



June 29, 2010

APPROPRIATION TRANSFER – DEPARTMENT OF TRANSPORTATION

The Department of Transportation submitted a notification to transfer \$2.0 million within the Primary Road Fund. The appropriation transfer is necessary to cover the projected costs associated with refilling salt storage and is moved from the Operations Division to the Highway Division. The funding is available from the Operations Division because of spending reductions implemented by the Department.

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DEPARTMENT OF CORRECTIONS – FY 2010 REALLOCATION OF FUNDS

Reallocation of Funds. The Department of Corrections recently notified the LSA of reallocations of FY 2010 appropriations. The Iowa Medical Classification Center at Oakdale is transferring \$375,000 to the North Central Correctional Facility at Rockwell City (\$145,000) and the federal prison reimbursement account (\$230,000). The Oakdale facility had funds available to transfer due to salary savings from vacant positions. The Rockwell City facility incurred unexpected medical expenses. The Federal Bureau of Prisons increased its per diem for holding incorrigible State inmates.

Transfer of Funds. The Sixth Community-Based Corrections (CBC) District Department is transferring \$75,000 to the Seventh CBC District Department. The Sixth CBC District Department had an unexpected increase in local income. The Seventh CBC District Department experienced a decrease in local rent income.

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SCHOOL AID – FINAL FY 2011

FY 2011 School Aid. The Department of Management has finalized the FY 2011 School aid amounts. The General Assembly capped the FY 2011 State school aid appropriation at \$2,499.2 million in HF 2531 (FY 2011 Standing Appropriations Act). Based on the Department of Management's official school aid amounts, capping the State school aid amount resulted in a State aid shortfall totaling \$156.1 million (the additional State aid amount needed to fully fund an allowable growth rate of 2.0%). Despite the State aid shortfall, school districts maintain spending authority on the shortfall amount and have authority to spend those funds through loans or cash reserve funds, and may recoup them through property taxes in the future. Other final FY 2011 school aid information of note includes (see following table also):

- **Combined District Cost:** The FY 2011 total combined district cost totaled \$3,881.8 million, an increase of \$73.8 million (1.9%) compared to FY 2010. Despite the reduction in State aid to school districts in FY 2010 and FY 2011, the combined district cost was not impacted.
- **School Aid Property Taxes:** The uniform levy and additional levy combined to total \$1,250.2 million for FY 2011, an increase of \$26.1 million (2.1%). These levies are used to fund the property tax portion of the combined district cost.
- **Property Tax Relief:** Property tax relief provided through the school aid formula totaled \$49.4 million in FY 2011 and impacted 143 school districts. Funding included \$24.0 million from the General Fund and an additional

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- \$25.4 million from the Property Tax Equity and Relief (PTER) Fund that was generated from FY 2009 State sales/use tax for school infrastructure.
- Total General Fund Levy: School district general fund levies totaled \$1,646.6 million in FY 2011, an increase of \$133.3 million (8.8%) compared to FY 2010. The statewide average general fund levy rate (expressed in \$1,000 of taxable valuation) in FY 2011 is \$13.1313, an increase of \$0.5335 (4.2%) compared to FY 2010. The school district general fund levy consists of the uniform levy, the additional levy, the instructional support levy, the educational improvement levy, and the cash reserve levy.
- Cash Reserve Levy: School district cash reserve levies totaled \$297.6 million in FY 2011, an increase of \$104.2 million (53.9%) compared to FY 2010. The statewide average cash reserve levy rate in FY 2011 is \$2.3732, an increase of \$0.7634 (47.4%) compared to FY 2010. Cash reserve levies likely increased significantly due to State aid reductions in FY 2009 and FY 2010 and anticipation of a State aid shortfall for FY 2011. The cash reserve levy is included in the school district general fund levy.
- Total School District Property Taxes: The total school district property tax amount for FY 2011 was \$1,987.0 million, an increase of \$136.0 million (7.3%) compared to FY 2010. The average statewide total school district levy rate is \$15.7290 in FY 2011, and increase of \$0.4429 (2.9%) compared to FY 2010.

School District Funding: State Aid and Property Tax Amounts				
FY 2011 and FY 2010 (Dollars in Millions)				
	FY 2010	Estimated FY 2011	FY 2011 vs. FY 2010	Percentage Change
Total State School Aid (All Sources) *	\$ 2,349.0	\$ 2,499.2	\$ 150.2	6.4%
Total Levy to Fund Combined District Cost	\$ 1,224.1	\$ 1,250.2	\$ 26.1	2.1%
Combined District Cost	\$ 3,808.0	\$ 3,881.8	\$ 73.8	1.9%
School District General Fund Levy Total	\$ 1,513.3	\$ 1,646.6	\$ 133.3	8.8%
Average School District General Fund Levy Rate **	\$ 12.5978	\$ 13.1313	\$ 0.5335	4.2%
Cash Reserve Levy Total	\$ 193.4	\$ 297.6	\$ 104.2	53.9%
Average Cash Reserve Levy Rate **	\$ 1.6097	\$ 2.3732	\$ 0.7634	47.4%
Total School District Property Taxes (All Sources)	\$ 1,851.0	\$ 1,987.0	\$ 136.0	7.3%
Average Total School District Property Tax Rate **	\$ 15.2862	\$ 15.7290	\$ 0.4429	2.9%

*Includes adjustments for State aid shortfalls or reductions and other funds used in lieu of State General Fund dollars. Totals include funding for regular school aid, State categorical supplements, and preschool formula funding. The total does not include the \$25.4 million from the PTER Fund.

**Property tax rates expressed in \$1,000 of taxable valuations.

More Information. Final FY 2011 school aid information by school district will be available in July on the LSA website at: <http://www.legis.iowa.gov/LSAReports/k12Education.aspx>

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STATEWIDE VOLUNTARY PRESCHOOL GRANTS AWARDED FOR FY 2011

Preschool Grants. The Department of Education received 146 applications representing 150 school districts for initial implementation of the Statewide Voluntary Preschool Program in FY 2011 (2010-2011 school year). Projected enrollment for the new programs in FY 2011 is estimated at 7,688. The Department of Education will prorate the allocations of the FY 2011 Statewide Voluntary Preschool appropriation of \$16.2 million. The prorated allocations will be based on approximately 37.0% of the approved school district's October 2009 Kindergarten enrollment.

Preschool Funding. The following table provides preschool funding and estimated enrollment information for FY 2008 through estimated FY 2012. Total funding for FY 2011 is approximately \$64.5 million. The LSA estimate for preschool formula funding totals \$79.3 million for FY 2012.

Statewide Voluntary Preschool Funding: FY 2008 – FY 2012
(Dollars in Millions)

	Appropriation Amount for Initial Year	Preschool Formula Funding	Total State Funding for Statewide Voluntary Preschool Program	Estimated Number of Preschool Students Enrolled in Program*	Preschool Formula Weighting
FY 2008	\$ 15.0	N.A.	\$ 15.0	5,126	N.A.
FY 2009	14.8	\$ 17.1	31.8	9,633	3,075.6
FY 2010	11.5	33.3	44.9	13,666	5,805.6
FY 2011	16.2	48.3	64.5	22,037	8,199.6
Est. FY 2012	N.A.	79.3	79.3	N.A.	13,222.4
Total for FY's	\$ 57.6	\$ 178.0	\$ 235.5		

*Estimated preschool students is based on October preschool weightings. The FY 2011 enrollment is an LSA estimate.
Estimated FY 2012 assumes a 2.0% allowable growth rate.
Totals may not sum due to rounding.

Districts Participating. The Department has indicated that 326 school districts will participate in the Program in FY 2011. For specific school district funding information pertaining to the Program, contact the LSA.

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JUNE MEDICAID FORECAST

Forecasting Group. Staff members from the Department of Human Services (DHS) and the Fiscal Services Division of the LSA met on June 25, 2010, to discuss estimated Medical Assistance (Medicaid) expenditures for FY 2010 and FY 2011. The forecasting group meets monthly to discuss estimated expenditures and agree on a range for the current and upcoming fiscal years.

FY 2010 Range. For FY 2010, the forecasting group agreed to a surplus range of \$40.0 million to \$50.0 million, with a midpoint of \$45.0 million. The range includes the 6.2% American Recovery and Reinvestment Act (ARRA) Federal Medical Assistance Percentage (FMAP) adjustment and both tier one and two unemployment FMAP increases. In addition, the range now includes the Medicare Part D clawback ARRA increase for FY 2009 and FY 2010. Any funds remaining at the end of the fiscal year will carry forward to supplement FY 2011.

FY 2011 Range. For FY 2011, the forecasting group agreed Medicaid will have a supplemental need of \$12.0 million to a surplus of \$22.0 million, with a midpoint of a \$5.0 million surplus. The range includes the 6.2% FMAP increase, including tier two of the FMAP unemployment increase through the first six months of FY 2011 and tier one of the FMAP unemployment increase for the second six months of FY 2011. In addition, the range takes into account a reduction \$18.8 million for a lower State contribution for the Medicare Part D clawback payment to the federal government. If the enhanced ARRA FMAP rate is not extended by an additional six months, the State will need to find an additional \$121.7 million to replace the lost funding source.

Medicaid Balance Sheet		
	<i>Estimated FY2010</i>	<i>Estimated FY2011</i>
Medicaid Funding		
Carryforward from Previous Year	\$ 36,587,215	\$ 45,000,000
Behavioral Health Account Carryforward	2,136,721	0
Health Care Trust Fund	100,650,740	107,615,211
Nursing Facility Quality Assurance Fund	2,300,000	18,308,489
Hospital Trust Fund	0	39,406,000
Cash Reserve Fund	0	187,800,000
Senior Living Trust Fund	17,378,935	39,080,435
Transfer from Decat Waiver Waiting List	0	1,925,000
Veterans Transfer to Hospital Rebase	1,833,333	0
Other Transfers	-3,774,367	0
ARRA Federal Recovery & Reinvestment Fund to MHIs	25,874,211	0
Property Tax Relief Transfer	3,271,911	0
Total Non-General Fund for Medicaid	\$ 186,258,699	\$ 439,135,135
General Fund Appropriation	\$ 590,459,096	\$ 393,683,227
Covering All Children	47,523	2,297,649
Total All General Fund Sources	\$ 590,506,619	\$ 395,980,876
Total Medicaid Funding	\$ 776,765,318	\$ 835,116,011
Total Estimated State Medicaid Need	\$ 957,840,512	\$ 1,058,437,641
ARRA FMAP Hold Harmless	0	-5,198,743
ARRA FMAP 6.2%	-139,609,794	-63,024,324
ARRA FMAP Unemployment	-60,115,238	-28,869,206
ARRA Medicare Clawback Savings	-26,350,162	-9,556,723
ARRA Six-month Extension (Including Clawback)	0	-121,672,634
Total Estimated Medicaid Need	\$ 731,765,318	\$ 830,116,011
Midpoint of Balance/ (Under Funded)	\$ 45,000,000	\$ 5,000,000

Phase-Out FMAP Extension Proposal. The United States Senate Finance Committee released a new proposal for the six-month enhanced FMAP extension. The proposal would reduce the enhanced FMAP rate from 6.2% to 3.2% from January to March of 2011, with another reduction to 1.2% from March to June of 2011. If this proposal is approved instead of a six-month extension at 6.2%, it is estimated to reduce enhanced FMAP savings by \$38.6 million compared to what was budgeted.

Temporary IowaCare Extension. The Iowa Medicaid Enterprise has received a one-month temporary extension for the IowaCare Waiver while the final details of a longer extension are being worked out with the Center for Medicare and Medicaid Services (CMS). Approval has been granted by CMS to implement all time-sensitive proposals of the extension on July 1 such as the hospital provider tax, new certified public expenditures methodology, and reimbursing physicians at the University of Iowa.

New Drug Rebate Law. As part of the federal Patient Protection and Affordable Care Act of 2010, the federal government has changed the law regarding drug rebates to recoup additional funds that are currently being paid to the State. Drug manufacturers have until October 1, 2010, to implement mandated changes in their drug pricing. As a result, both the FY 2010 and FY 2011 impact of this change will occur in FY 2011. The most recent information provided by the federal government estimates that this change will cost the Medicaid Program \$1.6 million in FY 2010 and \$3.7 million in FY 2011.

Nursing Facility Quality Assurance Assessment. As part of the agreement to implement a nursing facility quality assessment, the General Assembly was required to appropriate a portion of the proceeds from the assessment back to the facilities. Moneys from the Fund were appropriated to restore rates affected by Executive Order 19 issued October 8, 2009, but no appropriation was made for the pass-

through or add-on amounts, totaling approximately \$4.4 million in FY 2010 and approximately \$19.0 million in FY 2011. To correct this situation, it is proposed that the Department of Human Services utilize existing FY 2010 and FY 2011 medical assistance appropriation funding to cover the expenditures for the pass-through and add-on payments for FY 2010 and FY 2011, until such time as the General Assembly is able to take corrective action during the 2011 Legislative Session. For more information on this issue, please see the memo at the following link:

http://www.legis.state.ia.us/Isadocs/SC_InterimDocs/2010/SIJRB000.PDF

hawk-i Audit Payback. An audit by the federal government and issued October 20, 2006, for the period FY 2000 through FY 2002 of the then newly created *hawk-i* Program, found that the State was responsible for repaying \$4.6 million. The cause of the repayment was eligibility determination issues with the original third-party administrator for the program. That vendor was replaced well before the audit began. To manage funding and repay the \$4.6 million, the Department is going to transfer \$4.6 million from the Covering All Children appropriation that was originally appropriated to the Medicaid Program for FY 2010, to the *hawk-i* Trust Fund for repayment in FY 2011. This change has been included in the FY 2010 and FY 2011 ranges.

Enrollment Increase. Medicaid continues to see rapid enrollment growth. In FY 2009, the Program added a total of 31,794 individuals, including 25,935 children. In FY 2010, the program added an additional 27,164 individuals for total Program enrollment of 372,556.

Medicaid Enrollment Increases/ (Decreases) for FY 2010					
FY2010	Children	Adults	Aged	Disabled	Total
July	1,427	211	38	32	1,708
August	2,829	1,295	126	443	4,693
September	1,180	546	-6	208	1,928
October	1,539	977	32	264	2,812
November	3,048	533	70	391	4,042
December	960	-561	-61	-2	336
January	494	-445	-146	113	16
February	1,760	436	-36	251	2,411
March	2,866	1,347	134	444	4,791
April	596	-65	-24	172	679
May	2,074	869	75	397	3,415
June	513	-167	0	-13	333
Total	<u>19,286</u>	<u>4,976</u>	<u>202</u>	<u>2,700</u>	<u>27,164</u>

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NO CHANGE IN MOTOR FUEL TAX RATES FOR FY 2011

Fuel Tax Rate Remains Unchanged: On July 1, 2010, the motor fuel tax rate for unblended gasoline will remain at the current 21.0 cents per gallon. The tax rate for ethanol-blended gasoline (E-10 and E-85) will remain at 19.0 cents per gallon. The Department of Revenue determines the gasoline tax rate based on the market share percentage of ethanol blended gasoline sold during the previous calendar year, in accordance with Code Section 452A.3. During calendar year 2009, the percentage remained within the 70.0 - 75.0 % range; keeping fuel tax rates the same. The current fuel tax schedule sunsets on June 30, 2012.

Fuel Tax Schedule (Expires June 30, 2012)		
Ethanol-Blended Market Share Percentage	Ethanol- Blended Tax	Unblended Gasoline Tax
0% - 50%	19.0	20.0
50% - 55%	19.0	20.1
55% - 60%	19.0	20.3
60% - 65%	19.0	20.5
65% - 70%	19.0	20.7
70% - 75%	19.0	21.0
75% - 80%	19.3	20.8
80% - 85%	19.5	20.7
85% - 90%	19.7	20.4
90% - 95%	19.9	20.1
95% - 100%	20.0	20.0

Current Rates. Prior to enactment of the tax schedule, fuel tax rates for unblended and ethanol-blended gasoline were 20.0 cents per gallon. Beginning in FY 2003, the per-gallon tax rate for unblended gasoline changed as follows:

- FY 2003: 20.1 cents per gallon
- FY 2004: 20.3 cents per gallon
- FY 2005: 20.5 cents per gallon
- FY 2006: 20.7 cents per gallon
- FY 2007: 21.0 cents per gallon
- FY 2008: 20.7 cents per gallon
- FY 2009: 21.0 cents per gallon
- FY 2010: 21.0 cents per gallon
- FY 2011: 21.0 cents per gallon

Future Sunset. Fuel tax rates have remained the same since July 1, 2008. After the current tax schedules sunsets at the end of FY 2012, the unblended and ethanol-blended gasoline will resume a flat tax rate of 20.0 cents per gallon in FY 2013.

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SUPREME COURT CASE MAY IMPACT INMATE EMPLOYMENT

Opinion Filed. The Supreme Court filed an opinion on June 4, 2010, regarding the case of Melissa Lee Renda vs. the Iowa Civil Rights Commission. Ms. Renda was an inmate at the Mount Pleasant Correctional Facility and filed a complaint with the Civil Rights Commission alleging sexual harassment and retaliation in her employment and housing. The Supreme Court affirmed the Civil Rights Commission's decision that it did not have jurisdiction to hear Ms. Renda's claim for civil rights violations regarding housing. The Supreme Court remanded the case to the District Court and on to the Civil Rights Commission for further proceedings regarding the issue of employment.

Inmate Employee Status. The Supreme Court ruled that an inmate may be considered an employee for purposes of the Civil Rights Act. The Office of the Attorney General is reviewing legal options.

Fiscal Impact. The fiscal impact due to increased workload on the Civil Rights Commission and the Department of Corrections may be significant.

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SEX OFFENDER RESEARCH COUNCIL MEETING

Council Meeting. The Sex Offender Research Council met June 23 at the Department of Corrections (DOC) Central Office. The Council discussed:

- Legislation enacted by the General Assembly in 2010, including the Sex Offender Registry and criminal law.
- Sex offender statistics. The number of new prison admissions (direct court commitments and probation revocations) increased by 5.9% compared to last year.
- Research for this interim will focus primarily on treatment and supervision requirements of juvenile sex offenders.

Next Meeting. The Council is scheduled to meet September 22.

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NEXT GENERATION 911

Request for Proposal. The Homeland Security and Emergency Management Division (HSEMD) E911 Program Manager issued a Request for Proposal (RFP) for the Next Generation 911 Project. The due date of the RFP is August 25 with vendor selection estimated for the end of September.

Federal Grant Funds. Iowa has been allocated \$1.3 million in one-time federal grant money for Next Generation 911 (NG911). The grant was awarded by the U.S. Department of Transportation's Highway Traffic Safety Administration and the U.S. Department of Commerce's National Telecommunications and Information Administration. States have three years to spend the money. This money requires a 50/50 State match. The E911 Program Manager plans to use the E911 Carryover Account to cover the State match but the carryover grant application program for the public safety answering points (PSAPs) will have to be suspended for three to five years. The money in the Carryover Account must be used for future network improvements that benefit the PSAPs, and the Next Generation system does meet this requirement (Code §34A.7A(3)(g)). In addition, if other States do not meet the criteria and Iowa provides a supplemental request, Iowa could qualify for additional federal grant money.

System Updates. The current 911 System cannot deliver text messages, video, or photos. The goal of the Next Generation system will be to receive 911 text messages, 911 calls with pictures and video attachments from the caller, and other capabilities. The federal matching grant will be used to migrate to a Next Generation IP-enabled network for wireless 911 calls. This will enable the PSAPs to receive the transmission of text messages, data sets, video, and photographs, and provide more flexibility to transfer calls among PSAPs and other authorized emergency organizations across the State and across State borders.

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LEGISLATORS VISIT CEDAR ROCK STATE PARK

Legislative Tour. The Department of Natural Resources (DNR) hosted a legislative tour on June 15, 2010, at Cedar Rock State Park located near Quasqueton, Iowa. In attendance were Senators Dearden, Dvorsky, and Schoenjahn, and Representatives Ficken and Sweeney.

Cedar Rock State Park. The Park includes 21.5 acres and a home that was designed by Frank Lloyd Wright. The house and land was donated to the State in 1981. The property is managed by the DNR and the residence is located on a limestone bluff overlooking the Wapsipinicon River in Buchanan County.

Cedar Rock Trust Fund. The Fund was created in 1981 at the time of the donation with an initial investment of \$1.0 million to pay for the maintenance of the home. The Fund is managed by the Cedar Rock Board of Trustees and is used for operations and repairs. In addition, the Board purchased an

additional 185 acres of land adjacent to Cedar Rock where a visitor center was built. The DNR also owns 120 acres of land adjacent to the land owned by the Trust.

Fiscal Impact. The Cedar Rock Trust Fund is low on funds and has approached the DNR to purchase the 185 acres. The DNR will also have to pay for operations at the Park that are estimated at \$250,000 per year. The DNR provided this information to the Legislators on the tour, as additional funds will be needed to pay for FY 2011 expenditures.

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DEPARTMENT OF CORRECTIONS FACILITY CLOSURES

Prison Farm Closures. The Department of Corrections (DOC) notified the LSA that it is the process of closing minimum-security beds on Farms One and Three. Approximately 88 offenders will be moved from the farms to the John Bennett Unit at the Iowa State Penitentiary at Fort Madison. Approximately 15 to 18 employees will be reassigned from the farms to the John Bennett Unit or in maximum security inside the walls. The DOC anticipates the housing units on the farms will be closed by July 2 or July 3.

Closure Required. Section 412 of SF 2088 (Government Reorganization and Efficiency Act) required Farm One to close by July 1, 2010, and Farm Three to close by January 1, 2011. The estimated savings was anticipated to be \$1,451,000 for reduced operating costs of Farm One (\$688,000) and Farm Three (\$763,000).

Fiscal Impact. Senate File 2378 (FY 2011 Justice System Appropriations Subcommittee Act) reduced the General Fund appropriation to the Iowa State Penitentiary by \$1,451,000 to reflect the savings generated by closing the minimum-security facilities located on the farms.

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SUPREME COURT CASE MAY IMPACT THE DEPARTMENT OF CORRECTIONS SEX OFFENDER TREATMENT PROGRAM

Opinion Filed. The Supreme Court filed an opinion on June 11, 2010, regarding the case of John Dykstra vs. the Iowa District Court for Jones County. Mr. Dykstra was an inmate at the Mount Pleasant Correctional Facility and filed a postconviction action challenging the Department of Corrections (DOC) ability to stop his earned time accrual because he refused to participate in the Sex Offender Treatment Program (SOTP). Mr. Dykstra pled guilty to simple assault (simple misdemeanor) and dependent adult abuse (Class D felony). The simple assault conviction was pled down from a charge of sexual abuse in the third degree. The dependent adult abuse charge was based on Mr. Dykstra's refusal to pay his wife's nursing home bill.

Background. The DOC required Mr. Dykstra to participate in the SOTP based on the alleged circumstances of the simple assault conviction, previous convictions, and his requirement to be on the Sex Offender Registry. Mr. Dykstra refused to participate in the SOTP and the DOC determined he was no longer eligible for earned time credit. Mr. Dykstra appealed that decision to the deputy warden and the appeal was denied. Mr. Dykstra then filed a postconviction petition alleging the stopping of his ability to accrue earned time credits was improper because:

- It violated the Iowa and U.S. Constitutions.
- The 2005 amendment to the law should not be applied retroactively.
- He was not currently serving time for a sex offense.
- It violated his rights to due process.
- The DOC inappropriately relied on a polygraph examination to make a classification determination.

Findings. The Supreme Court found that four of the five reasons were not valid. The Supreme Court remanded the case to the District Court because it found that Mr. Dykstra's due process rights were violated.

Options and Impact. The Office of the Attorney General is reviewing legal options. The DOC is reviewing the potential impact on its SOTP.

Fiscal Impact. The potential fiscal impact due to increased workload on treatment staff and administrative law judges may be significant.

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IDENTITY THEFT PASSPORT PROGRAM

Identity Theft Passport Program. The Crime Victim Assistance Division of the Office of the Attorney General implemented an Identity Theft Passport Program in February 2010, in compliance with Code Section 715A.9A. An Identity Theft Passport is a document issued by the Office of the Attorney General to persons that have been victims of identify theft. To receive an identity theft passport, a victim must:

- Report the crime of identity theft to local law enforcement.
- Complete the application for an identity theft passport at the law enforcement agency where the crime was reported.
- Provide documentation to local law enforcement in support of the claim of identity theft.
- Provide a current color photograph.

Verification. After the victim files an application for an identity theft passport, the law enforcement agency will complete verification for an identity theft passport. The form, crime report, and all of the documentation from the crime victim will be sent to the Crime Victim Assistance Division of the Office of the Attorney General. The Division will verify the information and issue an identity theft passport to the crime victim.

Utilization. The Identity Theft Passport may be used by the victim to show:

- To local law enforcement to help prevent false arrest of a victim of identity theft for crimes committed by an identity thief.
- A creditor to aid the creditor in its investigation of fraud.
- A credit reporting bureau which must accept the passport as an official notice of dispute on credit reports.

Fiscal Impact. Iowa is one of 10 states that issue an Identity Theft Passport. The Program is funded by the Victim Compensation Fund. The Division estimates the Program costs approximately \$10,000 annually. For more information, view the Office of the Attorney General's website at <http://www.state.ia.us/government/ag/index.html>

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NOTIFICATION OF PROTECTIVE ORDERS

Automated System. The Crime Victim Assistance Division of the Office of the Attorney General is partnering with the Criminal and Juvenile Justice Planning Division of the Department of Human Rights to create an automated notification system for domestic violence victims. The two agencies are developing the Iowa Protective Order Notification for Domestic Abuse (IPONDA) Program to provide automatic notice of delivery of protective orders or seizure of weapons to the victim or petitioner, using the Criminal Justice Information System (CJIS) as the backbone. The federal funding source is stimulus funds from the Office of the Violence Against Women, of which approximately \$268,000 is dedicated to IPONDA. The CJIS transmits justice system information, such as that of the Department of Corrections and the Judicial Branch, to other justice agencies in a common format.

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BOARD OF CORRECTIONS MEETING

Board Meeting. The Board of Corrections met June 4 at the Waterloo Residential Facility. Director Karen Herkelman, First Community-Based Corrections District Department, welcomed the Board and guests to the facility. She indicated the District Department is pursuing grants and collaborative agreements with local governments to partially offset the staff reduction due to budget cuts.

Waterloo Facility. Director Herkelman stated the Waterloo Residential Facility has 150 beds and houses both men and women. The \$6.0 million construction project for a 45-bed facility (Waterloo Women's Center for Change) will free up 26 beds for men. The facility will be collocated on a human services campus, with the Food Bank and Operation Threshold. Shared services, such as parking lots and a geothermal system, will occur. The District Department estimates a need for an additional 19.0 FTE positions in FY 2012. The facility is scheduled for completion in February/March 2011.

Director's Update. Department of Corrections (DOC) Director John Baldwin summed up meetings on mental health issues, medical issues, offender re-entry, and information technology.

Project Equinox. Director Herkelman updated the Board on Project Equinox, a mental health court in the First CBC District. The court started operating in FY 2010 and currently has 26 offenders with a projected length of stay of nine months. Approximately 50.0% are women offenders.

New Council. Deputy Director Jerry Bartruff provided information regarding Executive Order 15, which established the Ex-Offender Re-entry Coordinating Council. The goal is to create recommendations for reducing recidivism using evidence-based practices and state and local partnerships. The recommendations will be submitted to the Governor by October 2010.

Telephone System Update. Fred Scaletta informed the Board that the DOC is meeting with the Iowa Communications Network (ICN) regarding the offender telephone system. The results will be presented to the Board at a later date.

New Center Ceremony. The Board adjourned for the groundbreaking ceremony for the Waterloo Women's Center for Change.

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FINAL IOWA EMPOWERMENT BOARD MEETING

Board Meeting. The Iowa Empowerment Board met on June 4 in its last meeting before transitioning to the Early Childhood Iowa State Board. The Government Reorganization and Efficiency Act (SF 2088) recreated the Community Empowerment Initiative as the Early Childhood Iowa (ECI) Initiative. The legislation appointed the existing Iowa Empowerment Board to serve as the initial State Board for ECI.

New Designation. The Board discussed the designation of ECI Areas as specified by SF 2088. The legislation provided minimum criteria for designating local boards that will require a number of existing local empowerment boards to merge to serve as local ECI boards. The legislation specifies that an area cannot encompass more than four counties, the counties must have contiguous borders, and a single county can serve as a board only if its minimum population of children age zero through five exceeds 5,000. The legislation also provides that the ECI State Board may waive any of the criteria if it determines that exceptional circumstances exist.

Legislative Intent. Rep. Lance Horbach and Rep. Dawn Pettengill told the Board that the intent of the General Assembly, based on the floor debate prior to the adoption of the legislation, was that the restriction on single-county areas would be waived for boards that meet the criteria for "high performing" under the new Levels of Excellence designation system. The criteria for the new designation system have not yet been established and are being developed by a workgroup over the summer months. Board

President Judy McCoy Davis and others expressed concern that granting too many such waivers would result in failure to significantly reduce the number of local areas in order to improve collaboration, efficiency, and effectiveness, as was anticipated in the development of the legislation.

Board Action. Other action taken by the Board included:

- Updated guidance regarding encumbered/obligated funds for local boards, including the provision that a new board resulting from a merger of existing boards may retain each board's allowable carryforward from the previous year.
- Updated guidance regarding use of the Quality Improvement allocation within the State appropriation for School Ready Grants. The Board chose to permit the use of the funds for board support and general office expenditures related to employing a paid staff person.
- Approval of the merger of the local Empowerment boards for Henry and Washington Counties, a merger that was underway prior to the enactment of SF 2088.
- Approved a waiver request from Linn County for exemption from the statutory requirement that 60.0% of Family Support and Parent Education funds be dedicated to programs with an in-home visitation component. Statute permits a waiver if (1) the local board funds the Teaching Interventions to Empower and Strengthen Families (TIES) Program and (2) the board is more than 10.0% away from meeting the 60.0% requirement.
- Updated guidance regarding Family Support and Parent Education funding, home visitation, and the statutory 60.0% requirement.
- Approved an expansion of reporting requirements for statewide performance measures.
- Updated guidance regarding carryforward of Early Childhood (federal) funds to reflect intended practice.

First Meeting. The first meeting of the Early Childhood Iowa State Board will be September 10, 2010.

STAFF CONTACT: Robin Madison (515-281-5270) robin.madison@legis.state.ia.us

MEETINGS MONITORED

Meetings Monitored. Following is a list of meetings attended and monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
Iowa College Student Aid Commission	May 20, 2010	Dwayne Ferguson (1-6561)
Board of Corrections	May 21, 2010	Beth Lenstra (1-6301)
E911 Council	May 26, 2010	Jen Acton (1-7846)
Iowa Statewide Interoperable Communications Board	May 26, 2010	Jen Acton (1-7846)
State Fire Service & Emergency Response Council	May 27, 2010	Jen Acton (1-7846)
Study Committee on Residential Services on the Campus of the Iowa Braille and Sight Saving School	May 27, 2010	Dwayne Ferguson (1-6561)
Iowa Empowerment Board	June 4, 2010	Robin Madison (1-5270)
Iowa Accountability and Transparency Board	June 4, 2010	Holly Lyons (1-7845)
Board of Regents	June 9, 2010	Dwayne Ferguson (1-6561)
Legislative Council	June 9, 2010	Holly Lyons (1-7845)
Natural Resource Commission	June 10, 2010	Deb Kozel (1-6767)
Electrical Examining Board	June 17, 2010	Jen Acton (1-7846)
Administrative Rules Review Committee	June 8, 2010	Sue Lerdal (1-7794)
Veterans Task Force	June 9, 2010	Sue Lerdal (1-7794)
Sex Offender Research Council	June 23, 2010	Beth Lenstra (1-6301)
Smart Planning Task Force	June 23, 2010	Sue Lerdal (1-7794) Deb Kozel (1-6767) Marcia Tannian (1-7942)
Disaster Recovery Planning	June 24, 2010	Sue Lerdal (1-7794)