimate for FY 2008 net General Fund receipts is now \$5,934.8 million, an increase of \$288.5 million (5.1%) compared to actual FY 2007. Major changes from the April estimate include:

- An increase of \$86.8 million in gross income tax receipts compared to the April estimate. The projected income tax revenue increase compared to FY 2007 is now \$176.3 million. As of October 9, gross income tax revenue had increased \$65.1 million.
- An increase of \$7.4 million in gross corporate tax receipts compared to the April estimate. The projected corporate tax revenue increase compared to FY 2007 is now \$11.4 million. Corporate tax revenue increased \$13.0 million through October 9. Corporate tax receipts have been strong in the past few years, but it is estimated that growth will slow significantly in FY 2008.
- An increase of \$5.0 million in gross sales and use tax receipts compared to the April estimate. The projected sales and use tax revenue increase compared to FY 2007 is now \$56.6 million. Through October 9, gross sales and use tax receipts have increased \$3.9 million.
- An \$8.5 million decrease in franchise tax receipts compared to the April estimate. The projected franchise tax revenue decrease compared to FY 2007 is now \$3.1 million.
- A \$39.5 million decrease in estimated tax refunds compared to the April estimate. The projected tax refund estimate is now an increase of \$43.9 million compared to FY 2007.



#### **IN THIS ISSUE:**

October Revenue Estimating Conference, pg. 1  
Appeals Board Action for Veterans Home, pg. 3  
Bd. of Education Recommendation-Phase II, pg. 4  
Capitol Planning Commission Meeting, pg. 4  
Council on Human Services Meeting, pg. 5  
Child Care Interim Study Com., pg. 6  
Benefits Advisory Committee, pg. 7  
Community College Tuition Increases, pg. 7  
Board of Corrections Meeting, pg. 8  
Prison System Planning Study Committee, pg. 9

Family Drug Court Federal Grant, pg. 9  
Injured Veterans Grant Program Report, pg. 10  
Greenhouse Gas Information Meeting, pg. 10  
Dept. of Veterans Affairs Required Report, pg. 11  
Veteran's Home Ownership Assistance Program, pg. 11  
Vietnam Veteran Bonus Update, pg. 11  
New Iowa Great Places Named, pg. 12  
**Issue Review** – Adult Drug Courts, pg. 12  
**Issue Review** – Edu. Costs/Veterans' Children, pg. 13  
**Issue Review** – Commercialization of Research, pg. 14

<b>FY 2008 Revenue Estimating Conference Projection</b>				
Dollars in Millions				
	<u>Actual</u>	<u>April</u>	<u>October</u>	<u>Increase</u>
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2008</u>	<u>(Decrease)</u>
		<u>Estimate</u>	<u>Estimate</u>	<u>to Estimate</u>
Income Tax	\$3,085.9	\$3,175.4	\$3,262.2	\$86.8
Sales/Use Tax	1,910.1	1,961.7	1,966.7	5.0
Corporate Tax	424.6	428.6	436.0	7.4
Insurance Tax	105.2	124.0	125.6	1.6
Cigarette Tax	122.0	219.7	223.1	3.4
Other Taxes	136.7	150.6	148.0	-2.6
Total Taxes	5,784.5	6,060.0	6,161.6	101.6
Other Receipts	353.7	338.5	363.7	25.2
Total Taxes & Other Receipts	6,138.2	6,398.5	6,525.3	126.8
Transfers	68.6	63.9	70.2	6.3
Accruals (Net)	37.4	25.6	-18.9	-44.5
Refunds	-597.9	-602.3	-641.8	-39.5
Net General Fund Receipts	<u>\$5,646.3</u>	<u>\$5,885.7</u>	<u>\$5,934.8</u>	<u>\$49.1</u>

Gross cigarette and tobacco tax receipts are estimated to increase \$107.6 million compared to the FY 2007 amount. The large increase is due to the tax increase on cigarettes and tobacco products that went into effect in mid-March.

**FY 2009**

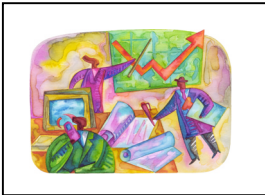


The REC also established an initial revenue estimate for FY 2009. The estimate was established at \$6,091.0 million, an increase of \$156.2 million (2.6%) compared to the REC October estimate for FY 2008. Estimated increases include gross personal income tax receipts at \$162.8 million (5.0%) and gross sales and use tax receipts at \$35.7 million (1.8%) compared to estimated FY 2008. Gross corporate tax is estimated to decrease \$17.0 million (-3.9%) and refunds are projected to reduce growth \$53.2 million compared to estimated FY 2008.

<b>FY 2009 Revenue Estimating Conference Projection</b>			
Dollars in Millions			
	<u>Estimate</u>	<u>October</u>	<u>Increase</u>
	<u>FY 2008</u>	<u>FY 2009</u>	<u>(Decrease)</u>
		<u>Estimate</u>	<u>to Estimate</u>
Income Tax	\$3,262.2	\$3,425.0	\$162.8
Sales/Use Tax	1,966.7	2,002.4	35.7
Corporate Tax	436.0	419.0	-17.0
Insurance Tax	125.6	129.7	4.1
Cigarette Tax	223.1	223.1	0.0
Other Taxes	148.0	155.8	7.8
Total Taxes	6,161.6	6,355.0	193.4
Other Receipts	363.7	361.8	-1.9
Total Taxes & Other Receipts	6,525.3	6,716.8	191.5
Transfers	70.2	60.5	-9.7
Accruals (Net)	-18.9	8.7	27.6
Refunds	-641.8	-695.0	-53.2
Net General Fund Receipts	<u>\$5,934.8</u>	<u>\$6,091.0</u>	<u>\$156.2</u>

**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 2008 and FY 2009 estimates is available on the web site at: <http://www.legis.state.ia.us/Fiscal/qre/>.



<b>Revenue Estimating Conference Projection</b>				
Dollars in Millions				
	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Estimated</b>
	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Income Tax	\$2,854.2	\$3,085.9	\$3,262.2	\$3,425.0
Sales/Use Tax	1,881.1	1,910.1	1,966.7	2,002.4
Corporate Tax	348.6	424.6	436.0	419.0
Insurance Tax	121.4	105.2	125.6	129.7
Cigarette Tax	89.5	122.0	223.1	223.1
Other Taxes	132.6	136.7	148.0	155.8
<b>Total Taxes</b>	<b>\$5,427.4</b>	<b>\$5,784.5</b>	<b>\$6,161.6</b>	<b>\$6,355.0</b>
Other Receipts	343.3	353.7	363.7	361.8
<b>Total Taxes &amp; Other Receipts</b>	<b>5,770.7</b>	<b>6,138.2</b>	<b>6,525.3</b>	<b>6,716.8</b>
Transfers	144.0	68.6	70.2	60.5
Accruals (Net)	54.0	37.4	-18.9	8.7
Refunds	-586.2	-597.9	-641.8	-695.0
<b>Net General Fund Receipts</b>	<b>\$5,382.5</b>	<b>\$5,646.3</b>	<b>\$5,934.8</b>	<b>\$6,091.0</b>
<b>Year-over-year Incr./Decr.</b>	<b>\$453.5</b>	<b>\$263.8</b>	<b>\$288.5</b>	<b>\$156.2</b>

**More Information**

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

STAFF CONTACT: Jeff Robinson (Ext. 14614) Shawn Snyder (Ext. 17799)

**STATE APPEALS BOARD ACTION FOR IOWA VETERANS HOME**

**State Appeals Board**



The State Appeals Board members are the Director of the Department of Management, the State Auditor, and the State Treasurer. The Board met on October 1 and took action regarding multiple items. One of the items approved for payment was to settle a lawsuit against the Iowa Veterans Home filed by a physician previously employed in 2004. The lawsuit was for claims of retaliation that are a violation under federal and State civil rights laws. The payment included:

- \$49,500 from the General Fund for a negotiated amount of back wages.
- \$18,063 from the General Fund for emotional distress.
- \$7,437 from the General Fund for lawyer fees.
- \$24,000 from the Iowa Veterans Home for lawyer fees.

**More Information**

Additional information is available from the LSA upon request.

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

---

**STATE BOARD OF EDUCATION RECOMMENDATION –  
PHASE II FISCAL REVIEW AND ACCREDITATION VISIT**

**Phase II Fiscal Review**

The Iowa State Board of Education directed the Department of Education to initiate a Phase II fiscal review and accreditation visit to the Russell Community School District in Lucas County on October 17. The first part of a Phase II site visit requires an accreditation committee (appointed by the Director of Education) to visit the school district and report to the Director and the Board regarding the strengths, weaknesses, areas of non-compliance, and technical assistance resources of the school district. Depending on the results of the visit, further action could be taken, including a change in the district's accreditation status.



The Phase II site visit was based on the recommendation made by the School Budget Review Committee (SBRC) at the September 10 meeting. The SBRC originally made the recommendation pursuant to Sections 256.11(10e) and 257.31(18), Code of Iowa, which states, in part, that if a school district exceeds its authorized budget or carries a negative unspent balance for two or more consecutive years, the SBRC may recommend a Phase II visit. The Russell Community School District had a negative unspent balance for FY 2003 through FY 2006 (data for FY 2007 is not currently available).

No specific date was set for completion of the Phase II site visit report; however, it is anticipated that the report will be completed prior to the end of the calendar year.

**More Information**

Additional information is available from the LSA upon request.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

---

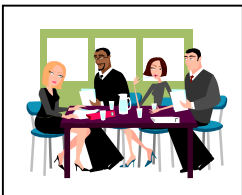
**CAPITOL PLANNING COMMISSION MEETING**

**Commission Meeting**

The Capitol Planning Commission met on October 17 and received updates on construction projects currently in progress as well as projects being planned. Highlights of the meeting are discussed below.

**IACCT Facility**

The Iowa Association of Community College Trustees (IACCT) presented the architectural redesign of their new facility that will be located on a parcel of property currently owned by the State on the Capitol Complex. The new site plan was the result of negotiations between the Iowa Motor Truck Association (IMTA) and IACCT because the IMTA thought the new facility would degrade IMTA's property near the Capitol. The IMTA was concerned about its line of sight to the Capitol.



The purchase agreement requires the Commission to approve the design. The Commission approved the original site plan in July 2007, but reconsidered when the IMTA raised its concerns. As part of the agreement, the State is also acquiring a parcel currently owned by the IACCT, which is located at the east end of Locust Street and adjacent to the West Capitol Terrace. The acquisition includes a land trade valued at approximately \$350,000.

**New State Office Bldg.**



The Department of Administrative Services (DAS) provided an update on the status of the new State office building and the Mercy Capitol Property purchase. The Department has offered to purchase the 9.5-acre property for \$6.0 million and the acquisition is still in negotiations. Mercy Capitol is also reviewing an offer from another group to purchase approximately half of the 9.5 acres. Negotiations between the parties are continuing, but the Department indicated that the plans for the use of the hospital, if acquired, are changing. The specifics were not provided. The design phase is scheduled for January 2008 and construction is expected to be completed by 2011.

**5-Year Capital Plan**

The DAS presented an update to their Five-Year Capital Projects Plan for FY 2009 – FY 2013 that it submitted to the Department of Management. The estimated cost of projects over the five years totals \$441.1 million. The totals by fiscal year are:

- FY 2009: \$131.0 million
- FY 2010: \$99.1 million
- FY 2011: \$72.7 million
- FY 2012: \$69.4 million
- FY 2013: \$68.9 million

**More Information**

Additional information is available from the LSA upon request.

STAFF CONTACT: Marcia Tannian (Ext. 52062)

---

**OCTOBER COUNCIL ON HUMAN SERVICES MEETING**

**Council Meeting**

The Council on Human Services met October 10.

**Administrative Rules**

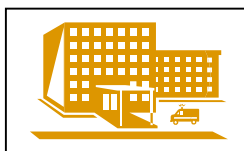
The Council approved several rules for adoption that related to Public Assistance, Medicaid, PROMISE JOBS, and Child Support.

**Director's Report**



Director Kevin Concannon provided the following information:

- The federal legislation passed by Congress for the State Children's Health Insurance Program (SCHIP) was vetoed by the President. The Director reported he had an opportunity while in Washington D.C., to speak with Representatives King and Latham regarding the Program and its importance to Iowa.
- The federal Centers for Medicare and Medicaid Services contacted the Department and requested that if the State is going to be short on funding for SCHIP, it should contact CMS and additional funds will be provided.
- The Attorney General filed a lawsuit against a number of pharmaceutical manufacturers for misleading the State on the lowest and average wholesale prices. The suit will most likely be consolidated with an existing suit in Massachusetts involving 14 other states.
- The Director and Chief Justice Ternus recently met with the tribal community regarding child welfare, and discussed how to improve communications between the Department and different tribes, especially between bordering states South Dakota and Nebraska.
- The Department of Inspections and Appeals recently inspected ChildServe due to complaints by parents about their children not receiving enough hours of required service. As a result, ChildServe decided to drop cases where children



need the most intensive services. The Iowa Medicaid Enterprise is working on alternatives to solve the issue.

- The MHI at Cherokee will soon lose three psychiatrists. One is taking a different position, one is going on a fellowship, and the third is a foreign worker whose time in the country has expired. The State is having a difficult time attracting psychiatrists and competing with private providers.

**City View Plaza**

The Council traveled to the City View Plaza Field Office in Des Moines and received information regarding the Des Moines Service Area, Income Maintenance, Food Assistance, the Family Investment Program, Medicaid, and Protective and On-Going Services.

**More Information**

The next meeting is scheduled for November 14. Additional information is available from the LSA upon request.

STAFF CONTACT: Jess Benson (Ext. 14611) Lisa Burk (Ext. 17942)

---

**LEGISLATIVE HOME-BASED CHILD CARE INTERIM STUDY COMMITTEE MEETING**

**Study Committee**

The Legislative Home-Based Child Care Interim Study Committee held a second meeting on October 10. The Committee is authorized to meet three times during the interim to consider options for increasing the number of home-based child care providers subject to registration.

**ISU Extension**

Kathlene Larson and Susan Heglund, Iowa State University (ISU) Extension, provided a report that was published in January 2006, on the benefits, rewards, and support to build quality and reduce turnover in the child care workforce.

**Empowerment**

Shanell Wagler and Beth Jones, Iowa Empowerment Office, provided information on the Empowerment Business Initiative, a public-private partnership with Iowa businesses to support quality early care, health, and education programs in communities.

**Child Care Research**

Linda Smith, National Association of Child Care Resource and Referral Agencies, presented research on parental expectations for child care.

**Follow-Up**

Jeff Anderson, Department of Human Services (DHS), provided follow-up information to questions from the July meeting. Larry Hansen, Polk County DHS, and Ellen Picray, Kossuth County DHS, discussed issues regarding child care provider spot checks and compliance.

**Provider Panel**

The Committee heard from a panel of parents and registered home-based providers on issues related to registration, minimum standards, background checks and safety issues, funding levels, professional development, and quality.

**More Information**

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

STAFF CONTACT: Lisa Burk (Ext. 17942) John Pollak (Ext. 13818)

---

**BENEFITS ADVISORY COMMITTEE MEETING****BAC Meeting**

The Benefits Advisory Committee (BAC) met on October 8.

**Presentations**

The Board received the following information:

- Cost studies being forwarded to Milliman.
- A request from the Iowa State Sheriffs and Deputies Association and the Iowa Chiefs of Police and Peace Officers to increase the maximum payout for their respective protected classes to 76.0%.
- A proposal by the Department of Corrections for the reclassification of positions in the Protection Occupation.
- An overview of the presentation being made to the Public Retirement Systems Interim Committee.

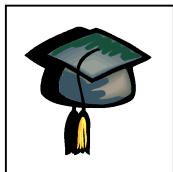
**More Information**

The next meeting is scheduled for January 7, 2008. Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

**COMMUNITY COLLEGE TUITION INCREASES FOR FY 2008****Fall Tuition Increases**

Iowa community colleges increased the fall 2007 resident tuition rates an average of 4.8% and fees an average of 6.0% compared to the previous year. Southwestern Community College had the largest percentage increase in tuition at 10.0%.



<b>College</b>	<b>FY 2007 Resident</b>	<b>FY 2008 Resident</b>	<b>Percent Change</b>	<b>FY 2007 Fees</b>	<b>FY 2008 Fees</b>	<b>Percent Change</b>
Northeast Iowa	\$3,300	\$3,450	4.5%	\$390	\$390	0.0%
North Iowa Area	2,880	2,996	4.0%	354	368	4.0%
Iowa Lakes	3,240	3,390	4.6%	433	545	26.0%
Northwest Iowa	3,090	3,210	3.9%	570	600	5.3%
Iowa Central	2,940	3,060	4.1%	300	330	10.0%
Iowa Valley-MCC	3,180	3,360	5.7%	660	690	4.5%
Iowa Valley-ECC	3,180	3,360	5.7%	675	705	4.4%
Hawkeye	3,090	3,240	4.9%	315	330	4.8%
Eastern Iowa	2,910	3,060	5.2%	0	0	0.0%
Kirkwood	2,970	3,090	4.0%	0	0	0.0%
Des Moines Area	2,910	3,060	5.2%	0	0	0.0%
Western Iowa Tech	2,910	3,060	5.2%	450	465	3.3%
Iowa Western	3,150	3,150	0.0%	300	300	0.0%
Southwestern	3,015	3,315	10.0%	360	360	0.0%
Indian Hills	3,150	3,330	5.7%	0	0	0.0%
Southeastern	3,060	3,210	4.9%	0	0	0.0%
<b>State Average</b>	<b>\$3,053</b>	<b>\$3,199</b>	<b>4.8%</b>	<b>\$414</b>	<b>\$439</b>	<b>6.0%</b>

Source: Department of Education



---

**State Funding**                      The State General Fund appropriation for general aid to the community colleges for FY 2008 is \$184.9 million, a 7.5% increase compared to FY 2007.

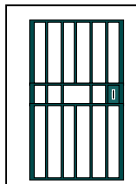
**More Information**                      Additional information is available from the LSA upon request.

STAFF CONTACT:    Robin Madison (Ext. 15270)

---

**BOARD OF CORRECTIONS MEETING**

**Board Meeting**



The Board of Corrections met October 5 at the Iowa State Penitentiary at Fort Madison. Director John Baldwin updated the Board on recent Department hires, including the new Security Director position. Colonel Garrison accepted the position after his retirement from the Iowa State Patrol in December 2007. The Department promoted Chris Gesie as Nursing Administrator. The Department will be working with the Durrant Group the week of October 8 to begin the modification of the inmate classification system.

**Staff Recognition**

Director Baldwin and Warden Ault introduced the Governor's Golden Dome Award recipients. Darrel Moeller received the Excellence Award and Kelly Peters received the Lieutenant Governor's Volunteer Award.

**Inmate Phone Account**

Fred Scaletta provided information regarding the inmate sexual abuse reporting telephone line. The estimated cost of the line is \$3,000 annually, which was previously paid by federal funds (Prison Rape Elimination Act funds). The federal grant has expired. The Board approved the \$3,000 expense from the Inmate Telephone Fund.

**Legislative Proposal**

Michael Savala presented the Department's 2008 legislative proposal. The Department is proposing the establishment of a Central Warehouse and Supply Depot Fund to maintain and operate a central warehouse.

**Oakdale Fence**

Larry Brimeyer provided an update on the bidding and installation of the new fence at the Iowa Medical Classification Center at Oakdale. The fence will cost approximately \$2.0 million and will not be high voltage.

**Interim Committee**

Mr. Brimeyer also provided a summary of the meeting of the State Prison System Planning Study Committee, which met on September 19 at the Iowa State Penitentiary at Fort Madison. There were 52 people who toured the facility.

**Clinical Care Unit**

Warden Ault introduced the new administrator of the 200-bed Clinical Care Unit. Mike Schierbrach recently accepted the position.

**Habitat for Humanity**

Brian Koechle presented information regarding the Habitat for Humanity Program. Approximately 178 inmates are involved in the Program, which also includes Community-Based Corrections (CBC) offenders who work in the local community.

**More Information**

The next meeting is scheduled for November 2 at Fort Dodge. For review of Board agendas, minutes, and other related information, access the DOC web site at: <http://www.doc.state.ia.us/default.asp>. Additional information is available from the LSA upon request.

STAFF CONTACT:    Beth Lenstra (Ext. 16301)

---



---

## STATE PRISON SYSTEM PLANNING STUDY COMMITTEE MEETING

### Study Committee

The State Prison System Planning Study Committee met at the Iowa Correctional Institution for Women at Mitchellville on October 10. Director John Baldwin briefly reviewed the structure of the consultant's recommendations for infrastructure, treatment and staffing, and the classification system.

### Durrant Group

Mike Lewis, Durrant Group, described opportunities for improvements at the prison, such as the need for acute care for mental health patients, gender responsive treatment, and compliance with the Americans with Disabilities Act (ADA).

### Tours

Committee members, staff, and guests toured the cell houses, program space, laundry and kitchen, and the yard. Members were provided an overview of daily operations and program availability during the tour.

### More Information

Additional information is available from the LSA upon request or by accessing the LSA web site at:  
<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=214>.

STAFF CONTACTS: Beth Lenstra (Ext. 16301) Jen Acton (Ext. 17846)

---

## FAMILY DRUG COURT FEDERAL GRANT

### Federal Grant

The Judicial Branch will receive a new federal grant totaling \$2.5 million to establish three new family drug courts and expand two existing ones. A total of \$500,000 a year will be received for five years and the funds do not require a State match.

### Family Drug Courts



Family drug courts emphasize the treatment of drug addicted parents to improve chances for keeping families together. The grant will fund judge-led collaboratives centered on family drug courts that focus on the welfare of children whose parents have substance abuse problems, particularly methamphetamine. The Judicial Branch will work with the Departments of Human Services and Public Health and the Office of Drug Control Policy for programs in Wapello, Polk, Linn, Scott, Woodbury, Cherokee, and Ida Counties.

### Juvenile Drug Courts

There are seven counties that currently receive a total of \$1.0 million in State funds for Juvenile Drug Court Programs, including Marshall, Woodbury, Polk, Plymouth, Clay, Henry, and Des Moines. The funds were provided in HF 909 (FY 2008 Health and Human Services Act) within the Child and Family Services appropriation and are used for judicial branch salaries and court-ordered services to support substance abuse services provided to juveniles and the juveniles' families.

### More Information

Additional information is available from the LSA upon request.

STAFF CONTACTS: Jennifer Acton (Ext. 17846) Lisa Burk (Ext. 17942)

---

---

## **INJURED VETERANS GRANT PROGRAM REPORT**

### **September Report**



The September Injured Veterans Grant Program Report has been received from the Department of Veterans Affairs. Additional payments of a total of \$50,000 since the August Report include:

- One \$10,000 payment to one veteran injured in FY 2005.
- One \$10,000 payment to one veteran injured in FY 2006.
- Three \$10,000 payments to three veterans injured in FY 2007.

The remaining Program balance is an estimated \$1.8 million, which includes all cancelled warrants and the FY 2007 and FY 2008 appropriations.

### **More Information**

Additional information is available from the LSA upon request.

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

---

## **GREENHOUSE GAS INFORMATION MEETING**

### **Board Meeting**

The Department of Natural Resources (DNR) held an informational meeting on greenhouse gas emissions on October 10 in Des Moines.

### **Legislation**



The General Assembly passed SF 485 (Greenhouse Gas Regulations Act) that requires the DNR to include estimates of greenhouse gas emissions in construction permits and emission inventory programs. The Act also created the Iowa Climate Change Advisory Council, which consists of 23 voting members and four nonvoting members. The Council is charged with the following:

- Developing scenarios to reduce statewide greenhouse gas emissions and to consider their cost-effectiveness.
- Establish a baseline year for purposes of calculating reductions in statewide greenhouse gas emissions.
- Submit a proposal to the Governor and General Assembly by January 1, 2008.

### **Climate Registry**

Iowa joined the Climate Registry in July 2007. The Climate Registry is comprised of air quality program directors and commissioners from more than 30 states with the goal to standardize best practices for greenhouse gas emissions reporting, verification, and management, and to develop a common reporting system.

### **More Information**

The Advisory Council meeting is scheduled for October 18 in Des Moines. For more information, access the web site at: <http://www.iowadnr.gov/air/prof/ghg/ghg.html>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

---

## REQUIRED REPORT FROM THE DEPARTMENT OF VETERANS AFFAIRS

<b>Required Report</b>	House File 2797 (FY 2007 Standing Appropriations Act) required the Department of Veterans Affairs to submit a report regarding the impact of the County Grant Program on increasing services to veterans. The Department submitted the report with explanations of the legislation, findings, challenges, and changes for the Program.
<b>Findings</b>	The findings included: <ul style="list-style-type: none"> <li>• 52.0% of the funds allocated to counties for FY 2007 were expended.</li> <li>• The majority of the funds were expended for computer equipment, individual assistance, marketing, increased county staff hours, and training.</li> </ul>
<b>Challenges</b>	Challenges included indications that some counties may need to return the FY 2007 funds due to lack of detail regarding the required accountability and expenditures that did not provide a service or assistance to veterans.
<b>Changes</b>	The Report indicated that changes being made for the FY 2008 Grant Program application and expenditure reporting process may alleviate the FY 2007 issues.
<b>More Information</b>	Additional information is available from the LSA upon request.

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

## VETERAN'S HOME OWNERSHIP ASSISTANCE PROGRAM

<b>Home Ownership Program</b>	The Veteran's Home Ownership Assistance Program had provided 953 veterans with funds to use toward the purchase of a home as of the end of September 2007. With the maximum assistance of \$5,000, the average amount received was \$4,538.
<b>Program Appropriations</b>	The Program's appropriations have totaled \$6.0 million, with a remaining balance of \$1.7 million. The balance does not include contingent appropriations of an estimated \$550,000 dependent on the need for funding for the Program, or the transfers of \$70,000 for administrative costs and the Enduring Families Program.
<b>More Information</b>	Additional information is available from the LSA upon request.

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

## VIETNAM VETERAN BONUS UPDATE

### Senate File 578



Senate File 578 (Vietnam Veteran Bonus Program and Appropriation Act) appropriated \$500,000 from the Veterans Trust Fund for bonuses for Vietnam Era veterans serving between July 1, 1973, and May 31, 1975. Certain veterans are eligible for monthly payments of either \$17.50 or \$12.50 depending on the location of active duty during the specified time period. The maximum bonus is limited to either \$300 for months in a non-service area or \$500 for months in a service area. The amount that a veteran may

receive from serving prior to the specified time period is subtracted from the maximum bonus.

**Payment Information**

Between July 1 and September 30, 2007, the Department of Veterans Affairs approved 368 claims for an average of \$180 and total expenditures of \$66,149. Additional claims of \$6,980 for 32 veterans are pending. In addition, 167 claims have been denied due to the veteran already receiving the bonus, serving prior to the specified time period, or not being an Iowa resident at the time of enlistment.

**More Information**

Additional information is available from the LSA upon request.

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

---

**NEW IOWA GREAT PLACES NAMED**

**Great Places**



The seven new Great Places that have been approved by the Department of Cultural Affairs are Appanoose County, Davenport, Decorah, Charles City, Council Bluffs, Perry, and Valley Junction. The total number of Great Places is now 16. The other identified Iowa Great Places are Adams County, Clinton, Coon Rapids, Dubuque, Fairfield, Guttenberg, Jackson County, Mason City, and Sioux City.

**Program Purpose**

The Iowa Great Places Program partners State agencies with Iowans by combining State resources with local assets to make Iowa's communities, neighborhoods, districts, and regions, great places where people want to live, work, and raise a family. The agencies work with the identified areas by providing technical assistance and identifying existing programs such as grant and financial aid programs and the State Historic Preservation Tax Credit Program. Also, a grant fund has been established for the Program.

**Legislation**

With the enactment of HF 647 (Iowa Great Places Corrective Act) during the 2007 Legislative Session, the Department of Cultural Affairs may identify a new great place when the place develops dimensions and meets readiness criteria for participation under the Program.

**More Information**

Additional information is available from the LSA upon request.

STAFF CONTACT: Ron Robinson (Ext. 16256)

---

**ISSUE REVIEW – ADULT DRUG COURTS**

**Issue Review**

The Fiscal Services Division of the LSA recently published an *Issue Review* that provides information on Adult Drug Courts, reviews funding, and reports success rates.

**Background Summary**

Adult Drug Courts are currently operating in all eight Community-Based Corrections (CBC) District Departments. Drug Courts serve as an alternative to prison for offenders whose substance abuse problems have led to crime. The goals of Drug Court are to reduce recidivism, thereby reducing substance abuse-related crimes and victims and the number of drug addicts sentenced to prison.

**Prison Population**

The current prison population is approximately 8,900 inmates. The 2006 Prison Population Report predicts an increase of approximately 2,500

prisoners by 2016, resulting in an estimated population of 11,400 inmates. One contributing factor to the constant growth is the high level of admissions for drug offenders, the most common type of new prison admission. New admissions for drug offenses have increased 65.4% over the last 10 years.

#### Recidivism

According to the Department of Corrections (DOC), approximately 85.0% of offenders released from prison do not return to prison within one year of release. Based on preliminary data from the DOC, 90.7% of higher risk offenders that successfully complete the Drug Court do not recidivate within one year.

#### Budget Impact

Approximately \$4.0 million was appropriated from the Healthy Iowans Tobacco Trust to the DOC in FY 2008, of which \$1.4 million is dedicated to the Drug Court Programs operated by the CBC District Departments. Due to declining funding in the Trust, the General Assembly may want to consider other funding sources for the Program.

#### More Information

Copies of the **Issue Review** may be accessed on the LSA web site at: <http://www.legis.state.ia.us/lsadocs/IssReview/2007/IRJDA003.PDF>. Additional information is available from the LSA upon request.

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

### **ISSUE REVIEW – EDUCATION COSTS FOR CHILDREN OF CERTAIN VETERANS**

#### **Issue Review**

The Fiscal Services Division of the LSA recently published an **Issue Review** estimating the future costs of the higher education benefit for children of veterans who have died in Iraq or Afghanistan. The number of children that may be impacted by this statutory provision may increase after this publication.

#### **Estimated Costs**

The **Issue Review** provides an estimated cost from FY 2008 to FY 2028 for the 16 children eligible for the higher education benefit. The benefit is up to \$5,500 per year for five years of higher education. The youngest child of the 16 is estimated to complete five years of higher education in FY 2028. The total cost for these 16 children is estimated to be \$556,000.

#### **Tuition Recommendation**

Within the **Issue Review**, alternatives are proposed regarding the educational benefit. One specific alternative is to tie the benefit to the State tuition costs at a Board of Regents institution, which would typically increase each year in lieu of the limitation of \$5,500. This would increase the cost to an estimated \$878,000.

#### **Other Recommendations**



Other recommendations included are:

- Permit a child attending an Iowa private institution of higher education to be eligible for the benefit.
- Inclusion of the federal educational benefit, which some of the children may also be eligible for when calculating the financial need of the child.
- Require Iowa residency of the deceased veteran in lieu of the two-year residency requirement for the child prior to receipt of the educational benefit.
- Include stepchildren within the definition for eligibility.

- Require benefits be paid directly to the institution of higher education in lieu of the child.

**More Information**

Copies of the **Issue Review** may be accessed on the LSA web site at: <http://www.legis.state.ia.us/lsadocs/IssReview/2007/IRJDA003.PDF>. Additional information is available from the LSA upon request.

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

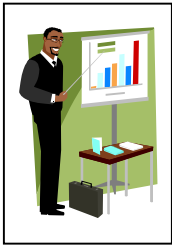
**ISSUE REVIEW – REPORT ON COMMERCIALIZATION OF RESEARCH APPROPRIATIONS TO THE BOARD OF REGENTS**

**Issue Review**

The Fiscal Services Division of the LSA recently published an **Issue Review** examining the allocation and expenditure of funds appropriated to the Board of Regents to implement initiatives related to the commercialization of bioscience, advanced manufacturing, and information technology.

**Review Intent**

The **Issue Review** is intended to fulfill the requirements of Section 15G.111, Code of Iowa, which requires the Legislative Services Agency to submit a written report by September 30, 2007, to the Fiscal Committee of the Legislative Council and the standing committees on Economic Growth, regarding Board expenditures from the Grow Iowa Values Fund (GIVF) and funds appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act).



Summary of State Funding to the Board of Regents for  
Bioscience, Advanced Manufacturing, and Information Technology  
FY 2006 and FY 2007

	Appropriation Allocations				Total Appropriations
	SUI	ISU	UNI	Private Colleges	
Endowments & Salaries - RIF	\$ 2,000,000	\$ 2,000,000	\$1,000,000	\$ 0	\$ 5,000,000
Commercialization of Research Projects - RIF	3,690,000	3,690,000	820,000	0	8,200,000
Infrastructure Funding					
Vertical Infrastructure Fund - VIF	2,000,000	2,000,000	1,000,000	0	5,000,000
Rebuild Iowa Infrastructure Fund - RIF	720,000	720,000	360,000	0	1,800,000
Subtotal	2,720,000	2,720,000	1,360,000	0	6,800,000
Grow Iowa Values Fund					
Commercialization of Research - FY 2006	1,925,000	1,925,000	950,000	200,000	5,000,000
Commercialization of Research - FY 2007	1,925,000	1,925,000	950,000	200,000	5,000,000
<b>Total</b>	<b>\$12,260,000</b>	<b>\$12,260,000</b>	<b>\$5,080,000</b>	<b>\$400,000</b>	<b>\$ 30,000,000</b>

**More Information**

Copies of the **Issue Review** may be accessed on the LSA web site at: <http://www.legis.state.ia.us/lsadocs/IssReview/2008/IRRNR000.PDF>. Additional information is available from the LSA upon request.

STAFF CONTACT: Ron Robinson (Ext. 16256) David Reynolds (Ext. 16934)

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