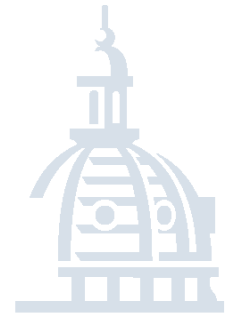


FISCAL UPDATE

Fiscal Services Division



November 4, 2013

IN THIS ISSUE

<p>School Aid Modified Allowable Growth, page 3 Iowa Workforce Development Layoffs, page 4 Water Quality Initiative Update, page 4 All-Terrain and Off-Road Utility Vehicle Study Committee, page 4 Board of Regents Performance-Based Revenue Task Force, page 5 Map – Property Tax Relief by School District, page 6 FY 2015 Budget Requests: Iowa Civil Rights Commission, page 6 Department of Justice, page 7</p>	<p>Impact of Tax Increment Financing on State School Aid, page 7 September Audio Fiscal Topics, page 9 FY 2013 Allocation Program for Veterans, page 9 September Veterans Trust Fund Balance, page 9 Meeting Summaries: State Appeal Board, page 10 Water Resource Coordinating Council, page 10 Board of Corrections, page 11 Meetings Monitored, page 12</p>
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REVENUE ESTIMATING CONFERENCE – OCTOBER MEETING

FY 2014. The Revenue Estimating Conference (REC) met on October 10, 2013, and increased the estimated FY 2014 General Fund receipts by \$38.8 million compared to the adjusted FY 2014 March REC estimate (adjusted for negative \$241.1 million in post-REC legislative changes). The REC also established initial estimates for FY 2015 General Fund revenues.

FY 2014 Revenue Estimating Conference Projection

Dollars in Millions

	Actual FY 2013	March FY 2014 Estimate	October FY 2014 Estimate	Increase (Decrease) to March Estimate	Increase (Decrease) to Actual FY 2013	Percentage Change to Actual FY 2013
Income Tax	\$4,083.9	\$4,101.3	\$4,140.8	\$39.5	\$56.9	1.4%
Sales/Use Tax	2,547.6	2,666.6	2,601.7	-64.9	54.1	2.1%
Corporate Tax	555.3	554.8	582.2	27.4	26.9	4.8%
Insurance Tax	104.9	109.4	106.8	-2.6	1.9	1.8%
Cigarette/Tobacco Tax	121.4	0.0	1.4	1.4	-120.0	-98.8%
Other Taxes	145.3	164.4	152.4	-12.0	7.1	4.9%
Total Taxes	\$7,558.4	\$7,596.5	\$7,585.3	\$-11.2	\$26.9	0.4%
Other Receipts	330.0	276.8	270.2	-6.6	-59.8	-18.1%
Gross Tax & Other Receipts	\$7,888.4	\$7,873.3	\$7,855.5	\$-17.8	\$-32.9	-0.4%
Accruals (Net)	13.1	11.1	33.3	22.2	20.2	154.2%
Refund (Accrual Basis)	-830.5	-904.4	-877.0	27.4	-46.5	5.6%
Schl. Infr. Refunds (Accrual)	-419.2	-439.0	-438.7	0.3	-19.5	4.7%
Total Net Receipts	\$6,651.8	\$6,541.0	\$6,573.1	\$32.1	\$-78.7	-1.2%
Transfers (Accrual Basis)	117.0	115.5	122.2	6.7	5.2	4.4%
Net Receipts Plus Transfers	\$6,768.8	\$6,656.5	\$6,695.3	\$38.8	\$-73.5	-1.1%

March REC estimate for FY 2014 has been adjusted for negative \$241.1 million in post-REC Legislative changes.

FY 2013. The October REC estimate for FY 2014 net General Fund receipts, including transfers, totals \$6,695.3 million, a decrease of \$73.5 million compared to actual FY 2013. The estimated FY 2014 changes for the FY 2013 amounts include:

- An increase of \$56.9 million (1.4%) in gross income tax receipts. Federal tax law changes positively impacted FY 2013 income tax receipts and are anticipated to lessen the growth in FY 2014. Additionally, downward adjustments were made to account for legislative changes impacting gross income tax revenue. The federal and State tax law changes reduced the estimated total by approximately \$64.6 million. Through October 10, 2013, gross income tax receipts were up 3.2%.
- An increase of \$54.1 million (2.1%) in gross sales/use tax receipts. Modest economic growth is anticipated to lead to a modest increase in taxable sales. Through October 10, 2013, gross sales/use tax receipts were up 4.5%.
- An increase of \$26.9 million (4.8%) in gross corporate tax receipts. Through October 10, corporate tax receipts were up 6.5%.
- A reduction of \$120.0 million in cigarette and tobacco tax. As a result of a law change enacted this past legislative session, all cigarette and tobacco tax receipts are deposited in the Health Care Trust Fund and not the State General Fund.
- A reduction of \$59.8 million in other receipts. Most of the reduction is attributable to a law change enacted this past legislative session eliminating the deposit of racing and gaming receipts to the State General Fund. Beginning in FY 2014, these receipts will now be deposited in the Iowa Skilled Worker and Job Creation Fund.

FY 2015. The REC also established initial General Fund receipt estimates for FY 2015 totaling \$6,976.6 million (an increase of \$281.3 million above the revised FY 2014 estimate). The estimated changes include an increase of 5.4% in gross income tax, 3.6% in gross sales/use tax, and 0.9% in corporate tax. The following table provides information pertaining to the REC estimate for FY 2015.

FY 2015 Revenue Estimating Conference Projection				
Dollars in Millions				
	Estimate FY 2014	October FY 2015 Estimate	Increase (Decrease) to Estimated FY 2014	Percentage Change to Estimated FY 2014
Income Tax	\$4,140.8	\$4,366.0	\$225.2	5.4%
Sales/Use Tax	2,601.7	2,696.6	94.9	3.6%
Corporate Tax	582.2	587.3	5.1	0.9%
Insurance Tax	106.8	104.5	-2.3	-2.2%
Cigarette/Tobacco Tax	1.4	0.0	-1.4	-100.0%
Other Taxes	152.4	155.4	3.0	2.0%
Total Taxes	\$7,585.3	\$7,909.8	\$324.5	4.3%
Other Receipts	270.2	270.6	0.4	0.1%
Gross Tax & Other Receipts	\$7,855.5	\$8,180.4	\$324.9	4.1%
Accruals (Net)	33.3	14.0	-19.3	-58.0%
Refund (Accrual Basis)	-877.0	-889.0	-12.0	1.4%
Schl. Infr. Refunds (Accrual)	-438.7	-447.0	-8.3	1.9%
Total Net Receipts	\$6,573.1	\$6,858.4	\$285.3	4.3%
Transfers (Accrual Basis)	122.2	118.2	-4.0	-3.3%
Net Receipts Plus Transfers	\$6,695.3	\$6,976.6	\$281.3	4.2%

Next Meeting. The next REC meeting has been scheduled for December 12, 2013. A [detailed spreadsheet](#) of the REC estimates is available on the LSA website.

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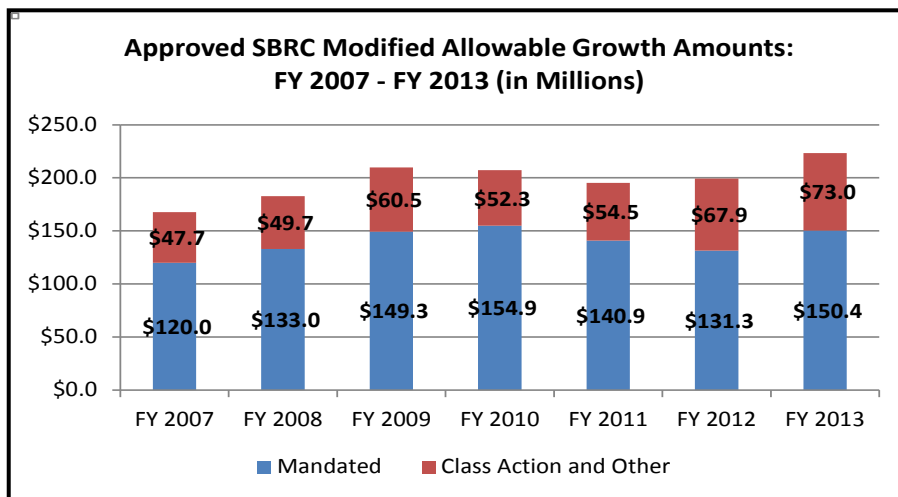
SCHOOL AID MODIFIED ALLOWABLE GROWTH

School Budget Review Committee Duty. During the 2012-2013 school year, the School Budget Review Committee (SBRC) met three times (October 8, 2012, December 10, 2012, and March 25, 2013). Among the specific duties of the SBRC is the ability to establish modified allowable growth (MAG) to school districts for certain circumstances. The amount of approved MAG provides the impacted school districts with increased spending authority. Generally, the increased spending authority may eventually be funded with local property taxes.

Modified Allowable Growth Established. In FY 2013, the SBRC established a total MAG amount of \$223.4 million. This included \$150.4 million for provisions the SBRC specified as mandated, \$60.7 million for provisions the SBRC has specified as class action, and approximately \$12.3 million for other provisions. Specifically:

- The mandated provisions are MAG requests that Iowa Code requires the SBRC to approve. In FY 2013, these included: costs associated with an asbestos abatement project totaling \$1.1 million; special education deficit fund balance totaling \$52.1 million; and returning dropout and dropout prevention programs totaling \$97.2 million.
- The class action provisions, in general, are MAG requests that the SBRC approves en bloc. In FY 2013, these included: increased enrollment (also referred to as on-time funding) totaling \$35.1 million; open enrollment out for students not included in the prior year’s certified enrollment totaling \$18.5 million; and costs associated with instructing limited English proficient (LEP) students where the supplementary weighting provision has expired totaling \$7.0 million.
- Other provisions include unusual circumstances in which MAG requests are made to the SBRC and require SBRC discretion. For FY 2013, these included: start-up costs associated with opening new schools/programs totaling \$5.0 million, MAG for negative unspent balances totaling \$1.2 million, additional LEP costs approved on a district-by-district basis totaling \$4.4 million, and MAG for use of secretary’s balance (unexpended fund balance) totaling \$1.8 million.

The following chart provides the SBRC-approved modified allowable growth amounts by provision type from FY 2007 through FY 2013. The total amounts have fluctuated from \$167.6 million in FY 2007 to \$223.4 million in FY 2013. For the years displayed, the mandated provisions have annually accounted for a majority of the overall total, ranging from 65.9% in FY 2012 to 74.8% in FY 2010.



The Department of Education posts agendas and meeting notes of each of the [SBRC meetings](#). Additionally, the LSA maintains historic data on the amount of MAG approved by the SBRC by school district and reason. Please contact the LSA for additional information.

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IOWA WORKFORCE DEVELOPMENT LAYOFFS

Temporary Layoffs. Due to the federal government shutdown that began on October 1, 2013, Iowa Workforce Development (IWD) implemented temporary layoffs for employees funded through revenue streams that were impacted by the shutdown. The temporary layoffs that occurred impacted different collective bargaining agreements and administrative rules that pertained to the employees. The temporary layoff status allowed employees to continue to accrue vacation and sick leave and the state still paid its portion of the health insurance premiums. Due to provisions in the collective bargaining agreement, in some instances, the lowest seniority employee within a job classification was laid off regardless of the program funding. The major programs impacted are detailed below by division.

- **Division of Labor:** The Occupational Safety and Health Administration Enforcement and Consultation Programs had layoffs that included 16.0 Senior Hygienists, 14.0 Health and Safety Consultants, 2.0 Attorneys, and 2.0 Public Service Executives (PSE).
- **Field Operations:** Funding for the Disabled Veteran Outreach Program was impacted. Temporary layoffs included 14.0 Workforce Advisors and 1.0 Workforce Associate.
- **Labor Market Information:** Funding for all Bureau of Labor Statistics programs ceased. Temporary layoffs included 11.0 Labor Market Research Economists and 1.0 PSE.

Additionally there was a layoff in the Workforce Administration Division for 1.0 Executive Officer and 9.0 Information Technology Specialists in the Information Technology section.

Salary Reimbursement. With the enactment of the federal continuing resolution, the federally-funded employees that were temporarily laid off due to the shutdown will receive their pay as if the shutdown never happened. However, due to the provision of the American Federation of State, County and Municipal Employees (AFSCME) union contract that requires the least senior employee to be temporarily laid off, some nonfederally-funded impacted program positions were laid off and ineligible for federal reimbursement. The IWD plans to use money from the Special Contingency Fund (also known as the Penalty and Interest or P&I Fund) to pay employees that are not covered by this reimbursement.

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WATER QUALITY INITIATIVE UPDATE

New Website. A new website was launched on October 28, 2013, called [Cleanwater Iowa](#). The website provides information related to the Water Quality Initiative and includes information on conservation practices for the following categories: farmers, urban areas, and city/industrial sites. Each category describes conservation practices that are available as well as allows people to submit information on practices that they have completed.

Water Quality Initiative Coordinator. The Department of Agriculture and Land Stewardship (DALs) announced on October 17, 2013, that the new Water Quality Initiative Coordinator is Matt Lechtenberg. Matt has worked for the DALs since 2006, and he most recently worked as a Senior Environmental Specialist.

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ALL-TERRAIN AND OFF-ROAD UTILITY VEHICLE STUDY COMMITTEE

Meeting Summary. The All-Terrain Vehicle (ATV) and Off-Road Utility Vehicle Study Committee met on October 28, 2013, in Des Moines. The Study Committee was chaired by Senator Brase and Representative Moore and the following was discussed:

- The Committee members viewed ATV models in the parking lot near the Capitol.
- David Downing, Snowmobile and ATV Program Coordinator, Department of Natural Resources (DNR), and Mark Lowe, Director of Vehicle Services, Department of Transportation (DOT), discussed

issues related to the current registration process for off-road vehicles. The following is a summary of vehicles registered in Iowa.

Vehicles Registered		
Vehicle Type	# Registered	% to Total
All-Terrain Vehicle	28,222	55.2%
Off Road Vehicle	7,907	15.5%
Off Road Motorcycle	7,824	15.3%
Farm Registrations	4,835	9.5%
Nonresident User Permits	2,315	4.5%
Total	51,103	100.0%

- Other topics discussed included issues related to vehicle registration, law enforcement issues, and driver safety issues.

Recommendations. The members of the Study Committee discussed the issues that were presented and agreed to meet during the legislative session on [HF 619 \(All-Terrain Vehicles on Secondary Roads Bill\)](#). The Bill passed the House and members agreed to meet with stakeholders to discuss the legislation.

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BOARD OF REGENTS PERFORMANCE-BASED REVENUE TASK FORCE

Task Force Created. The Board of Regents Performance-Based Revenue Task Force was created and appointed by former Board President Craig Lang to review historical funding levels for general university funding and consider future funding needs in light of the distinct missions of the three universities. The Task Force provides recommendations to the Board of Regents regarding methods of allocating funding to link dollars more directly to priorities. Mr. Lang appointed former Regent David Miles as chairperson of the Task Force. The other members include Katie Mulholland, Regent President Pro Tem; and Len Hadley, Cara Heiden, and Mark Oman, community representatives with financial expertise.

Meeting. The Task Force met on October 28, 2013, at the Board's office. The group reviewed the history of State funding for the Regent universities and requested a variety of additional information. Art Hauptman, an independent public policy consultant specializing in higher education finance issues, discussed national trends in state funding and governance, the features of a good funding model, and his suggestions for reforming Iowa's financing of higher education.

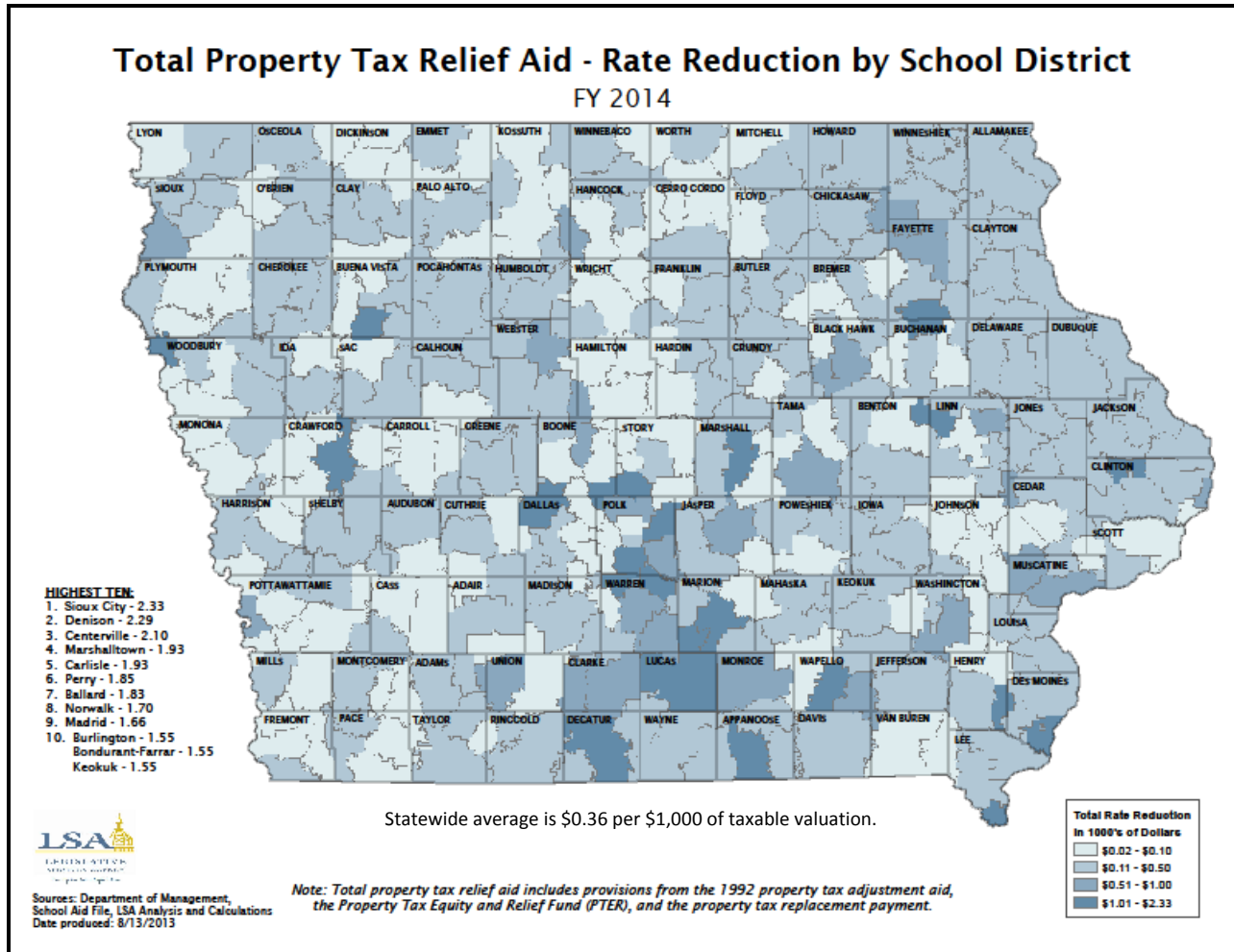
Future Plans. The Task Force plans to meet again in November and in January to review performance-based funding of higher education in the United States. In February, the group will meet with the three university presidents to discuss metrics and outcomes. Beginning in April, development of final recommendations will begin. Those recommendations will be presented to the Board of Regents on June 4, 2014.

More Information. Mr. Hauptman's presentation and other information regarding the Task Force are available here: <http://www.regents.iowa.gov/Meetings/MeetingNotices/PBRMmeetingnotice1018133.pdf>.

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MAP – PROPERTY TAX RELIEF BY SCHOOL DISTRICT

Map. The following map shows total property tax rate reductions by school district and by type of reduction. The Iowa school aid formula has three provisions that provide direct property tax relief to school districts. These provisions provide State dollars in place of local property taxes based on various factors specified in each provision. This map provides the *total* property tax relief by school district for fiscal year 2014. Rates shown are per \$1,000 in taxable valuation. View an interactive version of the map at: <http://iowa-legis.maps.arcgis.com/apps/StorytellingTextLegend/index.html?appid=7b527a99fba841f5b7566d4719b45f18>. This map and others are available at: <https://www.legis.iowa.gov/Resources/Mapping/mapOfTheWeek.aspx>.



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IOWA CIVIL RIGHTS COMMISSION FY 2015 BUDGET REQUEST

FY 2015. The Iowa Civil Rights Commission is requesting \$1.2 million from the General Fund in FY 2015. This is a voluntary 10.0% reduction of \$130,000 compared to FY 2014. The reduction is possible due to decreased reimbursement for the assigned Assistant Attorney General, reduction in overall personnel costs, and efficiencies in travel, advertising, outside services, and office supplies.

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DEPARTMENT OF JUSTICE FY 2015 BUDGET REQUEST

Department. The Attorney General is the head of the Department of Justice that includes the Office of the Attorney General, the Prosecuting Attorney Training Coordinator, Crime Victim Assistance Program, and administration of the Legal Services Poverty Grants Program. The Department also includes the Office of the Consumer Advocate that is funded from the Department of Commerce Revolving Fund.

FY 2015. The Attorney General is requesting \$17.3 million from the General Fund in FY 2015; this is an increase of approximately \$394,000 (2.3%) compared to the estimated FY 2014 appropriation. Changes include:

- \$175,000 increase for the Criminal Appeals and Area Prosecutions Divisions as recommended by the Governor last year.
- \$219,000 increase for Legal Services Poverty Grants as recommended by the Governor last year.

Letter. Chief of Staff Eric Tabor submitted a letter with the budget that asks the Governor to support an increase of \$800,000 in the expenditure cap on the Consumer Education and Litigation Fund for FY 2015 and FY 2016. The Fund is created in Iowa Code section [714.16C](#); receipts from consumer fraud settlements and judgments are deposited in the Fund and are used by the Office of the Attorney General to operate the Consumer Protection Division.

Background. The General Assembly set the spending authority from the Fund at \$2.0 million for FY 2009 through FY 2013. In [SF 447](#) (Justice System Appropriations Act), the General Assembly amended Iowa Code section [714.16C](#) to permanently set the cap at \$2.0 million. This change was vetoed by the Governor and resulted in a reduction of \$800,000 in spending authority for FY 2014. The Office of the Attorney General is using internal funds to meet existing operating costs for the Consumer Protection Division in FY 2014.

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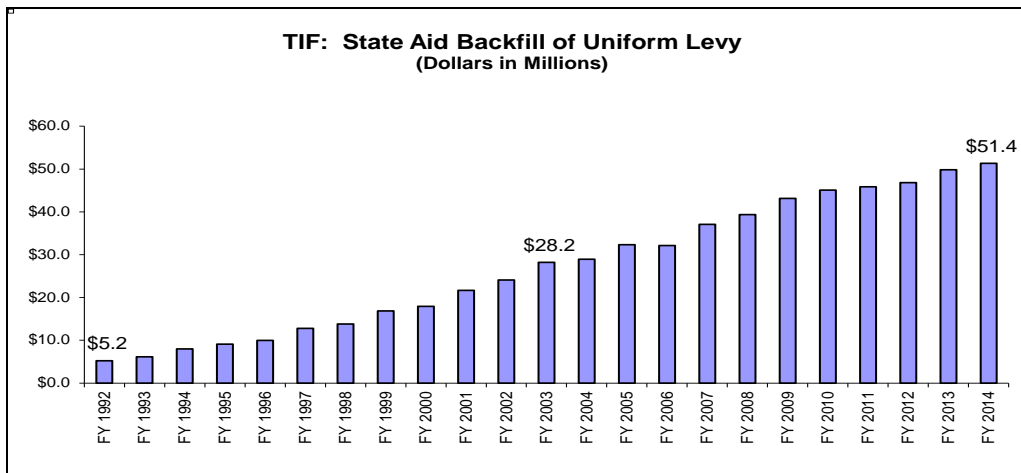
IMPACT OF TAX INCREMENT FINANCING ON STATE SCHOOL AID

Formula. The Iowa school aid formula includes a per pupil foundation level composed of the base portion funded through a uniform levy (\$5.40/\$1,000 of assessed value) and State aid up to the foundation level (87.5% for the regular program per pupil amount), and an additional levy that provides the remaining portion of the per pupil amount. In general, school districts with a higher valuation per pupil will generate more funding from the uniform levy and less in State aid compared to districts with a lower valuation per pupil.

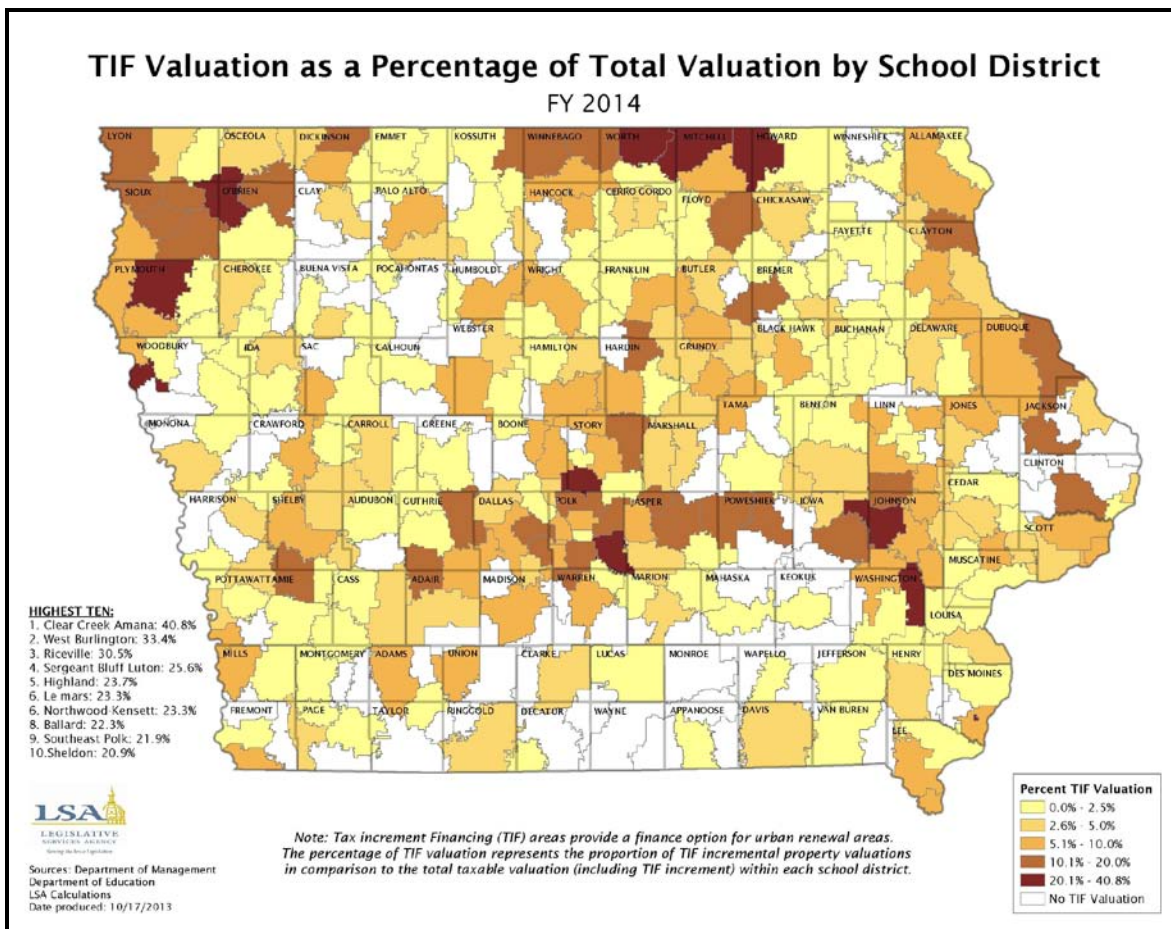
Taxable Valuation. Because the taxable valuation is a significant factor for determining the State aid and property tax mix to the foundation funding level, changes in taxable valuation will impact the state aid and property tax amounts required for the foundation funding level. For instance, a reduction in taxable valuation will lead to an increase in State aid and reduction in uniform levy to fund the foundation amount.

Tax Increment Financing (TIF). In Iowa, TIF is an economic development tool that provides public financing for specific projects within a designated area in a local government jurisdiction (usually cities or counties). These projects are funded, in part, by local property taxes. In general, property taxes generated from the incremental value (this is valuation growth above the base year assessed value) within the project area are retained by the local jurisdiction for the specific project purposes. Because school districts do not receive the uniform levy amount that is generated from the TIF incremental valuation, State aid makes up for the difference in funding the foundation level amount for each school district.

State Aid and TIF. The following chart shows the amount of uniform levy made up by State aid due to the TIF incremental valuation. The amount has increased every year and totaled \$51.4 million in FY 2014. The average annual growth rate between FY 1992 and FY 2003 was 16.6% but has since slowed, averaging 5.6% between FY 2003 and FY 2014.



Map. Of the 346 school districts in FY 2014, 263 (76.0%) had TIF increment valuation within the district boundaries and 83 (24.0%) had none. The following map provides the percentage of TIF incremental valuation to total taxable valuation for each school district in FY 2014. In general, total school revenue amounts are not directly reduced by TIF incremental values. However, for a portion of the total school district levy amounts (this includes the additional levy, management levy, and cash reserve levy), the tax rate required to attain the specific revenue level required is increased because the local jurisdiction keeps the revenue generated from that portion of the school district levy for TIF projects. The LSA has calculated that statewide, the average impact on school district levies was \$0.4252/\$1,000 of assessed valuation.



Additional Information. For additional information pertaining to the TIF impact on school district funding, please contact the LSA.

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SEPTEMBER AUDIO FISCAL TOPICS

Audio. The following audio fiscal topics were published in September.

Title	Description
Iowa Correctional Institution for Women at Mitchellville	Interview by Beth Lenstra with Patti Wachtendorf, Warden of the Iowa Correctional Institution for Women at Mitchellville, regarding Patti's career in corrections, the gender-specific treatment programs for women at Mitchellville, and the new construction taking place at Mitchellville.
7th Judicial District Department of Correctional Services, Community-Based Corrections (CBC)	Interview by Beth Lenstra with Jim Wayne, Director of the 7th Judicial District, Department of Correctional Services, Community-Based Corrections (CBC), regarding Jim's career in corrections, the history of CBCs, CBC treatment programs, and budget issues.

Website. The interviews can be found on the Iowa General Assembly website under LSA Publications, Fiscal Analysis, Fiscal One-On-One Audio.

<https://www.legis.iowa.gov/LSAReports/AudioVideo/fiscalOneOnOnesAudio.aspx>

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FY 2013 ALLOCATION PROGRAM FOR VETERANS

Fund. The Department of Veterans Affairs annually allocates \$10,000 to each county from the County Commissions of Veterans Affairs Fund. The Fund was created in [2008 Iowa Acts, chapter 1130](#), to assist County Commissions of Veterans Affairs in complying with legislative requirements for employing a county veteran service officer who is nationally accredited through the National Association of County Veterans Service Officers; who is occupied in veterans affairs for a minimum number of hours; and who maintains an office in a location owned or leased by the county.

Appropriations. Funding is allocated annually to the counties pursuant to a standing appropriation by the General Assembly to the Iowa Department of Veterans Affairs in the Health and Human Services Appropriations Act. The General Assembly appropriates \$990,000 to fund this program.

FY 2013. Of the \$990,000 appropriated for FY 2013, \$46,000 was unspent for a total spent of \$944,000. The money is most commonly used for office rent, office supplies and equipment, outreach, state and national training, part-time office help, and increasing office hours and personnel.

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SEPTEMBER VETERANS TRUST FUND BALANCE

Fund Balance. As of September 30, 2013, the Veterans Trust Fund balance is \$18.1 million. The total principal balance is \$17.6 million. The Trust Fund's total remaining amount for expenditure (including the interest income and the lottery transfer) is approximately \$360,000. Expenditures to date for FY 2014 totaled approximately \$27,000.

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STATE APPEAL BOARD MEETING

Meeting. The State Appeal Board met October 7, 2013, at the State Capitol. The Board approved:

- \$27,000 in payment for general claims. The largest claim was \$10,000 to repay a claimant for a civil penalty that was overturned by the Court of Appeals.
- \$9,500 in denied claims.
- \$32,000 in payment for tort claims. The largest combined claim of \$30,000 was related to a car accident involving a Department of Agriculture and Land Stewardship employee. The employee is attending defensive driving class. Payment of this claim averts incurring additional expenses relating to a potential lawsuit.
- \$74.6 million in tort claims denied.
- \$5.3 million in tort claims withdrawn.

Settlements. The State Appeal Board approved three new settlements:

- \$98,250 as the State's share for a medical malpractice claim at the University of Iowa Hospitals and Clinics (UIHC). The lawsuit alleged medical negligence for failure to diagnose a left talus fracture that healed in an abnormal position with a resulting impairment and loss of earning capacity. Approximately \$163,750 will be paid by the University of Iowa physicians.
- \$4,000 to settle an allegation that confidential medical information in an email was distributed to unintended recipients.
- \$225,000 to settle a film tax credit case related to the movie, *Field of Screams*.

Software. The Board discussed its current claims management system that is paper intensive; it was created in 1986. The Board is reviewing its options, including the potential use of a claims management system developed by the Department of Transportation or a case litigation tracking system used by the Office of the Attorney General.

Next Meeting. The next meeting of the State Appeal Board is scheduled for November 5, 2013.

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WATER RESOURCE COORDINATING COUNCIL MEETING

Meeting Summary. The Water Resource Coordinating Council (WRCC) met on September 26, 2013, in Des Moines to discuss the following:

- Bill Northey, Secretary of Agriculture, provided an update on the Hypoxia Task Force meeting that was held on September 23, 2013, in Minneapolis. He reported that all of the 12 participating states have either completed a plan or have a strategy plan in place to address water quality issues. The [Hypoxia Task Force](#) was created to address the hypoxic zone in the Gulf of Mexico that results from excess nutrients from the Mississippi River. This includes point sources of water pollution or sources that are from direct discharges into the water and nonpoint sources that result from land runoff, precipitation, drainage, or other sources that cannot be easily identified. Refer to the federal Environmental Protection Agency [website](#) for additional information.
- Jim Gillespie, Department of Agriculture and Land Stewardship (DALs), provided an update on the implementation of the Water Quality Initiative for nonpoint sources of water pollution. During the past two months, the Department has allocated \$2.8 million for new conservation practices for 120,000 acres of land. The planting of cover crops was the predominant practice, covering 106,000 acres. Shawn Richmond, DALs, also reported that the Request for Proposal (RFP) applications for projects in the targeted watersheds is due on September 30. The Department is allocating \$5.5 million for these projects and they will be reviewed by a group of people from various State and federal agencies prior to approval.
- Adam Schnieders, Department of Natural Resources (DNR), provided an update on implementation of the Water Quality Initiative for point sources of water pollution. The Department has issued four permits to companies or cities and has another six permits under review.

- Marty Adkisson, federal Natural Resource Conservation Service (NRCS), provided an update on soil health and how it relates to the Water Quality Initiative. He reported that use of cover crops has increased from 4,000 acres planted in 2009 to almost 89,000 acres planted in 2013.
- Lori Beary, Iowa Finance Authority, discussed a new program using the State Revolving Loan Fund (SRF). The Fund is primarily used to fund wastewater treatment facilities; however, a municipality can now borrow money from the SRF but use a portion of the interest that was to be paid back to the Fund for a second project that would address nonpoint source water pollution. Currently, there are 23 applications under review requesting \$13.0 million.

Public Comment. The Council listened to public comments and the meeting was adjourned.

Additional Information. The next meeting will be held on November 20, 2013, in Des Moines. For additional information, refer to the Department's [website](#).

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BOARD OF CORRECTIONS MEETING

Meeting. The Board of Corrections met October 28, 2013, at the Iowa Correctional Institution for Women at Mitchellville. Warden Patti Wachtendorf welcomed the Board and guests, and invited them to stay for the ribbon cutting at 11:00 a.m. Significant agenda items included:

- **Director's Report.** Director John Baldwin informed the Board of the Midwest Directors meeting held in Des Moines. This is a regional association of the Association of Correctional Administrators (ASCA) comprised of thirteen Department of Corrections (DOC) directors. Members received a report on trans-gender issues of inmates; this is expected to become more prevalent in the future. Iowa was recognized as the State with the highest percentage of mentally ill offenders in prison; however, this may be due to identifying, reporting, and treating mentally ill offenders. The Iowa DOC is the largest provider of mental health treatment in the State.
- **PREA.** The Director updated the Board on compliance with the federal Prison Rape Elimination Act (PREA). The federal Department of Justice is not providing an adequate number of trained auditors. The Midwest Directors will train staff and audit each other. A State has to be in 100.0% compliance in order to pass the audit. It is unlikely any state will pass an audit; the Director estimates Iowa is at 97.0% of compliance with federal regulations. The State prisons and Community-Based Corrections (CBC) residential facilities fall under the State's responsibility to ensure compliance. County jails and Department of Human Services (DHS) juvenile facilities must also pass federal audits.
- **Telepsychiatry.** The DOC received \$398,000 in new funding from the General Fund in FY 2014 to establish a telepsychiatry unit at Oakdale to serve the CBC District Departments and prisons. The first telepsychiatry sessions were held last week for offenders at Fort Dodge, Dubuque, and Des Moines. The DOC is trying to purchase a video conferencing system to provide more telepsychiatry across the State. The DOC will be the largest user of video conferencing technology over the Iowa Communications Network (ICN) once the CBC District Departments come on line with telepsychiatry.
- **Incident Command System (ICS).** Doug Bolton from the Iowa State Penitentiary provided information to the Board on the Incident Command System (ICS). The ICS applies to all hazardous incidents within the prison system, ranging from offenders fighting to a full riot. The ICS is used to provide cross training for the multi-jurisdictional support team in place at each Institution, so that all team members understand command and control structure, use the same language, and understand their role in an emergency. Team members include, but are not limited to, State and local law enforcement, emergency medical staff, and local medical staff.
- **Board Recognition.** The Board recognized members of the transition teams at Mitchellville and Fort Madison, construction contractors and consultants, and family members of Laura Farris (former Learning Center Director who died in early 2013).

Next Meeting. Upon discussion, the Board decided to hold the November meeting at the new Waterloo Women's Center for Change on November 22, 2013, and to attend that facility's ribbon cutting ceremony.

STAFF CONTACT: Beth Lenstra (515-281-6301) Beth.Lenstra@legis.iowa.gov

MEETINGS MONITORED

Meetings Monitored. The following meetings were monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
E911 Council	9/25/2013	Jen Acton (281-7846)
Iowa Statewide Interoperable Com. System Board	9/25/2013	Jen Acton (281-7846)
Criminal Justice Information System	9/26/2013	Jen Acton (281-7846)
Water Resource Coordinating Council	9/26/2013	Deb Kozel (281-6767)
Iowa Arts Council	9/30/2013	Kent Ohms (725-2200)
Iowa Finance Authority Board of Directors	10/2/2013	Kent Ohms (725-2200)
Municipal Fire and Police Retirement System	10/10/2013	Jen Acton (281-7846) and Dave Heuton (725-0509)
State Appeal Board	10/7/2013	Beth Lenstra (281-6301)
Administrative Rules Review Committee	10/8/2013 10/9/2013	Adam Broich (281-8223) and Beth Lenstra (281-6301)
Natural Resource Commission	10/10/2013	Deb Kozel (281-6767)
Electrical Examining Board	10/17/2013	Jen Acton (281-7846)
Iowa Economic Development Authority Board Meeting	10/18/2013	Kent Ohms (725-2200)
Board of Regents Performance-Based Revenue Task Force	10/18/2013	Robin Madison (281-5270)
Background Check Study Committee	10/21/2013	Ron Robinson (281-6256)
Peace Officers Retirement System	10/21/2013	Jen Acton (281-7846) and Dave Heuton (725-0509)
School Finance Roundtable	10/23/2013	Shawn Snyder (281-7799)
Public Retirement Interim Committee	10/23/2013	Jen Acton (281-7846) and Dave Heuton (725-0509)
Board of Corrections	10/28/2013	Beth Lenstra (281-6301)
ATV and Off-Road Vehicle Study Committee	10/28/2013	Deb Kozel (281-6767)

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