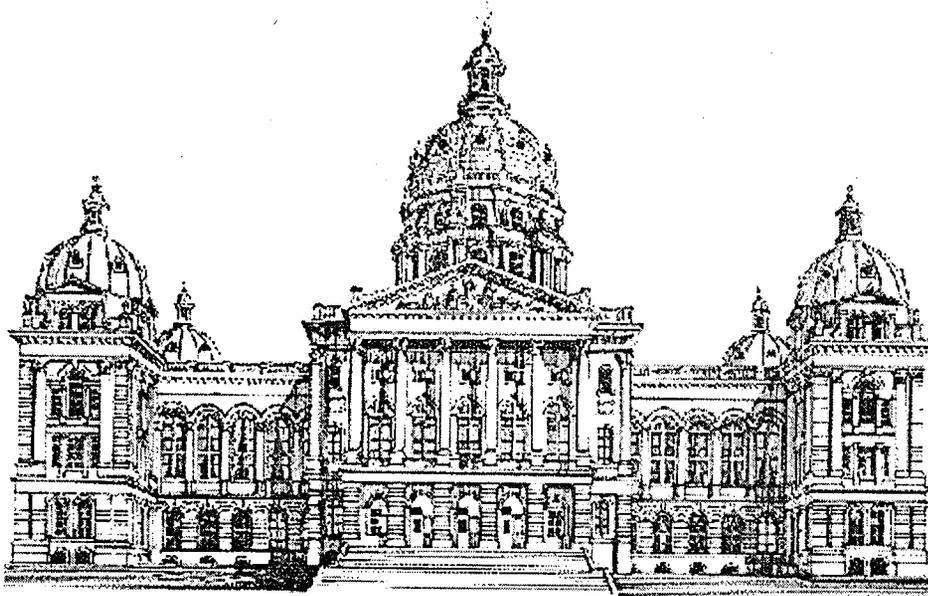


**STATE OF IOWA
SUMMARY OF FY 2000 BUDGET
AND
GOVERNOR'S RECOMMENDATIONS**



**Legislative Fiscal Bureau
January 1999**

FOREWORD



The purpose of this document is to provide the General Assembly with information concerning FY 2000 General Fund estimated receipts, departmental requests, and Governor's recommendations. This information provides an overall summary of the State Budget and is intended to help the General Assembly take a proactive approach toward the budgetary process.

The emphasis of this document is to provide an overview of the General Fund, including revenues, expenditures, and FTE positions to all members of the General Assembly. The Legislative Fiscal Bureau (LFB) will have detailed budget documents for each appropriations subcommittee containing an overview and analysis of departmental budgets and Governor's recommendations. The appropriations subcommittees can use the documents for consideration of the FY 2000 budget.

The LFB provides a series of computer programs to allow legislators and legislative staff on-line access to several LFB products. The explanation and list of products are detailed in Appendix E titled Electronic Publishing of Information. A logo has been designed to assist in the location of products associated with the Electronic Publishing of Information. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.



If you need additional detail information regarding a departmental request or Governor's recommendation, Appendix F contains a list of LFB staff members and assignments. The individual analysts have the detail information concerning each request.



Questions concerning this document should be directed to Dennis Prouty, LFB Director, (515) 281-5279.

TABLE OF CONTENTS

	Page
Document Notes	1
1999 Iowa Legislative Session Timetable	3
Expenditure Limitation	
Explanation of the Accounts	4
Table - Flow of General Fund Revenues After Expenditure Limitation	7
Flowchart - Flow of General Fund Revenues After Expenditure Limitation	9
Revenue	
FY 2000 Revenue Estimates	10
Table - Projected Condition of the General Fund	11
Chart - General Fund Receipts and Percent of Growth FY 1990 - FY 2000	13
Chart - FY 2000 Estimated General Fund Receipts	14
Table - FY 1999 - FY 2000 Revenue Projection for the General Fund	15
Budget Issues	
Overview of FY 2000 Governor's Recommendations	16
Chart - FY 2000 Governor's General Fund Recommendations	21
Salaries and Collective Bargaining	22
Criteria for Evaluation of Tax Policies	25
FY 2000 Tax Issues	28
Property Tax Issues	33
Federal Funding Issues	41
Prisons and Growth in the Prison Population	45
The Fight Against Methamphetamine	51
Iowa Communications Network	54
Iowa School Foundation Formula	59
Education Issues	63
Children's Health Insurance Program	69
Environmental Issues	72
Infrastructure, Deferred Maintenance, Major Maintenance, and New Construction	76
Legislative Oversight Committee Major Issues	85
Legislative Fiscal Committee Major Issues	88
Estimated General Fund Expenditure Increases and Decreases	92
FY 2000 Budgets and Subcommittee Issues	
Overview	94
Administration and Regulation Appropriations Subcommittee	95
Agriculture and Natural Resources Appropriations Subcommittee	100
Economic Development Appropriations Subcommittee	107
Education Appropriations Subcommittee	112
Health and Human Rights Appropriations Subcommittee	120
Human Services Appropriations Subcommittee	124
Justice System Appropriations Subcommittee	135
Transportation, Infrastructure, and Capitals Appropriations Subcommittee	145
Oversight and Communications Appropriations Subcommittee	157
Appendices	
General Fund Appropriations Tracking by Subcommittee	A-1
FY 2000 Built-in and Anticipated Increases or Decreases	B-1
Glossary of Budget Terms	C-1
<i>Issue Review</i> Series	D-1
Electronic Publishing of Information	E-1
LFB Staff Listing	F-1

DOCUMENT NOTES

When Reviewing This Document, Please Note The Following:

Section 8.35A (2) Code of Iowa, requires the Department of Management (DOM) to transmit the Governor's recommendation to the Legislative Fiscal Bureau (LFB) by January 1 or no later than the date the Governor's budget document is delivered to the printer. The information in this document is based upon the January 21, 1999, budget tape received by the LFB. In some instances a department request may have been changed from the time the Department Request Summary was published in early December.

On January 26, 1999, the Governor modified his original recommendation for Mental Health Property Tax Relief. The new recommendation is \$115.0 million, an increase of \$5.0 million from his original recommendation of \$110.0 million. This \$5.0 million is not reflected in this Summary Document.

Other items worth noting when reviewing this document include:

- Any new concept or significant modification to funding in the Governor's recommendation but not in a department request is preceded by this symbol, ❖.
- *Any new concept introduced by the Governor and discussed within departmental issues is indicated by italics.*
- Revenues and expenditures are estimated for FY 1999 and FY 2000.
- The FY 1998 data includes supplemental appropriations and salary adjustments, but not appropriation transfers or reversions. The FY 1999 and FY 2000 data does not include supplemental appropriations, salary adjustments, appropriation transfers, or reversions.

This document contains the following appendices:

- **Appendix A** is an appropriations tracking document showing General Fund, Other Fund, and FTE position appropriations by subcommittee.
- **Appendix B** is a listing of the projected FY 2000 built-in and anticipated expenditure increases and decreases compared to estimated FY 1999.
- **Appendix C** is a glossary of budget terms.
- **Appendix D** contains a listing of the *Issue Reviews* completed by the LFB during the 1998 Interim.
- **Appendix E** contains an explanation and list of products available through the LFB's Electronic Publishing of Information. A logo has been designed to assist in locating products available electronically. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.
- **Appendix F** contains the LFB staff listing and assignments.



1999 IOWA LEGISLATIVE SESSION TIMETABLE

(If Legislative Rules remain unchanged)

- **January 11** - First day of Session.
- **February 19** - Final day for individual requests for bill drafts to be submitted to the Legislative Service Bureau.
- **March 12** - Final day for House bills to be reported out of House committees and Senate bills out of Senate committees.
- **March 15 - 19** - House considers only House bills and unfinished business and Senate considers only Senate bills and unfinished business.
- **March 22 - April 2** - Debate not limited by rule.
- **April 2** - Final day for Senate bills to be reported out of House committees and House bills to be reported out of Senate committees.
- **April 5 - April 9** - House considers only Senate bills and unfinished business and Senate considers only House bills and unfinished business.
- **April 12** - Amendments need not be filed on the day preceding floor debate.
- **April 12** - Only the following bills are eligible for consideration:
 - Appropriations bills
 - Ways and Means bills
 - Legalizing Acts
 - Bills co-sponsored by Majority and Minority Leaders
 - Companion bills sponsored by House and Senate Majority Leaders
 - Conference Committee Reports
 - Bills passed by both Houses in different forms
 - Concurrent or Simple Resolutions
 - Bills on the Veto Calendar
 - Administrative Rules Review Committee bills
 - Joint resolutions nullifying Administrative Rules
 - Unfinished business
- **April 30** - 110th day of the Session.



EXPENDITURE LIMITATION ACCOUNTS

Cash Reserve Fund (CRF)

- The Cash Reserve Fund Account requires a balance of 5.0% of the adjusted revenue estimate for the General Fund.
- The year-end General Fund surplus (ending balance) is appropriated to the Cash Reserve Fund.
- Interest on moneys deposited in the Fund is credited to the Rebuild Iowa Infrastructure Fund.
- ❖The Governor is recommending that the interest on money deposited in the Cash Reserve Fund be credited to the Rebuild Iowa Distribution Account.
- Moneys in the Cash Reserve Fund may be used for cash flow purposes, but shall be returned by the end of the fiscal year.
- Appropriations from the Fund are allowed if:
 - The appropriation is for a non-recurring emergency expenditure.
 - Funding is contained in a bill or resolution in which the appropriation is the only subject matter.
 - The appropriation is approved by a majority of the members of both chambers and the Governor if the Fund is not reduced to below 3.0%. Approval of 60.0% of the members of both chambers and the Governor is required if the Fund is to be reduced below 3.0% of the adjusted General Fund revenue estimate.



Generally Accepted Accounting Principles (GAAP) Deficit Reduction Account

- The Generally Accepted Accounting Principles (GAAP) Account receives the amount of Cash Reserve Fund moneys in excess of the required balance.
- The Department of Management must annually file with both houses of the General Assembly a schedule of the items for reducing the GAAP deficit.
- Moneys which exceed the amounts required to retire the GAAP deficit are appropriated to the Economic Emergency Fund.

Iowa Economic Emergency Fund (EEF)

- The maximum balance of the Economic Emergency Fund Account is 5.0% of the adjusted revenue estimate for the General Fund. Moneys in excess of the required 5.0% are transferred to the General Fund.
- Interest on moneys deposited in the Economic Emergency Fund is credited to the Rebuild Iowa Infrastructure Fund.
- ❖The Governor is recommending that the interest on money deposited in the Iowa Economic Emergency Fund be credited to the Rebuild Iowa Distribution Account.
- Moneys in the Economic Emergency Fund may be used for cash flow purposes, but shall be returned by the end of the fiscal year.
- Appropriations from the Fund require approval of a majority of the members of both chambers and the Governor's signature for an emergency expenditure.
- These funds are also known as the budget stabilization or Rainy Day Funds.

Rebuild Iowa Infrastructure Fund (RIIF)

- Funds in the Rebuild Iowa Infrastructure Fund Account shall be used for public infrastructure-related expenditures.
- All racing and gaming receipts in excess of \$60.0 million shall be credited to the Rebuild Iowa Infrastructure Fund.
- Interest on moneys deposited in the Cash Reserve Fund and the Economic Emergency Fund is credited to the Rebuild Iowa Infrastructure Fund. Interest generated from the Rebuild Iowa Infrastructure Fund remains in the Fund. 
- The General Assembly may provide that all or part of the moneys deposited in the GAAP Account may be transferred to the Rebuild Iowa Infrastructure Fund Account instead of the Economic Emergency Fund Account.
- ❖The Governor is recommending the creation of a Rebuild Iowa Distribution Account to replace the Rebuild Iowa Infrastructure Fund (RIIF). This Account will be funded by the present resources of the RIIF; a diversion of the \$60.0 million of Gambling Revenue from the General Fund; and transferring \$5.0 million from the Underground Storage Tank Fund. The expenditures of this newly created account will be appropriated to an Infrastructure Fund, a Technology Assurance Fund, and a Recreation, Environment, and Cultural Fund.

Senate Joint Resolution 1

The 1998 General Assembly passed two proposed constitutional amendments (SJR 2004). The first amendment includes provisions of the expenditure limitation law including:

- Limiting spending to 99.0% of revenues.
- Limiting spending of any new revenue source to 95.0% of the new revenue.
- Creating a 10.0% surplus requirement. Expenditures from the 10.0% pool of funds would require a three-fifths majority vote of the General Assembly.

The second amendment would require a three-fifths majority to increase personal income taxes, corporate income taxes, sales taxes, or use taxes. Additionally, the amendment would require a three-fifths majority to enact a new State tax.

Both proposed constitutional amendments would need to be passed in identical forms by either the first or second session of the 78th General Assembly. Senate Joint Resolution 1 is identical to SJR 2004 and passed the Senate on January 20, 1999. The proposed amendments would then be submitted to the voters for ratification at a special election on June 29, 1999.

Flow of General Fund Revenues After Expenditure Limitation

The following tables and flowchart illustrate the flow of General Fund revenues after expenditure limitation.

STATE OF IOWA

Flow of General Fund Revenues After Expenditure Limitation

(Dollars in Millions)

CASH RESERVE FUND (CRF)	Actual FY 1995	Actual FY 1996	Actual FY 1997	Actual FY 1998	Actual FY 1999	Gov Rec FY 2000
Balance Brought Forward	\$ 33.2	\$ 84.5	\$ 201.6	\$ 215.0	\$ 219.6	\$ 221.9
Estimated Revenues:						
General Fund Ending Balance	91.0	291.7	252.8	348.7	415.1	330.6
Racing and Gaming Revenue	20.1	0.0	0.0	0.0	0.0	0.0
Total Funds Available	144.3	376.2	454.4	563.7	634.7	552.5
Excess Transferred to GAAP	- 59.8	- 174.6	- 239.4	- 344.1	- 412.8	- 323.6
Balance Carried Forward	<u>\$ 84.5</u>	<u>\$ 201.6</u>	<u>\$ 215.0</u>	<u>\$ 219.6</u>	<u>\$ 221.9</u>	<u>\$ 228.9</u>

GAAP DEFICIT REDUCTION ACCOUNT	Actual FY 1995	Actual FY 1996	Actual FY 1997	Actual FY 1998	Actual FY 1999	Gov Rec FY 2000
Balance Brought Forward	\$ 13.2	\$ 23.9	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Estimated Revenues:						
Excess Transferred from CRF	59.8	174.6	239.4	344.1	412.8	323.6
Use Tax Revenue	38.7	0.0	0.0	0.0	0.0	0.0
Total Funds Available	111.7	198.5	239.4	344.1	412.8	323.6
GAAP Appropriation Buy-back	- 87.8	0.0	0.0	0.0	0.0	0.0
Excess Transferred to RIIF	0.0	- 50.0	0.0	0.0	0.0	0.0
Excess Transferred to EEF	0.0	- 148.5	- 239.4	- 344.1	- 412.8	- 323.6
Balance Carried Forward	<u>\$ 23.9</u>	<u>\$ 0.0</u>				

IOWA ECONOMIC EMERGENCY FUND (EEF)	Actual FY 1995	Actual FY 1996	Actual FY 1997	Actual FY 1998	Actual FY 1999	Gov Rec FY 2000
Balance Brought Forward	\$ 3.1	\$ 7.7	\$ 156.2	\$ 215.0	\$ 219.6	\$ 221.9
Estimated Revenues:						
Excess from GAAP	0.0	148.5	239.4	344.1	412.8	323.6
Interest	4.6	0.0	0.0	0.0	0.0	0.0
Total Funds Available	7.7	156.2	395.6	559.1	632.4	545.5
Excess Transferred to Gen. Fund	0.0	0.0	- 180.6	- 339.5	- 410.5	- 316.6
Balance Carried Forward	<u>\$ 7.7</u>	<u>\$ 156.2</u>	<u>\$ 215.0</u>	<u>\$ 219.6</u>	<u>\$ 221.9</u>	<u>\$ 228.9</u>

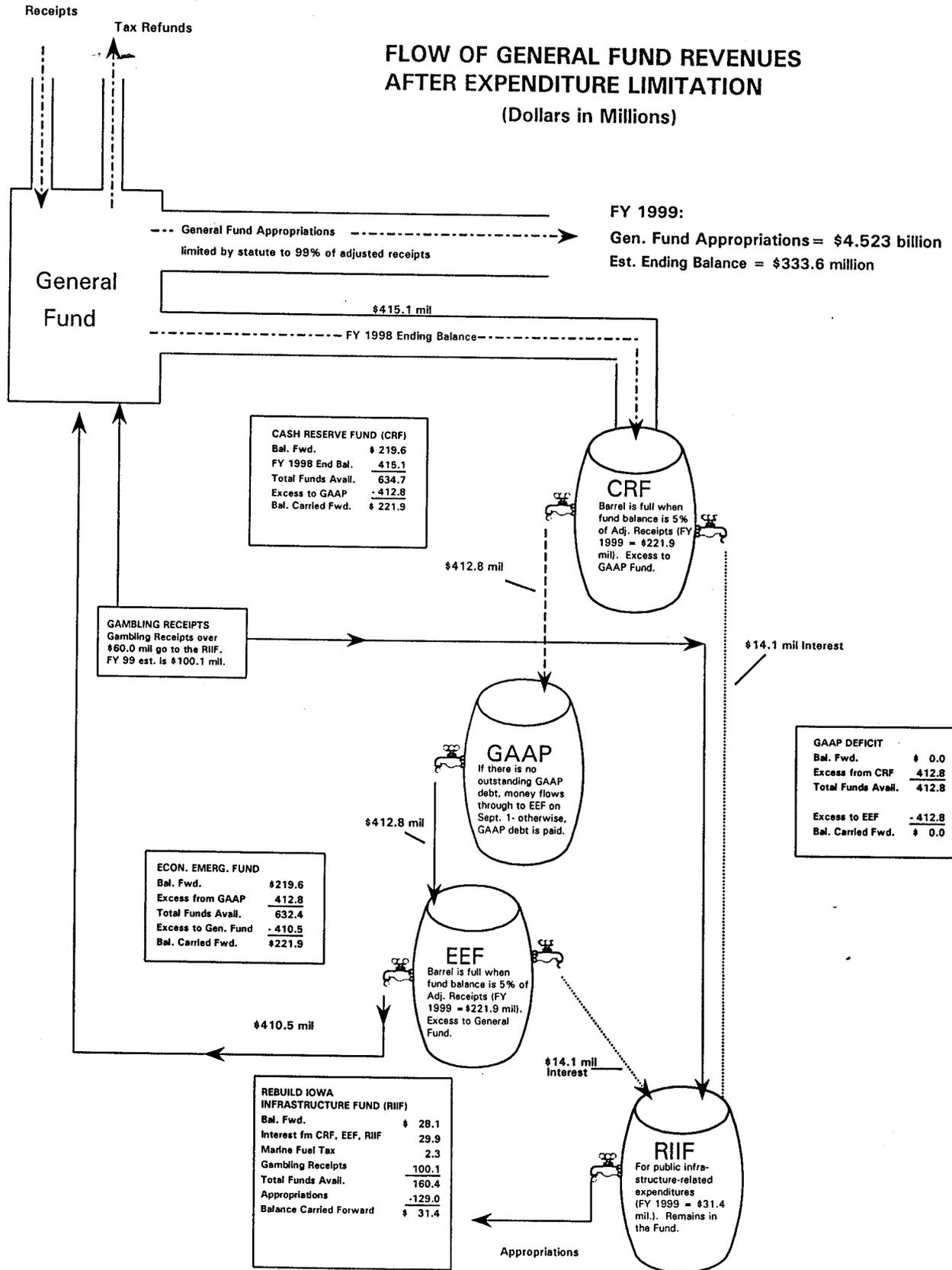
(Dollars in Millions)

REBUILD IOWA INFRASTRUCTURE FUND (RIIF)	Actual FY 1996	Actual FY 1997	Actual FY 1998	Estimated FY 1999
Balance Brought Forward	0	71.7	34.4	28.1
Estimated Revenues:				
Reversions	0.0	0.2	1.0	0.0
Interest from CRF, EEF, & RIIF	23.5	29.6	32.3	29.9
Gambling Revenue	46.2	69.6	85.1	100.1
Marine Fuel Tax	0.0	0.0	0.0	2.3
Funds Transferred from GAAP	50.0	0.0	0.0	0.0
Total Funds Available	119.7	171.1	152.8	160.4
Enacted Appropriations	- 48.0	- 136.7	- 124.7	- 129.0
Gov's Supplemental Approp. Recommendation				- 2.4
Balance Carried Forward	71.7	34.4	\$ 28.1	\$ 29.0

REBUILD IOWA DISTRIBUTION ACCOUNT	Gov's Recomm. FY 2000
Balance From RIIF	\$ 29.0
Estimated Revenues from RIIF:	
Interest from CRF, EEF, & RIIF	32.1
Gambling Revenue	107.9
Marine Fuel Tax	2.3
Estimated Revenues from Other Sources:	
Gambling Revenue from General Fund	60.0
Underground Storage Tank Fund	5.0
Total Funds Available	236.3
Budgetary Transfers:	
Infrastructure Fund	123.9
Technology Assurance Fund	57.3
Recreation, Environment, and Cultural Fund	44.9
	226.1
Balance Carried Forward	\$ 10.2

FLOW OF GENERAL FUND REVENUES AFTER EXPENDITURE LIMITATION

(Dollars in Millions)



FY 2000 REVENUE ESTIMATES

State General Fund revenues are estimated by a three-member Revenue Estimating Conference (REC) which meets at least quarterly. Members are the Director of the Legislative Fiscal Bureau, the Governor or the Governor's designee, and a third member agreed to by the other two members. The REC was created by statute in 1987 during government reorganization.

The December estimate is required to be used by the Governor in the preparation of the budget message and by the General Assembly in the budget process. If the April estimate reduces the December revenue estimate, the Governor must adjust the budget recommendations to account for the reduction in revenue. If the REC increases the April estimate above the December figure, the Governor and General Assembly shall continue to use the lower projection established in December.

On December 4, 1998, the REC estimated FY 2000 total State General Fund revenues at \$5.129 billion. This reflects growth in revenue of \$211.0 million (4.3%) compared to estimated FY 1999. The statutory limitation on expenditures is 99.0% of the adjusted revenue estimate plus excess balances from prior years.



STATE OF IOWA

Projected Condition of the General Fund

GENERAL FUND BALANCE

(Dollars in Millions)

	Fiscal Year 1999		Fiscal Year 2000	
	Governor's Recomm.	Current Law	Governor's Recomm.	Current Law
Estimated Funds Available:				
Estimated Receipts				
Revenue Est. Conference	\$ 4,917.9	\$ 4,917.9	\$ 5,128.9	\$ 5,128.9
Excess from Economic Emergency Fund	410.5	410.5	316.6	317.2
Revenue Adjustments (Exh. 1)	0.0	0.0	- 59.5	0.0
Transfers (Exh. 1)	38.9	38.9	37.4	3.4
Total Receipts	5,367.3	5,367.3	5,423.4	5,449.5
Tax Refunds	- 511.6	- 511.6	- 543.3	- 543.3
Accruals	- 6.9	- 6.9	13.7	13.7
Total Funds Available	4,848.8	4,848.8	4,893.8	4,919.9
			\$ 4,848.0	\$ 4,873.9
Expenditure Limitation				
Estimated Appropriations:				
General Fund	4,522.7	4,522.7	4,635.8	
Supplemental Appropriations (Exh. 1)	3.0			
Reversions	- 7.5	- 7.5	- 10.0	
Net Appropriations	4,518.2	4,515.2	4,625.8	
Ending Balance prior to Cash Reserve Transfer	\$ 330.6	\$ 333.6	\$ 268.0	

Note: Fiscal Year 2000 does not include an amount for negotiated salary increases.

**STATE OF IOWA
GENERAL FUND BALANCE**

(Dollars in Millions)

Exhibit 1

	Fiscal Year 1999		Fiscal Year 2000	
	<u>Governor's Recomm.</u>	<u>Current Law</u>	<u>Governor's Recomm.</u>	<u>Current Law</u>
Revenue Adjustments				
Proposed Revenue Adjustments:				
Gaming Receipts			\$ - 60.0	
threshold from \$60 million to \$0.0				
Misdemeanor Fine Collections			0.7	
Internal Revenue Code - Conforming			0.3	
Interest Reduction - Linked Investment Program			- 0.5	
Natural Resources - Camping Fees			0.1	
Nursing Home Violations to Care Review Comm.			- 0.1	
Total Revenue Adjustments	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ - 59.5</u>	<u>\$ 0.0</u>

Transfers

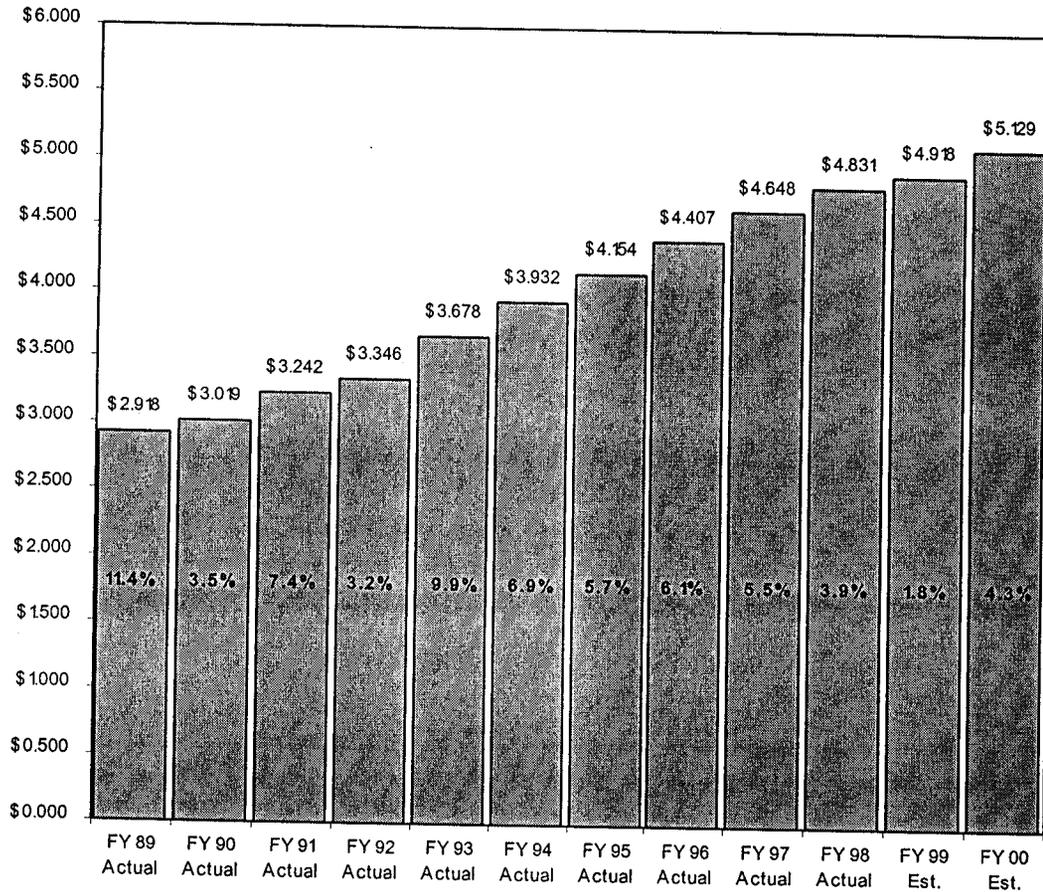
Lottery Proceeds	\$ 35.5	\$ 35.5	\$ 34.0	\$ 0.4
Marine Fuel Tax Revenues	0.4	0.4	0.4	0.4
Indirect Cost Transfers	1.5	1.5	1.5	1.5
Corrections Infrastructure Fund	0.8	0.8	0.8	0.8
Miscellaneous	0.7	0.7	0.7	0.7
Total Cash Transfers	<u>\$ 38.9</u>	<u>\$ 38.9</u>	<u>\$ 37.4</u>	<u>\$ 3.4</u>

Supplemental Appropriations (Actual Dollars)

Corrections:	
Women Out-of-State Placements	\$ 547,000
Mt. Pleasant - 100 Bed Female Unit	284,000
Pay For Stay/Work	962,756
Human Services - Civil Commitment	580,000
Gov. and Lt. Gov. - Office Support	254,817
Terrace Hill - Support	12,250
General Services - Rentals	67,500
Health - Dental Examiners Task Force	42,000
Natural Resources - Retirement Payouts	200,000
Total Supplemental Appropriations	<u>\$ 2,950,323</u> <u>\$ 0.0</u>

STATE GENERAL FUND RECEIPTS AND PERCENT OF GROWTH FY 1989 - FY 2000

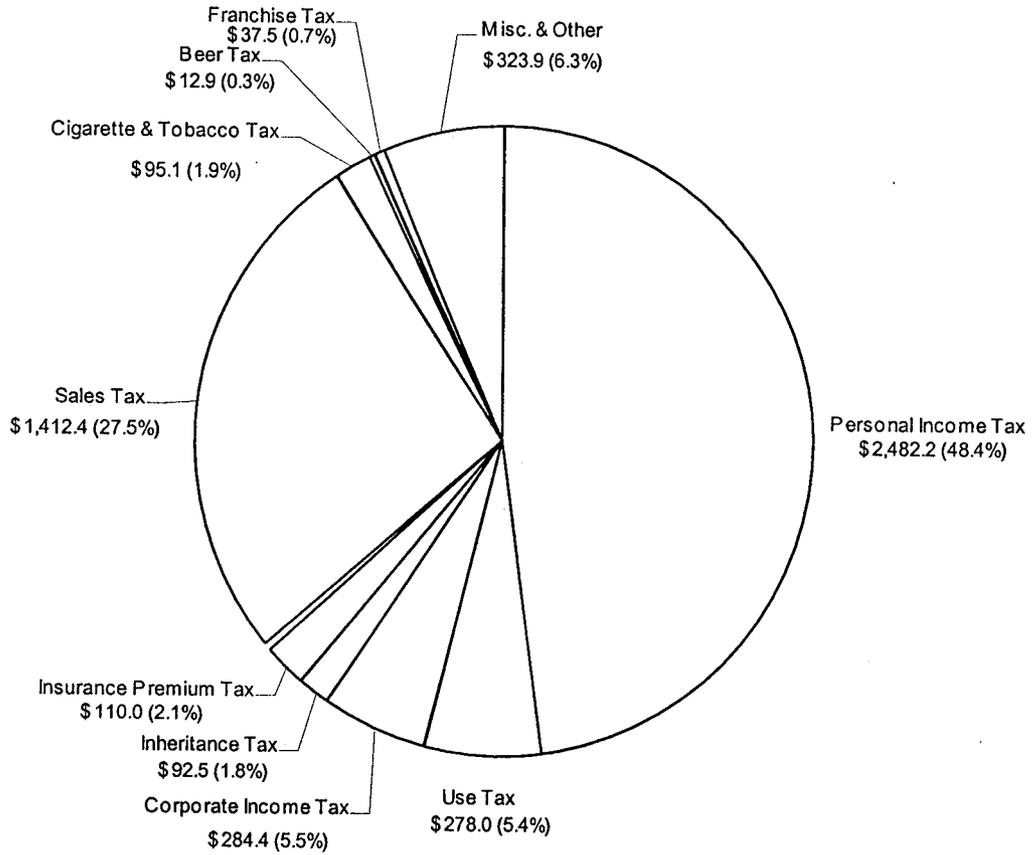
(Dollars in Billions)



Note: FY 1999 and FY 2000 figures are as estimated by the December 4, 1998, Revenue Estimating Conference.

FY 2000 ESTIMATED GENERAL FUND RECEIPTS

(Dollars in Millions)



Total Estimated General Fund Receipts: \$5.129 billion

Note: As estimated by the December 4, 1998, Revenue Estimating Conference.

Totals may not add due to rounding.

FY 1999 - FY 2000 REVENUE PROJECTION FOR THE GENERAL FUND

(Dollars in Millions)

	FY 1998 Actual	FY 1998 vs. 1997 Actual	FY 1999 Estimate	FY 1999 Est. vs. FY 1998 Actual	FY 2000 Estimate	FY 2000 Est. vs. FY 1999 Estimate
Tax Receipts						
Personal Income Tax	\$2,288.4	7.8%	\$2,352.2	2.8%	\$2,482.2	5.5%
Sales Tax	1,271.8	2.8%	1,346.2	5.8%	1,412.4	4.9%
Use Tax	243.0	8.9%	259.8	6.9%	278.0	7.0%
Corporate Income Tax	290.7	-8.8%	285.1	-1.9%	284.4	-0.2%
Inheritance Tax	109.8	0.5%	86.6	-21.1%	92.5	6.8%
Insurance Premium Tax	108.9	2.7%	108.9	0.0%	110.0	1.0%
Cigarette Tax	94.6	0.0%	92.6	-2.1%	88.3	-4.6%
Tobacco Tax	6.1	7.0%	6.6	8.2%	6.8	3.0%
Beer Tax	12.7	1.6%	12.9	1.6%	12.9	0.0%
Franchise Tax	36.4	2.2%	38.5	5.8%	37.5	-2.6%
Miscellaneous Tax	1.3	8.3%	1.3	0.0%	1.3	0.0%
Total Tax Receipts	<u>\$4,463.7</u>	<u>4.6%</u>	<u>\$4,590.7</u>	<u>2.8%</u>	<u>\$4,806.3</u>	<u>4.7%</u>
Other Receipts						
Institutional Payments	70.2	-32.7%	45.6	-35.0%	45.1	-1.1%
Liquor Transfers						
A. Profits	31.0	7.6%	31.0	0.0%	31.0	0.0%
B. 7% Gross Revenues	9.0	0.0%	9.0	0.0%	9.0	0.0%
Interest	30.6	70.0%	28.0	-8.5%	17.0	-39.3%
Fees	65.4	2.8%	57.8	-11.6%	61.9	7.1%
Judicial Revenue	42.9	0.0%	43.9	2.3%	45.9	4.6%
Miscellaneous Receipts	58.1	7.6%	51.9	-10.7%	52.7	1.5%
Racing and Gaming	60.0	0.0%	60.0	0.0%	60.0	0.0%
Total Other Receipts	<u>367.2</u>	<u>-3.5%</u>	<u>327.2</u>	<u>-10.9%</u>	<u>322.6</u>	<u>-1.4%</u>
Total Receipts	<u><u>\$4,830.9</u></u>	<u><u>3.9%</u></u>	<u><u>\$4,917.9</u></u>	<u><u>1.8%</u></u>	<u><u>\$5,128.9</u></u>	<u><u>4.3%</u></u>

Note: FY 1999 and FY 2000 were estimated by the Revenue Estimating Conference on December 4, 1998.
The revenues do not reflect refunds, transfers, or accruals.

GOVERNOR'S FY 2000 GENERAL FUND RECOMMENDATION

The Governor's FY 2000 General Fund budget recommendation is \$4.636 billion, an increase of \$113.0 million (2.5%) compared to estimated FY 1999.

FY 1999

- The Governor is recommending \$3.0 million in FY 1999 General Fund supplemental appropriations. This results in a FY 1999 projected ending General Fund balance of \$330.6 million.
- The Cash Reserve Fund and the Economic Emergency Fund is at the maximum balance of 5.0% of the General Fund revenue estimate or \$221.9 million in each Fund. An excess of \$410.5 million is transferred from the Economic Emergency Fund to the General Fund in FY 1999.

FY 2000

- The Governor's FY 2000 General Fund budget recommendation reduces receipts by a total of \$59.5 million and increases spending by \$113.0 million (2.5%), but the actual growth in expenditures is estimated to be in a range between 4.3% to 5.4%.
- The Governor is recommending creating the Rebuild Iowa Distribution Account (RIDA). Currently gambling revenues in excess of \$60.0 million are required by the Code of Iowa to be transferred to the Rebuild Iowa Infrastructure Fund (RIIF). The Governor's proposal would transfer all gambling receipts to RIDA. This would result in \$60.0 million less in General Fund receipts.
- The Governor is recommending shifting \$73.4 million of FY 1999 General Fund appropriations to the RIDA. The Governor's recommended FY 2000 RIDA funding for these appropriations is \$79.9 million. The appropriations to be transferred from the General Fund to the RIDA include:

	FY 1999 General Fund Approp	FY 2000 RIDA Approp
Education Local K-12 Technology	\$30.0 million	\$30.0 million
Regent Tuition Replacement	27.9 million	27.9 million
Natural Resources REAP	9.0 million	15.0 million
Agriculture Soil Conservation Cost Share	6.5 million	7.0 million
Total	\$73.4 million	\$79.9 million

If the recommended RIDA funded appropriations remained General Fund appropriations, the FY 2000 General Fund appropriation increase would be 4.3% over Estimated FY 1999.

- The Governor's FY 2000 General Fund budget recommendation does not include funding for salary increases or annualization. Collective Bargaining negotiations are currently under way. The Department of Management estimates that each 1.0% increase in salaries for all FY 2000 State employees costs the General Fund \$10.0 million. If the cost of salary increases is the same as FY 1999 costs, there will be an additional 1.1% growth in appropriations for a total expenditure growth estimate of 5.4%.
- The Governor's projected ending balance for FY 2000 is \$268.0 million compared to \$330.6 for FY 1999, a decrease of \$62.4 million. The Governor's recommendation projects that the Cash Reserve Fund and the Economic Emergency Fund to be at the maximum balance of 5.0% of the General Fund revenue estimate or \$228.9 million in each Fund. The recommendation projects that an excess of \$316.7 million will be transferred from the Economic Emergency Fund to the General Fund in FY 2000, a decrease of \$93.8 million compared to FY 1999 transfer.

Table 1 lists the General Fund increases and decreases of \$2.0 million or more recommended by the Governor for FY 2000.

Table 1

Governor's Major General Fund Decreases/Increases Recommendations

Department	Appropriation	Estimated FY 1999	Gov. Rec. FY 2000	Diff. Gov. Rec. v. FY 1999	% Change Gov. v. FY99
Education	Tech./School Improvement	\$ 30,000,000	\$ 0	\$ -30,000,000	-100.0%
Board of Regents	Tuition Replacement	27,868,702	0	-27,868,702	-100.0%
Natural Resources	R.E.A.P. Fund	9,000,000	0	-9,000,000	-100.0%
Agriculture	Soil Conservation Cost Share	6,500,850	0	-6,500,850	-100.0%
Executive Council	Performance Of Duty	5,000,000	1,400,000	-3,600,000	-72.0%
	<i>Total Decreases > \$2.0 Million</i>	<u>\$ 78,369,552</u>	<u>\$ 1,400,000</u>	<u>\$ -76,969,552</u>	
Education	School Foundation Aid	\$ 1,611,858,487	\$ 1,662,900,000	\$ 51,041,513	3.2%
Human Services	Mental Health Prop. Tax Relief	95,000,000	110,000,000	15,000,000	15.8%
Education	Class Size	0	10,000,000	10,000,000	100.0%
Public Safety	Iowa State Patrol	27,694,628	37,529,903	9,835,275	35.5%
Corrections	Ft. Dodge Institution	16,470,414	23,907,753	7,437,339	45.2%
Education	Community College General Aid	135,366,156	141,577,403	6,211,247	4.6%
Judicial Branch	Judicial Branch	103,196,690	109,344,138	6,147,448	6.0%
Human Services	MH/DD Growth Factor	12,504,538	18,126,362	5,621,824	45.0%
Revenue & Finance	M & E Prop. Tax Replacement	17,100,000	22,600,000	5,500,000	32.2%
Human Services	Child & Family Services	102,243,876	107,477,496	5,233,620	5.1%
Education	Empowerment Bd - Early Child	5,200,000	10,400,000	5,200,000	100.0%
Human Services	State Children's Health Ins.	7,000,000	12,022,577	5,022,577	71.8%
Human Services	Medical Assistance	385,513,305	390,034,356	4,521,051	1.2%
Education	SBRC - On Time Funding	0	4,000,000	4,000,000	100.0%
Corrections	Mitchellville Institution	7,716,593	11,347,025	3,630,432	47.0%
Board of Regents	Iowa State - Gen. University	185,648,896	188,548,896	2,900,000	1.6%
Human Services	MI/MR State Cases	8,594,500	11,219,158	2,624,658	30.5%
Corrections	Central Office Corrections	2,226,916	4,496,916	2,270,000	101.9%
Board of Regents	Univ. Of Iowa - Gen. University	235,994,141	238,144,141	2,150,000	0.9%
	<i>Total Increases > \$2.0 Million</i>	<u>\$ 2,959,329,140</u>	<u>\$ 3,113,676,124</u>	<u>\$ 154,346,984</u>	
	<i>Total Other Changes</i>	<u>\$ 1,485,033,066</u>	<u>\$ 1,520,689,175</u>	<u>\$ 35,656,109</u>	2.4%
	Grand Total	<u><u>\$ 4,522,731,758</u></u>	<u><u>\$ 4,635,765,299</u></u>	<u><u>\$ 113,033,541</u></u>	2.5%



The Governor's FY 2000 General Fund recommendations are listed in **Table 2** by Appropriations Subcommittee. Details of the recommendations are included in the FY 2000 Budgets and Subcommittee Issues Section of this document and a tracking document of all the Governor's appropriations recommendations is in Appendix A.

Table 2
Governor's FY 2000 General Fund Recommendations

(Dollars in Millions)

<u>Subcommittee</u>	<u>Est.</u> <u>FY 1999</u>	<u>Gov.</u> <u>Rec.</u> <u>FY 2000</u>	<u>FY 2000</u> <u>vs.</u> <u>FY 1999</u>	<u>%</u> <u>Change</u>
Administration & Regulation	\$ 89.2	\$ 89.9	\$ 0.7	0.8%
Agriculture & Natural Resources	51.0	37.5	-13.5	-26.5%
Economic Development	41.6	42.8	1.2	2.7%
Education	896.7	910.0	13.3	1.5%
Health & Human Rights	90.3	94.4	4.1	4.6%
Human Services	743.4	767.2	23.8	3.2%
Justice System	428.1	470.5	42.4	9.9%
Trans., Infrastructure, & Capitals	4.0	4.3	0.3	7.6%
Oversight & Communications	23.6	23.6	0.0	0.0%
Unassigned Standings	2,154.8	2,195.4	40.6	1.9%
TOTAL	<u>\$ 4,522.7</u>	<u>\$ 4,635.8</u>	<u>\$ 113.0</u>	<u>2.5%</u>

Note: The dollar amounts may not add due to rounding.

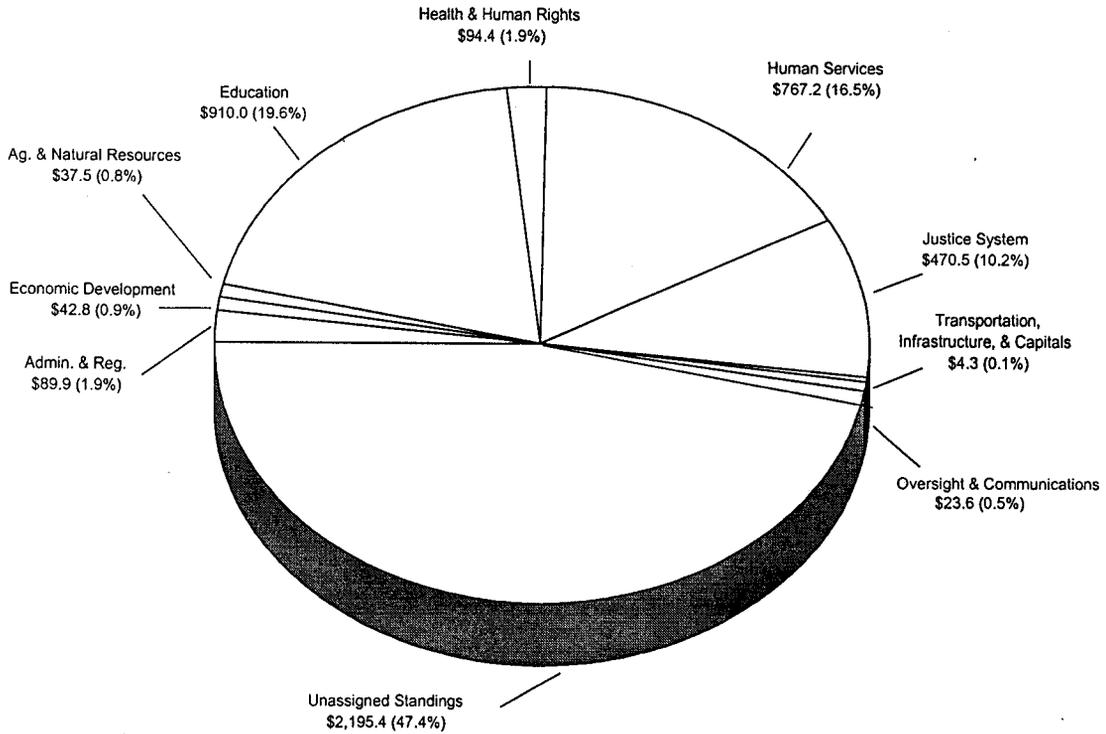
The Governor's FY 1999 General Fund supplemental recommendations are listed in **Table 3**.

Table 3
Governor's FY 1999 Supplemental Recommendations

Department	Supplemental	Gov. Rec.
General Fund		
Corrections	<i>Pay For Stay/Work</i> - The funds will go to the Mt. Pleasant institution to offset the shortfall in revenues budgeted from the Pay-for-Stay Program. The FY 1999 budget calls for the institution to receive \$882,000 from private sector employment of inmates. At current rates, the institution will receive approximately \$111,000 from this source.	\$ 962,756
Human Services	<i>Sexual Predator Commitment Program</i> - Civil Commitment process for persons found guilty and imprisoned for a sex related crime. Renovation of space in the Iowa Medical and Classification Center at Oakdale and the cost of recruiting and training guards and treatment specialists have exceeded expectations.	580,000
Corrections	<i>Women Out-of-State Placements</i> - The Department of Corrections has addressed overcrowding at the women's prison at Mitchellville, in part, by placing 100 women in a prison in Virginia. The cost is \$60 per day for an annual cost of \$2.2 million. No funds were appropriated for this in FY 1999. The Department will absorb the remaining costs from operations.	547,000
Corrections	<i>Mt. Pleasant 100 Bed Female Unit</i> - The Department of Corrections is converting space formerly occupied by the Department of Human Services into a 100-bed unit for women with special needs. The funds will be used for additional costs associated with the conversion and renovation.	284,000
Governor	<i>Office Support</i> - Included in the request are funds for outgoing Governor's staff that is leaving State Government, travel expenses, office equipment, supplies, one-time printing costs, furniture, storage, computer hardware, and support.	254,817
Natural Resources	<i>Retirement</i> - Payment of unused sick leave to retiring Park Rangers under the Special Police Officer Council Program.	200,000
General Services	<i>Rentals</i> - Estimated budget shortfall due to increased lease costs and additional leased space for the Department of Public Safety and the Department of Human Services.	67,500
Health	<i>Board of Dental Examiners Task Force</i> - For administration of the dental hygienist panel created by Senate File 2075, passed by the 1998 General Assembly. Implementation of the panel has created additional workload which cannot be absorbed by current staff.	42,000
Governor	<i>Terrace Hill Support</i> - Request for an Administrative Assistant for the First Lady.	12,250
		<u>\$ 2,950,323</u>
Other Funds		
General Services	<i>Y2K Embedded Chip Problem</i> - The Year 2000 Project Office has inventoried embedded chips which will not function correctly starting in the year 2000. The Governor recommends this amount be appropriated from the RIIF account to replace those chips not covered by the manufacturer's warranty.	\$ 2,435,000
Natural Resources	<i>Retirement</i> - Payment of unused sick leave to retiring Fish and Wildlife Officers under the Special Police Officer Council. The Governor recommends this amount be appropriated from the Fish and Game funds.	150,000
		<u>\$ 2,585,000</u>

FY 2000 GENERAL FUND GOVERNOR'S RECOMMENDATIONS

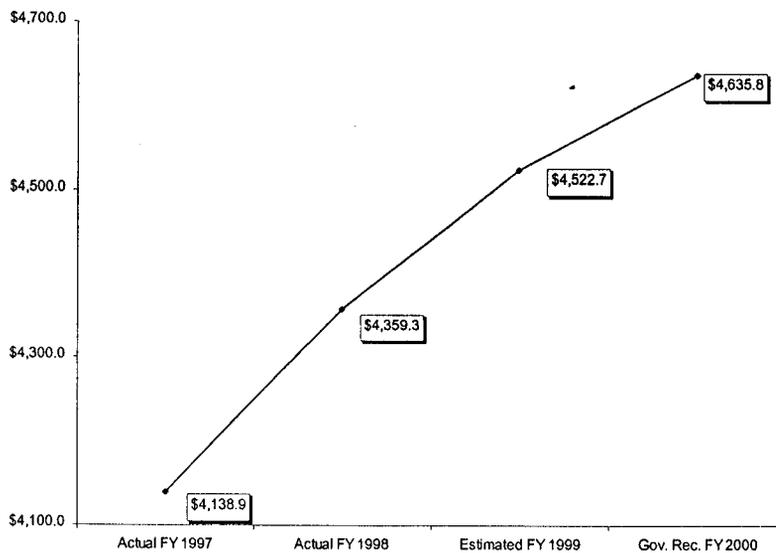
Total FY 2000 Governor's Recommendations: \$4,635.8 million
(Dollars in Millions)



NOTE: Totals may not add due to rounding.

Appropriations and Governor's Recommendations FY 1997 - FY 2000

(Dollars in Billions)



SALARIES AND COLLECTIVE BARGAINING

The State of Iowa is currently in the process of negotiations with the six unions representing State employees for the salaries and benefits for FY 2000 and FY 2001. Chapter 20, Code of Iowa, establishes the framework and timeline for the bargaining process. The basic deadlines are:

- September through December 1998 - Unions and the State present initial proposals.
- January through March 1999 - Subsequent bargaining sessions which may include the appointment of a mediator, fact finding, and binding arbitration.
- March 15, 1999 - Deadline for completion of the agreement.



The following table is a summary of the opening offers of the six collective bargaining units and the State's response. The table contains only a summary of the major points. Copies of the opening offers are available from the Legislative Fiscal Bureau upon request. The Department of Management estimates that each 1.0% increase in salaries for all FY 2000 State employees costs the General Fund \$10.0 million.

FY 2000 & FY 2001 COLLECTIVE BARGAINING OPENING OFFERS SUMMARY

Bargaining Unit	Wages	Benefits
Initial offer by American Federation of State, County, and Municipal Employees (AFSCME)	<ul style="list-style-type: none"> • 6.0% across-the-board increase both years. • Steps for eligible employees. • Additional step added to pay plans based upon specified years of service. 	<ul style="list-style-type: none"> • Increase State contribution of family health insurance from 70.0% to 85.0%. • Create employer share of deferred compensation not to exceed 2.0% of employee's pay. • Upon retirement, allow unused sick leave value to pay for health or life insurance. • Increase basic life insurance from \$10,000 to \$50,000 and maximum insurance from \$40,000 to \$100,000. • Additional vacation leave based upon years of service. • Additional (12th) holiday (Christmas Eve day). • Pre-tax medical savings account. • Expand family definition to include domestic partners.
State response to AFSCME	<ul style="list-style-type: none"> • 1.0% across-the-board increase both years. • Reduce value of steps from 5.0% to 2.5%. 	<ul style="list-style-type: none"> • Increase the employee health insurance contribution for single plans from 0.0% to 20.0%. • Employees and State share equally in health insurance premium increases. • Eliminate vacation and sick leave and replace with single paid time off concept.

Bargaining Unit	Wages	Benefits
Initial offer by State Police Officers Council (SPOC) State response to SPOC	<ul style="list-style-type: none"> • 7.0% across-the-board increase both years for employees at the top step in their pay range and 2.0% across-the-board increase for employees at Step 1. • Senior State Troopers, Senior Trooper-Pilots, and Senior Special Agents (minimum ten years service) receive an additional 5.0% increase above top step. • Steps for eligible employees. • Expand longevity pay definition to include peace officers in the Department of Public Safety. <ul style="list-style-type: none"> • 1.0% across-the-board increase both years. • Keep the current minimum and maximum of salary ranges and move from six to eleven steps. 	<ul style="list-style-type: none"> • Eliminate language requiring employer/employee to share equally in any change in health insurance premiums. • Permit employees to make pre-tax contributions for health care costs. • Increase per diem allowance to \$9.00 per day from \$7.50 and expand coverage to Capitol Police Officers. • Increase uniform cleaning pay to \$175 from \$145 semiannually. • Increase Department of Natural Resources clothing allowance to \$550 per year. • Six weeks maternity leave. <ul style="list-style-type: none"> • Increase the employee health insurance contribution for single plans from 0.0% to 20.0%. • Employees and State share equally in health insurance premium increases.
Initial offer by Iowa United Professionals (IUP) State response to IUP	<ul style="list-style-type: none"> • 5.0% salary increase each year of the biennium. • Increase maximum of pay grade by 5.0%. • Employees receive a 10.0% bonus for training or mentoring new employees. • Steps for eligible employees. <ul style="list-style-type: none"> • 1.0% across-the-board increase both years. • Reduce value of steps from 5.0% to 2.5%. 	<ul style="list-style-type: none"> • Increase State contribution of family health insurance to 80.0%. • Establishment of an optical insurance plan. • Employer payment of all medical expenses for any employee who in the course of employment is exposed to a contagious or communicable disease. • Establishment of a grievance procedure for contracting out work performed by bargaining unit members. <ul style="list-style-type: none"> • Increase the employee health insurance contribution for single plans from 0.0% to 20.0%. • Employees and State share equally in health insurance premium increases. • Eliminate vacation and sick leave and replace with single paid time off concept.
Initial offer by United Faculty (UF) - University of Northern Iowa State response to UF	<ul style="list-style-type: none"> • 8.5% salary increase each year of the biennium. • Minimum salary guideline increases of 5.0% each year. <ul style="list-style-type: none"> • Status quo with a zero percent salary increase. • Elimination of the minimum salary guidelines. 	<ul style="list-style-type: none"> • Increases in benefits and professional development funds. • Structure for providing faculty work in distance learning. <ul style="list-style-type: none"> • No change in benefits from the current agreement except that an option to refashion leaves may be exercised. • Will consider structure for distance learning.
Initial offer by Committee to Organize Graduate Students (COGS) - State University of Iowa State response to COGS	<ul style="list-style-type: none"> • 7.2% salary increases each year of the biennium with a salary formula for summer session. • Increase salary a unit member would receive for returning for a subsequent academic year. <ul style="list-style-type: none"> • Status quo salary with zero percent salary increase. • No salary increase for returning unit members. 	<ul style="list-style-type: none"> • Tuition waivers for all unit members and for an additional semester after termination of services. • Increases in employer contributions to health insurance and enhanced health insurance plan. • Dental insurance and child care payments. • Paid leave of 1/2 time for a union steward. <ul style="list-style-type: none"> • No tuition waiver. • Status quo on health insurance. • No dental insurance or child care payments. • No paid leave for union steward.

Bargaining Unit	Wages	Benefits
Initial offer by Service Employees International Union/Tertiary Health Care Unit (SEIU) – State University of Iowa	<ul style="list-style-type: none"> • 10.0% across-the-board (ATB) increase for FY 2000 and 5.0% ATB for FY 2001. • Additional anniversary date salary increases. • Longevity bonuses at 15, 20, and 25 years of \$500, \$750, and \$1,000, respectively. • Monthly productivity bonuses. • Supplemental pay for additional duties; compensatory time for hours worked beyond those regularly scheduled; on-call/standby pay at 25.0% of hourly rate plus premium for holidays; and significant shift differentials of \$4 to \$5 per hour. 	<ul style="list-style-type: none"> • Enhancements in benefits, bumping rights, seniority, layoff, severance, staffing levels, and other items of interest to the employee group.
State response to SEIU	<ul style="list-style-type: none"> • <i>Status quo salary with zero percent salary increase.</i> • <i>No anniversary increases or longevity bonuses.</i> • <i>Interest in performance pay but not in productivity bonuses.</i> • <i>Status quo on supplemental pay, compensatory pay, standby, and shift differential.</i> 	<ul style="list-style-type: none"> • <i>Status quo on benefits.</i>

CRITERIA FOR EVALUATION OF TAX POLICIES

Several policy options relating to various taxes have been proposed by members of the General Assembly. The following are eight criteria that can help shape and explain any plan that may be under consideration. Although most of the provided examples relate to the individual income tax, the criteria can be utilized in the development of any proposed change to the State and local tax system.

Simplification

The simplification concept applies to both the State and the taxpayers; that is, initiating changes that ease administrative burdens on the State and also ease compliance efforts on the part of taxpayers. Options relating to the individual income tax include:

- Coupling the federal tax code, which could be done either in the form of piggy-backing (taxpayers pay a percentage of their federal tax); or coupling federal taxable income (the State would use the federal definition of "taxable income" and apply new rates and brackets).
- Initiating a flat tax, which may involve starting with federal adjusted gross income (AGI). Typically, complexity relating to the definition of "taxable income" is substantially more difficult to comply with and administer than complexity relating to rates and brackets. Thus, the General Assembly may wish to utilize a simple definition of taxable income (such as AGI) and apply a new set of brackets and rates.
- Virtually anything the State does to increase the extent to which Iowa tax law couples federal tax law will render the system simpler, although doing so may have undesirable consequences relating to the other criteria.

Equity

The concept of equity implies that "equals" should be treated similarly and "unequals" may need to be treated dissimilarly. This concept relates more specifically to how similar individuals in different income classes are taxed; and how dissimilar individuals within the same income class are taxed. The General Assembly may wish to consider specific tax policy related to this issue. Income tax examples that might fall into this area of consideration include: the standard deduction, earned income tax credit, rate structure, dependent exemption, pension taxation, and the tuition/textbook credit. However, almost any change to current income tax law will have equity ramifications.



Competitiveness

It is not known to what extent, if any, the Iowa individual income tax encourages individuals and businesses to migrate into or out of the State. A cross-state comparison analysis has shown that the variance in actual income tax liability is probably too small to have a significant impact. However, if the top rate (rather than actual tax) is resulting in the perception that the Iowa individual income tax is out of line with other states, the General Assembly may wish to consider lowering the rate. The rate could be lowered either in a manner that is revenue neutral or in a manner that results in revenue loss. The options under the simplification section would all have the effect of reducing the top marginal rate.

Revenue Stability/Responsiveness

The General Assembly may wish to consider actions that could be taken to maintain or improve the stability or responsiveness of individual income tax revenues. An example includes reviewing the effects of the deduction for federal income taxes paid. Specifically, when the federal government increases taxes, federal deductibility results in a decrease in Iowa tax revenues. Conversely, when the federal government decreases taxes, Iowa taxpayers receive a smaller reduction than taxpayers in states without federal deductibility since State income taxes increase.



Stability and responsiveness, however, are often mutually exclusive. A stable tax system is one that maintains consistent revenue streams throughout the business cycle, so that recessions do not result in shortfalls, and expansions do not result in unnecessary surpluses. Responsiveness to the business cycle can be beneficial when strong economic expansion increases government revenues so that increased demand for government services is satisfied. Thus highly responsive systems tend to be unstable, and highly stable systems tend to be unresponsive. The purpose of a broad-based multi-tax system is to help balance these two competing goals, such that economic expansions provide sufficient growth in revenues, but contractions do not result in budgetary shortfalls. However, such a system may add complexity.

Neutrality

Neutrality relates to economic efficiency. Changes in tax policy should not cause undo interference in the economic decisions of individuals and businesses. In other words, the administration of the tax should not inadvertently affect the decisions that individuals make with respect to buying or producing a given mix of goods and services.

Exceptions arise when markets function poorly. The State can either tax or regulate an industry so that the true costs of the product are reflected in the price. A good example is taxing (or regulating) emissions from a smokestack. This will

result in an increase in price and a decrease in sales of the item being produced. However, in this case, the tax adds efficiency because neighbors of the smokestack no longer are required to bear the cost of the pollution.

In general, however, neutral tax policy will maximize the output of the State economy and produce the most goods and services at the least price.

Exportability

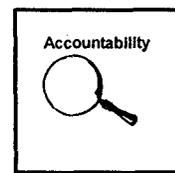
Exportability relates to shifting the tax burden to other states. All things being equal, any state would prefer to export the tax burden to residents of other states. However, this often results in competitiveness problems. In some ways, state tax deductibility affects exportability. When Iowa increases income taxes, the burden is shifted to the federal government, because State taxes are an itemized deduction. When Iowa decreases income taxes, the State revenue loss exceeds taxpayer gains for the same reason (tax burden is imported).

Revenue Adequacy

Revenue adequacy of the tax system relates more to the tax system as a whole, but the income tax is the largest contributor. This criteria emphasizes the importance of overall State fiscal policy so that tax reductions are viewed within the context of the appropriations process.

Accountability

Accountability relates to the extent to which a tax system is transparent, so that tax increases and tax decreases are the result of direct government action rather than an automatic process. Accountability also refers to the portions of the tax system that are formula driven and thus subject to little or no legislative oversight, such as open-ended exemptions or deductions that may have the effect of eroding the tax base.

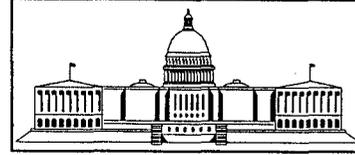


For example, during the 1996 Legislative Session, the General Assembly improved the accountability (transparency) of the individual income tax by approving full indexation of the tax brackets. Prior to indexing, an individual's tax liability could increase with wage inflation, even though the purchasing power of the individual's wages did not change. This process is often referred to as "bracket creep."

FY 2000 TAX ISSUES

Internet Tax Freedom Act

In 1998, Congress passed the Internet Tax Freedom Act. The major provisions of the Act relating to taxation include:

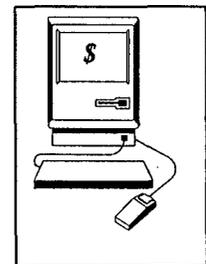


- A three-year moratorium on taxes on internet access, unless the tax was generally imposed on or before October 1, 1998.
- Prohibition of multiple or discriminatory taxes on electronic commerce.
- Provisions that do not impair or supersede any State or local law pertaining to taxation otherwise permissible under the Constitution of the United States or other federal law.

Currently, Iowa imposes a sales tax on internet access. Under the federal statute, it appears that Iowa's sales tax on internet access is grandfathered (i.e., the State may continue to collect sales tax on internet access). The State's tax was generally imposed prior to October 1, 1998, and it does not appear to be either a multiple or discriminatory tax on electronic commerce. Department of Revenue and Finance (DRF) officials have indicated the Department will continue to enforce and collect sales tax on internet commerce unless a law is passed to specifically exempt internet access from taxation. It is estimated by the LFB that the sales tax on internet access generates between \$4.0 and \$6.0 million annually.

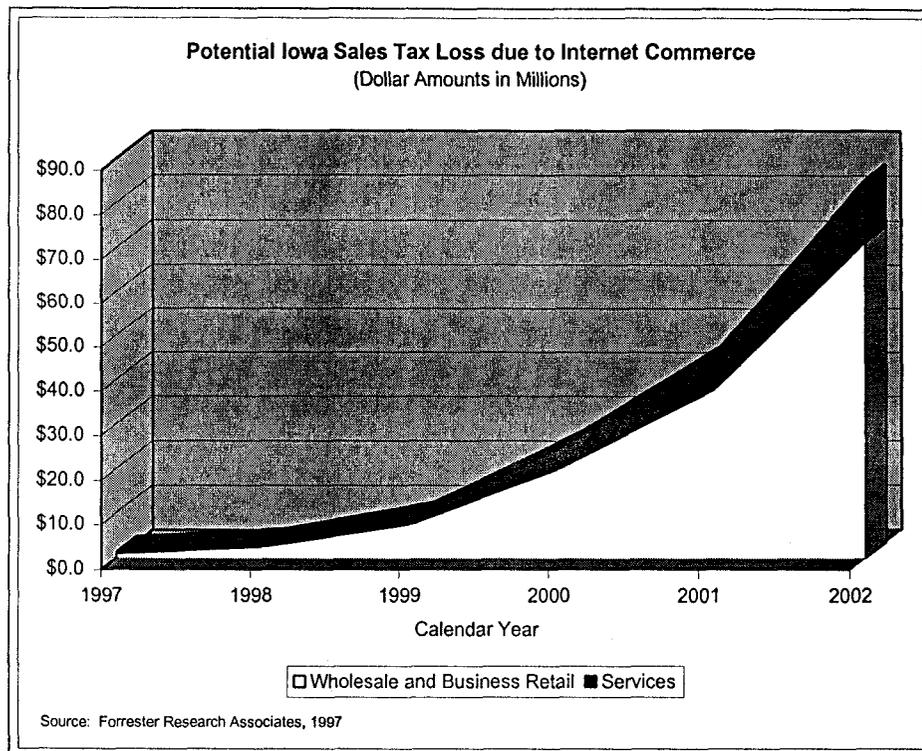
Internet Commerce

- A larger issue facing Iowa and all other states with a general sales tax is the issue of internet commerce (i.e., the buying and selling of goods via the internet). Internet commerce is a high growth area. Industry projections provide a measure of the potential impact internet commerce will have in the coming years. This should be viewed as a maximum, or worst case scenario. First, due to the large number of exemptions currently in the Code of Iowa, not all products or services purchased through the internet would be taxable if they were purchased through conventional means. Second, it is very likely the impact will be reduced to some extent from the substitution effect occurring between catalog sales and internet sales. Products formerly purchased through catalogs are now easily purchased through the internet. In



this case, sales tax not previously collected from catalogs will continue to remain uncollected when sellers change their medium.

- The following graph depicts the potential lost sales tax revenue from internet commerce and is based upon national projections of total internet commerce.



- Under current law, assuming a company does not have nexus (physical presence) in Iowa, the seller of an item is not required to remit sales tax. However, the purchaser of the item is required to remit use tax on such a purchase. While ensuring that sellers with nexus remit sales tax is a relatively easy process because of the sales tax permit process, enforcing the consumer's use tax requirement is very difficult. This is the same issue that has affected collection of sales tax on catalog orders for many years. The fiscal impact from the uncollection of use tax on catalog sales has been estimated at between \$20.0 and \$30.0 million annually. With the growth of internet commerce and the wide range of products and services available, in a very few years, it is possible that the impact of lost sales tax from internet commerce could reach a similar or greater figure.
- In the absence of federal action in the area, there is little that Iowa can do. Iowa is prohibited due to a U.S. Supreme Court ruling (Quill, 1987) from taxing firms which have no nexus in the State.

Federal Income Tax Law Changes

The primary federal tax law change affecting Iowa is the reduction in the capital gains holding period from 18 to 12 months. Under the 1997 Taxpayer Relief Act passed by Congress, capital gains qualified for a reduced tax rate (20.0% maximum) if held longer than 18 months. In 1998, Congress revised the holding period requirement to 12 months to qualify for the reduced rate. Assets held less than 12 months are not eligible for the reduced rate and are taxed as ordinary income at the taxpayer's marginal rate (usually 28.0% or higher). The LFB and Department of Revenue and Finance jointly estimate the impact from the holding period change to be approximately \$300,000 increase in revenues each year. The increase is due to the deductibility of federal taxes. Because the federal law reduces federal income tax due on assets held between 12 and 18 months, the federal tax deduction on the Iowa return is decreased, increasing taxable income and increasing tax liability. Since Iowa does not couple with the federal government on the treatment of capital gains, this results in additional income being recognized by the taxpayer and taxed (with a few exceptions) as ordinary income.



Personal Income Tax Simplification

Simplification of the tax code can be done in various ways. As the term is most often used, simplification can be the revision of the forms used by the public to file their personal income taxes. In Iowa, a number of differences between Iowa and federal treatment of income, preferences, and credits result in a significant difference in the calculation of tax liability. The result is that Iowa's 1040 tax form contains 75 lines while the federal 1040 form contains 59 comparable lines. Simplification can also mean simply reducing the number of credits, exemptions, and preferences contained in the Iowa tax form.

There are three main ways to simplify the Iowa income tax form. All of these options will be achieved by fully coupling Iowa's definitions with federal definitions. The three options include:

- Coupling with the federal definition of Adjusted Gross Income (AGI)
- Coupling with the federal definition of Taxable Income
- Coupling with the federal definition of Tax Liability

On the federal level there has been significant discussion concerning moving to a single tax bracket, also known as the flat tax. In Iowa's case, unless there are changes in how tax liability is calculated, a single bracket will not result in any simplification of the Iowa tax code. Because virtually all individuals either use a

computer program or tax tables at the back of the tax booklet in determining tax liability, changing the number of brackets makes no difference in the complexity of the calculation. Whether there is one tax bracket, nine, or 100, only one tax table is created. In the broadest sense, complexity is a function of defining taxable income, not multiple rates.

One aspect of the Iowa system which results in significant complexity for the average taxpayer is Filing Status 3 (Married Filing Separately on a Combined Return). From the taxpayer's perspective this adds to the complexity of filing because many taxpayers must figure their taxes two ways, separate on a combined return and married joint, to figure their minimum tax liability. Couples must also apportion their income and deductions to take advantage of Filing Status 3, which differs from the federal level (unless couples choose to file Married Separate on the federal level). Filing Status 3 provides for reduced tax burden for many individuals because each taxpayer is able to take advantage of the lower rates in the brackets. For couples where one spouse earns most of the income, Filing Status 3 may not be beneficial because the standard deduction on the individual level is \$1,440 for each filer versus \$3,550, resulting in a lower total standard deduction and hence higher tax liability. Eliminating Filing Status 3 would ease computation of State tax liability, but would result in increased tax liability for some taxpayers.

Iowa is one of nine states that permits either full or partial deductibility of federal income tax liability in computing State tax liability. Coupling with the federal adjusted gross income would not affect federal deductibility, but coupling with federal taxable income or federal tax liability (if no other changes were made to the structure of the forms) would eliminate federal deductibility. It would be feasible to couple with one of the two federal definitions and make an adjustment which would in effect allow for continued federal deductibility.

The LFB completed an *Issue Review* on this topic during the 1998 interim. For copies, please contact Larry Sigel at 515-281-4611.

Task Force to Study Iowa's System of State and Local Taxation

The two-year Committee completed its work on December 7, 1998. The Committee was divided into three Subcommittees. The major points are listed below (the Sales Tax Subcommittee made no recommendation regarding the current sales and use tax system).

- Property Tax Subcommittee
 - Additional reporting on Tax Increment Financing (TIF) districts by cities and counties.

- Additional time granted to develop and implement uniform property tax statements.
- No reinstatement of a county property tax limitation by the General Assembly at this time.
- Review, by the State, of counties' cash management policies with a view to enhancing cash flow to counties and eliminating the need for excessive cash reserves by implementing more frequent payment of property taxes.
- Provision of property tax relief, by the State, assuming costs currently borne by local governments without diluting local control.
- Income Tax Subcommittee
 - A proposal simplifying the Iowa individual income tax form using federal adjusted gross income as a starting point shall be submitted by the Department of Revenue and Finance and the Legislative Fiscal Bureau working jointly.
 - Any income tax change shall hold taxpayers harmless.
 - The progressivity of the present Iowa individual income tax system shall be maintained.
 - Elimination of the marriage penalty shall be maintained. The married filing separate option shall be replaced by a two-earner credit table that maintains the progressivity of the Iowa individual income tax system.
 - The number of income tax rate brackets shall be reduced to not more than five.

Local Option Sales Taxes

As of FY 1998, nearly 500 taxing districts imposed a local option sales and service tax. As of April 1, 1998, 54 of Iowa's 99 counties had at least one jurisdiction imposing a local option tax. In FY 1998, \$120.6 million in local option tax was collected by all taxing jurisdictions.

The LFB completed an *Issue Review* on this topic during the 1998 interim. For copies, please contact Larry Sigel at 515-281-4611.

PROPERTY TAX ISSUES

Property Tax Relief



Major property tax relief programs have been created since FY 1996. **Figure 1** summarizes the property tax relief expenditures and projects the cost of each program through FY 2002. Full funding of the homestead, elderly, and military property tax credits is not included because the amount of funding for property tax relief can not be determined. A discussion of the credits follows this section. Below is a description of each program.

Figure 1
Projected State Funded Property Tax Relief
(Dollars in Millions)

	<u>Actual FY 1996</u>	<u>Actual FY 1997</u>	<u>Actual FY 1998</u>	<u>Estimated FY 1999</u>	<u>Estimated FY 2000</u>	<u>Estimated FY 2001</u>	<u>Estimated FY 2002</u>
Machinery and Equipment	\$ 0.0	\$ 6.9	\$ 11.3	\$ 17.1	\$ 23.3	\$ 44.3	\$ 26.3
Property Tax Relief Fund	54.4	71.4	88.4	88.4	88.4	88.4	88.4
School Foundation Level	0.0	84.8	88.0	91.9	94.5	96.7	98.6
Total	<u>\$ 54.4</u>	<u>\$ 163.1</u>	<u>\$ 187.7</u>	<u>\$ 197.4</u>	<u>\$ 206.2</u>	<u>\$ 229.4</u>	<u>\$ 213.3</u>

Machinery and Equipment (M&E)

- The property tax on new M&E was repealed during the 1995 Legislative Session (SF 69, Property and Income Tax Reduction Act), retroactive to all M&E purchases made since January 1, 1994.
- The taxable value of M&E purchased prior to January 1, 1994, is being phased out over a four-year period beginning in FY 2001, such that the taxable value on all M&E will be zero beginning in FY 2004.
- Local governments receive reimbursement for the difference between the base year (FY 1996) M&E valuation and actual valuation for each year through FY 2001. For FY 2002 through FY 2006, the State reimbursement will be reduced to the extent that commercial and industrial valuation have grown since

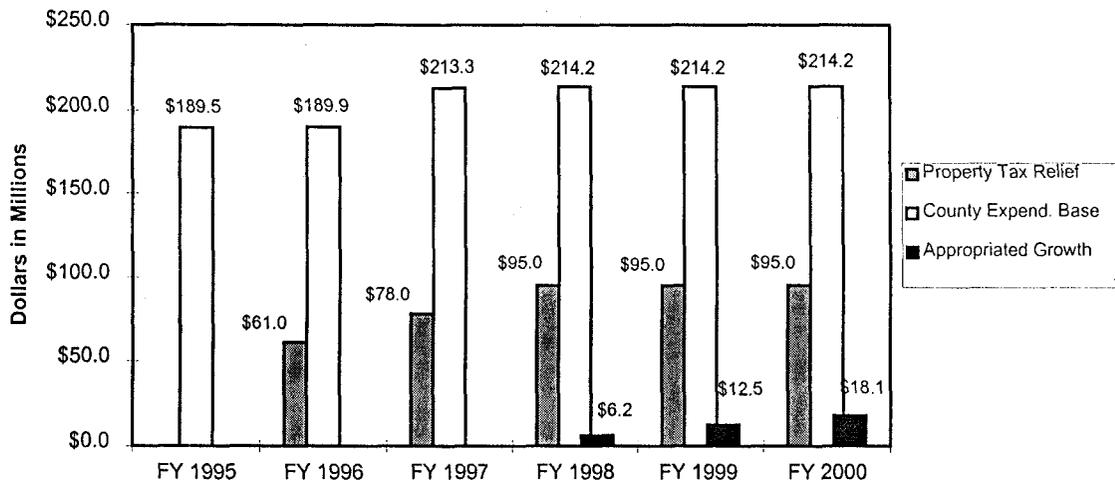
FY 1996. There will be no State reimbursement in FY 2007 and subsequent fiscal years. Reimbursements will be paid from a standing unlimited appropriation to the M&E Property Tax Replacement Fund.

Property Tax Relief Fund (Mental Health)

- The Property Tax Relief Fund was created by SF 69 (Property and Income Tax Reduction Act) during the 1995 Legislative Session.
- A standing limited appropriation was established, including a three-year phased-in approach to complete the State share. The following chart details annual appropriations from FY 1996 through FY 2000. The State share includes \$6.6 million annually for services for mentally retarded children which is transferred from the Property Tax Relief Fund to the Department of Human Services.

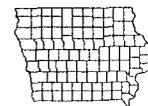
Figure 2

Property Tax Relief Funding History



Note: The FY 2000 Appropriations for Property Tax Relief and the County Expenditure Base are assumed at the FY 1999 rate. Senate File 2410 (FY 1999 Human Services Appropriations Act) appropriated the \$18.1 million for FY 2000 growth, which is a growth rate of 2.48%. The growth rate for FY 2001 is scheduled to be appropriated during the 1999 Legislative Session.

- Mental health funding in each county is limited to a base year amount. The appropriation of \$95.0 million was originally set as 50.0% of the FY 1996 county base expenditures of \$189.9 million. In FY 1997, counties were allowed to choose a base year from among the fiscal years 1994 through 1996. The adjustment added \$23.4 million to gross county spending within the county Mental Health/Mental Retardation/Developmental Disabilities (MH/MR/DD) Services Fund compared to the base of \$189.9 million. In FY 1998, counties were allowed to make



corrections to the base year expenditures for items previously funded with county general funds and not included in the Mental Health/Mental Retardation/Developmental Disabilities (MH/MR/DD) Services Fund. Total adjustments of \$1.1 million were made by three counties for a total adjusted county base of \$214.4 million.

- The first \$6.6 million of Property Tax Relief for mental health is transferred to the Department of Human Services for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) costs for children. An additional \$5.4 million was appropriated for these same costs to the Department of Human Services in FY 1999.
- The Property Tax Relief and appropriated growth are distributed to counties in FY 1999 based on the following formula:

Figure 3

FY 1999 Distribution Formula

Property Tax Relief	Allowed Growth
<ul style="list-style-type: none"> • 1/3 on the county's share of State population • 1/3 on the county's share of all counties' base year expenditures • 1/3 on the county's share of State's total taxable property valuation 	<ul style="list-style-type: none"> • 1/2 on the county's share of State population • 1/2 on the county's share of all counties' base year expenditures

- For FY 2000, the scheduled distribution formula is as follows:

Figure 4

FY 2000 Distribution Formula

Property Tax Relief	Allowed Growth
<ul style="list-style-type: none"> • 1/3 on the county's share of State population • 1/3 on the county's share of all counties' base year expenditures • 1/3 on the county's share of State's total taxable property valuation 	<ul style="list-style-type: none"> • \$12.0 million for inflation distributed as follows: <ul style="list-style-type: none"> • 75.0% based upon county share of State population. • 25.0% based upon each county's previous fiscal year expenditures for MH/MR/DD services. • \$2.1 million for a target pool, with counties having maximum mental health levies and below the 75th percentile of per capita expenditures being eligible. • \$2.0 million for an incentive and efficiency pool. • \$2.0 million for a risk pool.

- The General Assembly may wish to consider the following during the 1999 Legislative Session:
 - Review of the county expenditures and the use of the FY 1998 \$6.2 million appropriation for growth of the Mental Health/Mental Retardation/Developmental Disabilities expenditures.
 - Review of the local services provided in the State in lieu of a mandated minimum service level.
 - Review of proposals for the FY 2001 allowable growth appropriation.

❖ The Governor recommends a \$15.0 million increase in the Property Tax Relief Fund for FY 2000.

School Foundation Level

- In the 1996 Legislative Session, the regular program foundation level was raised from 83.0% to 87.5%. Raising the foundation level, increased state aid and reduced property taxes for local school districts by \$84.8 million in FY 1997. In general, school districts with the lowest taxable valuation received the biggest tax rate decrease.
- The foundation level can be raised for future property tax decreases. Increasing the regular program foundation level by 1.0% would increase state aid and reduce property taxes by \$21.0 million. Increasing the special education foundation level by 1.0% would increase state aid and reduce property taxes by \$3.5 million. If the special education foundation was raised to the regular program foundation level of 87.5%, state aid would increase and property taxes would decrease by \$29.9 million.



Property Tax Credits

The major property tax credits include the homestead tax credit, agricultural land tax credit, family farm tax credit, military service tax exemption, and various low-income elderly credits. **Figure 5** shows the amounts claimed by taxpayers and the amounts paid by the State, based on FY 1998 payments. For the homestead, military, and elderly credits, local governments pay the difference between the amount claimed and the State payment. For the agricultural credits, taxpayers receive pro-rated shares of the State payment.



Figure 5

Local Government Claims and Payments

(Dollars in Millions)

<u>FY 1997</u>	<u>Amount Claimed</u>	<u>Amount Paid by State</u>	<u>Additional Cost of Full State Funding</u>
Homestead Credits	\$ 113.44	\$ 113.44	\$ 0.00
Agriculture Land Credits	92.26	29.10	63.16
Family Farm Credits	40.61	10.00	30.61
Military Service Tax Exemption	13.30	2.75	10.55
Elderly Credits			
Rent Reimbursement	5.35	5.35	0.00
Property tax	3.74	3.74	0.00
Mobile homes	0.09	0.09	0.00
Special Assessments	0.02	0.02	0.00
Elderly Credit Total	9.20	9.20	0.00
Total	\$ 268.81	\$ 164.49	\$ 104.32

Homestead, Elderly, and Military Service Property Tax Credits

In the 1997 Session, the Legislature passed HF 726 (Tax Credits and Exemptions – Local Budget Practices – Property Tax Statements Act) which requires new property tax credits or exemptions to be fully funded by the State. If the new credit or exemption is not fully funded by the State, the credit or exemptions will be prorated to the taxpayer. These requirements also apply to the homestead, elderly and disabled, and military service property tax credits. The Act also removed the appropriation freeze on the homestead, elderly and disabled, and military service property tax credits. Removing the appropriation freeze reinstated the standing unlimited appropriations for these credits. State responsibility for the military service property tax credit is limited to \$6.75 per \$1,000 of assessed valuation. The credit exempts the first \$1,852 of assessed valuation from taxation. The total cost of the credit is equal to \$1,852 times the consolidated levy rate. Overall, the value of the credit is equal to approximately \$13.3 million, of which \$2.8 million is reimbursed by the State. The remainder is absorbed by counties.

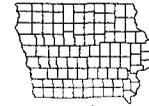
In FY 1998 through FY 2002, cities, counties, and school districts must use excess State reimbursement as follows:

- Cities must use at least 50.0% for property tax relief with the remaining amount for infrastructure.

- Counties must use at least 50.0% for property tax relief with the remaining amount used for infrastructure or for paying the expenses incurred in providing tax statements.
- School districts must use 100.0% for property tax relief through the reduction in the additional levy.

Property Tax Equalization

Equalization under Section 441.47, Code of Iowa, is a process used to maintain equity for property assessments between counties. The Department of Revenue and Finance (DRF) collects sales data, and based on that data makes a determination for equalization of specific classes of property in each county. The Department determines by county if residential and commercial property is generally assessed too high, too low, or within an appropriate range based on county sales data.



This process is utilized for equalization of commercial and residential classes of property in each county every two years (odd numbered years). Equalization is also done for the class of agricultural property, but agricultural property is assessed on a productivity basis, rather than market value, so another equalization method is used.

Equalization orders are given to the assessor. Although the assessor has some discretion in allocating increases and decreases within the classification of property, in most cases, the assessor will apply the percentage increase or decrease across the board.

Figure 6 displays the statewide changes in 1997 property tax valuations due to assessor revaluation, equalization order, and the net impact on valuations by class of property. The January 1, 1997, valuations are used to generate property tax revenues in FY 1999. Residential includes urban and rural residential and agricultural dwellings. The next equalization cycle will begin with valuations effective January 1, 1999, and will conclude with the DRF equalization order in the fall of 1999.

Figure 6

1997 Assessor Revaluation Actions and Equalization Orders

	<u>Assessor Revaluation</u>	<u>Equalization</u>	<u>Net Impact</u>
Agricultural	+2.5%	+5.6%	+8.1%
Residential	+6.4%	+4.6%	+11.0%
Commercial	+2.1%	+4.6%	+6.7%

Assessed Valuation Limitation (Rollback)

Assessment limitations provide for the reduction of property tax valuations to cushion the impact of inflation. The assessment limitations are applied according to a class of property as follows:

- For agricultural, residential, commercial, and industrial classes of real estate, the taxable valuation for each class is limited to four percent annual statewide growth from revaluation. In addition, the percent of growth from revaluation is to be the same for agricultural and residential property.
- For utility property, the taxable valuation is limited to eight percent annual statewide growth from revaluation.
- For railroad property, the assessed valuation is adjusted by the lowest of the assessment limitation percentages for commercial, industrial, and utility property to determine the taxable valuation.

An assessment limitation percentage is applied uniformly to each and every assessed value in the State for a class of property. Even though the State's total taxable value will increase by only the allowed percent of growth, the taxable values for individual properties will change by different percents. **Figure 7** has historical rollback adjustments due to the assessment limitation.

Figure 7

Percent of Property Valuation after Rollback Adjustment

Assessment Year	Agricultural	Residential	Commercial	Industrial	Utilities	Railroad
1992	100.0000%	72.6985%	100.0000%	100.0000%	100.0000%	100.0000%
1993	100.0000%	68.0404%	100.0000%	100.0000%	100.0000%	100.0000%
1994	100.0000%	67.5074%	100.0000%	100.0000%	97.2090%	97.2090%
1995	100.0000%	59.3180%	97.2824%	100.0000%	100.0000%	97.2824%
1996	100.0000%	58.8284%	100.0000%	100.0000%	100.0000%	100.0000%
1997	96.4206%	54.0909%	97.3606%	100.0000%	100.0000%	97.3606%
1998	100.0000%	56.4789%	100.0000%	100.0000%	100.0000%	100.0000%

Tax Increment Financing (TIF)



A Tax Increment Finance (TIF) area is established when a city or county adopts a resolution establishing an urban renewal project or a community college adopts a jobs training project. The taxable value of the TIF area in the year prior to the establishment of the TIF becomes the base value. The property tax revenue from the base value is distributed to all taxing

entities. Any growth above the base is called the incremental value. The property tax revenue on the incremental value goes to the TIF project.

In FY 1997, there were 1,453 TIF areas statewide with 896 having increased valuation. The total incremental value was \$2.4 billion of net taxable valuation. This generated approximately \$71.2 million for TIF projects. This is an increase of \$41.1 million (136.5%) since FY 1992. The incremental value also generated an additional \$8.1 million for bonded indebtedness levies.

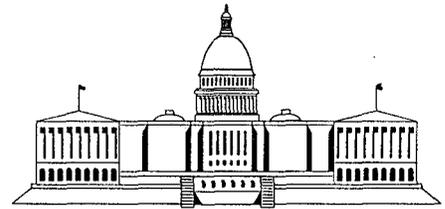
The impact of TIF areas' incremental value being excluded caused the State to increase General Fund appropriations for School Aid by \$12.8 million in FY 1997, for revenue not generated by the uniform levy rate.

An *Issue Review*, "Tax Increment Financing (TIF)," issued July 31, 1997, provides additional details on TIFs and the impact on the State, local governments, and taxpayers.

FEDERAL FUNDING ISSUES

Since 1990, the federal budget process has focused on avoiding increases in the annual deficit by imposing targets for various types of discretionary spending and limiting statutory changes that would increase entitlement spending. While unable to pass a balanced budget amendment, the 105th Congress did reach some agreement with the administration on tax reform and efforts to balance the budget. Additionally, they achieved the first budget surplus since 1969. The surplus of \$70.0 billion was applied against the \$5.5 trillion national debt. Both the White House's Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) project that surpluses will grow steadily into the next century.

The Governor estimates are that in State FY 1999, the State of Iowa will receive approximately \$2.470 billion in federal funding. This is an increase of \$179.9 million (7.9%) compared to actual FY 1998 receipts. Nearly \$1.246 billion of this amount (50.4%) will be received by the Department of Human Services, primarily for the Medical Assistance, Food Stamps, Employment Training, and Family Investment Programs. Other departments receiving large amounts of federal funds include:



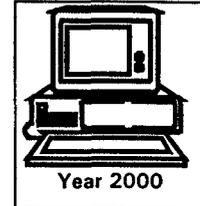
- \$214.1 million for the Department of Transportation.
- \$257.8 million for the Department of Education.
- \$254.1 million for the Department of Workforce Development.
- \$233.0 million for the Board of Regents Institutions.

For State FY 2000, the Governor estimates the State of Iowa will receive \$2.614 billion in federal funding. This would be an increase of \$143.8 million (5.8%) compared to estimated State FY 1999. Nearly \$1.334 billion (50.4%) of this amount will be received by the Department of Human Services. Other departments receiving large amounts of federal funds include:

- \$263.4 million for the Department of Transportation.
- \$260.1 million for the Department of Education.
- \$253.9 million for the Department of Workforce Development.
- \$235.0 million for the Board of Regents Institutions.

The estimated State FY 1999 and FY 2000 figures for federal funds are likely to be revised for a number of reasons including:

- Some departments historically underestimate the amount of federal funds they are likely to receive to ensure a conservative approach to planning expenditures.
- A number of adjustments are made each time the books are closed on a federal fiscal year. This could result in reversion of unexpended federal funds and the carry-forward, where federal law allows, of federal funds into the next fiscal year.
- Several agencies, including the Departments of Human Services, Transportation, and Workforce Development, have requested federal funding to pay for a portion of the costs of the year 2000 computer problem. Whether the federal government will agree to pay all, some, or none of the requested amounts has not yet been determined.
- Rule changes in many federal programs take time to be finalized and published, and those changes could impact the amount of funds states will receive and the distribution of the available funds.



In November, the Federal Funds Information Service (FFIS) provided an analysis of major grant programs and provided estimates for each state. The table below presents the information provided by FFIS for Iowa in millions of dollars.

Iowa Federal Grant Programs

(Dollars in Millions)

<u>Program</u>	<u>FFY 1998 Estimate</u>	<u>FFY 1999 Enacted</u>	<u>Difference</u>
Medicaid Administration	\$ 43.8	\$ 55.1	\$ 11.3
Medicaid Payments	849.7	868.9	19.2
Food Stamp Administration	8.8	8.8	0.0
Food Stamp Benefits	119.4	115.3	-4.1
Unemployment Insurance Admin.	18.6	18.8	0.2
Temporary Assist. for Needy Families	131.5	131.5	0.0
Title I	51.9	20.3	-31.6
Pell Grants	86.0	90.2	4.2
Special Education Basic Grants	43.7	47.1	3.4
Head Start	31.2	33.4	2.2
School Lunch	45.7	47.5	1.8
Social Services Block Grant	24.7	20.5	-4.2

<u>Program</u>	<u>FFY 1998 Estimate</u>	<u>FFY 1999 Enacted</u>	<u>Difference</u>
Foster Care	18.5	21.1	2.6
Child Support	15.8	19.3	3.5
Child Care Entitlement	16.9	17.9	1.0
Rehabilitation Services	26.2	26.8	0.6
Women, Infant, and Children	33.1	33.1	0.0
Children's Health Insurance Program	32.5	32.5	0.0
Childcare Development Block Grant	16.8	16.9	0.1
Low Income Housing	1.6	1.6	0.0

In the first term of the 106th Congress, the President and Congress will likely continue to identify ways to reduce the national debt or minimize growth in spending. However, some of the urgency appears to have dissipated due to increasing levels of revenues and the spending reductions the 104th and 105th Congresses and the President agreed to enact. According to articles in the **Congressional Quarterly Weekly Report**, the new Congress is likely to continue to take a moderate approach to change. It is likely that:

- The projected budget surpluses and uses of them, estimated at \$1.6 trillion over the next 10 years, will be a key challenge to both Congress and the President.
- Some effort will be made by Congress to reduce taxes, although the President will likely focus efforts on protecting Social Security and Medicaid.
- Telecommunications and technology issues, including the need for federal standards for electronic commerce and taxation of internet-based sales, will continue to be investigated.
- Congress is likely to increase the budgets of regulatory agencies that oversee industries from airlines to telecommunications and financial services, all of which are seeing record-sized mergers. Oversight may include tougher criminal penalties for violations of the country's anti-trust laws.

The General Assembly may wish to review:

- Options for the use of the Tobacco Settlement funds. It is estimated that the State will receive \$1.7 billion over the next 25 years (between \$55.0 and \$70.0 million annually.) For more information on this issue, please contact Deb Anderson (515-281-6764) or Sue Lerdal (515-281-7794).
- The Health Care Financing Administration's position on whether Viagra is qualified for exclusion as a fertility medication. The Administration is required to

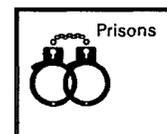
work with states in making this determination. For more information on this issue, please contact Deb Anderson (515-281-6764) or Sue Lerdal (515-281-7794).

- The impact of the federal Social Services Block Grant funding reduction. The reduction reduces Iowa's FY 2000 allocation by \$4.5 million compared to FY 1999, resulting in total FY 2000 Social Services Block Grant funding of \$20.2 million. For more information on this issue, please contact Deb Anderson (515-281-6764) or Sue Lerdal (515-281-7794).
- The impact of the new federal transportation funding legislation, the Transportation Equity Act for the 21st Century (TEA-21), on the Iowa Department of Transportation's Five-Year Iowa Transportation Improvement Program. The Act provides an increase of \$565.3 million (42.7%) in Highway Program funds over the six-year authorization period compared to the six-year apportionments made in the Intermodal Surface Transportation Act of 1991 (ISTEA). For more information on this issue, please contact Dave Reynolds (515-281-6934).
- The impact of the federal class size reduction appropriation for education. Of the \$1.2 billion appropriation for FFY 1999, Iowa is expected to receive \$9.4 million with the funding available July 1, 1999. The funding will be distributed to school districts using a formula based on 80.0% poverty and 20.0% student enrollment. There is no state matching fund requirement. Non-regulatory guidance will be issued by the U.S. Department of Education in December 1998. For more information on this issue, please contact Paige Piper/Bach (515-281-7942).

PRISONS AND GROWTH IN THE PRISON POPULATION

Present Prison System

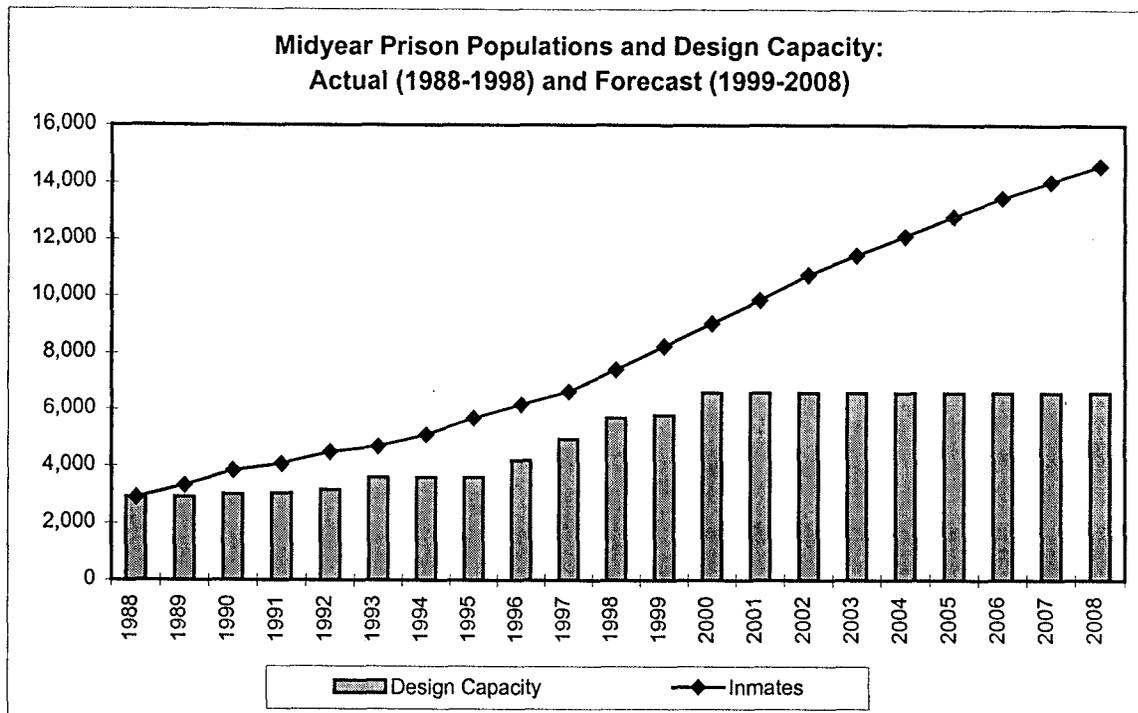
Iowa's prison system has nine major prison facilities with a total of 5,701 beds, and will add another 900 beds by the beginning of FY 2001. The Iowa State Penitentiary at Ft. Madison, Iowa's oldest prison, was constructed in 1839 and serves as the primary maximum security facility. The Anamosa facility was constructed before 1900. The prison at Clarinda was the first of three 750-bed medium security prisons to be built in this decade. It opened in April 1996. The second prison at Newton opened in July 1997, and the third at Ft. Dodge opened in April 1998. The additions to existing institutions currently under construction are distributed as follows:



<u>Location</u>	<u>Type of Facility</u>	<u>Design Capacity</u>	<u>Opening Date</u>
Mt. Pleasant	Women - special needs, medium security	100 beds	February 1999 for full occupancy
Mitchellville	Women - general population, minimum security	200 beds	December 1999
Ft. Dodge	Men - general population, medium security	400 beds	December 1999
Ft. Madison	Men - special needs, maximum security	200 beds	July 2000

Projected Prison Population Growth

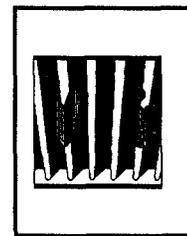
On November 6, 1998, there were 7,474 inmates in Iowa's prison system. Another 100 women inmates were being housed in an out-of-state prison because of the overcrowding at the Mitchellville women's prison. Since June 30, 1988, the inmate population has increased by 157.1%. The Criminal and Juvenile Justice Planning Division (CJJP) of the Department of Human Rights has prepared a prison population forecast showing prison population growth through FY 2008. The following graph shows the actual and projected midyear inmate populations from 1988 to 2008, assuming current trends and policies continue.



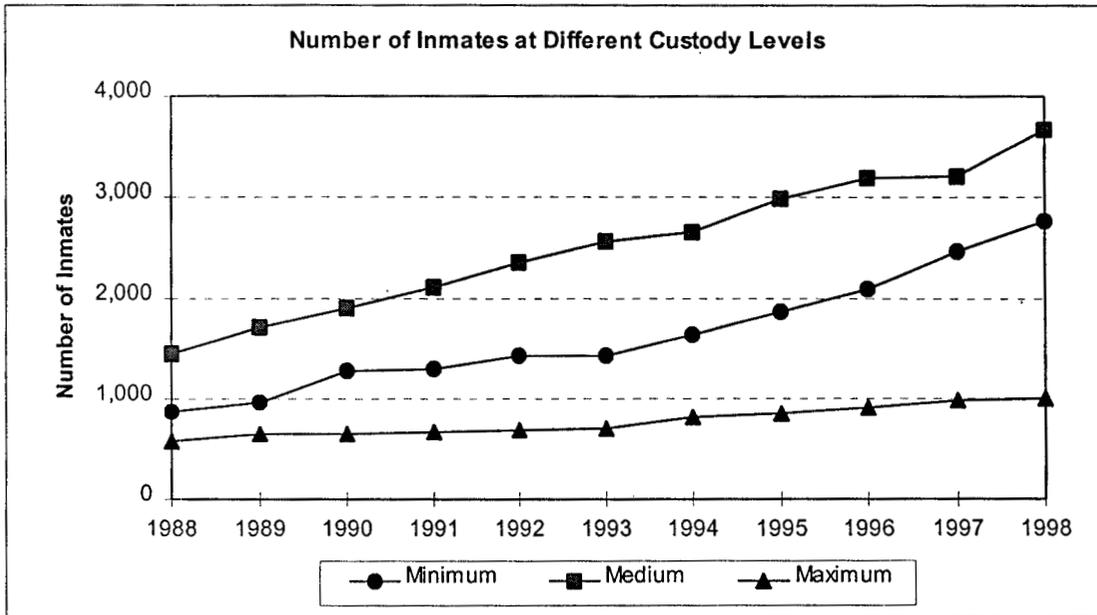
At the beginning of FY 1999, the prison system had 7,431 inmates being held in a system with a design capacity of 5,701. The system was operating at 130.4% of design capacity. The addition of the 900 beds at the various locations will slow the increase in overcrowding, reaching 137.0% of design capacity at the end of FY 2000 with 9,044 inmates occupying a system with a design capacity of 6,601. The inmate population is projected to surpass the previous highest level of overcrowding during FY 2002, ending the fiscal year at 162.9% of design capacity. Assuming continuation of current growth rates and the construction of no additional prisons beds, the system is projected to be operating at 221.0% of design capacity by FY 2008 with 14,586 inmates living in a system with a design capacity of 6,601.

Security Levels

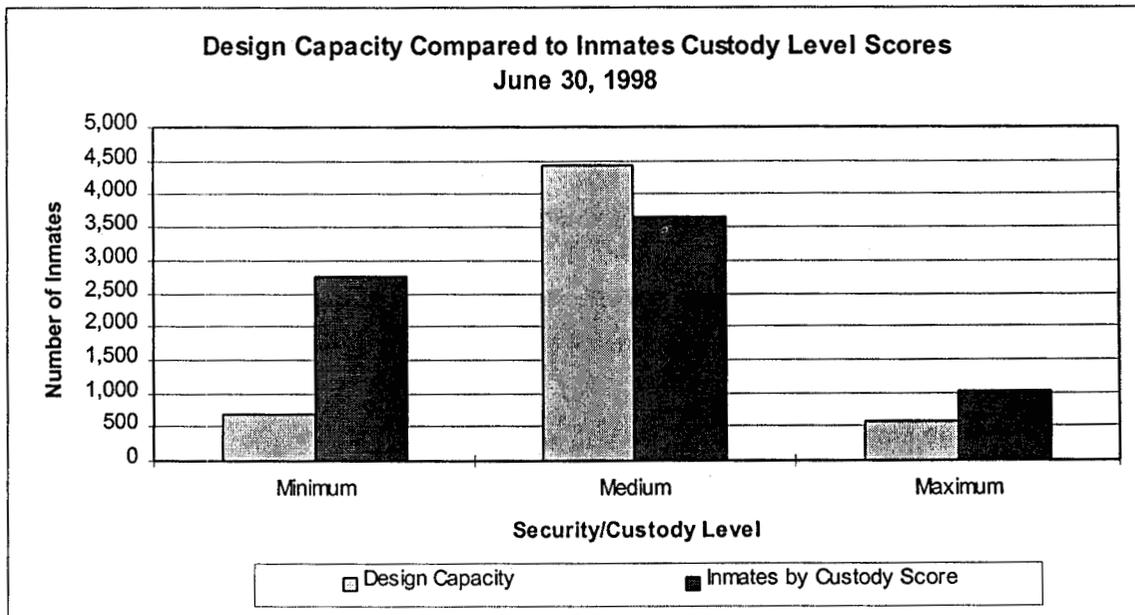
Over the past decade, the number of minimum security level scoring inmates has been growing more rapidly than the number of either medium or maximum security level inmates. The number of minimum security level inmates has increased from 867 to 2,754 for an average annual increase of 12.6%. At the same time, the number of medium security level inmates has increased from 1,451 to 3,666 for an average annual increase of 9.8%. The number of inmates scoring at the maximum security level has increased from 572 to 1,012 which is an average annual increase



of 6.0%. The following chart shows the increase in inmates by security level between 1988 and 1998.



At the end of this ten-year period, the Iowa prison system was supervising 1,012 maximum security level inmates in a system with 580 maximum security beds. The effect has been to push maximum security level inmates into medium security beds. The following chart compares inmates by custody score with the design capacity security level.



While the minimum security level inmates represent the most rapidly growing segment of the inmate population, the three recently added prisons were medium security facilities. This has led to an excess of medium security beds. As is explained below, costs for construction and operation increase as security level increases.

Projected Prison Additions and Costs

Prison costs vary significantly by security level. The 1997 national average construction cost was \$80,562 per maximum security prison bed, \$50,376 per medium security bed, and \$31,184 per minimum security bed (Camp and Camp, 1997:69). Iowa's recent medium security prison construction costs were 91.3% of the national average.



The cost estimates presented below are based on the prison population forecast by the Criminal and Juvenile Justice Planning Division (CJJJ) of the Department of Human Rights and make the following assumptions:

- 1) Current laws, incarceration trends, and release policies will remain in place.
- 2) The proportion of future inmates requiring maximum, medium, and minimum security confinement will remain the same as present proportions.
- 3) Prison additions will be 750-bed facilities and will be constructed so that a new prison opens during the year in which the prison population would reach the stated percentage of design capacity. No new prisons will become operational in FY 1999 because of the time required for construction after approval by the Legislature.
- 4) A 750-bed medium security prison costs \$34.5 million or \$46,000 per bed to construct. A maximum security prison bed costs \$74,000 to construct and a minimum security bed costs \$28,000 to construct.
- 5) Bonds issued for prison construction will be for 20 years and increase total costs by 63.0%.
- 6) A 750-bed medium security prison costs \$16.5 million or \$22,000 per bed to operate. A maximum security prison bed costs \$26,000 to operate, and a minimum security bed costs \$17,000 to operate.
- 7) Prison beds currently under construction will have an annual operating cost of \$15.0 million and will be phased in over two years.
- 8) No adjustments are made for inflation, so all costs are stated in FY 1999 dollars.

The following tables show the number of prisons and projected costs if the prison system operated at approximately 100.0% of design capacity and approximately 140.0% of design capacity. The 100.0% level represents the estimated maximum costs of the prison system for the projected inmate population. The 140.0%

represents the estimated costs of the prison system operating at the highest level of occupancy that will not lead to a viable inmate lawsuit. The Department of Corrections Director stated before the Board of Corrections and before the Sentencing Commission that it appears the prison system can operate between 130.0% and 140.0% of capacity without violating inmates' constitutional rights.

Projected Prison Populations and Prison Costs With the Inmate Population Maintained at Approximately 100.0% of Design Capacity

June	Est. Design Capacity	Est. No. of Inmates	Hypothetical Prison Additions			(in Millions)		
			Max.	Med.	Min.	Annual Operat. Budget	Cumul. Constr. Costs	Cum. Total Bonded Const. Costs
			1999	5,801	8,244			
2000	10,351	9,044	1		4	232.1	140.6	229.2
2001	10,351	9,861				239.6	140.6	229.2
2002	11,101	10,751		1		256.1	175.1	285.4
2003	11,851	11,434			1	269.1	196.4	320.2
2004	12,601	12,099	1			288.7	251.6	410.1
2005	13,351	12,791		1		305.2	286.1	466.4
2006	14,101	13,456			1	318.1	307.5	501.2
2007	14,851	14,023		1		334.6	342.0	557.4
2008	14,851	14,586				334.6	342.0	557.4
Total Prisons Added			2	3	6			

Projected Prison Populations and Prison Costs With the Inmate Population Maintained at Approximately 140.0% of Design Capacity

June	Est. Design Capacity	Est. No. of Inmates	Hypothetical Prison Additions			(in Millions)		
			Max.	Med.	Min.	Annual Operat. Budget	Cumul. Constr. Costs	Cum. Total Bonded Const. Costs
			1999	5,801	8,244			
2000	9,601	9,044	1		3	219.2	119.2	194.3
2001	9,601	9,861				226.7	119.2	194.3
2002	9,601	10,751				226.7	119.2	194.3
2003	9,601	11,434				226.7	119.2	194.3
2004	10,351	12,099			1	239.6	140.6	229.2
2005	10,351	12,791				239.6	140.6	229.2
2006	10,351	13,456				239.6	140.6	229.2
2007	10,351	14,023				239.6	140.6	229.2
2008	11,101	14,586		1		256.1	175.1	285.4
Total Prisons Added			1	1	4			

If current trends continue and no changes in policy are made, Iowa's prison system will need between six and eleven additional prisons by FY 2008. If the prison system is operated at 100.0% of design capacity, eleven new 750-bed prisons will be needed. The annual operating budgets would increase from \$153.3 million in FY 1999 to \$334.6 million in FY 2008, an increase of \$181.3 million (118.2%). Construction costs would total \$342.0 million if directly appropriated, or \$557.4 million over 20 years if bonded.

If the prison system operates at approximately 140.0% of design capacity, six new 750-bed prisons will be needed. The annual operating budgets would increase from \$153.3 million in FY 1999 to \$256.1 million in FY 2008, an increase of \$102.8 million (67.1%). Construction costs would total \$175.1 million if directly appropriated, or \$285.4 million over 20 years if bonded.

The Governor is recommending construction of a 120-bed facility at the Oakdale Medical and Classification Center for inmates with special needs at a cost of \$3.8 million. The Governor is also recommending \$2.0 million be appropriated for expansion of Community-Based Corrections residential facilities. Funding for these projects is to come from the Rebuild Iowa Infrastructure Fund (RIIF).

Reference

Camp, Camille Graham and George M. Camp. *The Corrections Yearbook 1997*. South Salem, New York: Criminal Justice Institute, Inc., 1997.

THE FIGHT AGAINST METHAMPHETAMINE

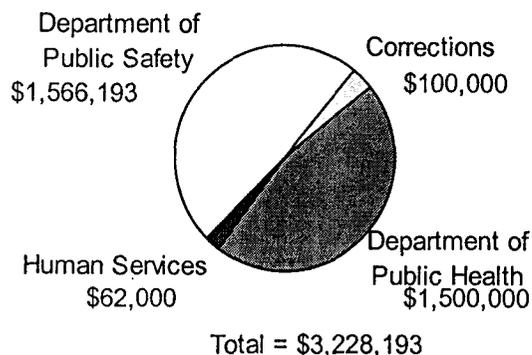
Methamphetamine is a stimulant that affects the central nervous system. The drug is made easily in clandestine labs with relatively inexpensive over-the-counter ingredients. Methamphetamine is sold in the forms of pills, powders, or as clear, chunky crystals. Some common street names for methamphetamines are Speed, Meth, Chalk, Ice, Crystal, Glass, and Crank Go-Fast, Zip, and Cristy. Methamphetamine can be smoked, sniffed, injected, and orally ingested.

More than 200 methamphetamine labs or dump sites were found in Iowa in 1998. Iowa is part of a five-state region identified by federal authorities as a high-intensity methamphetamine area. In 1997, Nebraska, Iowa, Missouri, Kansas, and South Dakota were given \$8 million from the federal government to fund intelligence and investigation of the methamphetamine problem.

The following table reflects the Governor's budget recommendations concerning methamphetamine. All of the following funding sources are from the General Fund.

<u>Department</u>	<u>Governor's Recomm.</u>	<u>Purpose</u>
Department of Public Health		
Addictive Disorders	\$ 1,500,000	Increase meth treatment
Human Services		
Eldora Training School	62,000	Expand substance abuse treatment
Department of Public Safety		
Division of Criminal Investigation	80,956	Two additional criminalists
Division of Criminal Investigation	41,236	One Criminalist - meth lab response team
Division of Narcotics Enforcement	505,476	Six Narcotics Enforcement agents
Division of Narcotics Enforcement	421,236	Six Narcotics Enforcement personnel - meth lab response team
Fire Marshal	77,668	One Fire Marshal Special Agent - meth lab response team
Iowa State Patrol	439,621	Five State Troopers - meth lab response team
Corrections		
Community Based Corrections	100,000	Youth Leadership Model in the 5th District
	\$ 3,228,193	

The Fight Against Methamphetamine: Governor's Recommendations



In addition to the General Fund dollars that are outlined above, the Governor is recommending the use of federal dollars through the following federal programs:

- Drug Enforcement Agency (DEA), Community Orientated Policing Program funding would be used for prosecution of methamphetamine cases.
- Tri-State Methamphetamine Training Program for training rural officers law enforcement. The Governor plans to target this money in the Sioux City area.

The following are other proposals that the Governor has made however, no funding source has been identified:

- Implement a life sentence for the manufacture and sale of methamphetamine to minors.
- Increase the number of Drug Courts to reduce the number of repeat offenders.
- Encourage the use of regional HAZMAT teams to clean methamphetamine sites.
- Use of National Guard to support in the raid on methamphetamine labs.
- Use already existing programs such as the K-12 health curricula, Women Infants and Children (WIC) Supplemental Food Program, and the Family Development and Self Sufficiency (FaDSS) Program in which to incorporate methamphetamine education.

- Create a "Public Nuisance Task Force" comprised of citizens educated in the detection of methamphetamine manufacturing in their communities. Local law enforcement would be able to take action against the property.
- Provide community grants to educate parents, employers, and youth leaders.
- Copy the "Youth Leadership Model" in the Sixth Judicial District Community Based Corrections which pairs at-risk teenage males with athletes from the University of Iowa.
- Develop a long-range plan to combat methamphetamine use by the Steering Committee.

The Legislative Fiscal Bureau will be analyzing the Governor's proposals and their impact on the FY 2000 budget. For more information, please contact Jennifer Dean (281-4613) or Christina Schaefer (281-6301).

IOWA COMMUNICATIONS NETWORK

The Iowa Communications Network (ICN) was created by the 1989 General Assembly as a fiber optic "highway" capable of carrying all forms of communications traffic including voice, distance education, telemedicine, government information and services, and computer network data. Fiber optic technology converts voice, video, and data signals into digital light impulses which are transmitted over hair-thin glass fibers.



The installation of the ICN began in 1991 as a three-part project:

- Part I consists of 20 connection sites. These include 15 regional centers located at each of the community colleges throughout the State, the three Regents universities, Iowa Public Television, and the State Capitol complex.
- Part II consists of 84 connection sites. These include separate fiber optic lines from the respective regional center to each of the remaining counties. These sites are typically known as the County Points of Presence.
- Part III, as proposed, specified the connection of at least 474 additional sites (mostly K-12 schools and libraries) in Fiscal Years 1996 to 1999 with approximate costs as follows:
 - During FY 1996 through FY 1998, 456 additional classrooms were added at a cost of \$54.9 million. The addition brought the total to 560 classroom sites. For FY 1998, the General Assembly had appropriated \$22.6 million for connecting classrooms. However, due to the age of the optics in the Network, the Iowa Telecommunications and Technology Commission (ITTC) decided to delay some connections and carried forward \$7.0 million of those funds into FY 1999, for possible conversion of the Network to Asynchronous Transfer Mode (ATM) and MPEG 2 technology. This new technology would allow for multiple classrooms at sites and addition of other sites (if authorized) by reducing the bandwidth necessary to carry the video signal and allowing the signal to travel any direction that is open across the Network. The Commission is asking for an appropriation of \$7.0 million in both FY 2000 and FY 2001 for this purpose.
 - In FY 1999, all remaining authorized sites will be connected for \$18.9 million. The staff of the ICN now expect more than 800 classrooms to be connected to the system at the 578 authorized sites. It had not been anticipated that numerous sites would want to connect more than a single classroom. This has caused the ICN staff to propose changing to ATM and

MPEG 2 technology to reduce the bandwidth necessary to transport a video signal and accommodate the greater number of classrooms.

Parts I and II of the ICN were completed at a cost of \$114.5 million which was funded by Certificates of Participation. Parts I and II are typically referred to as the "backbone" of the Network, and the connections are owned by the State. Part III connections will be constructed by private vendors and most will be leased by the State, except for approximately 21 sites that will be owned by the State as the result of a National Guard ICN project. The majority of the Part III sites will be K-12 schools. Seven libraries have been connected as part of a pilot project in Fiscal Years 1996 through 1998, but remaining library connections (approximately 80) will be completed in FY 1999. Additional libraries, not part of the original 474 approved Part III sites, have asked to be allowed connection to the ICN, and some K-12 schools have asked to not be connected. During the 1998 Legislative Session, the General Assembly authorized the substitution of a site requesting to be connected for a site requesting to not be connected on a one-for-one basis.



Interactive Video Sites

As of January 15, 1999, 631 full motion, interactive video classroom sites had been connected to the ICN. This included:

Iowa Communications Network

	<u>Sites</u>
Area Education Agencies	16
Community Colleges	94
K-12 School Districts	337
Other Education	3
Libraries	16
Medical Facilities	8
Private Colleges	17
Regents Institutions	25
National Guard	56
State Agencies	42
Federal	14
Miscellaneous	3
Total Classrooms	<u>631</u>



Authorized users of the network currently include the Iowa National Guard, Iowa Public Television, libraries, State government agencies, community colleges, Regents institutions, private colleges and universities, all local school districts, area education agencies, hospitals and physician clinics, federal agencies, Iowa judicial and corrections systems, the United States Postal Service, and the Quad Cities Graduate Center.

Video Rate Changes

The ICN is governed by the Iowa Telecommunications and Technology Commission. The Commission has five voting members and the State Auditor serves as an ex-officio nonvoting member.

During the 1998 Legislative Session, the Oversight and Communications Appropriations Subcommittee requested that the Commission begin to move the Network to a rate structure that would reduce the need for subsidization. The Commission reviewed the current rates charged for video usage and held a joint meeting with the Legislative Oversight Committee to discuss possible options for rate changes.



As a result of the review and legislative input, the Commission adopted the following rates at its September meeting. The rates will be effective July 1, 1999.

<u>User Group</u>	<u>Rate Change</u>
K-12 Education	From \$5.25 to \$5.50 per hour per site
Higher Ed./Training	From \$6.30 to \$6.65 per hour per site
Administrative Use	From \$10.50 to \$12.00 per hour per site
Telemedicine	From \$45.50 to \$42.60 per hour per site
Federal	From \$45.50 to \$42.60 per hour per site

The rates for telemedicine and federal users decreased as overall usage has increased and the fixed costs of the Network are spread across all users resulting in a lowering of total cost (not including debt service) from \$45.50 to \$42.60 per hour. As the build out is completed and usage continues to increase, the fixed costs per hour will continue to decline. Educational and administrative users have been subsidized by an appropriation from the General Assembly.

Study of Options Related to the ICN

On January 20, 1999, the Subcommittee received and discussed the "Final Report on the Evaluation of Options for the Iowa Communications Network (ICN)", by Ultrapro International, Inc. Mr. Ellwood Kerkeslager of Ultrapro presented the report to the Subcommittee. The report presented and analyzed ten options related to the disposition of the Iowa Communications Network (ICN) at the end of the build out of Part III of the ICN. The options, as presented, were:

- **Option 1 – Sale of the Network (no assurances)** – The ICN would be sold to a private owner but authorized users would not be assured affordable access to the network. Sale with no assurances means that the Legislature would not continue to provide subsidy support for the cost of educational use of the ICN.

The sale raises issues related to federal use of the ICN, right-of-way and access considerations, and IRS concerns. Also, unsuccessful bidders (or competitors who did not bid) may try to block the sale.

- **Option 2 – Sale of the Network (with assurances)** – The ICN would be sold to a private provider but educational users would be assured affordable access, subsidized either by the state or the buyer. As is the case with Option 1, the sale raises issues related to federal use of the ICN, right-of-way and access considerations, and IRS concerns. Also, unsuccessful bidders may try to block the sale.
- **Option 3 – Sale of Excess Capacity** – The State would sell excess capacity (dark fiber) for private ownership and operation while retaining control of its portion of the network and continue to provide assurances to authorized users. The ICN does not have a significant amount of marketable space capacity and the same concerns about federal use, right-of-way, IRS concerns, and potential for unsuccessful bidders to try to block the sale would relate to this option as well. An issue of security in allowing a private company to share in the utilization of existing sites and set up equipment in existing facilities was also raised.
- **Option 4 – Private-Public Ownership** – The ICN would be owned and operated by a new public-private entity which could be a partnership, association, or corporation. Expanding the network and the use of the facilities with the State as a partner to compete with private providers would be a very controversial step. It would likely be challenged in court because of the disadvantage it creates for providers who are not awarded contracts to partner with the State.
- **Option 5 – State Ownership, Private Operations** – The State would retain ownership of the ICN, but would lease the entire network to a private operator which could open the network up for public use. As is the case with Option 4, expanding the use of ICN to compete with current telecommunications providers is a controversial step which would likely be challenged in court.
- **Option 6 – State Ownership, Private Management** – The State would retain ownership of the ICN, but would contract with a private company to manage the network. This option would not be as controversial as the other options because it would not expand the network to compete with private providers for general business and consumer customers.
- **Option 7 – Lease of Excess Capacity (no restrictions)** – The State would retain ownership and operation of the ICN but would lease excess capacity to providers anywhere in the State. Once again, the option of expanding use of the ICN to compete with current telecommunications providers is a controversial step which would likely be challenged in court. In addition, any new operator

would have to be evaluated to determine if such a transaction would aid or hurt competition.

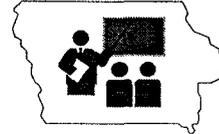
- **Option 8 – Lease of Excess Capacity (restricted)** – The State would retain ownership and operation of the ICN but would lease excess capacity to providers in areas where the service is not currently available. Once service becomes in an area, the ICN would be unable to continue the lease. This option may not be as controversial as Option 7, although the provider would have a monopoly in those areas of the State currently not served by a telecommunications provider. It was recommended that the Legislature make a policy determination as to whether it intends to go beyond serving the needs of its own users.
- **Option 9 – State Ownership and Operation** – The State would continue to own and operate the ICN. Based on interviews conducted by the consultants, the status quo seemed acceptable to most industry and government representatives that were interviewed during the study. This is due to a fear by the industry that a competitor would buy the ICN and have an unfair business advantage and built-in customer base.
- **Option 10 – State-owned Public Utility** – The State would continue to own and operate the ICN but would open the user base up to the general public. The addition of a competitive alternative would appear to be in agreement with the principle that users benefit from increased competition. However, the interviews indicated that industry competitors view this with alarm because the State has unfair competitive advantages as it does not pay taxes and is subsidized by the taxpayers.

The consultants also recommended that the State and management of the ICN develop, implement, and monitor:

- Quality measures that track the performance of the ICN's services.
- A regular system of customer satisfaction measures.
- A series of regular operational audits of the ICN, in addition to the annual financial audits.
- Measures and incentives to encourage efficient and effective use of the ICN by authorized users.

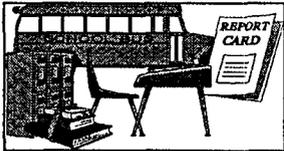
IOWA SCHOOL FOUNDATION FORMULA

The Iowa School Foundation Formula was created between 1970 and 1972, for the school year beginning July 1, 1972. The Formula is a student-driven financing mechanism that works to equalize revenues from state sources and property taxes. The Formula was revised in 1989 to equalize per pupil spending, provide an enrollment cushion (phantom students), increase property tax relief, and provide for increased local discretion. In 1992, further revisions to the Formula included eliminating advanced funding for increasing enrollment, eliminating the enrollment decline cushion (phantom students), and requiring the Governor and General Assembly to establish the allowable growth rate each year for per pupil expenditures, which was previously established by the formula.



In the 1995, the Legislature established the practice of setting allowable growth two years in advance within 30 days of the submission of the Governor's budget. The 1996 Legislature set allowable growth for FY 1998 and FY 1999 at 3.5%. Last year allowable growth for FY 2000 was set at 3.0%. Under current law, the General Assembly will have to set allowable growth in the 1999 Legislative Session for FY 2001.

The School Foundation Formula is based on basic enrollment, a school district's regular program cost per pupil, state aid determined by a foundation level, and an amount generated by the uniform property tax levy. Other funding sources available to school districts on an optional basis in the general education fund area include talented and gifted programs, drop-out prevention programs, School Budget Review Committee authorizations, and the instructional support levy. Other optional funding sources available to districts in the general education fund area include the cash reserve levy, management levy, and enrichment levy.



Local school districts have a number of optional funding sources available to them for non-general education fund activities. The levies are used for building construction, building maintenance, equipment purchases, and certain operational expenditures. These include: debt service levy, schoolhouse property tax levy, physical plant and equipment levy, and the educational and recreation levy.

Under current law, state aid is estimated to increase by \$45.0 million (2.8%) for FY 2000 compared to FY 1999 (See Table 1). Property taxes are estimated to increase by \$22.8 million (2.6%) for FY 2000 compared to FY 1999. The total controlled budget is estimated to increase \$67.8 million (2.7%) for FY 2000 compared to FY 1999.



Table 1
FY 2000 State Aid Estimate
(Dollars in Millions)

FY 1999 State Aid		\$ 1,611.9
Allowable Growth (3.0%)	61.3	
Enrollment Change	-10.6	
Special Education Increase (Assumed)	10.2	
Supplemental Weighting Increase	2.4	
Taxable Valuation Increase (Assumed)	-13.8	
Reorganization Incentives Decrease	-3.7	
Property Tax Adjustment Aid	-0.5	
M&E Valuation Reduction (Assumed)	-0.9	
Miscellaneous	<u>0.6</u>	
Total FY 2000 Changes		<u>45.0</u>
Estimated FY 2000 State Aid		<u><u>\$ 1,656.9</u></u>

❖The Governor is recommending that \$6.2 million be appropriated for FY 2000 to provide a budget guarantee for school districts experiencing a decrease in enrollment. In the past, funding for budget guarantees for school districts has been provided completely from property taxes.

The estimated FY 2000 enrollment decreased 2,560 (0.5%) students compared to FY 1999. The enrollment count is taken on the third Friday of September each year, which was September 18, 1998, for FY 2000. The decrease represents the second straight year of decline in enrollment, and this trend is expected to continue for the next several years.

❖The Governor is recommending that \$4.0 million be appropriated for FY 2000 to the School Budget Review Committee to provide additional funding for school districts experiencing increasing enrollments.

Special Education weightings increased by 4.2%. Supplemental weightings for sharing increased by 11.8% and supplemental weightings for Limited English Proficiency increased by 13.0%. Taxable valuations are assumed to increase by 3.0%. Reorganization incentives ended with FY 1999.

School districts' regular program cost are guaranteed to be at least as much as in the prior year (100.0% budget guarantee) for FY 1999. The full amount of the budget guarantee is placed on property taxes. Under current law, the regular program budget guarantee expires after FY 1999. In FY 1999, 63 districts are on the guarantee at a cost of \$3.2 million. During the 1998 legislative session a 101.0% guarantee level was approved with the last 1.0% to be provided by the State. Increasing the guarantee amount from 100.0% to 101.0% would increase the number of affected school districts to 119 and would result in an increase of \$2.4 million in state aid. However, Governor Branstad vetoed the budget guarantee provision of the Education Reform Appropriations Act.

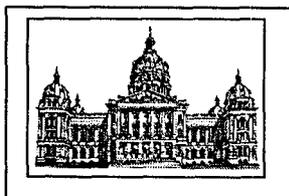
❖The Governor is recommending a reduction in class size for kindergarten through third grade. The program will phase in over five years with \$10.0 million in funding proposed for FY 2000. Funding will increase by \$10.0 million each subsequent year from FY 2001 through FY 2004, when funding will equal \$50.0 million.

❖The Governor is recommending that the source of funds for public school technology investment be moved from the General Fund to a newly created Technology Assurance Fund. Funding will be \$30.0 million per year and the current five year sunset for technology investment in public schools will be eliminated.

❖The Governor is recommending an allowable growth rate of 4.0% for FY 2001. The LFB estimates this will increase state aid by \$60.6 million.



The current school foundation aid formula sunsets July 1, 2001. The 1998 General Assembly adopted House Concurrent Resolution 15, which requested the formation of a committee by the Legislative Council to conduct a comprehensive study of school finance and make recommendations for a revised school aid formula. To this end, the School Finance Working Committee was created, and it began meeting in September.



A deadline for submission of the Committee's recommendations has not been specified. Additional explanation of the Committee's work is provided in the section on Education Issues.

Table 2 displays the estimated increases for FY 2001 compared to FY 2000 at various growth rates as estimated by the Legislative Fiscal Bureau (LFB). Contact the LFB for further explanation of the assumptions and any additional detail.

Table 2

**Estimated FY 2001 Changes Compared to FY 2000
at Various Allowable Growth Rates**
(Dollars in Millions)

Allowable Growth	State Aid		Property Tax		Total Budget	
	Change	% Change	Change	% Change	Change	% Change
0.0%	\$ -23.6	-1.4%	\$ 17.8	2.0%	\$ -5.8	-0.2%
0.5%	-12.9	-0.8%	19.6	2.2%	6.6	0.3%
1.0%	-2.9	-0.2%	21.5	2.4%	18.7	0.7%
1.5%	8.4	0.5%	22.9	2.5%	31.3	1.2%
2.0%	19.1	1.2%	24.8	2.7%	43.9	1.7%
2.5%	29.1	1.8%	26.8	3.0%	56.0	2.2%
3.0%	39.8	2.4%	28.7	3.2%	68.6	2.7%
3.5%	50.6	3.1%	30.6	3.4%	81.2	3.2%
4.0%	60.6	3.7%	32.7	3.6%	93.3	3.6%
4.5%	71.3	4.3%	34.6	3.8%	105.9	4.1%
5.0%	82.6	5.0%	36.0	4.0%	118.5	4.6%
5.5%	92.6	5.6%	38.0	4.2%	130.6	5.1%
6.0%	102.8	6.2%	40.4	4.5%	143.2	5.6%

Assumptions:

	FY1999	FY2000	Change FY1999-FY2000
1. Estimated State Aid	\$1,611,858,487	\$1,656,828,146	\$ 44,969,659
2. Estimated Property Tax	880,766,840	903,585,340	22,818,500
3. Estimated Total Budget	\$2,492,625,327	\$2,560,413,486	\$ 67,788,159

4. The estimates are based on 375 school districts.
5. Special education weightings are assumed to increase by 5.0% for FY 2001.
6. Property tax valuation is assumed to increase by 3.0% for FY 2000 and for FY 2001.
7. Enrollments are assumed to decrease by 0.7% compared FY 2000 level.
8. Supplemental weights for shared pupils/teachers and ESL are assumed to decrease by 16.7% for FY 2001 due to an Attorney General's ruling, which will reduce state aid by \$5.6 to \$5.9 million depending on the rate of allowable growth.

EDUCATION ISSUES

In February 1997, Governor Branstad appointed a 14-member Commission on Educational Excellence for the 21st Century. The Commission was charged with encouraging a statewide perspective on Iowa's investment in education, assessing the degree to which Iowa's youth are positioned for success, and making recommendations for improvements in the education system. The Commission was asked to focus on the following areas:

- High expectations for students.
- Quality of instructional programs.
- Student achievement.
- Parental and community involvement.



After a series of meetings during 1997, the Commission recommended funding for a number of initiatives and forwarded them in a final report to Governor Branstad and the General Assembly.

For FY 1999, Governor Branstad recommended most, but not all of the Commission's recommendations for funding by the General Assembly. The General Assembly, in turn, incorporated most of the Commission's and Governor's plans by enacting SF 2366 (Education Reform Act) during the 1998 Legislative Session. However, Governor Branstad vetoed much of the General Assembly's plan. The chart below gives a comparison of the three plans, including the final funding implemented after Governor Branstad's vetoes.



Education Reform - FY 1999

Recommendation	Commission Estimate	Governor Recomm.	SF 2366	Governor Vetoes	Final Funding
Four-year-old at-risk program	\$ 4,000,000	\$ 5,200,000			\$ 0
Iowa Empowerment Fund			\$ 5,200,000		5,200,000
Early Education Imperatives Program			9,000,000	\$ -9,000,000	0
Funding for children ages 0-3	1,200,000	0			0
Perf. standards for teacher licensure	1,500,000	1,500,000			0
Teacher Internship Pilot			220,000	-220,000	0
Teacher induction programs	300,000	300,000	240,000	-240,000	0
Recruitment for diversity/shortages	500,000	250,000			0
Inc. min. teacher salary to \$23,000	2,500,000	2,500,000	2,400,000		2,400,000
Teacher merit awards	9,360,500	9,360,500			0
Instructional Leadership			1,000,000	-1,000,000	0
Administrator merit awards	400,000	0			0

Education Reform - FY 1999, continued

Recommendation	Commission Estimate	Governor Recomm.	SF 2366	Governor Vetoed	Final Funding
National certification stipends	300,000	200,000	250,000		250,000
Intervention for poor performance	675,000	675,000			0
Practitioner Performance			300,000		300,000
Extended school year options	4,000,000	2,000,000	1,500,000		1,500,000
Other Education Items					0
Para-Educator Licensing			75,000		75,000
Ambassador for Education			75,000		75,000
On-Time Funding			4,000,000	-4,000,000	0
Instructional Support			2,000,000	-2,000,000	0
101% Budget Guarantee			2,400,000	-2,400,000	0
Totals	\$ 24,735,500	\$ 21,985,500	\$ 24,260,000	\$ -14,460,000	\$ 9,800,000

NOTES:

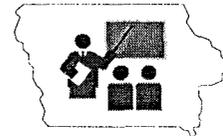
Governor Branstad vetoed the Frontier School language so the funding is for Extended School Year Grants.

The On-time Funding was a contingent appropriation.

The minimum teacher salary and Ambassador for Education funding is from the Educational Excellence standing appropriation.

The Budget Guarantee is funded from property taxes.

Increases in Current Initiatives Requested



The Department of Education has requested continued and/or increased funding in several education reform areas implemented for FY 1999. These include:

- **National Certification** – An increase of \$600,000 to bring total funding to \$850,000 for FY 2000. Each teacher who achieves national certification will receive an annual stipend of \$10,000 for a five-year period. A portion of the funding will also be used to offset the \$2,000 application fee for national certification. During FY 1999, the funding of \$250,000 was used to pay stipends to 13 nationally certified teachers and pay national certification costs for 75 teachers. *The Governor is recommending an increase of \$600,000 as requested by the Department of Education.*
- **Practitioner Improvement** – An increase of \$250,000 to bring total funding to \$550,000 for FY 2000. The funding is being utilized by the Department to establish and implement a voluntary practitioner performance improvement program. *The Governor is recommending an increase of \$250,000 as requested by the Department to expand practitioner improvement by implementing a new beginning teacher induction program.*
- **Empowerment Funding** – An increase of \$5.2 million to bring total funding to \$10.4 million. This increase, if approved for FY 2000, would provide services to approximately 1,400 three- and four-year-old children. *The Governor is recommending an increase of \$5.2 million as requested by the Department.*

New Education Reform Initiatives Requested for FY 2000

The Department is requesting funding for the following new initiatives:

- **Improving Teacher Standards** - \$125,000 to improve teacher standards through participation in a State collaborative assessment and in the Interstate New Teacher Assessment and Support Consortium (INTASC). *The Governor is recommending an increase of \$125,000 as requested by the Department.*
- **Performance Assessment** – The Board of Educational Examiners is requesting \$600,000 for a two-year pilot study to assess performance of teacher education graduates. *The Governor is recommending an increase of \$600,000 as requested by the Department.*

Summary of Interim and Other Education Issue Studies

During the 1998 Interim several groups met to study education reform, particularly focusing on teacher preparation and assessment.

- **Legislative Interim on Teacher Preparation** – The General Assembly authorized a Teacher Preparation Study Committee to study and make recommendations regarding improvement in teacher education programs.

The Committee received testimony for four of the meeting days and deliberated recommendations for one day. Final recommendations have not been released, but are expected during the 1999 General Assembly. Possible recommendations discussed by the Committee include:

Recruitment and Retention

- Forgivable loan program for teachers who enter identified shortage areas. The Committee recognizes there is NOT a shortage of teacher graduates in Iowa, but there are shortages in certain areas such as special education and technology.
- Tuition assistance for teachers who choose to pursue advanced degrees or further education.
- Signing bonuses for teachers in shortage areas.
- Identifying future teacher candidates.
- Competitive salaries.



Teacher Preparation – Rather than mandating specific changes, the Committee agreed to request the Iowa Association of Colleges of Teacher Education (IACTE) report on various teacher preparation improvement strategies, such as adding more field experience, collaboration between colleges and student

teaching districts, requiring teacher education professors to have more field experience or be licensed to teach, and surveying the amount of time teacher education professors spend in field experiences.

Evaluation – Testing (or some assessment) of basic skills at the freshman/sophomore year of teacher preparation programs and testing prior to licensure.

Professional Development

- Mentoring.
- Volunteer program involving retired teachers.
- Financial incentives for extended school year (to add staff development time).

Miscellaneous – Restoring the media and guidance counseling requirement for school districts.

- ***School Finance Working Committee*** – The General Assembly authorized the School Finance Working Committee to hold six meeting days during the 1998 Interim. The Committee will continue to meet during the 1999 Legislative Session and intends to make recommendations prior to the end of the Session. The current formula is scheduled to sunset on July 1, 2001.



The Committee has identified the following goals:

- Equalizing education expenditures per pupil.
- Equalizing property tax rates across all school districts and providing property tax relief.
- Increasing the amount of resources being dedicated to educating Iowa's children.

The Committee is exploring a variety of options for achieving these goals. The major funding elements currently being reviewed include:

- **Budget Guarantee** – Establishing an alternative budget guarantee mechanism that permits districts to adjust to decreasing enrollment over several years and provides property tax relief by moving funding responsibility under the regular program portion of the foundation formula.

- Talented and Gifted – Providing property tax relief by moving funding responsibility under the regular program portion of the foundation formula.
 - Instructional Support – Removing the cap on the State’s contribution to instructional support programs and restoring the State’s share to 25.0% of program costs.
 - At-risk Programs – Establishing a new supplemental weighting category and programs for at-risk students with the intent of reducing the number of students requiring special education services later during their education careers.
 - On-time Funding – Providing additional spending authority and State aid for school districts experiencing increases in enrollment.
 - Transportation – Providing additional State aid to school districts with transportation cost per pupil greater than the State average.
- ***Governor’s Council on Continuous Education Improvement*** – In July of 1998, Governor Branstad created, by Executive Order, the Council for Continuous Improvement in Education. The purpose of the Council is to prepare, recruit, and retain effective education professionals in Iowa school districts. Members of the Council include representatives from various educational entities and private business. The Council has been meeting monthly, but no formal action has been taken. Duties of the Council include:
 - Designing, developing, implementing, and evaluating new concepts to help schools support, assess, and compensate education professionals.
 - Forwarding recommendations each year to the Governor, General Assembly, stakeholders, and State agencies, regarding new models of teacher compensation.
 - Assisting in developing new educator compensation models.
 - Securing private-sector funding to assist in teacher education initiatives.
 - ***Ed Prep Task Force*** – Governor Branstad requested that the State Board of Education and the Board of Educational Examiners establish a Task Force to move forward with competency-based educator/administrator licensing. The Task Force has been meeting monthly, but no formal action has been taken.

The following table summarizes Governor Vilsack's FY 2000 recommendations for education.

Summary of Governor's FY 2000 Increased Education Funding

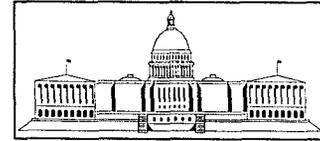
Title	Note	FY 1999 Estimated	FY 2000 Gov. Recomm.	FY 2000 Increase	Budget Location	Funding Source
Enrich Iowa Libraries	1	\$ 0	\$ 1,000,000	\$ 1,000,000	Education	G.F.
Empowerment (early childhood)		5,200,000	10,400,000	5,200,000	Education	G.F.
Child Care Assistance		0	6,500,000	6,500,000	Hum. Svcs.	Fed.
Reduce Class Size	2	0	10,000,000	10,000,000	Education	G.F.
Allowable Growth	3	1,611,858,487	1,662,900,000	51,041,513	Education	G.F.
SBRC On-time Funding	4	0	4,000,000	4,000,000	Education	G.F.
Rebuild Iowa Schools Fund	5	0	10,000,000	10,000,000	Trans. & Infra.	Infra.
Juvenile Court Liaisons for Schools		0	2,000,000	2,000,000	Hum. Svcs.	G.F.
Worker Retraining Forgivable Loans	6	0	1,750,000	1,750,000	College Aid	G.F.
Vocational-Technical Grants		2,244,197	2,482,400	238,203	College Aid	G.F.
School to Career Program	7	0	500,000	500,000	Ec. Dev.	G.F.
State of Iowa Scholarships		474,800	498,540	23,740	College Aid	G.F.
Iowa Tuition Grants		44,664,750	47,914,750	3,250,000	College Aid	G.F.
Educator Shortage Forgivable Loans	8	90,000	250,000	160,000	College Aid	G.F.
National Guard Tuition Assistance		833,900	1,000,000	166,100	College Aid	G.F.
Community Colleges - General Aid		135,366,156	141,577,403	6,211,247	Education	G.F.
Work Keys Assessments	9	0	750,000	750,000	Education	G.F.
Star-based Leadership Conference		0	100,000	100,000	Education	G.F.
Improve Teacher Standards		0	125,000	125,000	Education	G.F.
Teacher Performance Improvement	10	300,000	550,000	250,000	Education	G.F.
		\$ 1,801,032,290	\$ 1,904,298,093	\$ 103,265,803		

- 1 Governor proposes an increase of \$1.0 million each year for three years until total funding equals \$3.0 million.
- 2 Governor proposes an increase of \$10.0 million each year for five years until total funding from the State General Fund equals \$50.0 million. Under this proposal, the State funding would be supplemented by federal funding of \$10.0 million for total Program funding of \$60.0 million in FY 2004.
- 3 Governor's proposal includes an increase of \$6.1 million for FY 2000 for budget guarantee. Governor proposes a growth rate of 4.0% for FY 2001 with an estimated increased cost of \$60.6 million.
- 4 Governor proposes an appropriation to the School Budget Review Committee (SBRC) to assist schools on an individual basis with funding due to increased enrollments.
- 5 Governor proposes an interest buy down program from State gambling revenues to assist school districts with infrastructure needs. The funding would increase \$10.0 million each year for five years for total State funding of \$50.0 million in FY 2004. The funding in FY 2000 would be supplemented by \$10.0 million of federal funds for total funding of \$20.0 million in FY 2000.
- 6 Eligibility for the forgivable loan program would be determined by a proposed Iowa Skills Forecasting Council to be chaired by the Lt. Governor. Loans would be for skilled worker shortage areas with preference given to low income workers.
- 7 The School to Career Program was established as a standing appropriation during the 1998 Legislative Session with funding for the Program to begin in FY 2000.
- 8 The General Assembly appropriated \$90,000 for an Industrial Technology Forgivable Loan Program for teachers for FY 1999. The Governor's recommendation incorporates that funding with new funds of \$160,000 to address the shortage of teachers in specific subject areas.
- 9 Work keys assessments to be given to high school freshmen. Students would be retested as seniors to determine progress. Areas to be tested include reading for information, applied math, listening, and writing.
- 10 Increased funding for FY 2000 is to be used for teacher induction programs.

Additional information regarding the Governor's recommendations can be found in the Iowa School Foundation Formula and the Education Appropriations Subcommittee sections of this document.

CHILDREN'S HEALTH INSURANCE PROGRAM

The federal Balanced Budget Act of 1997 (HR 2015) created the Children's Health Insurance Program (CHIP), under Title XXI of the Social Security Act, to enable states to provide health coverage to uninsured, low-income children.

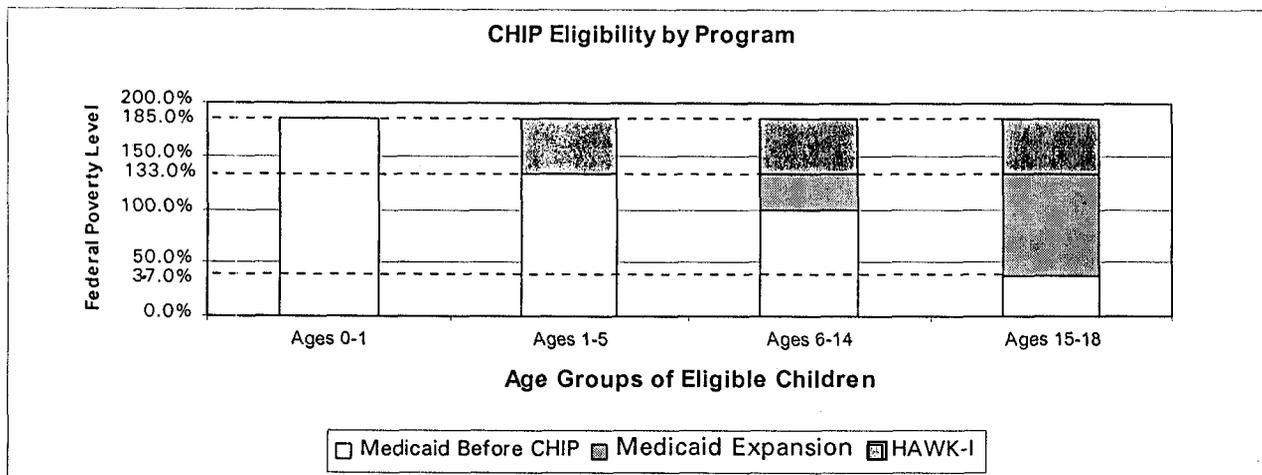


Iowa's Children's Health Insurance Program

Iowa's chosen option for implementing the CHIP is a combination of Medicaid expansion and a new program entitled Healthy and Well Kids in Iowa (HAWK-I). House File 2517 (Healthy and Well Kids in Iowa Program Act of 1998) expanded Medicaid coverage for children to 133.0% of the Federal Poverty Level effective July 1, 1998, and created the HAWK-I Program for children in families with incomes up to 185.0% of the federal poverty level effective January 1, 1999.

❖The Governor has recommended an increase of \$700,000 to expand HAWK-I eligibility to an additional 12,000 children living in families with incomes up to 200.0% of the federal poverty level effective July 1, 1999.

The following graphic indicates by Federal Poverty Level and age group which Program option will cover eligible low-income children:



The Department of Human Services (DHS) estimates that 16,000 children in the State are newly eligible for the Medicaid expansion, many of them siblings of younger Medicaid eligibles, and 40,000 children in the State will be eligible for the HAWK-I Program effective January 1999. The DHS has established an enrollment

target of 15,500 children in the Medicaid expansion category and 39,500 children in the HAWK-I Program by the end of FY 2000.

State and Federal Funds Appropriated



The FY 1998 federal CHIP allotment for Iowa was \$32.5 million, based on the federal Health Care Financing Administration estimate of 67,000 uninsured children in Iowa. The 1998 General Assembly appropriated \$7.0 million in State matching funds for the Insurance Program. Using a 74.6% federal match rate, the FY 1999 General Fund appropriation was matched by \$20.6 million in federal funds. The unmatched portion of Iowa's FY 1998 federal allotment will remain available for expenditure within the next three years. To maximize the available annual federal allotment, Iowa will be required to appropriate \$11.0 million in General Fund moneys annually for FY 2000 through FY 2008.

Implementation of the Children's Health Insurance Program

A maximum of 10.0% of the federal funds received may be used for administration, outreach programs, and direct provision of service. The DHS has selected the Zimmerman Public Relations and Marketing Firm of Des Moines to serve as the outreach contractor. The budget for contracted outreach activities in FY 1999 is \$500,000. A public awareness campaign is expected to include posters, brochures, and television spots as specified in the Request for Proposals.

The DHS also entered into a Third Party Administrative contract with Eligibility Services, Inc., of Dallas, Texas. The duties of the contractor include development and implementation of a system to administer eligibility determinations, enrollment, premium collection, customer services, and data reporting for the HAWK-I Program.

Implementation Issues

The General Assembly may wish to consider the following issues:

- Buy-in options for low-income parents or families above 200.0% of the poverty level.
- Presumptive eligibility to provide immediate coverage for applicants until such time as actual eligibility can be determined.
- Revision of coverage provisions specified by the DHS to increase the number of insurance providers and managed care organizations submitting bids to administer the CHIP.
- Coverage for special needs children.



The LFB completed an *Issue Review* titled "State Children's Health Insurance Program" and an *Issue Review* titled "Implementation of the State Children's Health Insurance Program." Copies are available by contacting Deb Anderson at 515-281-6764 or Sue Lerdal at 515-281-7794.

ENVIRONMENTAL ISSUES

The Governor's concerns with regard to improving the environment are in four categories. They include:

- Improving water quality.
- Improving livestock facility safety.
- Promoting clean air.
- Establishing the environment as an essential element of the State's infrastructure.

The following details these issues:

❖ Improve water quality

- Water Quality Feasibility Study and Comprehensive Surface and Groundwater Monitoring. The Governor is recommending a Water Quality Monitoring Network that would establish a surface and groundwater monitoring system. Improvements include:
 - Adding more monitoring stations.
 - Developing a system that regularly monitors lakes, reservoirs, and wetlands.
 - Improving Iowa's publicly-owned lakes protection program.
 - Basing a comprehensive water testing program in the Department of Natural Resources (DNR).
 - Conducting fixed station monitoring of six major aquifers and 615 wells.
 - Increasing ambient rotational groundwater monitoring to the pre-1992 level.
- Iowa Watershed Protection Program. The Iowa Watershed Protection Program would be under the direction of the Department of Agriculture and Land Stewardship. The purpose of the Program includes:
 - Involving all stakeholders in the watershed to jointly review watershed conditions and propose solutions to prevent pollution.

- Utilizing local resources to carry out the Program. Local resources include commissions, county conservation boards, soil and water commissioners, boards of health, and other State resources.
- Gaining knowledge from the review of the watershed program implemented by the State of Illinois.
- Encouraging the federal government to develop a better definition of wetlands.
- Statewide Environmental Assessment. The Governor is recommending the Assessment to achieve the following:
 - Developing a system that includes all stakeholders and interested parties.
 - Tracking water quality over time by establishing permanent monitoring stations across the State.
 - Directing the Department of Natural Resources to determine what information needs to be gathered from stakeholders and to make the information compatible with other sources and accessible to the public.
- Toxic Waste Cleanup. To maintain and enforce a toxic waste cleanup program in Iowa by funding start-up costs for the Brownfields Program.
- Research and Development. To achieve the following:
 - Working with small business and industry to prevent pollution and to promote the University of Northern Iowa's Waste Reduction Center.
 - Further involving the Department of Natural Resources in Iowa Access.
 - Increasing water and soil protection by increasing compliance of livestock facilities. This would include review of manure management plans, permit issuance, compliance inspections, and licensing of manure applicators.

❖ Improve livestock facility safety

- Involvement of local government to control siting of livestock facilities.
- Phase out of earthen storage basins having a capacity of three million gallons or more.

- Creation of a program that demonstrates the best practices in livestock waste management and utilization of the expertise of the Leopold Center for information dissemination and project demonstration.

❖ Promote clean air

- Support of the federal Clean Air Act by increasing funding to the Department of Natural Resources Air Quality Program.
- Promotion of clean air solutions by implementing a Fuel Quality Standard for Iowa that includes the use of ethanol.
- Collaboration with Iowa's Congressional delegation to promote ethanol use to reduce air pollution.

❖ Environment and recreation as elements of the State's infrastructure

- Establishment of a new infrastructure fund, the Recreation, Environment, and Cultural Fund (REC). The purpose of the fund is to guarantee a financial commitment of the State's infrastructure fund to include the environment and recreation.
- Funding of one-time initiatives through this program.
- Funding of the Resource Enhancement And Protection (REAP) Fund from the REC Fund over the next two years.

The following table details funding sources for the Governor's recommendations:

Department	Budget Unit	Funding Source	Governor's Recs	Purpose
DNR	Environmental Protection Division	Storm Water Discharge Fees	\$56,000	Water Quality Feasibility Study
DNR	Environmental Protection Division	REC	\$1,000,000	Water Quality Monitoring
DALS	Soil Conservation Division	REC General Fund	\$1,400,000 \$100,000	Iowa Watershed Protection Program
DNR	Environmental Protection Division	General Fund	\$100,000	Brownfields start-up costs
DNR	Environmental Protection Division	General Fund	\$422,000	Increase livestock facility regulation and compliance
DNR	Environmental Protection Division	General Fund	\$1,000,000	Increase funding to match federal dollars
DNR	Environmental Protection Division	REC	\$15,000,000	Increase funding for REAP

INFRASTRUCTURE, DEFERRED MAINTENANCE, MAJOR MAINTENANCE, AND NEW CONSTRUCTION

Governor's Recommended Changes to Infrastructure Funding

❖ The Governor is recommending the establishment of a Rebuild Iowa Distribution Account that will fund infrastructure, technology, environmental, recreational, and cultural projects. Included in the Governor's recommendation, all gambling revenues will be deposited into the Distribution Account (current law allocates the first \$60.0 million to the General Fund), as well as the interest earnings from the Cash Reserve and Economic Emergency Funds. In addition, the Governor is recommending the transfer of \$5.0 million annually from the Underground Petroleum Storage Tank Fund into the Distribution Account. The current fund balance in the Rebuild Iowa Infrastructure Fund will also be transferred to the Rebuild Iowa Distribution Account.

The Governor is recommending appropriations from the Distribution Account to three separate funds from which appropriations would be made for individual projects. Included in the recommendation are minimum appropriation amounts for each fund to be established by the Code of Iowa. The funds and minimum appropriations are listed below:

- Rebuild Iowa Infrastructure Fund: \$100.0 million
- Technology Assurance Fund: \$50.0 million
- Recreation, Environment, and Cultural Fund: \$40.0 million

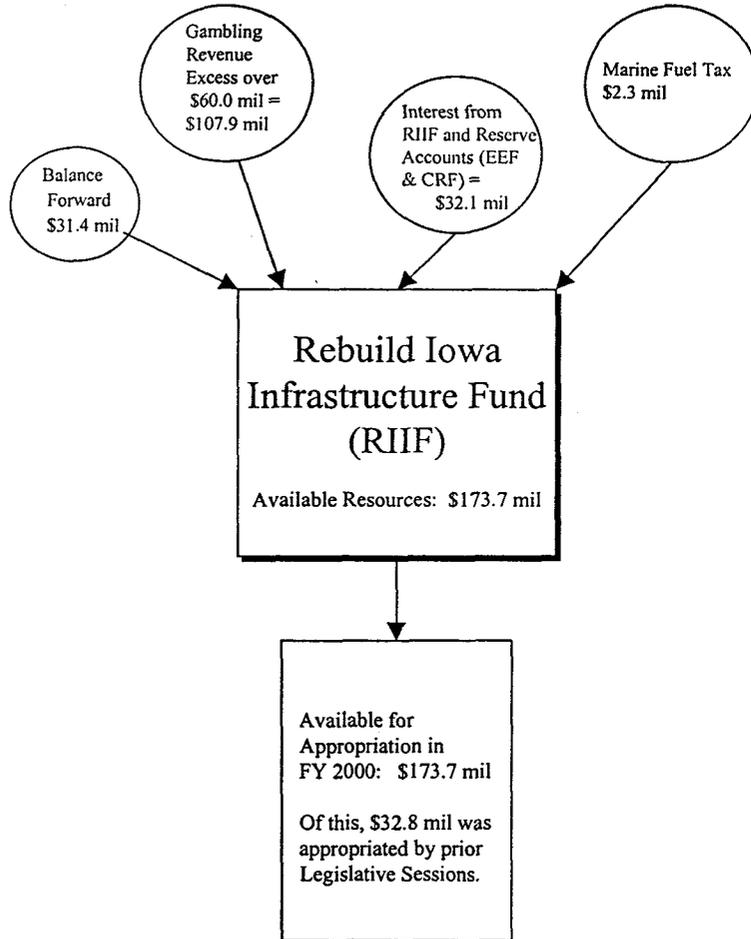
The following table shows the Governor's estimated revenues for the Rebuild Iowa Distribution Account for FY 2000 and FY 2001 and the recommended appropriations for each of the three funds.

Governor's Recommendation
Rebuild Iowa Distribution Account
(Dollars in Millions)

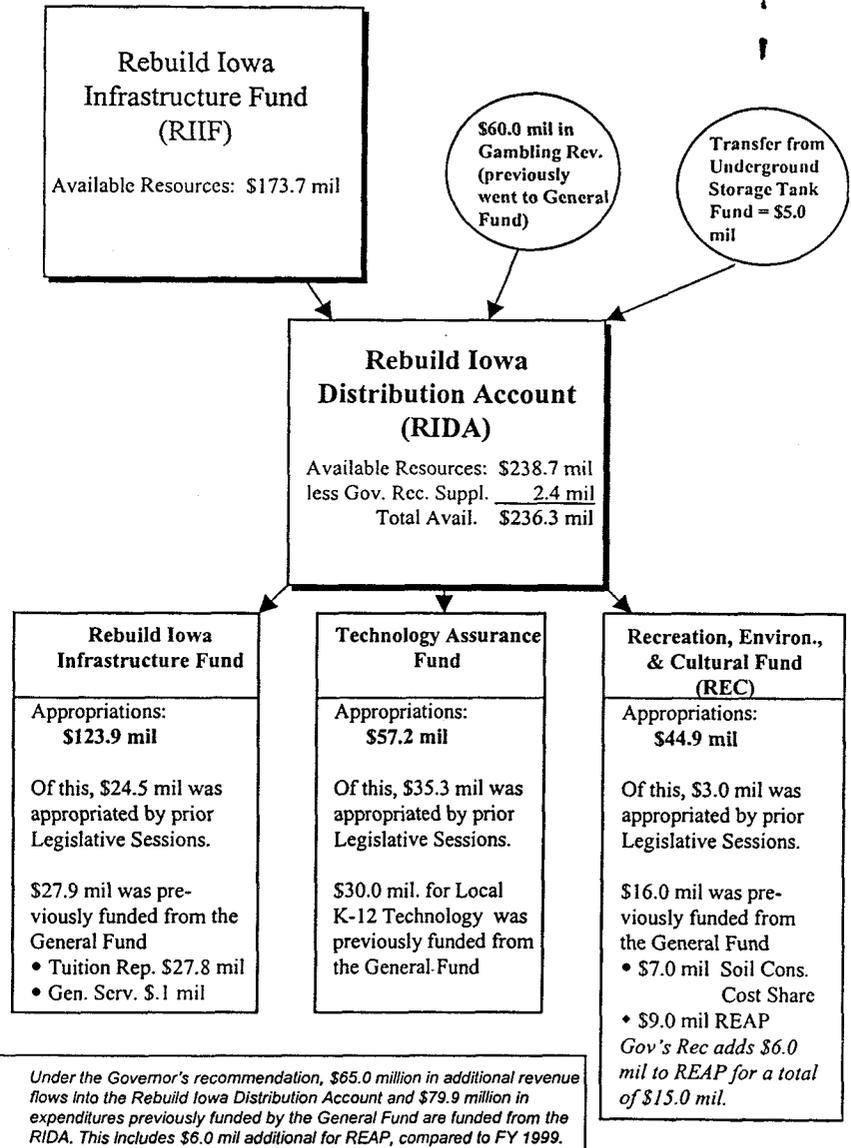
	<u>FY 2000</u>	<u>FY 2001</u>
<u>Resources</u>		
Balance transfer from RIF	\$ 29.0	\$ 10.3
<u>Revenue</u>		
Accrued Interest	32.1	34.3
Gambling Receipts	107.9	121.5
Gambling Revenues from General Fund	60.0	60.0
Transfer from Underground Storage Tank Fund	5.0	5.0
Marine Fuel Tax	<u>2.3</u>	<u>2.3</u>
Total Revenue	207.3	223.1
Total Available Resources	<u>\$ 236.3</u>	<u>\$ 233.4</u>
<u>Appropriations</u>		
Rebuild Iowa Infrastructure Fund	\$ 123.9	\$ 114.4
Technology Assurance Fund	57.2	64.8
Recreation, Environment, & Cultural Fund	44.9	50.4
Total Appropriations	<u>\$ 226.0</u>	<u>\$ 229.6</u>
Ending Balance	<u>\$ 10.3</u>	<u>\$ 3.8</u>

The chart on the following page compares the Rebuild Iowa Infrastructure Fund under current law to the Governor's recommended change to establish the Rebuild Iowa Distribution Account.

Current Law FY 2000



Governor's Recommendation FY 2000



The following table shows the total appropriations by agency from all three funding sources that would receive funding from the Rebuild Iowa Distribution Account. The Governor is recommending that \$111.2 million of the total FY 2000 and FY 2001 funding be appropriated to the Department of Education and \$93.9 million to the Board of Regents. This accounts for 45.0% of the total funding recommendations from the Rebuild Iowa Distribution Account.

Rebuild Iowa Distribution Account
Summary of Appropriations by State Agency
(Dollars in Millions)

State Agency	FY 2000	FY 2001	Total	Percent of Total
Education	\$ 50.0	\$ 61.2	\$ 111.2	24.4%
Regents	53.9	40.1	93.9	20.6%
General Services	33.1	30.7	63.7	14.0%
Natural Resources	21.8	27.6	49.3	10.8%
Economic Development	16.0	16.0	32.0	7.0%
Judicial Building Construction	10.0	10.0	20.0	4.4%
Agriculture	9.8	9.4	19.1	4.2%
Management	2.0	10.0	12.0	2.6%
Iowa Telecomm. & Tech. Comm.	2.7	7.7	10.4	2.3%
Corrections	6.7	3.5	10.2	2.2%
Transportation	3.0	3.0	6.0	1.3%
State Fair	4.1	1.1	5.1	1.1%
Human Services	2.9	1.9	4.7	1.0%
Public Safety	3.8	0.0	3.8	0.8%
Information Technology Services	1.9	1.8	3.7	0.8%
Cultural Affairs	1.9	1.6	3.5	0.8%
Veterans Affairs	0.0	2.4	2.4	0.5%
Other	2.7	1.7	4.4	1.0%
	<u>\$ 226.0</u>	<u>\$ 229.6</u>	<u>\$ 455.7</u>	100.0%

Note: Numbers may not equal totals due to rounding.

Included in the Governor's FY 2000 recommendations from the Rebuild Iowa Distribution Account are \$79.9 million in FY 2000 appropriations and \$85.3 million in FY 2001 appropriations which were appropriated from the General Fund in FY 1999. In addition, the Governor is recommending the transfer of \$65.0 million from other revenue sources into the Distribution Account in both FY 2000 and FY 2001. This results in \$14.9 million in appropriations for FY 2000 being funded from revenues which under current law are designated to the Rebuild Iowa Infrastructure Fund. In FY 2001, this will increase to \$20.3 million. The following table illustrates the funding shift:

Governor's Recommendation
Effect on Revenues Currently Designated for the
Rebuild Iowa Infrastructure Fund
(Dollars in Millions)

	FY 2000	FY 2001
<u>New Revenue to Distribution Account</u>		
Gambling Revenues from General Fund	\$ 60.0	\$ 60.0
Transfer from Underground Storage Tank Fund	5.0	5.0
Total Revenue	\$ 65.0	\$ 65.0
 <u>Appropriations Transferred from General Fund to Distribution Account</u>		
DGS - Infrastructure Administration	\$ 0.1	\$ 0.1
Regents - Tuition Replacement	27.8	28.2
DE - Local K-12 Technology	30.0	30.0
DALS - Soil Conservation Cost Share	7.0	7.0
DNR - REAP Fund	15.0	20.0
Total Appropriations	79.9	85.3
Effect on Current RIIF Revenues	\$ -14.9	\$ -20.3

Current Infrastructure Funding and Background on State Facilities

The State of Iowa has an estimated 5,000 facilities that comprise approximately 48.1 million square feet of space. The Department of General Services coordinates the maintenance and construction for all State agencies except for the Board of Regents and the Departments of Transportation, Public Defense, and Natural Resources. The following table shows the approximate number of facilities and square feet of space for each agency.

State Agency	Estimated Buildings	Approximate Square Footage
General Services	1,600	10,000,000
Board of Regents	360	30,100,000
Transportation	750	3,000,000
Natural Resources	1,741	1,920,000
Public Defense	460	3,100,000
Total	4,911	48,120,000

At present, the Department of General Services does not have a comprehensive inventory of state-owned infrastructure that includes an assessment of the improvement needs of the facilities. In FY 1998 and FY 1999, the Department was appropriated a total of \$1.0 million to conduct an inventory of State facilities

which includes a detailed assessment of the structural and internal needs of the facilities. The assessment is expected to be complete in the summer of 1999. The assessment will identify the magnitude of the total major maintenance needs of State facilities under the purview of the Department of General Services and enable the Department to recommend priorities and funding for the facilities with the most critical needs.

In Iowa, infrastructure construction and improvements are funded through either direct appropriations or through the issuance of debt.

Rebuild Iowa Infrastructure Fund

The Rebuild Iowa Infrastructure Fund was first funded by the 1995 General Assembly when SF 475 (State Financial Provisions Act) and HF 584 (Rebuild Iowa Infrastructure Act) dedicated interest earnings from the Cash Reserve Fund and the Economic Emergency Funds, and appropriated \$50.0 million from the General Fund to the Rebuild Iowa Infrastructure Fund. The 1996 General Assembly passed HF 2421 (Transportation, Infrastructure, and Capitals Appropriations Act) which dedicated racing and gaming tax receipts in excess of \$60.0 million to the Fund.



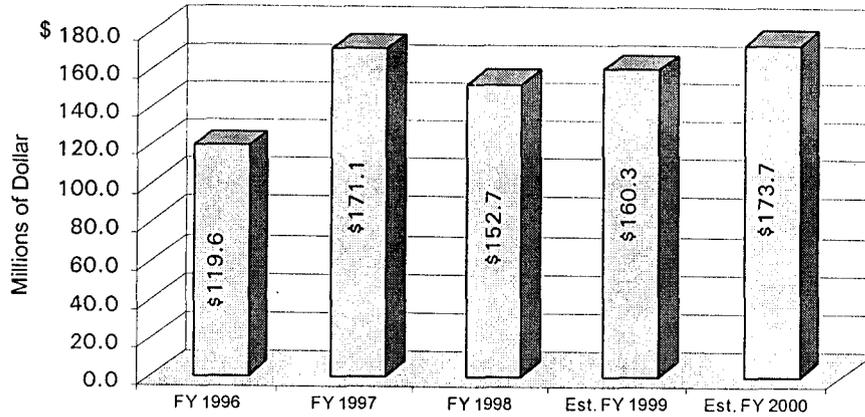
House File 2421 also included a definition of vertical infrastructure that placed restrictions on the use of moneys in the Rebuild Iowa Infrastructure Fund beginning in FY 1998. The definition amended Section 8.57, Code of Iowa and states:

"Moneys in the fund in a fiscal year shall be used as directed by the General Assembly for public vertical infrastructure projects. For purposes of this subsection, vertical infrastructure includes only land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails. Vertical infrastructure does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure of utility without a lease-purchase agreement. However, appropriations may be made for the purpose of funding the completion of Part III of the Iowa Communications Network."

From FY 1996 through FY 1998, the Rebuild Iowa Infrastructure Fund has received a total of \$337.4 million in revenue, and the General Assembly has appropriated a total \$309.3 million for various projects. Under current law for FY 1999 and FY 2000, the Fund is estimated to receive new revenue totaling \$132.3 million and \$142.3 million, respectively. The General Assembly has appropriated \$128.9 million in FY 1999 resulting in an ending balance of \$31.4 million. The Rebuild Iowa Infrastructure Fund is estimated to receive \$173.7 million in total revenues including balances brought forward in FY 2000. In prior Legislative Sessions, the General Assembly has appropriated \$32.8 million for FY 2000 resulting in an ending balance of \$140.9 million. The following chart shows total revenues to the Rebuild Iowa Infrastructure Fund under current law.



**Rebuild Iowa Infrastructure Fund
Total Revenues**



This table shows the Rebuild Iowa Infrastructure Fund revenues by source, the total appropriations from the Fund, and the beginning and ending fund balances.

Rebuild Iowa Infrastructure Fund (Current Law)

(Dollars in Millions)

	Actual FY 1996	Actual FY 1997	Actual FY 1998	Estimated FY 1999	Estimated FY 2000
Resources					
Balance	\$ 0.0	\$ 71.7	\$ 34.4	\$ 28.1	\$ 31.4
Revenue					
Reserve Fund Interest	\$ 23.5	\$ 29.6	\$ 32.3	\$ 29.9	\$ 32.1
Gambling Receipts	46.2	69.6	85.1	100.1	107.9
Appropriation	50.0	0.0	0.0	0.0	0.0
Marine Fuel Tax	0.0	0.0	0.0	2.3	2.3
Reversions	0.0	0.3	1.0	0.0	0.0
Total Revenue	<u>\$ 119.6</u>	<u>\$ 99.4</u>	<u>\$ 118.4</u>	<u>\$ 132.3</u>	<u>\$ 142.3</u>
Total Available Resources	<u>\$ 119.6</u>	<u>\$ 171.1</u>	<u>\$ 152.7</u>	<u>\$ 160.3</u>	<u>\$ 173.7</u>
Appropriations	<u>\$ 48.0</u>	<u>\$ 136.7</u>	<u>\$ 124.6</u>	<u>\$ 128.9</u>	<u>\$ 32.8</u>
Ending Balance	<u>\$ 71.7</u>	<u>\$ 34.4</u>	<u>\$ 28.1</u>	<u>\$ 31.4</u>	<u>\$ 140.9</u>

NOTE: Totals may not add due to rounding.

Debt Financing of Infrastructure

The State of Iowa also has issued debt to finance new construction and major infrastructure improvements. While the State is constitutionally prohibited from issuing debt against the General Fund tax revenues, the State is allowed to issue debt through the revenue bonds and certificate of participation (COP). Revenue bonds are backed by independent revenue sources that are separate from the State's general tax revenues. Certificates of participation are different from bonds in that the title of ownership of the capital purchase is transferred upon final payment of the debt (similar to a lease purchase arrangement). The following table shows the annual debt service payments for a five-year period.

Revenue Bonds and Certificates of Participation Debt Service
(Dollars in Millions)

	FY1996	FY1997	FY1998	FY1999	FY2000
Board of Regents					
<i>Academic Revenue Bonds</i> <i>(Tuition Replacement)</i>	\$ 27.2	\$ 29.6	\$ 29.8	\$ 30.1	\$ 27.8
<i>Other Revenue Bonds</i>	27.3	27.7	25.9	30.4	29.1
Total Regents	54.5	57.3	55.7	60.5	56.9
Prison Infrastructure Bonds	2.2	5.3	8.4	8.4	8.4
Community Based Corrections - COP	0.9	0.9	0.9	0.9	0.8
Corrections Phase I and II - COP	3.8	3.8	3.8	3.1	3.1
Iowa Communications Network - COP	13.5	13.7	13.7	13.5	13.5
Total	\$ 74.9	\$ 81.0	\$ 82.5	\$ 86.4	\$ 82.7

The Regent's bonds are divided into Academic Revenue Bonds and Other Revenue Bonds. Academic Revenue Bonds are used primarily for construction, reconstruction, and renovation of facilities and are repaid from student tuition revenues. The Board must receive authorization from the General Assembly in order to issue Academic Revenue Bonds. In turn, the General Assembly annually appropriates funds to the Board of Regents for the replacement of the student tuition.



The Regents universities also have the authority to issue revenue bonds (separate from Academic Revenue Bonds) which are backed by a specific revenue source. These bonds include dormitory bonds, hospital bonds, utility bonds, etc.

The State also has issued revenue bonds through the Iowa Finance Authority for prison construction. The General Assembly has earmarked the first \$9.5 million in court fines for the Prison Infrastructure Fund from which bond payments are made. The State has constructed three medium security prisons and made two additions to community based correctional facilities since 1994.

The State has issued certificates of participation for several infrastructure-related purposes.

- For construction and improvements of Community Based Correctional facilities.
- For the construction of additional correctional beds.
- To finance construction of Parts I & II of the Iowa Communications Network.

The General Assembly annually appropriates funds to pay the debt service for these projects.

LEGISLATIVE OVERSIGHT COMMITTEE

MAJOR ISSUES

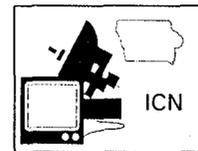
During the 1997 Legislative Session, the General Assembly passed HF 730 (Oversight and Communications Appropriations Act) requesting that the Legislative Council establish the Legislative Oversight Committee. Section 12 of the Act specifies the following powers and duties of the Committee:

- The purpose of the Legislative Oversight Committee is to review and analyze the structure and operations of State government and the use of information technology in providing services and enhancing the ability of the public to interact with government.
- The Legislative Oversight Committee may, subject to the approval of the Legislative Council, conduct a review of one or more programs or regulations administered or enforced by State government.

During the 1998 Interim, the Committee met five times and reviewed the following major areas:

Iowa Communications Network (ICN)

- Revenues and expenses of the ICN were monitored monthly.
- Tracking of ICN video usage through a program developed by CISCO, Inc., and funded through a federal grant. The Committee received information on educational video use in several Merged Areas as a sample of the information available on the Internet. While the information is currently cumbersome to access and sort, the new scheduling program being implemented at the ICN will improve the ability of users to identify what educational classes are being offered across the system in any given semester or other time period.
- Iowa Telecommunications and Technology Commission (ITTC) rates for video usage of the ICN. During its July meeting, the Committee met jointly with the ITTC and discussed the rate structure that the Commission proposed for FY 2000. The Commission adopted the new rates at its September meeting. (See prior Section on Iowa Communications Network for a discussion of the new rates.)



Information Technology Services

- Monthly reviews of progress made by the Executive Branch toward addressing Year 2000 computer problems facing State government



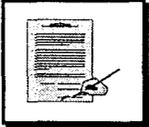
and other non-computer Year 2000 related technology concerns. The year 2000 data processing issue dates back to the 1960s, when programmers wrote applications using a standard date format of DD/MM/YY to conserve then expensive storage space. When 2000 arrives, the "2000" will be read by computer systems as "00," potentially causing a complete system failure or producing incorrect calculations in time-sensitive programs. An individual program is not very difficult to fix, and requires only that date fields be changed to four digits or a "work around" be put in place. The task becomes complicated and costly when the number of lines of code written and the relationship of programs and data between systems is examined. Many government computers are interwoven electronically with those of other governments and the private sector.

- Monthly updates from the offices of the Elected Officials and the Legislative and Judicial Branches on their respective Year 2000 efforts. The Committee requested that the Executive Branch Year 2000 Project Office include the Elected Officials in all future reports on the progress being made, and those entities will be included beginning with the December progress update. The Legislative and Judicial Branches will continue to provide separate reports.
- Legislation from other states related to potential liability issues surrounding the Year 2000 computer and embedded chip problems.
- Local and federal government Year 2000 efforts and interface with the State's efforts. The Committee prepared a letter to be distributed to local government officials to make certain the officials are aware of the potential problems that can arise from the computer programming issue and from malfunctioning embedded chips in equipment. The purpose of the letter is to assure that local officials take this issue seriously.

Other Issues

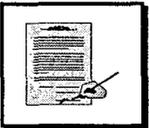
- lowAccess and the contract signed between Information Technology Services and Iowa Interactive to allow access to current public information about Iowa and Iowans through the Internet. It is planned that lowAccess will eventually allow electronic commerce between the State and individuals or organizations. A combination of state appropriations and federal funding was used to begin this effort. Information Technology Services has requested a combination of fees and appropriations to support continuation of the project for FY 2000.
- Efforts of the Department of Management and the Information Services Technology Division to create a uniform application form for the selection and

implementation of technology and re-engineering projects within State government.

- Costs of using Prison Industries personnel for relocation of legislative offices during the renovation of the Capitol Building.
- Iowa Department of Personnel contract with Merit Resources, Inc. Merit Resources is the professional employment organization selected by the Department to serve as the employer of many State contract employees for the purpose of providing benefits. 
- Star Schools Program. The Program received a second \$8.0 million grant from the federal Department of Education for Federal Fiscal Year (FFY) 2000 in the omnibus federal budget bill H.R. 4328. The current \$8.0 million grant runs from October 1, 1998, through September 30, 1999, and the additional \$8.0 million is for October 1, 1999, through September 30, 2000. (See the prior Federal Funding Issues Section for a discussion of these grants.)

Request for Proposals (RFP) for Studies

Additionally, the Committee issued two RFPs and selected vendors to conduct studies in the following areas. The two studies are:

- Iowa Communications Study – The Committee selected Ultrapro International, Inc., to conduct the study for a fixed price contract of \$73,900. The study reviewed and evaluated potential options related to the retention or disposition of all or a portion of the Iowa Communications Network and potential changes in the management structure of the network, including but not limited to, privatization of all or a portion of the management functions of the network. The final report was submitted on January 11, 1999, and presented to the Oversight and Communications Appropriations Subcommittee on January 20. 
- Year 2000 Progress Audit – The Committee selected Hitachi Data Systems, Inc., to conduct the study and recommended that the Legislative Council fund the study. At its November 18, 1998, meeting, the Legislative Council approved the selection of Hitachi Data Systems, Inc., for a fixed price contract of \$272,391. The study will be a progress audit regarding the State of Iowa's implementation of century date change programming for the Executive Branch with a completion date of February 16, 1999.

Materials distributed to the Committee related to these topics are maintained at the LFB office and are available upon request.

LEGISLATIVE FISCAL COMMITTEE MAJOR ISSUES

The Legislative Fiscal Committee is a committee of the Legislative Council. Statute specifies that the ten-member committee gather information to aid the Legislature in properly appropriating money for the functions of government. Other statutory responsibilities include directing the administration of performance audits and visitations, studying the operation of state government, and making recommendations regarding government reorganization to the General Assembly (Section 2.46, Code of Iowa). The Committee also conducts studies and prepares *Issue Reviews* as assigned by the Legislative Council.

During the 1998 Legislative Interim, the Fiscal Committee met five times. Dennis Prouty, Director of the Legislative Fiscal Bureau, provided regular revenue updates and the Committee also received notices of appropriations transfers or lease purchases. The following FY 1998 appropriations transfers were discussed:

Dollars Transferred	Department/Division Transferred To	Department/Division Transferred From
\$ 310,000	Transportation – Motor Vehicle Licenses Road Use Tax Appropriation	Transportation – Motor Vehicle Division Road Use Tax Appropriation
1,100,000	Human Services – \$500,000 to State Supplementary Assistance and \$600,000 to MI/MR State Cases	Human Services – Family Investment Program
250,000	Human Services – MI/MR State Cases	Human Services – Medical Assistance
200,000	Corrections – Fifth Judicial District	Corrections – Fort Dodge Correctional Facility
305,000	Personnel – Operations	Personnel – \$188,000 from Program Delivery Services and \$117,000 from Program Administration and Development
200,000	Natural Resources – Environmental Protection Division	Natural Resources – Administration Division

The Committee also discussed the following FY 1999 appropriations transfer at the December 1998 meeting:

Dollars Transferred	Department/Division Transferred To	Department/Division Transferred From
12,500	Governor's Office – An amount up to, but not to exceed \$12,500 (\$7,500 for Governor's transition cost and \$5,000 for Governor-elect expenses)	Management – Salary Adjustment Appropriation

The following lease-purchase acquisitions were discussed:

Lease-Purchase Dollars	Department	Explanation
\$562,000	University of Northern Iowa	Upgrade the University's IBM central processing unit
592,799	Iowa State University	Construction of an anaerobic digester facility that will be used to demonstrate the conversion of agricultural residue into natural gas and electricity
293,500	Human Services	New telephone system at the Woodward State Hospital-School
209,900	Corrections – Iowa State Penitentiary at Ft. Madison	Energy improvements

The Committee also heard periodic updates on the activities of the Oversight and Communications Committee. Phil Smith and Nancy Payne, State/Federal Office in Washington, D.C., also provided periodic updates on federal budget action.

The following **Issue Reviews** were presented to the Committee throughout the Interim. More information on any of these topics or copies of the **Issue Reviews** are available from the Legislative Fiscal Bureau. A complete listing of all **Issue Reviews** completed during the interim and memos written for the Fiscal Committee is in Appendix D.

Issue Reviews Presented

- **Issue Review** – Iowa Plan for Behavioral Health
- **Issue Review** – Capitol Complex Parking Lot Improvements
- **Issue Review** – Prison Farms
- **Issue Review** – Extension Services at Iowa State University
- **Issue Review** – Regents Graduate Study Centers

- *Issue Review* – State Medical Examiner
- *Issue Review* – Renovation of Facilities on the Capitol Complex
- *Issue Review* – State Children’s Health Insurance Program
- *Issue Review* – Community Mental Health Centers
- *Issue Review* – Disability Services and State Cases
- *Issue Review* – Highway Funding of the Transportation Equity Act for the 21st Century
- *Issue Review* – Local Option Taxes
- *Issue Review* – Substance Abuse Programs
- *Issue Review* – Tuition Grant Program
- *Issue Review* – Reading Recovery Program
- *Issue Review* – Net Budgeting at Department of Human Services Institutions
- *Issue Review* – Impact of Changes to 260E Program by the FY 1999 DED Act

Other Major Agenda Items

- Storm Damage Update by Ellen Gordon, Director, Emergency Management Division of the Department of Public Defense. Following the June and July storms, 79 counties were declared eligible for disaster assistance under the Presidential disaster proclamation. It was estimated that the damage to State property totaled approximately \$14.6 million and the State cost for matching federal disaster payments would be approximately \$2.6 million. Six state agencies applied for Federal Emergency Management Agency (FEMA) money.
- Deferred and Major Maintenance – included an update on the infrastructure assessment, maintenance funding for State facilities, past appropriations for major maintenance, and appropriations for maintenance from the Rebuild Iowa Infrastructure Fund (RIIF).
- Building Renovation – Updates on the Lucas Building, Lucas Tunnel, Old Historical Building, and Capitol Building projects.
- Site visit to the Correctional Release Center in Newton, Iowa. Included a tour of the Correctional Release Center and the new medium security prison.
- Glenwood Cattle Sale – including a presentation by the State Auditor’s Office stating the sale was not properly handled and the sale should have gone through the bid process.
- Site visit to the University of Northern Iowa in Cedar Falls.
- Agricultural Economy – presentations by Dermot Hayes, Leader for Trade and Agricultural Policy Development, Iowa State University Center for Agriculture and Rural Development; and Tom Grau, Executive Director of Farm Services Agency.

- State Medical Examiner – discussion of the needs and requirements of the State Medical Examiner.
- Various Human Services issues such as managed care contract update; Cedar Falls foster family issue; child support recovery unit update; state child care assistance growth; Medicaid reversions; State Children’s Health Insurance Program; community mental health centers; and grants received by the federal government.
- Gambling Treatment Fund – received an evaluation of the advertising program for the 1-800 BETS OFF Helpline, and an evaluation of the Gambling Treatment Program conducted by the Department of Public Health.
- Tobacco Settlement – Overview of the settlement. Iowa will receive approximately \$1.704 billion dollars from the tobacco industry manufacturers over a 25-year period.

- ESTIMATED GENERAL FUND EXPENDITURE INCREASES AND DECREASES

A ***built-in increase or decrease*** is a standing appropriation as required by the Code of Iowa, an entitlement program, or a prior appropriation for a future fiscal year which increases or decreases compared to the prior year. An ***anticipated increase or decrease*** is an anticipated increase or decrease based on prior obligation or action and needs legislative action. A ***built-in change in revenue*** is not included since the FY 2000 changes are included in the Revenue Estimating Conference's December estimate. Any built-in increases or decreases can be changed by enacted legislation.



The Legislative Fiscal Bureau (LFB) is projecting \$167.1 million in General Fund built-in increases and decreases for FY 2000 and \$11.7 million in anticipated increases and decreases for FY 2000. The following table summarizes the projected FY 2000 built-in increases and decreases and anticipated increases and decreases, for a total of \$178.8 million.

Projected FY 2000 Built-in and Anticipated Expenditures

General Fund

(Dollars in Millions)

	LFB Estimates
FY 2000 Built-in Increases and Decreases	
Collective Bargaining Salary Packages	\$ 49.9
K-12 School Foundation Aid	45.0
Human Services - Medical Assistance	33.2
Natural Resources - Resource Enhancement and Protection (REAP)	11.0
Public Safety - Highway Patrol	9.2
M&E Property Tax Replacement Fund	6.2
Mental Health Growth Factor	5.6
Human Services - State Cases	2.6
Homestead Credit	2.0
Elderly and Disabled Credit	1.9
Certified School-to-Career Program	0.5
Total Built-in Increases and Decreases	\$ 167.1

Projected FY 2000 Built-in and Anticipated Expenditures (Continued)

(Dollars in Millions)

	LFB	
	Estimates	
	<hr/>	
FY 2000 Anticipated Increases and Decreases		
Corrections - Various Projects	\$	9.4
Human Services - Federal SSBG Reduction - Backfill with General Fund		4.5
Human Services - Group Foster Care Caseload Increase		3.0
Human Services - Decrease in Federal Match Rates		2.7
Human Services - Sexual Predators Civil Commitment and Treatment		2.0
Natural Resources - Air Match Replace Toxic Fees for Air Pollution		1.2
Education - Stipends for Nationally Certified Teachers		0.6
Regents - Opening New Buildings		0.4
Human Services - Electronic Benefits Transfer		0.4
Human Services - Staff New Juvenile Facility at Eldora		0.3
Judicial Branch - Retirement Fund Contribution		0.3
College Aid - National Guard		0.2
Judicial Branch - Retirement Fund Contribution		0.2
Regents - Tuition Replacement		0.1
Human Services - State Hospital-Schools Increased Revenue		-1.1
Inspections and Appeals - Indigent Defense		-1.5
Natural Resources - REAP (Notwithstanding Language)		-11.0
		<hr/>
Total Anticipated Increases and Decreases	\$	11.7
		<hr/>
TOTAL PROJECTED EXPENDITURES	\$	178.8
		<hr/> <hr/>

Appendix B describes the General Fund built-in expenditure increases and decreases and anticipated increases and decreases in detail by providing:

1. Type of appropriation.
 - A. Standing unlimited appropriation
 - B. Standing limited appropriation
 - C. Regular appropriation
2. Description of the program or budget unit.
3. Reasons for the increases or decreases.
4. Dollar amount of the increase under current law as projected by the LFB, in thousands.
5. Options to eliminate or reduce the built-in increase.
6. Estimated potential General Fund savings from the options in column 5, in thousands.

OVERVIEW OF FY 2000 BUDGETS AND SUBCOMMITTEE ISSUES

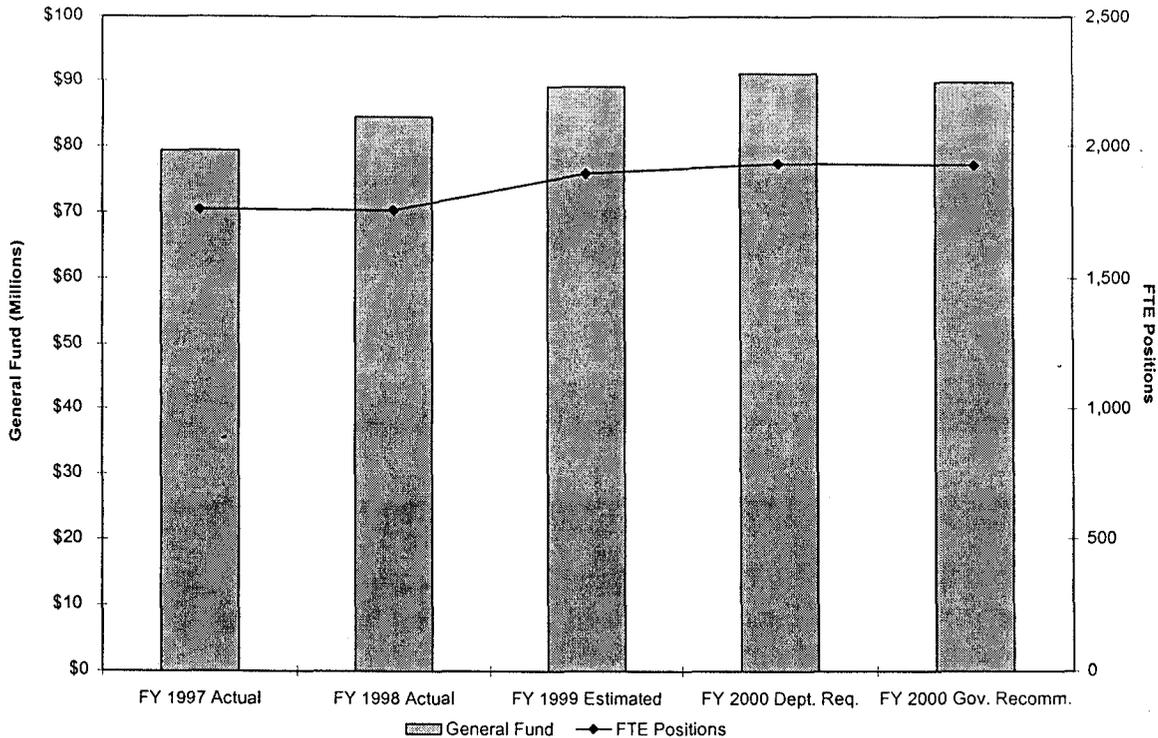
The Overview of the FY 2000 Budgets and Subcommittee Issues Section presents a summary analysis of the FY 2000 Governor's recommendations compared to estimated FY 1999 appropriations and identifies possible issues to be discussed by the individual appropriations subcommittees. The amounts recommended for unassigned standings are not included in the totals for the appropriations subcommittees, but the issues may be discussed under the Significant General Fund Changes Requested and Issues Sections.

ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE

FY 2000 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$89.8 million from the General Fund and 1,928.5 FTE positions, an increase of \$1.7 million (1.9%) and an increase of 32.3 (1.7%) FTE positions compared to estimated FY 1999. This does not include \$1.0 million that remains unallocated from the FY 1999 Salary Adjustment Fund. Unless otherwise indicated, all increases or decreases are compared to estimated FY 1999. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Administration & Regulation Appropriations Subcommittee



Significant General Fund Changes Requested

1. Office of the Auditor of State

- A. An increase of \$75,000 for audit costs at the two new prisons.
- B. An increase of \$20,000 for increased costs of supplies and materials.



2. Department of Commerce

- A. A decrease of \$71,000 and 1.0 FTE position to transfer an Administrative Law Judge position to the Department of Inspections and Appeals to implement the Administrative Procedures Act.



- B. ❖ A decrease of \$31,159 for funding of the Real Estate Audit Program. The Governor is recommending that the Program be funded by the Local Housing Assistant Fund through the Iowa Department of Economic Development.

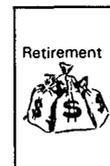
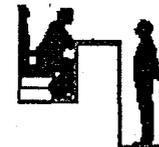
3. Ethics and Campaign Disclosure - A decrease of \$2,000 due to a one time funding in FY 1999 for a computer.

4. Department of General Services

- A. An increase of \$193,000 for rental costs due to added rental space and increased lease costs.
- B. An increase of \$51,000 for maintenance costs and support of a volunteer coordinator to promote Terrace Hill as a historic site and to manage volunteers.
- C. ❖ An increase of \$49,000 and 1.0 FTE position for an Administrative Assistant for the First Lady at Terrace Hill.
- D. An increase of \$38,000 and 1.0 FTE position for an Accounting Technician position to process the increasing number of claims and provide routine reports required for decision making.
- E. An increase of \$29,000 and 1.0 FTE position for a Maintenance Worker position for Terrace Hill.
- F. ❖ A decrease of \$120,000 to shift two design and construction FTE positions from the General Fund to the Rebuild Iowa Infrastructure Fund (RIIF).
- G. ❖ A decrease of \$47,000 to cease cleaning of Capitol Complex Cafeterias. The Department of General Services will charge Capitol Complex Cafeterias for this service.



- H. ❖ A decrease of \$32,000 to cease off hours carpet cleaning.
5. **Office of the Governor** - ❖ An increase of \$91,000 to add funds for support costs for the Governor's Office.
6. **Department of Inspections and Appeals**
- A. An increase of \$143,000 and 2.0 FTE positions to transfer two Administrative Law Judge positions from the Department of Revenue and Finance to the Appeals and Fair Hearings Division of the Department of Inspections and Appeals to implement the Administrative Procedures Act. The Department of Revenue and Finance is requesting a decrease of \$138,000 due to the transfer of the 2.0 FTE positions.
- B. ❖ An increase of \$100,000 and 1.0 FTE positions to survey non-Joint Commission on Accreditation of Health Care Organizations and the American Osteopathic Association accredited hospitals more than the current once every 7-10 years.
- C. ❖ An increase of \$85,000 and 1.0 FTE positions for staff and support to regulate the new excursion gambling boat licensed to operate in Osceola.
- D. An increase of \$71,000 and 1.0 FTE position to transfer an Administrative Law Judge position from the Insurance Commission to the Appeals and Fair Hearings Division of the Department of Inspections and Appeals to implement the Administrative Procedures Act.
- E. An increase of \$59,000 to allow the continuance of health care industry construction inspection activities funded by Lottery money in FY 1999.
7. **Department of Management** - ❖ An increase of \$250,000 to fund the State Strategic Plan.
8. **Department of Personnel**
- A. An increase of \$644,000 for increased medical costs and increased claims paid from the Workers' Compensation and Insurance Fund.
- B. An increase of \$125,000 to support the Deferred Compensation Program funded by Lottery money in FY 1999.
- C. An increase of 18.8 FTE positions for the Iowa Public Retirement System (IPERS) funded by IPERS money to handle the increased demand associated with members' services and for the



examination, design, and reprogramming of the technology application system.

9. **Department of Revenue and Finance** - A decrease of \$138,000 and 2.0 FTE positions to transfer two Administrative Law Judge positions to the Department of Inspections and Appeals to implement the Administrative Procedures Act. The Department of Inspections and Appeals is requesting an increase of \$143,000 to fund the 2.0 FTE positions.
10. **Office of the Secretary of State**
 - A. An increase of \$40,000 for costs associated with the biennial printing of the Iowa Official Register.
 - B. ❖ An increase of \$23,000 for a Voter Education Program for all Iowa counties.
11. ❖ **State - Federal Relations** - An increase of \$25,000 to replace receipts from the Iowa Finance Authority with General Fund dollars.
12. ❖ **Treasurer of State** - An increase of \$57,000 for new carpet and drapes for the Treasurer's office.

Issues

The Administration and Regulation Appropriations Subcommittee may wish to examine the following issues:

- Payment Processes for Interagency Services - The majority of agencies within the Subcommittee provide services to other State agencies. The approach to funding these services has varied, causing a general lack of uniformity regarding how services are funded and how payments from service receiving agencies are classified.
- Funding of the Real Estate Audit Program - *The Governor is recommending that the Real Estate Audit Program be 100% funded by the Local Housing Assistant Fund through the Iowa Department of Economic Development.* In FY 1999, 50% of the Program was funded by the General Fund and the other 50% was funded through an interagency agreement with the Department of Economic Development.
- Relocation of Agencies Outside the Capitol Complex - Renovation of the Lucas Building and other Capitol Complex office buildings may require agencies to relocate outside the Capitol Complex which will increase the cost of leasing office space and decrease the Department of General Services' receipts.

- Privatization in Iowa Government - The Executive Branch is not required to submit planned privatization or outsourcing to the General Assembly for review. The Subcommittee may wish to consider requiring the Executive Branch to provide information related to planned privatization of government services or activities for review and comment. The General Assembly would thereby have the opportunity to review and comment on the impact of proposals prior to implementation.
- Inspections of State-Licensed Only Residential Care Facilities - The Department of Inspections and Appeals was provided approximately \$120,000 in FY 1997 and \$181,000 in FY 1998 to conduct additional inspections of residential care facilities. Issues have been raised concerning the number and quality of inspections performed by the Department.

An *Issue Review* relating to the Administration and Regulation Appropriations Subcommittee was distributed during the 1998 Interim. The *Issue Review* was:

- Linked Investments for Tomorrow Program.

For further information on the *Issue Review*, please contact Ron Robinson at (515) 281-6256 or Shawn Snyder at (515) 281-6567.

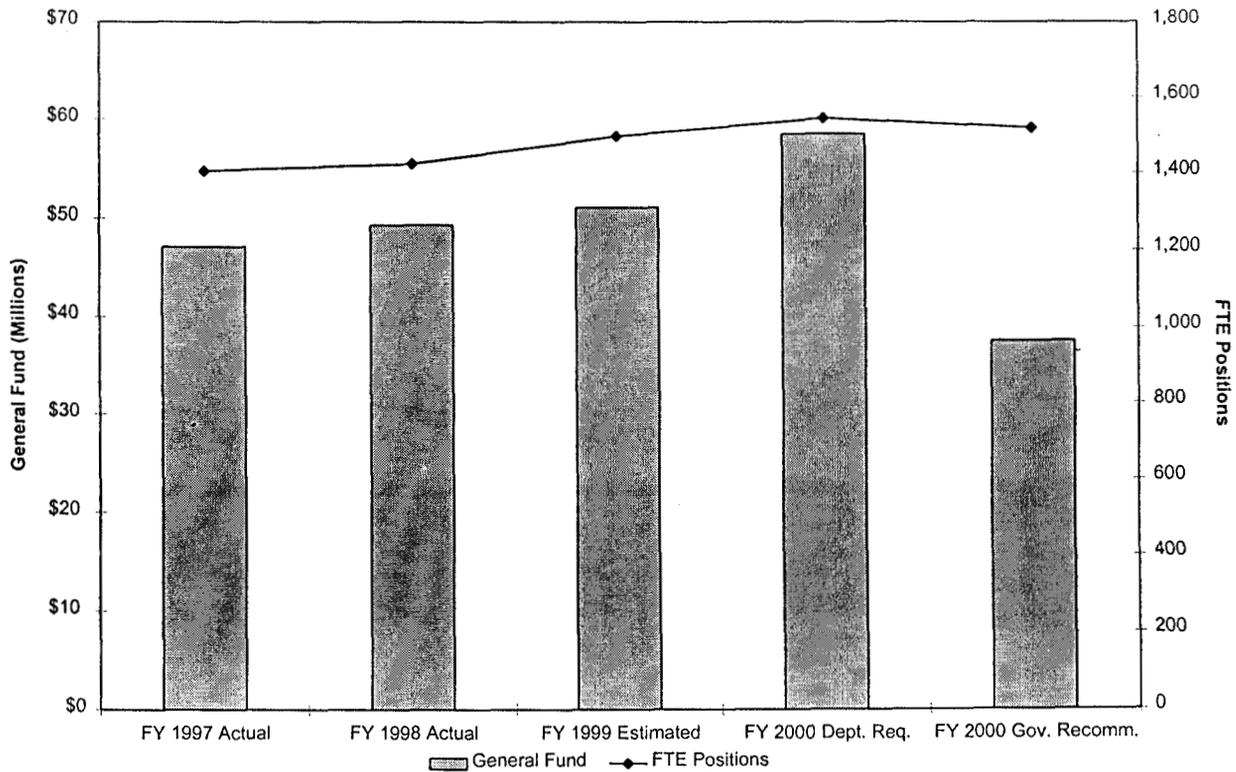
AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE



FY 2000 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$37.5 million from the General Fund and 1,464.4 FTE positions for the two departments of the Agriculture and Natural Resources Appropriations Subcommittee. This is a decrease of \$13.5 million (26.5%) and an increase of 12.2 (0.8%) FTE positions compared to estimated FY 1999. All dollar amounts and percentages include General Fund appropriations from the former Commercial Feed, Fertilizer, Pesticide, Dairy Trade, Milk, and non-capital Marine Fuel Tax Funds. A new concept or funding included in the Governor's Recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Agriculture and Natural Resources Appropriations Subcommittee



Significant General Fund Changes Recommended

1. Department of Agriculture and Land Stewardship

- A. ❖ An increase of \$92,000 and 2.0 FTE positions in the Administration Division for assistance to the Secretary of Agriculture. Job responsibilities include special projects, lobbying efforts, and industry activities.
- B. ❖ An increase of \$38,000 and 1.0 FTE position to restore funding for an Information Specialist in the Administrative Division to expand public education services on environmental issues.
- C. ❖ An increase of \$121,000 and 2.0 FTE positions for the Weights and Measures Bureau of the Regulatory Division to conduct net weight package inspections at retail and point of package locations for consumer protection.
- D. ❖ An increase of \$33,000 in the Regulatory Division to provide cellular telephones for field staff.
- E. An increase of \$115,000 and 1.2 FTE positions in the Laboratory Division to allow the Entomology and Seed Laboratory to increase the level of gypsy moth surveys and eradication control efforts.
- F. An increase of \$43,000 in the Laboratory Division for the purchase of a new autoclave.
- G. ❖ An increase of \$41,000 and 1.0 FTE position for the expansion of the Farmer's Market Program.
- H. ❖ An increase of \$125,000 and 2.0 FTE positions for the Soil Conservation Division the establishment of an Iowa Watershed Protection Program.
- I. ❖ A decrease of \$6.5 million for the Soil Conservation Cost Share Program. Funding for this Program will be through the Recreation, Environment, and Cultural Fund.



2. Department of Natural Resources

- A. ❖ A decrease of \$104,000 in the Director's Office and Information/Education Division as a reduction in the base budget.
- B. An increase of \$200,000 for payment of unused sick leave to retiring Park Rangers under the Special Police Officer Council Program.



- C. ❖A decrease of \$177,000 in the Parks and Preserves Division as a reduction in the base budget.
- D. ❖A decrease of \$69,000 in the Forestry Division as a reduction in the base budget.
- E. An increase of \$50,000 and 1.0 FTE position in the Forestry Division for the restoration of a Service Forestry District in southwest Iowa.
- F. ❖An increase of \$1.0 million for the federal Air Quality Grant Program in the Environmental Protection Division. This Program had been previously funded with Air Emission Fees and funds from the Hazardous Waste Remedial Fund.
- G. An increase of \$422,000 and 3.0 FTE positions for increased regulation of animal feeding operations in the Environmental Protection Division. This includes review of manure management plans, permit issuance, compliance inspections, and licensing of manure applicators.
- H. An increase of \$100,000 and 2.0 FTE positions for the establishment and start-up costs for the Brownfields Program in the Environmental Protection Division. The Land Recycling Fund will provide an additional \$20,000 in fee receipts for start-up costs for a total increase of \$120,000.
- I. ❖A decrease of \$9.0 million for the Resource Enhancement and Protection Program (REAP). Funding for REAP will be through the Recreation, Environment, and Cultural Fund.



Significant Other Fund Changes Recommended

- 1. Department of Agriculture and Land Stewardship
 - A. ❖The Governor is recommending an increase of \$72,000 for five slide-in gasoline dispenser test units for use by the Weights and Measures Bureau from the Technology Assurance Fund.
 - B. ❖The Governor is recommending an increase of \$30,000 for a near infrared spectroscopy testing instrument to confirm the accuracy of near infrared spectroscopy machines from the Technology Assurance Fund. These machines measure the content of specialized grains.
 - C. ❖The Governor is recommending an increase of \$29,000 to replace computers and printers for the Grain Warehouse Bureau's field and office staff from the Technology Assurance Fund.
 - D. ❖The Governor is recommending an increase of \$230,000 to purchase a high pressure liquid chromatography mass spectrometer to increase

the ability to detect and analyze the new generation of herbicides for the Laboratory Division from the Technology Assurance Fund.

- E. ❖The Governor is recommending an increase of \$1.4 million for the Soil Conservation Division for the establishment of an Iowa Watershed Protection Program, from the Recreation, Environment, and Cultural Fund.
- F. ❖The Governor is recommending an increase of \$500,000 for the Soil Conservation Cost Share Program from the Recreation, Environment, and Cultural Fund.
- G. ❖The Governor is recommending funding of \$1.0 million to the Loess Hills Development and Conservation Fund from the Recreation, Environment, and Cultural Fund. In FY 1999, the Loess Hills Development and Conservation Fund received \$1.2 million from the Rebuild Iowa Infrastructure Fund.

2. Department of Natural Resources

- A. ❖The Governor is recommending an increase of \$6.0 million for REAP from the Recreation, Environment, and Cultural Fund.
- B. The Governor is recommending \$23.5 million from the Fish and Game Protection Fund, an increase of \$50,000 compared to estimated FY 1999. The changes include:
 - 1. An increase of \$250,000 for payment of unused sick leave to retiring Fish and Wildlife Officers under the Special Police Officer Council Program.
 - 2. A decrease of \$200,000 in the purchase of equipment in the Fish and Wildlife Division.

Issues

The Agriculture and Natural Resources Appropriations Subcommittee may wish to examine the following issues:

- Iowa Watershed Protection Program. *The Governor is recommending the establishment of the Iowa Water Protection Program which will encourage stakeholders to jointly review water conditions and offer solutions to prevent pollution. The Governor is recommending \$1.5 million with funding of \$100,000 from the General Fund and \$1.4 million from the Recreation, Environment, and Cultural Fund.*
- Agricultural drainage wells. The 1997 General Assembly established the Alternative Drainage System Fund to provide financial incentives, in the form of cost-share funds, for the closure of agricultural drainage wells and construction

of alternative drainage systems in designated drainage well areas. Chapter 4551, Code of Iowa, called for the closure of agricultural drainage wells by December 31, 1999. There are 36 agricultural drainage wells in Pocahontas County that requires closing. The development of an alternative drainage system in this County requires wetland mitigation with a Section 404 permit under the Federal Clean Water Act. Currently, landowners are waiting for a Section 404 permit approval for a wetland mitigation project in Dickinson County. If not approved, another wetland mitigation site must be found. If the wells are closed without an alternative drainage system, there could be a loss of 20% to 30% of the cropland in the County. The LFB completed an *Issue Review* on this topic in December.

- The REAP funding level. The Code of Iowa requires the Program to receive a standing appropriation of \$20.0 million through FY 2001. The FY 1999 appropriation was \$9.0 million. *The Governor is recommending a decrease of \$9.0 million from the General Fund. Funding for REAP would instead come from the Recreation, Environment, and Cultural Fund. The Governor is recommending funding for REAP for FY 2000 at \$15.0 million and \$20.0 million for FY 2001.*
- Water Quality Monitoring Network. *The Governor is recommending a Water Quality Monitoring Network that would establish a surface and groundwater monitoring system. The system would add more monitoring stations, enhance the State's publicly-owned lake protection programs, and base a comprehensive water testing program in the Department of Natural Resources. The Governor is recommending \$1.0 million in funding from the Recreation, Environment, and Cultural Fund for FY 2000 and \$2.0 million in funding for FY 2001.*
- Water Quality. The quality of water bodies in Iowa is a growing concern as the number of animal feeding operations increase. The Department of Natural Resources is requesting \$56,000 and 1.0 FTE position to develop a long-term plan for a Water Quality Monitoring Program. Funding will be from Storm Water Discharge fees. The Program will provide more specific and scientific data and identify additional watersheds for testing. *The Governor is recommending \$56,000 for the program funded from Storm Water Discharge fees.*
- Total Maximum Daily Load. The Department of Natural Resources requested \$187,000 and 2.0 FTE positions for the implementation of Total Maximum Daily Load as required by the federal government. Total Maximum Daily Load identifies impaired waters to determine a waterway's capacity to accept waste in an environmentally safe manner. Funding will be from Storm Water Discharge fees. *The Governor is recommending \$187,000 funded from Storm Water Discharge fees.*
- Livestock Facilities. *The Governor is recommending an increase of \$422,000 from the General Fund for the review of manure management plans, permit issuance,*

compliance inspections, and licensing of manure applicators. The Governor is also recommending the following:

- *Local siting control for livestock facilities, which will provide local officials with guidelines for siting recommendations.*
- *Support for the federal phase-out of earthen storage basins that have a capacity greater than three million gallons.*
- *Implementation of a best practices program in livestock waste management. The Leopold Center will be utilized for their expertise in conducting demonstrations.*
- *Toxic Waste Cleanup. The Governor is recommending the Brownfields Program, a toxic waste cleanup program for Iowa. The Governor is recommending \$100,000 from the General Fund for start-up costs for the Brownfields Program.*
- *The Air Quality Program. The Air Quality Federal Grant Program requires a 60.0% federal, 40.0% State, or minimum maintenance of effort match ratio to implement the Federal Clean Air Act. The match has previously been funded by air permit fees due to a waiver from the federal government through FY 1999. The Department of Natural Resources is requesting \$1.2 million for FY 2000 from the General Fund for the State's match for this program. The Governor is recommending \$1.0 million from the General Fund for FY 2000.*
- *Promotion of Clean Air Solutions. The Governor will support a Fuel Quality Standard for Iowa which will mandate clean air and oxygenated fuels for environmental and value-added economic benefits. This will include the promotion of ethanol.*
- *Loess Hills as a national park. Supporters of the Loess hills region contend that preservation of the natural resources located in the region requires the area be added to the National Park System. Additions to the System are created by an act of Congress or a Presidential Proclamation. The Loess Hills Public Forum was held in September at the Hitchcock Nature Center. Several presentations were made summarizing the concerns of the Loess Hills regions. The LFB has completed an **Issue Review** on this topic.*



The LFB completed the following **Issue Reviews** related to the Agriculture and Natural Resources Appropriations Subcommittee during the 1998 legislative interim:

- Agricultural Drainage Wells Review.
- Loess Hills Development and Conservation Authority.
- Loess Hills and the National Park System.
- Pseudorabies Eradication.

- Review of the Restore the Outdoors Program.

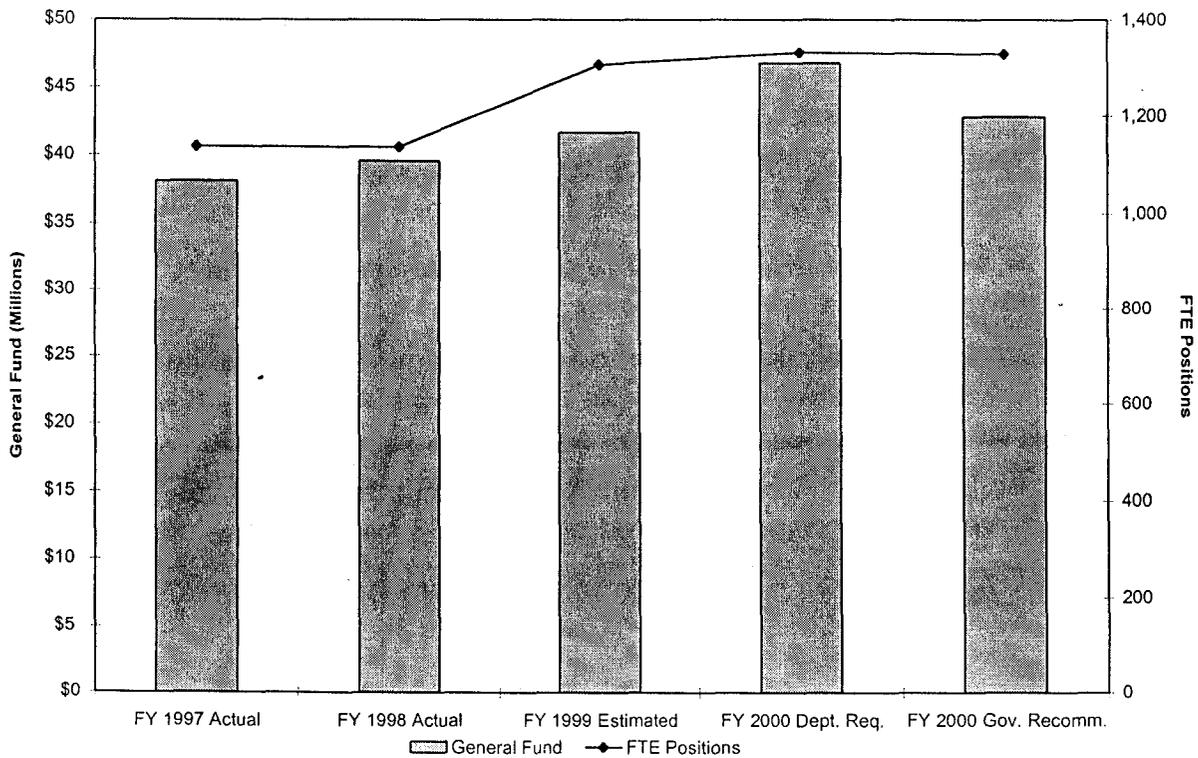
For more information on these *Issue Reviews*, please contact Sherry Weikum at (515) 281-7846 or Deb Kozel at (515) 281-6767.

ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE

FY 2000 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$42.8 million from the General Fund and 1,328.4 FTE positions for the three departments of the Economic Development Appropriations Subcommittee. This is an increase of \$1.1 million (2.8%) and 22.3 (1.7%) FTE positions compared to estimated FY 1999. Included in the figures are \$7.6 million and 74.3 FTE positions for seven Board of Regent's programs traditionally funded through the Economic Development Appropriations Subcommittee. Unless otherwise indicated, all increases or decreases are compared to estimated FY 1999. A new concept or funding included in the Governor's recommendations but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Economic Development Appropriations Subcommittee



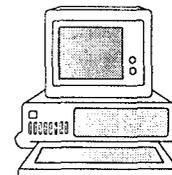
Significant General Fund Changes Recommended

1. **Department of Economic Development (DED)** - An increase of \$780,000 (3.1%) and 2.7 FTE positions (1.5%) compared to estimated FY 1999. The recommended change includes:
 - A. An increase of \$50,000 to provide support funding for an Agricultural Biotechnology liaison position to work with world class companies to stay abreast of trends and developments in biotechnology. The recommendation does not include an FTE position.
 - B. ❖ An increase of \$100,000 for expansion of the Human Resource Recruitment Initiative and to develop cooperative programs with local air service providers.
 - C. An increase of \$95,000 and 1.0 FTE position to promote domestic value-added and organic food production.
 - D. An increase of \$80,000 and 2.0 FTE positions to maintain DED's electronic commerce and procurement efforts at current levels.
 - E. An increase of \$100,000 to sustain and expand the lowAccess Business License Information Center.
 - F. An increase of \$60,000 to administer the Housing Enterprise Zone legislation enacted by the 1998 General Assembly.
 - G. ❖ An increase of \$250,000 to provide funding for a new grant program for communities to develop plans and mechanisms to guide growth.
 - H. An increase of \$35,000 to cover increased City Development Board staff travel and support expenditures.
 - I. ❖ An increase of \$350,000 to provide increased funding for the Iowa Manufacturing Technology Center.
 - J. An increase of \$160,000 to offset declining loan repayments to the Iowa Community Development Loan and Rural Community 2000 Funds.
 - K. An increase of \$500,000 to provide funding for a new School-to-Career work program enacted by the 1998 General Assembly.
 - L. ❖ A decrease of \$1.0 million for the Community Economic Betterment Account component of the Strategic Investment Fund.



2. **Department of Workforce Development** - An increase of \$365,000 (4.5%) and 19.8 (1.9%) FTE positions compared to estimated FY 1999. The recommended change includes:

- A. An increase of \$235,000 and 4.0 FTE positions for the elevator and boiler safety programs.
- B. An increase of \$130,000 and 5.0 FTE positions for additional Iowa Occupational Safety and Health enforcement. The General Fund dollars would be matched by federal funds.
- C. An increase of 8.0 FTE positions to service local regions as account executives assisting employers with numerous activities. These positions would be funded through the Unemployment Administration Contribution Surtax appropriation.



Significant Other Fund Changes Recommended

- 1. In addition to the General Fund, the Governor's recommendations for the Department of Economic Development include funding from several other State funds. Significant recommendations include:
 - A. \$8.8 million from the DED's Workforce Development Fund, an increase of \$2.0 million compared to estimated FY 1999. The increase would be used to expand program activity.
 - B. \$5.0 million for the Physical Infrastructure Program from the Rebuild Iowa Infrastructure Fund, which is no change from the estimated FY 1999 level.
 - C. \$1.0 million from the Rebuild Iowa Infrastructure Fund for housing programs.
 - D. ❖ \$10.0 million from the Rebuild Iowa's Infrastructure Fund to be used to fund a new Community Attractions Grant Program.
- 2. In addition to the General Fund, the Governor's recommendations for the Department of Workforce Development include funding from several other State funds. Significant recommendations include:
 - A. ❖ \$100,000 from the Rebuild Iowa Infrastructure Fund to design a filing system to allow employers to file Unemployment Compensation claims electronically.

- B. ❖ \$500,000 from the Rebuild Iowa Infrastructure Fund and 2.5 FTE positions to expand the computer system that provides direct access to information about community resources.
- C. \$7.5 million from the Unemployment Administration Contribution Surcharge Fund, an increase of \$400,000 (5.6%) compared to estimated FY 1999. The funds would be used to expand service to local regions.

Issues

The Economic Development Appropriations Subcommittee may wish to examine the following issues:

- Compliance with Code of Iowa requirements by the Iowa Finance Authority. The State Auditor is required to audit all State agencies. The Auditor includes compliance with statutory requirements as part of the standard audit. However, the Iowa Finance Authority uses permissive language under Section 16.27(6), Code of Iowa, to have a private auditing firm conduct the Authority's annual audit. Due to the private audit, the State Auditor does not conduct an audit of the Authority. The audit by the private firm does not include statutory compliance issues.
- Impact of transferring several housing and homeless programs from the Iowa Finance Authority to the DED. 
- Status of elimination of the Iowa Seed Capital Corporation and the transition to the new Iowa Seed Capital Liquidation Corporation (Section 27, SF 2296, FY 1999 Economic Development Appropriations Act) and the impact of transferring Corporation assets to the Strategic Investment Fund.
- Level of demand for and the operation of the Community Economic Betterment Account (CEBA) Program. Through December 1998, the Program had an unobligated balance of \$7.9 million of the FY 1999 allocation and collections from repayments and recaptures. The Department's budget request includes a \$150,000 increase for CEBA through a reallocation of the Strategic Investment Fund appropriation. The Department has not requested a supplemental appropriation for FY 1999. *The Governor is recommending a \$1.0 million reduction for the CEBA Program compared to the estimated FY 1999 level, based on projections of increased CEBA revenues from loan repayments and transfers from other State funds.*
- Impact of "Good Neighbor" agreement weightings on Department of Economic Development competitive financial assistance programs.



- Status of the Enterprise Zone Program (HF 724, Enterprise Zone Act of 1997) and the expansion of the program to include housing (HF 2538, Enterprise Zone Housing Act of 1998).
- Status of the Entrepreneurial Ventures Assistance Program (HF 368, Entrepreneurial Ventures Assistance Act of 1997).
- Impact of the reorganization of worker training programs on the Department of Workforce Development and the Department of Economic Development. The 1996 Legislative Session consolidated many worker-training programs under the new Workforce Development Department, effective July 1, 1996.
- Impact of federal workforce program consolidation and reform on Iowa's workforce development efforts. The Department of Workforce Development received \$889,000 in new funding for FY 1999 to match available federal funds. *The appropriation is continued at the estimated FY 1999 level in the Governor's FY 2000 recommendation.*
- Status of the Department of Workforce Development's Integrated Customer Service and Common Intake projects. The Department received \$2.5 million in FY 1998 General Fund reversions through the Technology Initiative (Section 7, SF 2418, FY 1997 Oversight and Communications Appropriations Act) to finance a multi-agency information technology project designed to improve customer service and tracking across several State agencies and programs. *The Governor is recommending \$600,000 from the Rebuild Iowa Infrastructure Fund be allocated to the Department for continued technology improvements.*
- The Legislative Fiscal Bureau completed an **Issue Review** on the status of changes made to the 260E Job Training Program by Section 22 of SF 2296 (FY 1999 Economic Development Appropriations Act). The **Issue Review** provides an explanation of the changes and the current fiscal impact as estimated by the community colleges. For additional information on this issue, please contact Jeff Robinson at (515) 281-4614.
- The Legislative Fiscal Bureau completed an **Issue Review** on the status of the Unemployment Compensation Trust Fund. The **Issue Review** provides an explanation of the Unemployment Compensation system, an historical summary of revenues, expenditures, and ending Fund balances, and provides suggested changes to the Fund's source of revenue (employer taxes). For additional information on this issue, please contact Jeff Robinson at (515) 281-4614.

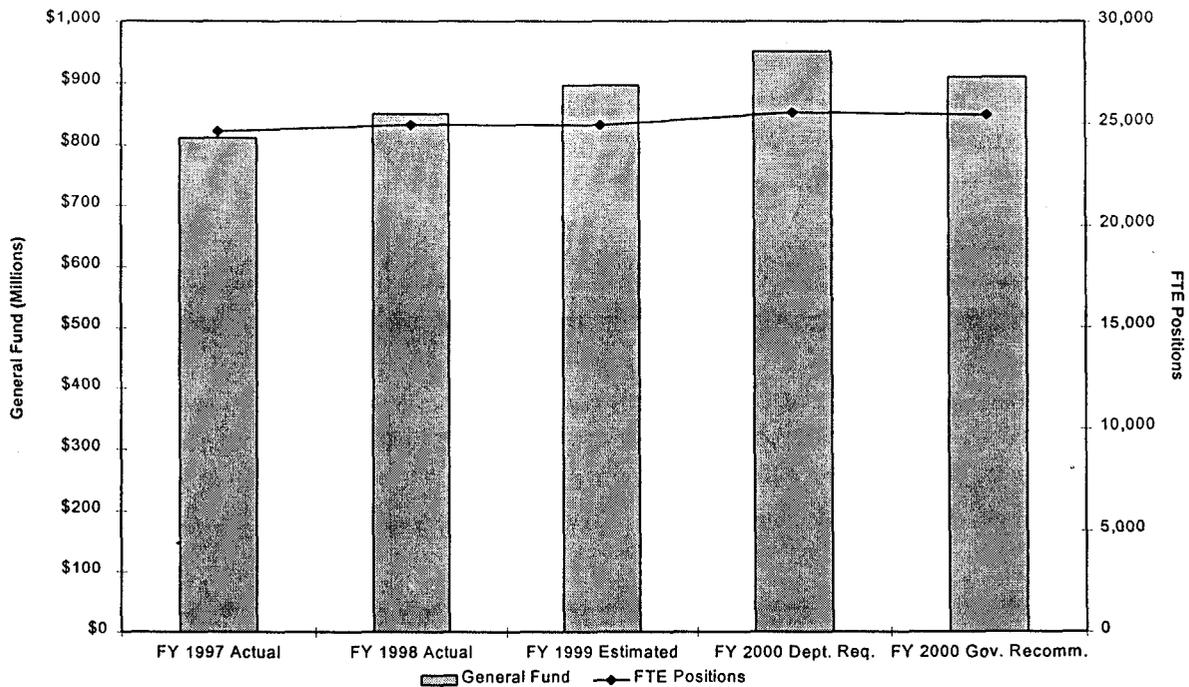


EDUCATION APPROPRIATIONS SUBCOMMITTEE

FY 2000 GOVERNOR'S RECOMMENDATIONS

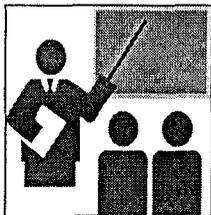
The Governor is recommending \$910.0 million for operations from the General Fund and 17,357.4 FTE positions for the four departments of the Education Appropriations Subcommittee. This is an increase of \$13.4 million (1.5%) and 47.8 FTE positions (0.3%) compared to estimated FY 1999. This figure does not include the Unassigned Standings, the Infrastructure Fund, the Technology Fund, or salary allocation. Unless otherwise indicated, all increases or decreases are compared to estimated FY 1999. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Education Appropriations Subcommittee



Significant General Fund Changes Requested

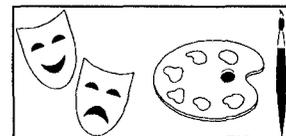
1. College Student Aid Commission



- A. An increase of \$166,000 for the National Guard Tuition Aid Program to increase the number of recipients from 975 to 1,169.
- B. ❖ An increase of \$3.2 million for the Tuition Grant Program, to increase the maximum grant from \$3,650 to \$4,000 and the average grant from \$3,032 to \$3,285 for approximately 14,585 recipients.
- C. An increase of \$238,000 for the Vocational-Technical Tuition Grant Program to increase the maximum grant from \$600 to \$650, increase the average grant from \$395 to \$428, and increase the number of recipients receiving the average grant from 5,681 to 5,800.
- D. ❖ An increase of \$250,000 to establish a new forgivable loan program for teacher preparation students that agree to teach in Iowa in subjects defined as shortage areas. This recommendation also incorporates the \$90,000 that was appropriated in FY 1999 for an Industrial Technology Forgivable Loan Program. As a result, net new funding for FY 2000 is \$160,000.
- E. ❖ An increase of \$1.7 million to establish a new Worker Retaining Forgivable Loan Program.
- F. ❖ A decrease of \$90,000 to eliminate separate funding for the Industrial Technology Forgivable Loan Program. Funds for this Program have been incorporated in the forgivable loan program for teacher shortage areas discussed above.

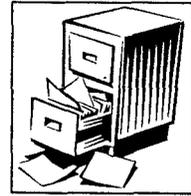
2. Department of Cultural Affairs

- A. Iowa Arts Council - An increase of \$100,000 including:
 - 1. An increase of \$50,000 for the Access to the Arts Grant Program.
 - 2. An increase of \$50,000 for the Operational Support Grant Program.
- B. State Historical Society - An increase of \$25,000 to annualize funding for an archivist that was added in FY 1999 to process State records including papers from the Branstad administration.



3. Department of Education

A. Board of Educational Examiners - An increase of \$600,000 for a two-year study to assess performance of teacher education graduates.



B. State Library - An increase of \$210,000 including:



1. ❖ An increase of \$100,000 for one-time funding to develop and customize census materials and promote the importance of Census 2000.
2. An increase of \$50,000 to cover the higher costs of library materials.

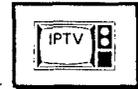
3. ❖ An increase of \$60,000 for the Open Access Program which reimburses local libraries on a transaction basis for allowing patrons from other libraries to use their facilities. This would increase funding to 84.0% of the projected need for FY 2000 as estimated by the State Library.

C. Regional Libraries - ❖ An increase of \$100,000 to increase regional library staff salaries. Regional library staff are not State employees. They do not participate in collective bargaining and are not included in salary adjustment legislation.

D. Local Libraries - ❖ \$1.0 million for the Enrich Iowa Libraries initiative to provide funding for direct grants to local libraries to help libraries enhance current technology and provide higher levels of service.

E. Iowa Public Television - An increase of \$375,000 including:

1. An increase of \$180,000 to maintain the current level of service of children's and educational programming
2. An increase of \$195,000 to begin the transition to digital television broadcasting.



F. New Initiatives - An increase of \$15.0 million for new programs, including:

1. ❖ \$10.0 million to reduce class size from kindergarten through third grade for elementary schools.
2. ❖ \$4.0 million to the School Budget Review Committee (SBRC) to assist school districts on an individual basis with on-time funding due to increased enrollments.

3. ❖ \$750,000 for work keys assessments to be given to high school freshmen for testing in the areas of reading for information, applied math, listening, and writing.
 4. ❖ \$100,000 to expand the Starbase Leadership Conference for adolescent students. The Department of Education would allocate the money to the National Guard for students to participate in leadership camps during the summer.
 5. \$125,000 to improve teacher standards through participation in a State collaborative assessment and in the Interstate New Teacher Assessment and Support Consortium.
- G. Administration – An increase of \$28,000 for support and maintenance of the Department’s teacher license imaging system.
- H. Vocational Rehabilitation – An increase of \$100,000 to increase the State share of funding to fully match federal funds.
- I. Education Improvement – \$6.1 million of increases in programs or initiatives that were implemented in FY 1999 as part of SF 2366 (Education Reform Appropriations Act). These increases include:
1. \$250,000 for practitioner improvement to implement Beginning Teacher Induction Programs in school districts. In FY 1999, \$300,000 was appropriated to the Department to establish and implement a voluntary practitioner performance improvement program.
 2. \$600,000 to increase funding for national certification stipends. In FY 1999, \$250,000 was provided to the Department to pay \$10,000 annual stipends to each teacher that achieves national certification and fund half the cost (\$1,000) of obtaining national certification.
 3. \$5.2 million to increase funding for Empowerment Boards. The increase would provide services to approximately 1,400 three- and four-year old children. In FY 1999, \$5.2 million was provided for this new initiative in SF 2366 (Education Reform Appropriations Act).
- J. Community Colleges – An increase of \$6.2 million (4.6%) compared to adjusted FY 1999 for general aid to community colleges.
4. **Board of Regents**
- A. An increase of \$3.2 million at the University of Iowa. The change includes:





1. ❖ An increase of \$450,000 for inflation.
2. ❖ An increase of \$300,000 for building repair on existing buildings. The Institution has a FY 1999 budget of \$8.0 million for building repair.
3. ❖ An increase of \$200,000 for opening the Biology Building scheduled for January 2000.
4. ❖ An increase of \$600,000 for salaries, equipment, and supplies associated with undergraduate education.
5. ❖ An increase of \$100,000 for technology-based teaching.
6. ❖ An increase of \$100,000 for salaries, supplies, and equipment associated with biosciences.
7. ❖ An increase of \$100,000 for salaries, supplies, and equipment associated with arts and humanities.
8. ❖ An increase of \$300,000 to attract natural science faculty by improving and upgrading laboratory facilities and equipment.
9. ❖ An increase of \$1.0 million for a new initiative to establish an accredited School of Public Health.

B. An increase of \$3.0 million at Iowa State University. The change includes:

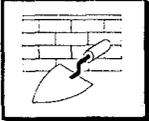


1. ❖ An increase of \$200,000 for salaries and supplies associated with undergraduate education.
2. ❖ An increase of \$200,000 for student financial aid associated with research and graduate education.
3. ❖ An increase of \$2.0 million to establish a center for excellence in fundamental plant sciences.
4. ❖ An increase of \$300,000 to improve teacher preparation programs.
5. ❖ An increase of \$300,000 to continue expansion of the Extension 21 Program.

C. An increase of \$1.0 million at the University of Northern Iowa. The change includes:

1. ❖ An increase of \$100,000 for inflation related to supplies, building repair, equipment, and library costs.



2. ❖ An increase of \$140,000 to open the Performing Arts Center scheduled for January 2000.
 3. ❖ An increase of \$60,000 for building repair. The Institution has an FY 1999 budget of \$2.3 million for building repair.
 4. ❖ An increase of \$100,000 for salaries and equipment associated with undergraduate education.
 5. ❖ An increase of \$300,000 for salaries and supplies associated with teacher education.
 6. An increase of \$300,000 to add a program for graduate study in the field of social work.
- D. An increase of \$270,000 for the Iowa School for the Deaf. The change includes:
1. An increase of \$35,000 for inflation related to supplies, building repair, equipment, and library costs.
 2. An increase of \$60,000 for building repair. The School has a FY 1999 budget of \$302,000 for building repair. 
 3. An increase of \$65,000 for vocational education.
 4. An increase of \$110,000 for additional faculty.
- E. An increase of \$148,000 for the Iowa Braille and Sight Saving School. The change includes:
1. An increase of \$18,000 for inflation related to supplies, building repair, equipment, and library costs.
 2. An increase of \$20,000 for building repair. The School has a FY 1999 budget of \$110,000 for building repair.
 3. An increase of \$110,000 for focus of services including year-round school and support for students in local schools.
- F. ❖ A decrease of \$27.9 million for the Regents Board Office. The decrease is for tuition replacement. The Governor is recommending that funding for this item be transferred to the Infrastructure Fund for FY 2000.

Issues

The Education Appropriations Subcommittee may wish to examine the following issues:

- The implementation of the National Guard Tuition Aid Program. The budget request includes an increase of \$166,000 for the Program. The Program is struggling to get the current level of funding committed, so an increase may not be necessary. *The Governor is recommending an increase of \$166,000 as requested by the College Student Aid Commission.*
- The status of the Department of Education's Management Information System for both school districts and community colleges. The Department is requesting \$500,000 to increase the number of school districts utilizing the Electronic Data Interchange (EDI) Program. The community college system is to be fully operational during FY 1999 to allow for distribution of State funding based on enrollment and inflation. *The Governor is recommending \$500,000 for the Electronic Data Interchange Program to be funded from the Technology Assurance Fund.*
- A review of the results of interim study committees regarding:
 - K-12 finance formula revisions.
 - Teacher preparation programs. The Department is requesting new funding of \$125,000 for a State collaborative assessment. The Board of Education Examiners is requesting an increase of \$600,000 for a two-year pilot study to assess performance of teacher education graduates. *The Governor is recommending \$125,000 to improve teacher standards through participation in a State collaborative assessment and an increase of \$600,000 for a study to assess performance of teacher education graduates.*
 - Local library funding. Final recommendations have not been issued. *The Governor is recommending \$1.0 million for an Enrich Iowa Libraries initiative for direct grants to local libraries to help libraries enhance current technology and provide higher levels of service.*
 - Implementation of additional federal funds to reduce classroom size. Iowa is projected to receive \$9.4 million for this initiative in FY 2000. *The Governor is recommending \$10.0 million from the General Fund to reduce class size for kindergarten through third grade for elementary schools.*
- An update of education reform initiatives approved during the 1998 Legislative Session, some of which include:
 - National Certification stipends. The Department is requesting an increase of \$600,000. A portion of the funds appropriated for FY 1999 is being utilized



to assist 75 teachers with the \$2,000 cost of becoming nationally certified. If all the applicants are successful, Iowa will have approximately 88 nationally certified teachers at the end of FY 1999. The national certification program currently has a 47.0% pass rate. *The Governor is recommending an increase of \$600,000 for national certification stipends.*

- Improving practitioner performance. The Department is requesting an increase of \$250,000. The Department received \$300,000 in FY 1999 to implement a program for improving practitioner performance. *The Governor is recommending an increase of \$250,000 for improving practitioner performance.*
- Empowerment funding. The Department is requesting an increase of \$5.2 million (100.0%). Through December 1998, the Department expended \$1.4 million of the \$5.2 million appropriated for this new initiative in FY 1999. *The Governor is recommending an increase of \$5.2 million for empowerment funding.*
- Extended school year grants. The Subcommittee may want to review a list of schools that received grants in FY 1999 and how the funding was utilized to expand the school year.

The LFB completed the following ***Issue Reviews*** related to the Education Appropriations Subcommittee during the 1998 legislative interim:

- Board of Educational Examiners.
- Extension Services at Iowa State University.
- Reading Recovery.
- Regents' Graduate Study Centers.
- The Iowa Tuition Grant Program.
- University of Osteopathic Medicine and Health Sciences Primary Care Program.

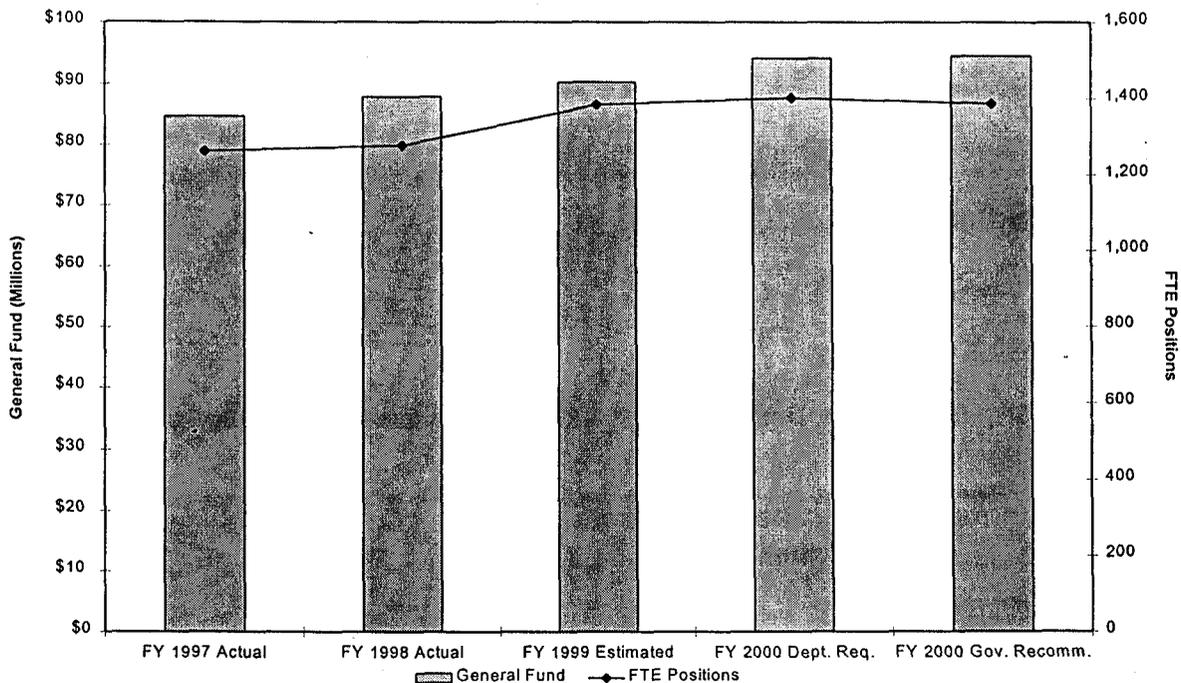
For further information on these ***Issue Reviews***, please contact Paige Piper/Bach at (515) 281-7942 or Mary Shipman at (515) 281-4617.

HEALTH AND HUMAN RIGHTS APPROPRIATIONS SUBCOMMITTEE

FY 2000 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$94.4 million for operations from the General Fund and 1,348.1 FTE positions for the seven departments of the Health and Human Rights Appropriations Subcommittee. This is an increase of \$4.2 million (4.6%) and an increase of 14.9 (1.1%) FTE positions compared to estimated FY 1999. Unless otherwise indicated, all increases or decreases are compared to FY 1999. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of the General Fund appropriations and FTE positions.

Health & Human Rights Appropriations Subcommittee



Significant General Fund Changes Recommended

1. **Department for the Blind** - ❖ An increase of \$125,000 and 2.0 FTE positions to provide additional in-home assessments and training in daily living activities and for the development of community support systems for blind Iowans.
2. **Department of Elder Affairs**
 - A. ❖ An increase of \$60,000 and 1.0 FTE for an ombudsman.
 - B. ❖ An increase of \$80,000 for Alzheimer's support.
 - C. ❖ An increase of \$60,000 for the Retired Senior Volunteer Program.
3. **Governor's Alliance on Substance Abuse** - ❖ A decrease of \$471,000 and 10.0 FTE positions to transfer funding and responsibilities to the Department of Public Safety.
4. **Department of Public Health**
 - A. ❖ Addictive Disorders - An increase of \$1.5 million for treatment of methamphetamine users.
 - B. Child and Adolescent Wellness
 1. A decrease of \$150,000 to reduce funding for the Physician Care for Children Program due to Healthy and Well Kids In Iowa (HAWK-I) Program coverage.
 2. An increase of \$50,000 to improve access to dental care for low income children.
 - C. Community Capacity
 1. ❖ An increase of \$250,000 for core public health functions of local boards of health.
 2. An increase of \$50,000 and 1.0 FTE position for the volunteer health care provider program.
 - D. Infectious Diseases - An increase of \$100,000 and 1.0 FTE position to expand surveillance and investigation of infectious diseases.
 - E. Public Protection
 1. An increase of \$79,000 and 1.0 FTE position to assist local boards of health in developing environmental health programs.
 2. An increase of \$361,000 for relocation expenses and \$444,000 for lease and maintenance expenses due to the



demolition of Executive Hills (Boards of Dental, Medical, Nursing, and Pharmacy Examiners).

3. An increase of \$58,000 and 1.0 FTE position for administration of the Impaired Practitioner Program (Boards of Dental and Medical Examiners).

F. Medical Examiner

1. ❖ An increase of \$357,000 and 4.0 FTE positions to transfer the Medical Examiner from the Department of Public Safety to the Department of Public Health.
2. ❖ An increase of \$175,000 and 1.0 FTE position for a Deputy Medical Examiner.

5. Department of Human Rights

- A. Persons with Disabilities - An increase of \$71,000 and 1.0 FTE position for a disability consultant.
- B. Status of Women - An increase of \$76,000 for programs servicing displaced homemakers.
- C. ❖ Status of Southeast Asians - An increase of \$60,000 for the creation of the Division on the Status of Southeast Asians.

6. Commission on Veterans Affairs

A. Iowa Veterans Home

1. An increase of \$55,000 for the annual cost adjustment for contracted housekeeping services.
2. ❖ An increase of \$736,000 for a negotiated adjustment and an inflation adjustment for contracted dietary services.

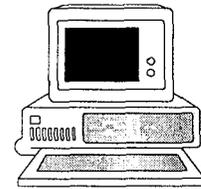
B. Commission on Veterans Affairs

1. An increase of \$12,000 for a new copy machine.
2. An increase of \$10,000 for contracted computer systems support.
3. An increase of \$10,000 for training provided for County Commissions of Veterans Affairs. Restores funding to FY 1997 level.

Issues

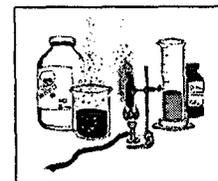
The Health and Human Rights Appropriations Subcommittee may wish to examine the following issues:

- **Infectious Diseases** - Consider the public health implications of emerging infectious diseases and organisms that are becoming resistant to antibiotics.
- **Gambling Treatment Program** – Review the revenues and expenditures of the Program.
- **Tele-medicine at the Iowa Veterans Home** - Evaluate the costs versus benefits of using tele-medicine at the Home via the Iowa Communications Network (ICN).
- **Services for the Blind** – Examine the changing demographics of Iowa's blind population and the need for services.
- **Case Management Program** – Examine the expansion of the Program within the Department of Elder Affairs and the availability of services to implement the recommendations of the case manager.
- **Governor's Alliance on Substance Abuse** - *The Governor is recommending transferring the Governor's Alliance on Substance Abuse to the Department of Public Safety.*
- **Medical Examiner** – *The Governor is recommending transferring the Medical Examiner from the Department of Public Safety to the Department of Public Health and adding a Deputy Medical Examiner. The position of State Medical Examiner has been vacant since October 1997. The Department of Public Safety is currently in the process of searching for a replacement.*



The LFB completed the following **Issue Reviews** related to the Health and Human Rights Appropriations Subcommittee during the 1998 legislative interim:

- Interstate Compact on Nurse Licensure.
- Maternal and Child Health Clinics.
- Substance Abuse Treatment and Prevention Programs in Iowa.



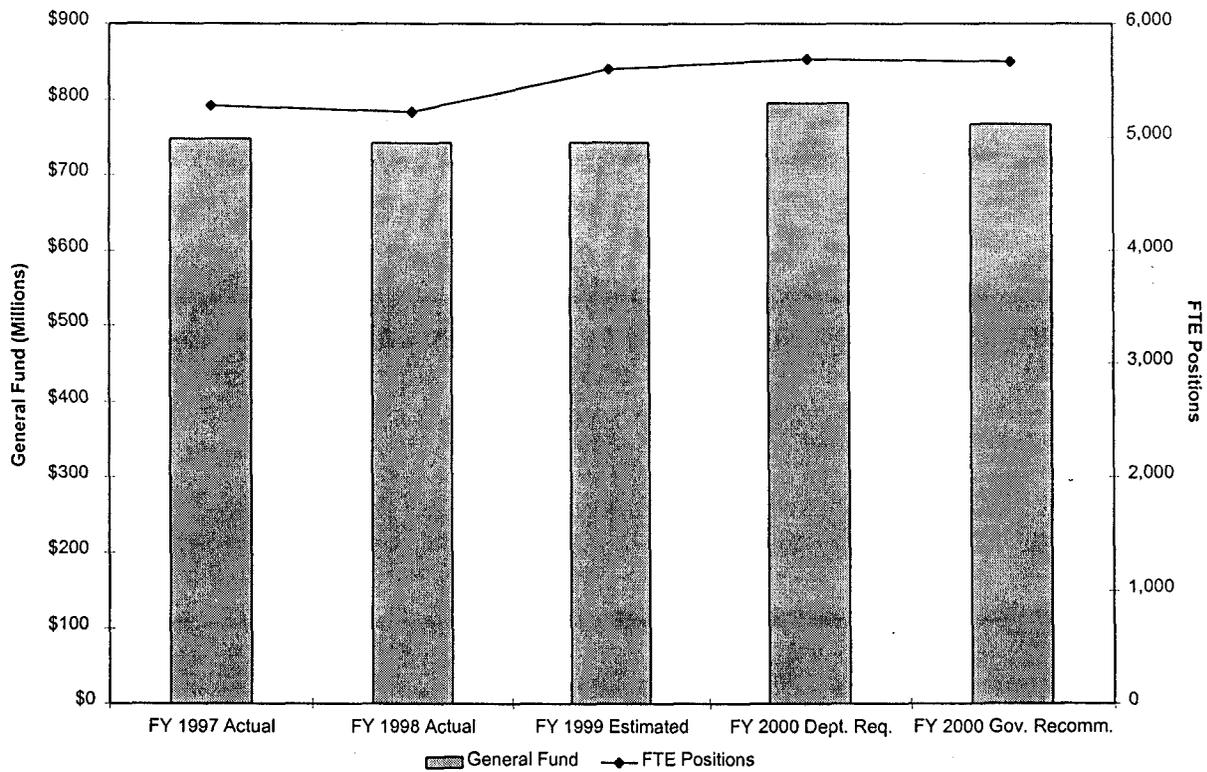
For further information on these **Issue Reviews**, please contact Valerie Thacker at (515) 281-5270 or Jennifer Dean at (515) 281-4613.

HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE

FY 2000 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$767.2 million from the General Fund and 5,611.0 FTE positions, an increase of \$23.8 million (3.2%) and 64.4 FTE positions (1.2%) compared to estimated FY 1999. Unless otherwise indicated, all increases or decreases are compared to estimated FY 1999. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Human Services Appropriations Subcommittee



Significant General Fund Changes Requested

1. **Medical Services** - An increase of \$10.8 million (2.6%) for Medical Services compared to estimated FY 1999. The Medical Services request is comprised of five appropriations: Medical Assistance, Medical Contracts, State Supplementary Assistance, the Health Insurance Premium Payment Program, and the Children's Health Insurance Program (CHIP). The change includes:

A. An increase of \$4.5 million (1.2%) for Medical Assistance. This includes:

1. ❖ An increase of \$2.2 million due to a decrease in federal financial participation. The Governor's recommendation reflects a change in the federal financial participation match rate (the rate at which the federal government matches State funds for the Medical Assistance Program) from the State FY 1999 level of 63.43% to 63.12%.
2. An increase of \$26.3 million to adjust provider reimbursement levels to meet the State plan and federal requirements. The following is a list of significant reimbursement rate increases proposed by the Department and associated State cost increases for FY 2000.



FY 2000 General Fund Cost of Provider Rate Increases

Provider	Cost	Percent Increase
Inpatient Services	\$ 1.1	2.0%
Outpatient Services	0.4	2.0%
Skilled Nursing Facilities	0.2	2.0%
Home Health Agencies	0.0	2.0%
Nursing Facilities	7.7	7.5%
Drug Product Cost	15.4	23.0%
Physician Services	0.4	2.0%
Dental	0.1	2.0%
Durable Medical Equipment & Supplies	0.2	2.0%
Pharmacy Dispensing Services	0.1	2.0%
Other	0.7	2.0%
Total	\$ 26.3	

Note: Dollars in millions

3. ❖ A decrease of \$28.4 million to apply Iowa's share of the tobacco settlement to offset State Medical Assistance costs.

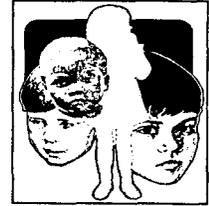
4. An increase of \$3.5 million to expand medical access outreach to an additional 8,000 children per month.
 5. A decrease of \$1.7 million due to changes in the number of Medical Assistance eligibles and utilization.
 6. An increase of \$1.5 million to transfer funding for 41 group care beds from the Children and Family Services budget unit to serve children with mental retardation through the Children Out of Home Medicaid waiver program.
 7. An increase of \$207,000 to fund pharmaceutical care services. Pharmaceutical care services are those which exceed traditional dispensing services.
 8. ❖An increase of \$600,000 to modify the nursing home reimbursement methodology by increasing payment for direct care staff by the equivalent of \$0.50 per hour and reducing non-direct care cost reimbursements to the 65th percentile.
 9. ❖An increase of \$454,000 due to the federal cost of living adjustment for the Supplemental Security Income subsidy being lower than anticipated at the time the Council on Human Services submitted its budget request.
 10. ❖A decrease of \$350,000 to expand prior authorization for prescription medications.
- B. An increase of \$338,000 (4.6%) for Medical Contracts, including an increase of \$378,000 for increased contract expenditures.
- C. ❖An increase of \$964,000 (4.9%) for the State Supplementary Assistance Program to meet federal maintenance of effort requirements and supplement federal cost of living adjustments which are projected to be lower than anticipated at the time the Council on Human Services submitted its budget request.
- D. ❖Children's Health Insurance Program (CHIP) – An increase of \$5.0 million (71.8%) to match \$32.6 million in federal funds to provide health insurance for low-income uninsured children. The Governor's recommendation expands eligibility to 200.0% of the federal poverty level.

2. **Serving Adults, Children, and Families** - An increase of \$4.2 million (3.3%) and 6.7 FTE positions (1.9%) compared to estimated FY 1999. This includes:

- A. Child Care Services - A decrease of \$3.7 million which reflects a requested transfer of the protective child care program to the Children and Family Services budget unit.
- B. Iowa Juvenile Home in Toledo - An increase of \$63,000 and 0.5 FTE position. The increase is a request for \$38,000 for inflation and \$25,000 for increasing a half-time psychologist to full-time.
- C. State Training School in Eldora - An increase of \$364,000 and 6.2 FTE positions. This includes:
 - 1. An increase of \$243,000 and 6.2 FTE positions to open a 20-bed cottage on October 1, 1999. The FY 1999 appropriation includes six months of opening costs totaling \$378,000 because the cottage was originally scheduled to open in January 1999. The FY 2000 request only includes three additional months.
 - 2. An increase of \$59,000 for inflation.
 - 3. An increase of \$62,000 to serve all youth needing treatment for substance abuse and sexual perpetration. For FY 1999, only 66.0% of youth needing treatment received treatment.
- D. Children and Family Services - An increase of \$10.7 million. This includes:
 - 1. An increase of \$3.3 million which reflects a requested transfer of the entire Court-Ordered Services for Juveniles budget unit to the Children and Family Services budget unit.
 - 2. An increase of \$3.7 million which reflects a requested transfer of the protective child care program from the Child Care Services budget unit to the Children and Family Services budget unit.
 - 3. A decrease of \$1.5 million to transfer funding for 41 group care beds from the Child and Family Services budget unit to the Medical Assistance budget unit to serve children with mental retardation through the Children Out of Home Medicaid waiver program.



4. An increase of \$2.3 million for an increased subsidized adoption caseload.
 5. A decrease of \$135,000 for foster family shelter care.
 6. An increase of \$107,000 for increased child abuse assessments.
 7. An increase of \$42,000 for expansion of family foster home insurance coverage.
 8. An increase of \$85,000 for the child protective assessment project.
 9. An increase of \$27,000 for additional Attorney General services for termination of parental rights proceedings due to implementation of the federal Adoption and Safe Families Act.
 10. An increase of \$287,000 to serve additional children through subsidized guardianships.
 11. An increase of \$395,000 to serve additional children through adoptions.
 12. ❖An increase of \$2.0 million to increase School-Based Supervision. The Governor recommends increasing the number of sites by 69 school sites rather than the Department request of increasing the number of school sites by 10.
 13. ❖An increase of \$3.3 million to increase rehabilitative treatment and support (RTS) services provider rates. The Governor recommends increasing provider rates for the Psychiatric Medical Institutions for Children by an average of 9.0% in addition to the increases for other providers by an average of 2.0%. The Department requested an increase of an average of 2.0% for all providers.
 14. A decrease of \$2.7 million due to increases in average costs per case and federal financial participation.
 15. A decrease of \$483,000 due to expected additional revenues from child support recovery efforts.
- E. Court-Ordered Services for Juveniles - A decrease of \$3.3 million. This reflects a requested transfer of the entire budget unit to the Child and Family Services budget unit.
- F. Family Support Subsidy - An increase of \$10,000 for an inflationary increase of home support services.



3. **Economic Assistance** - An increase of \$610,000 (1.5%) and 19.0 FTE positions (8.1%) compared to estimated FY 1999. This includes:
- A. Family Investment and Promise Jobs Programs – An increase of \$3.3 million and 8.0 FTE positions. Federal welfare reform implemented in FY 1998 eliminated the Aid to Families with Dependent Children Program which matched State funds with federal funds on the basis of expenditures. The Temporary Assistance to Needy Families (TANF) Block Grant provides a fixed amount of federal funding for five years. The change includes:
1. An increase of \$3.2 million to replace federal child support recovery incentives previously transferred to the FIP with General Fund moneys.
 2. An increase of \$250,000 to continue redesigning financial assistance services to serve families more quickly and effectively.
 3. A decrease of \$179,000 to delay statewide expansion of the Electronic Benefits Transfer Program until the General Assembly provides additional direction regarding retailer fees.
 4. A decrease of \$120,000 for Promise Jobs due to an anticipated caseload reduction.
 5. An increase of \$120,000 for Food Stamp Employment Training to provide additional employment and training services to non-FIP food stamp recipients to increase their employability and divert them from FIP benefits.
 6. An increase of \$100,000 for evaluation services.
 7. An increase of 8.0 FTE positions to move 6.0 FTE positions from General Administration and to add 2.0 FTE positions to support FIP and Promise Jobs programs.
- B. Emergency Assistance – No change in State funding. The Emergency Assistance appropriation provides up to \$500 per year to families with children under the age of 18. The budget assumes serving 6,135 families in FY 2000.
- C. Child Support Recovery Unit – A decrease of \$2.7 million and an increase of 11.0 FTE positions. This includes:
1. A decrease of \$3.2 million to replace General Fund moneys with federal child support recovery incentive funds.

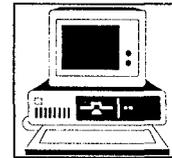


- 2. An increase of \$347,000 and 8.0 FTE positions to operate a State Disbursement Unit to process a projected increase of 77,000 income withholding payments per month now being handled by local Clerks of Court.
 - 3. An increase of 3.0 FTE positions to increase the payment processing rate.
4. **Services for Persons with Mental Illness/Mental Retardation/Developmental Disabilities/Brain Injuries** - An increase of \$9.1 million (10.3%) and 35.7 FTE positions (1.4%) compared to estimated FY 1999. This includes:
- A. Mental Health Institute at Independence – A decrease of \$16,000 and no change in FTE positions for changes in federal financial participation.
 - B. Glenwood State Hospital-School – A decrease of \$368,000 and an increase of 1.0 FTE position. This includes:
 - 1. A decrease of \$586,000 due to an increase in receipts.
 - 2. An increase of \$218,000 due to decreased federal matching rates from 63.43% to 63.12%.
 - B. Woodward State Hospital-School – A decrease of \$484,000 and no change in FTE positions. This includes:
 - 1. A decrease of \$549,000 due to an expected increase in receipts.
 - 2. An increase of \$65,000 due to decreased federal matching rates from 63.43% to 63.12%.
 - C. Developmental Disabilities Special Needs Grants - A decrease of \$53,000, which eliminates the Program and transfers the same funds to the Personal Assistance budget unit.
 - D. State Cases Program – An increase of \$2.6 million due to projected increases in county referrals to the Program for mentally ill, mentally retarded, and developmentally disabled populations.
 - E. Personal Assistance Program - An increase of \$53,000, which is a transfer from the Developmental Disabilities Special Needs Grants.
 - F. ❖Mental Health Property Tax Growth – An increase of \$5.6 million. This was appropriated for FY 2000 in SF 2410 (FY 1999 Human Services Appropriations Act). The change is for expected increased mental health costs associated with new clients and inflation. The Governor recommends an increase of 1.57% for FY 2001, which is an increase of \$3.6 million. Appropriated growth for FY 2001 is expected to be considered during the 1999 Legislative Session.



- G. Sexual Predator Commitment Program – An increase of \$1.7 million. This includes:
1. A decrease of \$269,000 for costs related to the Attorney General. The Attorney General budget is expected to reflect a respective increase.
 2. ❖An increase of \$2.0 million and 26.5 FTE positions for the Program. This includes treatment costs for sexually violent predators and contracting with the Department of Corrections for certain costs within the Iowa Medical Classification Center at Oakdale.
5. **Managing and Delivering Services** – A decrease of \$952,000 (1.4%) and an increase of 3.0 FTE positions (0.1%) compared to estimated FY 1999. This includes:
- A. General Administration - A decrease of \$479,000 and an increase of 1.0 FTE position. This includes:
1. A decrease of \$395,000 and 6.0 FTE positions to move program specific FTE positions and expenditures to the Family Investment Program budget unit.
 2. An increase of 4.0 FTE positions to add personnel for four grant funded programs.
 3. An increase of 2.0 FTE positions to manage an enhanced county billing system.
 4. An increase of 1.0 FTE position to provide a position to manage Child Abuse Registry expungement requests.
- B. Field Operations – A decrease of \$473,000 and an increase of 2.0 FTE positions. This includes:
1. A decrease of \$473,000 for a one percent vacancy factor within the Field Operations positions.
 2. An increase of 2.0 FTE positions for additional staff located at Broadlawns Medical Center in Des Moines. State funding was not requested with the positions.
6. ❖The Governor also recommends an increase of \$15.0 million for the Property Tax Relief Fund, in Section 426B.1 of the Code of Iowa. Additional information is provided in the Statewide Issues section of this document.

7. ❖The Governor also recommends \$1.0 million from the Technology Assurance Fund for the purchase of computer equipment for the Mental Health Institutes at Clarinda, Independence, and Mount Pleasant.
8. ❖The Governor also recommends \$743,000 from the Technology Assurance Fund for welfare reform system changes within the Economic Assistance Division.
9. ❖The Governor also recommends \$1.1 million from the Technology Assurance Fund for the Child Support Recovery Unit technology initiative.
10. ❖The Governor also recommends \$5.5 million from the Technology Assurance Fund for capitals funding for the Training School at Eldora.



Issues

The Human Services Appropriations Subcommittee may wish to examine the following issues:

- **Children's Health Insurance Program (CHIP):** The LFB has published an *Issue Review* detailing the fiscal and program issues concerning implementation of the CHIP. The Program provides federal funds to match State expenditures for health insurance for children not eligible for Medical Assistance with family incomes up to 200.0% of the federal poverty level (FPL). Under the Program, the State will be required to appropriate an estimated \$11.2 million in order to receive the entire \$32.5 million federal dollars allocated as Iowa's annual share of the Program. Iowa's plan to implement the Program includes expansion of Medical Assistance coverage to children in families up to 133.0% of the federal poverty level and creation of the Healthy and Well Kids in Iowa (HAWK-I) Program for children in families up to 185.0% of the federal poverty level. *The Governor has recommended an increase of \$750,000 to increase HAWK-I coverage to children in families with incomes up to 200.0% of the federal poverty level.* The General Assembly will need to determine the amount of State money to appropriate for the CHIP for FY 2000 and consider various implementation issues.
- **Tobacco Settlement:** On November 20, 1998, 46 states approved a settlement agreement with the four major tobacco industry manufacturers comprising 99.4% of the U.S. cigarette market. The manufacturers agreed to a settlement valued at \$206.380 billion to be paid over the next 25 years to settle tobacco-related lawsuits filed by the states. It is estimated that Iowa will receive approximately 0.9% (\$1.704 billion) of the total funds allocated for distribution to the states. Payments to Iowa will initially increase on a yearly basis, beginning with \$55.8 million in 2000 and increasing to \$73.0 million in 2003.



The Governor has recommended that the tobacco settlement funds be applied to offset the costs of the Medical Assistance program.

- **Medicaid Drug Product Cost:** The FY 2000 budget request includes an increase of \$14.8 million (23.0%) for drug product costs compared to FY 1999. The



DHS attributes the growth in drug product costs to several factors including the development of new patent-protected drug therapies, manufacturer advertising, monopolization of drug product raw ingredients, introduction of lifestyle drugs such as Viagra, and an aging population. *The Governor has recommended a decrease of*

\$350,000 to expand prior authorization. The General Assembly may wish to consider the causes of growth and establish a cost management policy.

- **Electronic Benefits Transfer:** The 1998 General Assembly passed HF 2468 (Electronic Benefits Transfer Act), which establishes an Electronic Benefits Transfer (EBT) Program and provides benefits, including food stamps, to eligible individuals through the use of an electronic card. The Act includes a \$0.15 transaction fee paid to retailers providing electronic funds transfer equipment, or provides equipment for retailers participating in food stamp redemption without equipment. The Governor's FY 2000 budget recommendation includes State administrative costs of \$151,000 in FY 2000 and \$206,000 in FY 2001. The recommendation also includes \$206,000 and \$748,000 in FY 2000 and FY 2001, respectively, to fund the \$0.15 transaction fee. The General Assembly may wish to review the retailer transaction fee and other issues associated with implementation of the Program.

- **Child Care Demand and Funding:** The 1998 General Assembly increased eligibility for traditional child care from 125.0% to 140.0% of the federal poverty level (FPL) and for special needs child care from 155.0% to 175.0% of the FPL. The Department of Human Services anticipates a waiting list in August 1999. The General Assembly may wish to review the impact of changing the eligibility level.



- **Group Foster Care:** A ruling issued in August 1996 by the Polk County Juvenile Court held that all children ordered into group foster care, for whom a bed is available, must receive a group care placement. Senate File 2410 (FY 1999 Human Services Appropriation Act) required the DHS and juvenile court services to examine group foster care placements in regions at risk of exceeding their expenditure targets by more than 5.0% and identify placements appropriate for termination. The DHS is required to work with Juvenile Court Services to develop and implement placement criteria and to submit a report to the General Assembly by January 1, 1999.

- **State Training School at Eldora:** The 1998 General Assembly appropriated \$378,000 to open a new 24-bed cottage in January 1999. Due to bids exceeding the budget, the opening has been delayed until October 1999, resulting in the FY 1999 appropriation of \$378,000 being available for other expenditures or for carry over to reduce the FY 2000 need.
- **Mental Health Funding Inflation:** The General Assembly is scheduled to consider a mental health allowed growth factor for FY 2001. For FY 2000, the 1998 General Assembly appropriated an increase of \$18.1 million compared to FY 1997, which is an increase of 2.48% compared to base year expenditures plus FY 1998 and FY 1999 growth allocations. The State County Management Committee has recommended an 11.1% growth allocation increase for FY 2001 compared to FY 2000. *The Governor recommends an increase of 1.57%, or an increase of \$3.6 million for FY 2001.*
- **State Cases Program:** The LFB has published an *Issue Review* detailing recent caseload and expenditure growth in the State Cases Program. The State Cases appropriation pays for services to persons with mental health, mental retardation, or developmental disabilities, who have not established legal residence in any Iowa county. The DHS does not anticipate any leveling of the growth trend in the near future. The General Assembly may wish to study options to control the costs of the State Cases Program.

- **Mental Health Institutes Population:** Inpatient services at the four Mental Health Institutes operated by the DHS decreased by 7.2% in FY 1997 and by less than 1.0% in FY 1998. The Cherokee Mental Health Institute experienced increased population, while the Clarinda, Independence, and Mount Pleasant Mental Health Institutes experienced decreased population. The total average daily census for FY 1998 was 311 compared to 345 in FY 1997. The General Assembly may wish to review options to utilize excess capacity at the State Institutions.



- **Net State Budgeting at the Institutions:** The 1998 General Assembly requested status reports for the Mental Health Institutes and the State Hospital-Schools being funded or being tested on a net State budgeting process, regarding advantages and disadvantages of the process. The LFB has also published an *Issue Review* detailing the net State budgeting process. The 1999 General Assembly may wish to review the reports during the appropriation process for FY 2000.

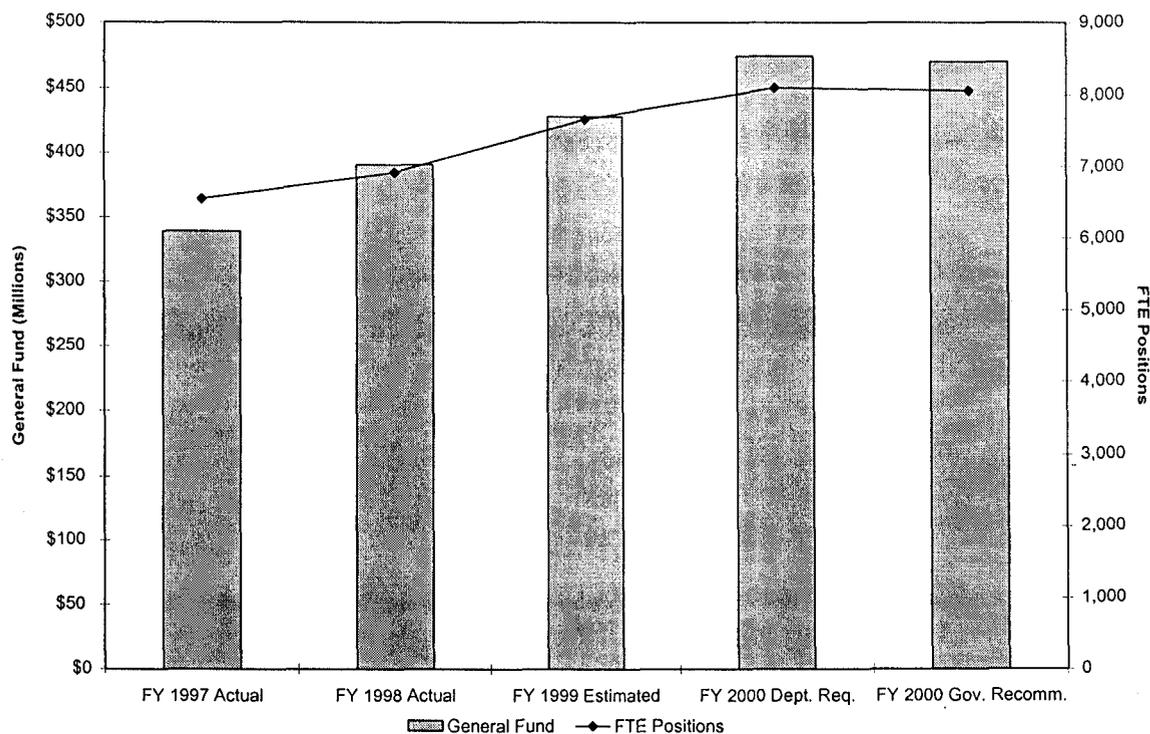


JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE

FY 2000 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$470.5 million from the General Fund and 7,957.8 FTE positions for the eight departments of the Justice System Appropriations Subcommittee. This is an increase of \$42.4 million (9.9%) and 433.5 (5.8%) FTE positions compared to estimated FY 1999. Unless otherwise indicated, all increases or decreases are compared to estimated FY 1999. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of the General fund appropriations and FTE positions.

Justice System Appropriations Subcommittee



Significant General Fund Changes Requested

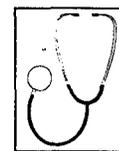
1. Department of Justice

- A. An increase of \$389,000 to conduct legal proceedings due to the Sexually Violent Predator Act which took effect July 1, 1998, and to transfer funding from the Department of Human Services that is currently used for this purpose.
- B. An increase of \$350,000 for State assistance to the Legal Services Corporation for legal representation of eligible low-income individuals in civil cases.
- C. An increase of \$200,000 and 3.0 FTE positions to increase the Criminal Appeals Division by three Assistant Attorneys General.
- D. An increase of \$176,000 to increase funding for domestic abuse, rape, and sexual assault grants by 10.0%.



2. Department of Corrections

- A. Institutions - An increase of \$15.8 million and 173.1 FTE positions. The major changes include:
 - 1. An increase of \$11.0 million and 132.8 FTE positions for prison expansions at the Mitchellville and Ft. Dodge institutions.
 - 2. An increase of \$2.1 million and 6.9 FTE positions to support the growing inmate population.
 - 3. An increase of \$451,000 and 11.0 FTE positions for programming for reintegration of inmates in long-term administrative segregation.
 - 4. An increase of \$972,000 and 6.7 FTE positions for increased inmate medical treatment costs and for the costs of AIDS medications.
 - 5. ❖ An increase of \$449,000 and 4.0 FTE positions for computer technology upgrades. The Governor is recommending \$615,000 for computer upgrades be funded from the Technology Assurance Fund.
 - 6. A decrease of \$43,000 and an increase of 11.0 FTE positions for the Sex Offender Hormonal Intervention Program. The Program will be housed at the Mt. Pleasant institution and has a recommended budget of \$457,000 from the General Fund and new funding of \$65,000 in other revenues.



7. An increase of \$375,000 and 9.5 FTE positions to replace expiring federal funding for substance abuse programs at the Clarinda and Anamosa institutions.

B. Central Office – An increase of \$2.2 million and 3.0 FTE positions compared to estimated FY 1999. The major changes include:



1. An increase of \$2.2 million to house women inmates out-of-state.
2. An increase of \$332,000 to provide inmate education at the expanded facilities.
3. An increase of \$104,000 and 2.0 FTE positions for additional training officers at the Mt. Pleasant Training Center.
4. An increase of \$80,000 and 1.0 FTE position to coordinate the Department's victim programs across the State.
5. A decrease of \$500,000 to transfer funding for the Sex Offender Hormonal Intervention Program to the Mt. Pleasant Institution.

15.8
2.2
5.4

23.4

C. Community-Based Corrections – An increase of \$5.4 million and 136.3 FTE positions compared to estimated FY 1999. The major changes include:

1. An increase of \$1.9 million and 51.0 FTE positions for additional Probation/Parole Officers to supervise medium and high risk offenders.
2. An increase of \$2.0 million and 64.4 FTE positions for additional staffing at the residential facilities.
3. An increase of \$793,000 and 16.4 FTE positions for the Sex Offender Hormonal Intervention Program.
4. ❖ An increase of \$502,000 and 4.0 FTE positions for computer technology upgrades. The Governor is recommending \$333,000 for computer upgrades be funded from the Technology Assurance Fund.
5. An increase of \$246,000 and 3.3 FTE positions to replace expiring federal funding for Youthful Offender Programs in the First and Fourth Districts and for the Sex Offender Treatment Program and the Youth Intervention Program in the Fifth District.
6. ❖ An increase of \$100,000 to replicate the District VI Youth Leadership Model in District V. The Program matches at-risk

teenage males with university athletes to serve as role-models for a positive influence.

3. **Judicial Branch**

- A. An increase of \$740,000 and 11.0 FTE positions to fund HF 2471 (Appellate Court Judges Act) passed by the 1998 General Assembly which increased the number of Court of Appeals Judges from six to nine. This increase includes funding for the three judges and staff.
- B. An increase of \$2.0 million and 31.5 FTE positions to fund six additional District Court Judges, four District Associate Judges, and additional court reporters, court attendants, law clerks, and a case coordinator.
- C. An increase of \$2.3 million and 18.0 FTE positions for seven employees currently paid from the Enhanced Court Collections Fund, and eleven personal computer specialists paid from the Court Technology Fund, plus operating expenses for the Iowa Court Information System (ICIS).
- D. An increase of \$289,000 and 6.0 FTE positions for three Iowa Court Information System (ICIS) trainers, two personal computer specialists, and a project accountant to the court technology staff.
- E. An increase of \$100,000 for education and training of non-judicial employees.
- F. An increase of \$484,000 to renovate or remodel areas of courthouses where the county has provided additional space.
- G. An increase of \$242,000 and 10.2 FTE positions to increase clerical support in Juvenile Court and expand the Court Appointed Special Advocate (CASA) program.
- H. An increase of \$210,000 for the Juvenile Victim Restitution Fund to cover increases in program costs.
- I. An increase of \$259,000 to fund the Judicial Retirement System.

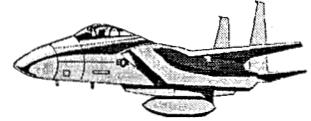


4. **The Iowa Law Enforcement Academy**

- A. An increase of \$80,000 and 1.5 FTE positions for telecommunicator training and related administrative functions.
- B. A decrease of \$80,000 to eliminate State funding for the Drug Abuse Resistance Education Program (D.A.R.E.).

5. **The Department of Public Defense**

- A. ➤ An increase of \$152,000 for the Military Division to support air bases at Des Moines and Sioux City that have been expanded by federal expenditures. The funding serves as State match to receive \$2.1 million in federal funds.
- B. An increase of \$271,000 for the Emergency Management Division due to a change in the Federal Emergency Management Agency's (FEMA) match requirements. Beginning in Federal Fiscal Year 2000, a 50.0% State match will be required for some grants that previously had not required a state match.

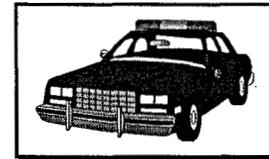


6. **The Department of Public Safety**

- A. ❖Governor's Alliance on Substance Abuse (GASA) – An increase of \$471,000 and 13.0 FTE positions to transfer the agency to a Division within the Department of Public Safety. There is no change in funding from estimated FY 1999.

B. Iowa State Patrol

1. An increase of \$9.2 million due to a shift in funding sources. Funding for the Highway Patrol is being transferred from the Motor Vehicle Use Tax to the General Fund over a four-year period beginning in FY 1997 as required by SF 481 (Transportation and Capitals Appropriations Act of 1995). The Act appropriated \$9.0 million from the General Fund for FY 1997 and increased the appropriation annually over the next three years, through FY 2000.



2. An increase of \$186,000 to fund 12.0 FTE positions for Troopers currently funded with federal Community Oriented Policing (COPS) Grant which expires in FY 2000.

3. ❖An increase of \$440,000 and 5.0 FTE positions to the methamphetamine lab response team.

B. Division of Criminal Investigation

1. An increase of \$81,000 and 2.0 FTE positions for criminalists to reduce the turn around time on drug analysis cases to meet speedy trial guidelines.
2. ❖An increase of \$42,000 and 1.0 FTE position for a criminalist in the methamphetamine lab response team.

- C. Division of Narcotics Enforcement
 - 1. An increase of \$506,000 and 6.0 FTE positions for agents to combat the growing methamphetamine problem.
 - 2. ❖ An increase of \$421,000 and 6.0 FTE positions for agents on the methamphetamine lab response team.
- D. Fire Marshal
 - 1. An increase of \$24,000 to update Iowa Building Code to comply with provisions of the Americans with Disabilities Act.
 - 2. ❖ An increase of \$78,000 and 1.0 FTE position for a Fire Marshal Special Agent for the methamphetamine response team.
- E. Automated Fingerprint Information System (AFIS) – An increase of \$24,000 for maintenance of the Automated Fingerprint Information System.

7. Department of Inspections and Appeals

- A. Indigent Defense – A decrease of \$511,000. This decrease takes into account a \$5.00 per hour attorney fee increase. The FY 1999 appropriation included funding for a proposed increase in attorney fees as well as a proposed plan to pay all juvenile indigent defense claims up front rather than reimbursing the counties afterward. This proposal did not pass the General Assembly. 
- B. Public Defender - An increase of \$389,000 and 2.0 FTE positions to handle civil commitment hearings of sex offenders who are likely to repeat crimes if released from prison.

Issues

The Justice System Appropriations Subcommittee may wish to examine the following issues:

Department of Justice

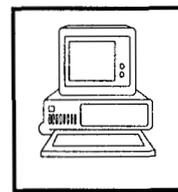
- Legal Services Poverty Grant Program - This pass-through grant program was started with federal funds to help provide representation for individuals eligible for basic assistance for civil cases, such as housing disputes, domestic abuse cases, and loss of disability benefits. The Program was funded in FY 1997 at \$950,000 and in FY 1998 at \$500,000 from the General Fund. The FY 1999

funding level is \$600,000. *The Governor is recommending an increase of \$350,000 in FY 2000.*

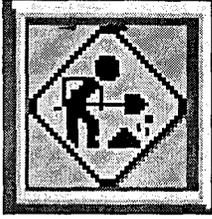
- The Sexually Violent Predator Act – This Act, which took effect in July 1998, provided \$269,000 to the Department of Human Services to fund an attorney and an investigator in the Department of Justice to handle the civil commitment of sexually violent predators after completion of their criminal sentences. *For FY 2000, the Governor is recommending these funds be appropriated to the Department of Justice instead of to the Department of Human Services. The Governor is also recommending an increase of \$120,000 to fund an additional attorney and secretary.*
- Increase in Appellate Division Caseload - The Department of Justice is responsible for prosecuting and defending all criminal cases in appellate courts. *The Governor is recommending an increase of \$200,000 to fund three additional attorneys.*

Department of Corrections

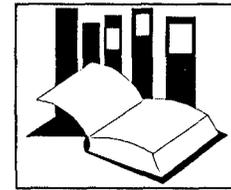
- Prison Overcrowding - The Iowa prison population is projected to reach more than 14,500 inmates by FY 2008 if current correctional policies and laws remain in place. The equivalent of between six and eleven additional 750-bed prisons will be needed to house the additional inmates. The Department of Corrections has indicated that the prison system can operate between 130.0% and 140.0% of design capacity without incurring an inmate lawsuit. If the system operates at less than 140.0% of design capacity and six new prisons are added, annual operating costs would increase approximately \$153.3 million by FY 2008. Construction costs would total \$175.1 million if appropriated directly, or \$285.4 million if bonded over 20 years. The Subcommittee may want to examine alternatives to building new prisons.
- Data Management - The Department of Corrections relies on the Department of Human Services for programming services to operate its main data bases. The Department is unable to obtain information in a timely manner. The Department does not have a statistical analysis unit to examine data for trends or to evaluate programs. The Subcommittee may want to examine this issue and the Department's proposal to improve data management. *The Governor is recommending funding the Department's request, but provides \$952,000 from the General Fund and \$948,000 from the newly created Technology Assurance Fund.*



- Inmate Labor – During the 1998 Legislative Session, the Justice System Appropriations Subcommittee expressed interest in the Department developing creative alternatives to provide inmate labor on the prison farms. Other related issues include the effectiveness of inmate labor in developing job skills and reducing recidivism, the potential suppression of free labor's wages by having inmate labor available to employers, and revenue collections from inmate labor. The Subcommittee may want to follow-up on this issue.



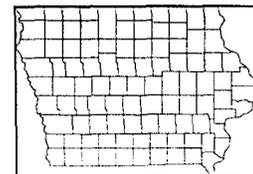
- Prison Education - Literacy is a significant problem among the inmate population, and the Department has focused educational resources on literacy for the past several years. Research suggests inmate education increases employability of released inmates and reduces recidivism. Much of the vocational education is provided in conjunction with Prison Industries. The effectiveness of this arrangement needs to be examined.



- Sex Offender Hormonal Intervention Program – The Department is requesting \$2.1 million to operate the institutional and community-based aspects of the Program in FY 2000. The Program needs to be examined for effectiveness and future costs. *The Governor is recommending \$565,000 of the funding for this program come from Community-Based Corrections Pay-for-Stay Program supervision fees.*
- Out-of-State Placement of Women Inmates – The Department is housing 100 female offenders in a Virginia prison at an annual cost of approximately \$2.2 million. Some issues for consideration include the effect on inmates' family relationships, selection of inmates to be transported, and treatment and programming provided.
- Methamphetamines - *The Governor is recommending offenders who are convicted of selling methamphetamine to minors receive a life sentence. The Governor is also recommending expansion of the drug court concept to other parts of the State. Iowa's drug court began in Polk County as a pilot project.*

Judicial Department

- Iowa Court Information System (ICIS) - Installation of the ICIS has been completed in all counties. The system needs to be reviewed for efficiency, usefulness of the information in management decision-making, uniformity in the data collected, and ability to share information with other branches of government.



- Collection of Fines and Fees - In FY 1996, the Court Enhanced Collections Fund was added to the other programs to encourage the Judicial Branch to reduce the uncollected fines and fees. The efforts to improve collections and the use of collected funds need to be reviewed.
- Staffing and Workload - In FY 1998 and FY 1999 the number of judges and support staff was increased. Caseloads and staffing levels need to be reviewed to determine if further adjustments are needed.

Department of Public Defense

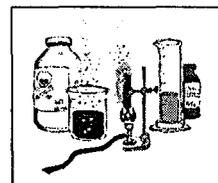
- Army and Air National Guard Strength - The Guard is attempting to attract new recruits and maintain its full strength posture in a time when public interest in military service is declining. Beginning in FY 1997, the Department offered recruits an education tuition incentive. The Subcommittee may want to review the effectiveness of the incentives.
- Methamphetamines – *The Governor is recommending that the National Guard be utilized in the fight against methamphetamines.*

Department of Public Safety

- State Medical Examiner – The position of State Medical Examiner has been vacant since October 1997. The Department is currently in the process of searching for a replacement. The two major issues are whether the office should be relocated to another department and if the funding should be increased for personnel and facilities.

The Governor is recommending moving the State Medical Examiner's Office to the Department of Public Health and adding a Deputy Medical Examiner.

- Methamphetamine – According to the Department of Public Safety's Division of Narcotics Enforcement, the number of methamphetamine and amphetamine arrests increased from 26 in 1995 to more than 360 in 1998. *The Governor is recommending \$1.5 million and 13.0 FTE positions for a Methamphetamine Lab Response Team which includes personnel from the Division of Criminal Investigation, the Iowa State Patrol, the Division of Narcotics Enforcement, and the State Fire Marshal's office.*



- Sex Offender Registry - The Code of Iowa requires registration with the Department of Public Safety by specified offenders. In addition, the Department must be notified of any address changes for ten years after registration.

Public Defender and Indigent Defense Program

- Caseloads - The caseloads need to be reviewed to determine the adequacy of staffing and funding.

Issue Reviews

The LFB completed four *Issue Reviews* during the 1998 legislative interim dealing with:



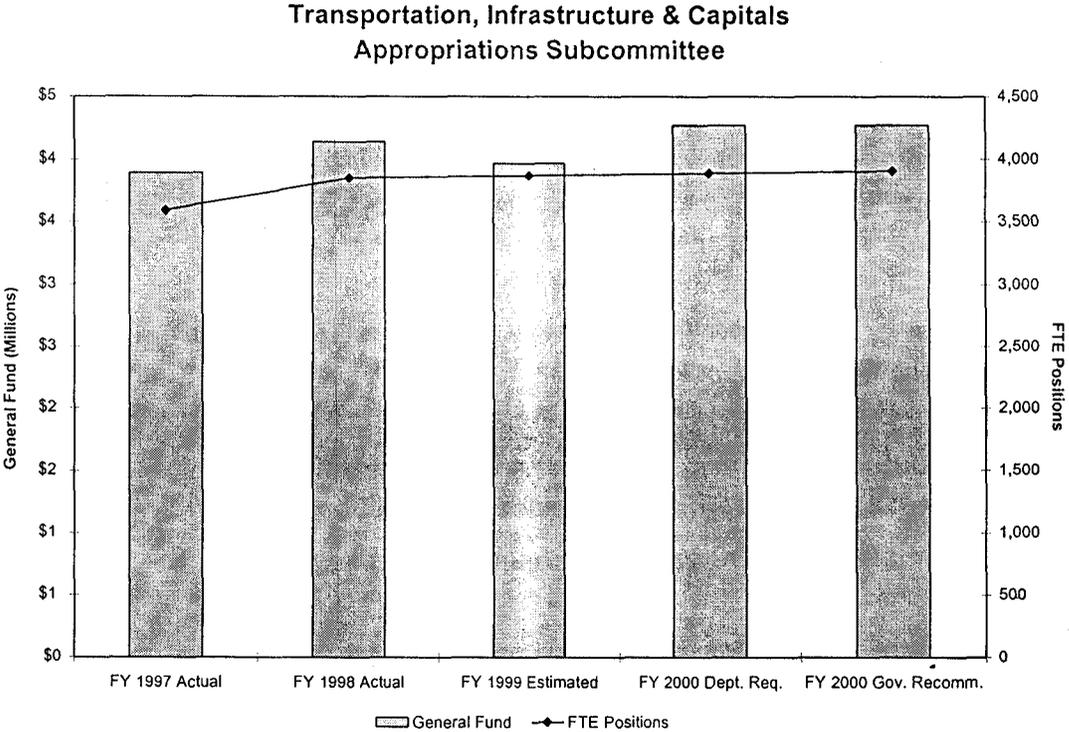
- State Medical Examiner examining the development, funding, current status, and future of the Office.
- Community-Based Corrections organization, programming, budget, and issues.
- Private sector employment of prison inmates, including the federal requirements, types of jobs, and program costs and revenues.
- Prison farms, including locations, size, types of activities, revenues, and expenses.

Copies of the *Issue Reviews* are available from the LFB.

TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE

FY 2000 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$4.3 million from the General Fund for the Transportation, Infrastructure, and Capitals Appropriations Subcommittee for FY 2000. This is an increase of \$302,000 (7.6%) compared to estimated FY 1999. Unless otherwise indicated, all increases or decreases are compared to estimated FY 1999. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding request, is preceded by the symbol, ❖.



DEPARTMENT OF TRANSPORTATION

The Governor is recommending \$257.7 million and 3,904.5 FTE positions for the Department of Transportation (DOT) for FY 2000. This is an increase of \$8.2 million (3.3%) and 33.5 FTE positions (0.9%) compared to estimated FY 1999. Of this amount, \$4.3 million is being requested from the General Fund, an increase of

\$302,000 (7.6%) and \$253.7 million from other funds, an increase of \$7.9 million (3.2%).



Significant General Fund Changes Requested

An increase of \$302,000 for the Railroad Assistance and Rail Economic Development Programs to fund the programs at the level of projected rail-related loan repayments.

Significant Other Fund Changes Requested

The following changes include requests from the Primary Road Fund and Road Use Tax Fund:

1. An increase of \$508,000 to upgrade the central processing unit at the DOT. Of this, \$233,000 is a one-time cost and \$275,000 is the annual increase for the software licenses.
2. An increase of \$102,000 and 2.0 FTE positions for data processing personnel to assist with the implementation of HF 2424 (County Driver's License Act).
3. An increase of \$495,000 for the installation and operation of higher capacity telecommunication lines to connect field offices to the DOT's Local Area Network. Of this, \$90,000 is a one-time cost.
4. An increase of \$445,000 for final implementation of the Electronic Records Management System.
5. An increase of \$112,000 and 2.0 FTE positions for producing electronic maps and data, conducting additional environmental analyses, and providing salary increases for hourly, non-permanent employees.
6. An increase of \$186,000 for the increased cost of salt used in snow removal.
7. An increase of \$150,000 for costs associated with work zone safety.
8. An increase of \$250,000 for increased costs associated with making the International Registration Plan System compliant with the year 2000 date change.
9. An increase of \$500,000 to redesign and modernize the driver license master record file. This project will require an additional \$500,000 in FY 2001.
10. An increase of \$313,000 and 5.0 FTE positions for additional uniformed officers to handle increased federal vehicle safety inspection requirements,



enforcement needs due to growth in commercial vehicle traffic, and for conducting training and safety seminars for the motor truck industry.

11. An increase of \$200,000 for the automation of the motor carrier registration and fuel tax reporting requirements for electronic commerce.
12. ❖ An increase of \$1.1 million and 17.5 FTE positions for salary and support costs associated with implementing requirements in the federal Transportation Equity Act for the 21st Century (TEA-21).
13. ❖ An increase of \$420,000 and 6.0 FTE positions for salary and support costs associated with implementing the Department's "Can-Do Process" which is designed to expedite highway construction projects.
14. An increase of \$2.0 million to the Materials and Equipment Replacement Revolving Fund for the inflationary cost associated with replacing equipment.
15. An increase of \$493,000 for additional costs associated with the driver's license photo imaging equipment lease. The increase is due to the transfer of driver's license issuance functions to 42 county treasurers' offices in FY 2000.

Driver's License

Issues

The Transportation, Capitals, and Infrastructure Appropriations Subcommittee may wish to examine the following issues pertaining to the DOT's budget request:

- TEA-21 - The LFB has completed an **Issue Review** titled "Highway Funding of the Transportation Equity Act for the 21st Century" which examines the effects of the federal Transportation Equity Act for the 21st Century (TEA-21) on Iowa's Highway Program. The Act apportions \$1.9 billion to Iowa from FFY 1998 through FFY 2003. This is an increase of \$565.3 million (42.7%) compared to the apportionments in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). *As a result of the increased funding for construction projects, the Governor is recommending \$1.1 million and 17.5 FTE positions to meet the additional workload associated with implementing more highway construction projects.* For additional information regarding this **Issue Review**, please contact Dave Reynolds at (515) 281-6934.
- Road Use Tax Fund - Review of the projected Road Use Tax Fund revenues, off-the-top allocations, and distribution of funds for road construction and maintenance. Under current law, the State is allocated 47.5% of net revenue (after off-the-top allocations are deducted), 32.5% is allocated to counties, and 20.0% to cities.
- County Driver's License - Re-examination of the effects of HF 2424 (County Driver's License Act) on the Department of Transportation's budget. *The*

Governor is recommending to retain \$765,000 and 23.0 FTE positions to provide increased customer service at the driver's license stations. These positions would otherwise be eliminated due to the passage of HF 2424 (County Driver's License Act) which transferred driver's license issuance functions from ten DOT itinerant teams to 42 county treasurer offices.

- Motor Carrier Services - Examination of the operations of the Office of Motor Vehicle Enforcement including staffing levels and hours of operation of the scale facilities throughout Iowa. The Governor is recommending \$313,000 and 5.0 FTE positions to handle increased responsibilities and additional enforcement needs due to increased truck traffic.
- Facility Repairs - Review the amount of funding within the DOT's operating budget used to address facility improvements and how this compares to the total improvement needs of the Department.

FY 2000 INFRASTRUCTURE, TECHNOLOGY, RECREATION, ENVIRONMENT, AND CULTURAL PROJECT RECOMMENDATIONS

For FY 2000, the Governor is recommending the establishment of a Rebuild Iowa Distribution Account. The Account will incorporate a mechanism to specifically fund technology, recreation, environmental, and cultural projects in addition to infrastructure related projects. For information on the proposed Distribution Account see the Rebuild Iowa Distribution Account section of this report.

The table following this section shows a detailed balance sheet of the Governor's proposed Rebuild Iowa Distribution Account which includes a list of the individual projects being recommended.

The Governor is recommending a total of \$235.2 million for infrastructure, technology, recreation, environment, and cultural projects from six funding sources for FY 2000. Of this, \$62.8 million was appropriated in prior legislative sessions and \$172.4 million are new recommendations. The following table shows the total funds being recommended by source.

Governor's FY 2000 Recommendation

(Dollars in Millions)

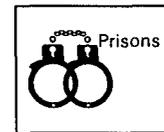
	<u>Current Law</u>	<u>New Recomm.</u>	<u>Total FY 2000</u>
Rebuild Iowa Infrastructure Fund	\$ 24.5	\$ 99.4	\$ 123.9
Technology Assurance Fund	35.3	21.9	57.2
Recreation, Environment, & Cultural Fund	3.0	41.9	44.9
Road Use tax Fund	0.0	0.6	0.6
Primary Road Fund	0.0	6.1	6.1
IPERS Fund	0.0	2.5	2.5
Total Appropriations	<u>\$ 62.8</u>	<u>\$ 172.4</u>	<u>\$ 235.2</u>

Significant Rebuild Iowa Infrastructure Fund Recommendations

1. Department of Corrections

A. \$3.8 million for the addition of 120 beds at the Iowa Medical and Classification Center in Oakdale. This project will also require \$2.5 million in FY 2001.

B. ❖ \$2.0 million for infrastructure improvements to community based correction facilities.



2. **Department of Economic Development** - \$5.0 million for continued funding for the Physical Infrastructure Financial Assistance Program. The Program

provides financial assistance for business or community infrastructure development or redevelopment projects that result in the creation of quality, high wage jobs, and involve substantial capital investment.

3. **Department of Education** - ❖ \$10.0 million for a school infrastructure assistance program entitled the "Rebuild Iowa Schools Fund". The funds will be used to buy down the interest on loans and bonds issued by school districts for the purpose of making improvements to school facilities. The Governor is recommending increasing the funding for this program by \$10.0 million annually over the next five years.

4. **Department of General Services**

- A. \$8.8 million for major maintenance improvements to State facilities. Of this, \$800,000 will be appropriated for improvements to facilities on the Capitol Complex.
- B. \$4.4 million for continued interior restoration of the State Capitol Building.
- C. \$5.9 million for continued renovation of the Old Historical Building.
- D. \$4.0 million for continued renovation of the Lucas Building.
- E. \$1.1 million for renovation of the tunnel that connects the Lucas Building with the State Capitol Building.
- F. \$1.7 million for moving and relocation expenses associated with the relocation of State employees on the Capitol Complex.
- G. \$1.5 million to replace electrical and water distribution systems at the Eldora Training School.



5. **Judicial Branch** - \$10.0 million for the construction of a new judicial building located on the Capitol Complex. This project will require an additional \$10.0 million in FY 2001 to complete the construction.

6. **Board of Regents**

- A. \$1.3 million for major maintenance to Regent's institution facilities.
- B. \$3.2 million for construction of a 35,000 square foot recreation complex at the Iowa School for the Deaf.
- C. ❖ \$27.9 million for tuition replacement which reimburses student fees used to pay the debt service on Academic Revenue Bonds. In prior years, tuition replacement has been funded from the General Fund.

7. State Fair Authority

- A. ~~\$~~3.0 million for the partial cost of reconstruction of the Varied Industries Building at the Iowa State Fair Grounds.
- B. \$1.1 million for infrastructure improvements to county fairs.

Significant Technology Assurance Fund Recommendations

1. Department of Education

- A. ❖ \$30.0 million for funding of school technology for K-12 school districts. Current law, which sunsets in FY 2001, appropriates \$30.0 million annually for school technology enhancements from the General Fund. The Governor is recommending removing the sunset and continuing the \$30.0 million annual appropriation from the Technology Assurance Fund.
 - B. \$5.0 million for Iowa Public Television to begin the conversion of eight television transmitter sites from analog to digital technology and to provide initial pass-through capability at the headquarters. The Governor is also recommending \$8.2 million in FY 2001 for the conversion. The transmitter conversion project is estimated to cost a total of \$30.2 million. The Federal Communications Commission requires the conversion to a digital signal to be completed by FY 2003.
 - C. \$1.5 million for the replacement and upgrade of computer automation equipment and software at the Division of Vocational Rehabilitation Services.
2. **Department of Management** - ❖ \$2.0 million to assist cities and counties in the development of local technology infrastructure. The Governor is recommending funding for this program be increased to \$10.0 million in FY 2001.
3. **Iowa Telecommunications and Technology Commission** - \$2.7 million to pay the on-going costs of maintenance and leases for the Network.

Significant Recreation, Environment, and Cultural Fund Recommendations

1. Department of Agriculture

- A. ❖ \$7.0 million for the Soil Conservation Cost Share Program. In prior years, this Program has been funded from the General Fund. This represents a \$500,000 increase compared to the estimated FY 1999 funding level.

- B. ❖ \$1.0 million for the Loess Hills Development and Conservation Fund which is used to stabilize stream beds for the purpose of protecting roads, bridges, and utility infrastructure in the Loess Hills region.
 - C. ❖ \$1.4 million for the establishment of a watershed protection program to help prevent pollution of Iowa's water resources.
- 2. **Department of Cultural Affairs** - \$1.5 million for continuation of the Historical Preservation Grant Program. The Program is used to fund the restoration, preservation, and development of historical sites.
 - 3. **Department of Economic Development** - ❖ \$10.0 million for the establishment of a Community Attraction and Tourism Program to provide financial incentives for cultural and recreation projects in local communities.
 - 4. **Department of Natural Resources**
 - A. ❖ \$15.0 million for the Resource Enhancement and Protection (REAP) Fund. In prior years, the REAP Program has been funded from the General Fund. The Governor is recommending fully funding the REAP Program by FY 2001 at \$20.0 million.
 - B. ❖ \$2.3 million for boating access and lake restoration projects that meet Marine Fuel Tax funding requirements. The Governor is recommending that Marine Fuel Tax receipts be deposited into the newly recommended Rebuild Iowa Infrastructure Fund.
 - C. ❖ \$1.0 million to establish a surface and groundwater quality monitoring system for the State. The funds will be used to regularly monitor Iowa's lakes, reservoirs, and wetlands.
 - 5. **Department of Transportation** - \$2.0 million for continued funding of the Recreational Trails Program.

Significant Primary Road Fund Recommendations

Department of Transportation

- A. \$2.5 million for costs associated with construction of field maintenance facilities.
- B. \$400,000 for the installation of waste water treatment systems at field maintenance facility locations to be determined by the DOT. The Department was appropriated \$300,000 in FY 1999.
- C. \$625,000 for the construction of salt storage facilities throughout the State. The Department was appropriated \$500,000 in FY 1999.

- D. \$300,000 for the replacement of roofs on field maintenance facility locations to be determined by the DOT. The Department was appropriated \$300,000 in FY 1999.
- E. \$400,000 for the replacement of roofs on buildings located on the DOT's Ames Complex.
- F. \$300,000 to construct an addition to the Cedar Rapids laboratory facility.
- G. \$1.4 million for Phase II of the DOT Administration Building rehabilitation. The Department was appropriated \$1.3 million in FY 1999 for Phase I.
- H. \$200,000 for continued improvements to DOT facilities throughout the State for compliance with Americans with Disabilities Act (ADA) requirements. This is the same level of funding the DOT received in FY 1999.

Significant IPERS Fund Recommendations

Department of Personnel - \$2.5 million from the Iowa Public Employees Retirement (IPERS) Fund for the purchase or construction of an IPERS headquarters to replace the existing leased facility. The Department was appropriated \$4.0 million from the IPERS Fund in FY 1999 for the acquisition and remodeling of an IPERS headquarters building. The Department was not able to acquire an existing facility and is now proposing to use the \$4.0 in addition to the \$2.5 million to construct a new facility.

Issues

The Transportation, Capitals, and Infrastructure Appropriations Subcommittee may wish to examine the following issues pertaining to capital projects.

- Rebuild Iowa Infrastructure Fund - Review of the most recent estimates of the Infrastructure Fund in relation to the amount of funding requests for the purpose of setting funding priorities. The current estimate of total resources available to the Fund in FY 2000 is \$173.7 million. The General Assembly appropriated \$32.8 million for FY 2000 during prior Legislative Sessions resulting in a \$140.9 million ending balance.
- Employee Relocation - Review of plans to relocate employees on the Capitol Complex due to the elimination of office space as a result of interior restoration of the Capitol Building.
- Infrastructure Study - Review of the status of the infrastructure study being conducted through the Department of General Services to determine needed repairs to State facilities located throughout Iowa.



- Rebuild Iowa Distribution Account - Review the Governor's recommendation to create a Rebuild Iowa Distribution Account to provide specific funding for technology, recreation, environmental, cultural, and infrastructure projects. Included in the Governor's recommendation, all gambling revenues will be deposited into the Distribution Account (current law allocates the first \$60.0 million to the General Fund), as well as the interest earnings from the Cash Reserve and Economic Emergency Funds. In addition, the Governor is recommending the transfer of \$5.0 million annually from the Underground Petroleum Storage Tank Fund into the Distribution Account. The current fund balance in the Rebuild Iowa Infrastructure Fund will also be transferred to the Rebuild Iowa Distribution Account.
- Infrastructure Commission - Review the Governor's initiative to establish an infrastructure commission through Executive Order and the responsibilities to be assigned to the Commission. The Governor is recommending \$103,000 for 1.0 FTE position and support for the Infrastructure Commission. In addition, the Governor is recommending \$142,000 and 2.0 FTE positions to support and maintain a database on the condition of state facilities.
- Local School Infrastructure - Examine local school infrastructure needs and the Governor's \$10.0 million recommendation to establish a school infrastructure assistance program to be used to buy down the interest on bonds issued by school districts for the purpose of making improvements to school facilities.
- School Bond Banks - Examine the Governor's recommendation to establish bond banks for local school districts to allow school districts to combine bond issues for the purpose of reducing the administrative expenses and interest costs.
- Capitol Complex Parking - The LFB has published an **Issue Review** titled "Capitol Complex Parking Lot Improvements" which examines the parking lot construction and improvement needs on the Capitol Complex. The Department of General Services has identified approximately \$43.7 million in future parking lot improvement/construction needs. This includes a proposal to construct two parking ramp structures totaling \$40.9 million. For additional information regarding this **Issue Review**, please contact Dave Reynolds at (515) 281-6934.
- Capitol Complex Facilities - The LFB has published an **Issue Review** titled "Renovation of Facilities on the Capitol Complex" which examines the current status of building restoration and renovation projects located on the Capitol Complex and estimates for completing the projects. Since FY 1996, the General Assembly has appropriated a total of \$62.9 million for restoration and renovation of Capitol Complex facilities. It is estimated that an additional \$36.2 million will be required to complete the projects. For additional information regarding this **Issue Review**, please contact Dave Reynolds at (515) 281-6934.

Rebuild Iowa Distribution Account

(Dollars in Millions)

	Governor's			Governor's		
	Current Law FY 2000	New Recomm. FY 2000	Total FY 2000	Current Law FY 2001	New Recomm. FY 2001	Total FY 2001
Resources						
Balance	\$ 31.39	\$ -2.43	28.96	\$ 0.00	\$ 0.00	\$ 10.25
Revenue						
Accrued Interest	32.10		32.10	34.30		34.30
Gambling Receipts	107.93		107.93	121.50		121.50
Additional Gaming Revenues from General Fund		60.00	60.00		60.00	60.00
Transfer from Underground Storage Tank Fund		5.00	5.00		5.00	5.00
Marine Fuel Tax	2.30		2.30	2.30		2.30
Total Revenue	<u>142.33</u>	<u>65.00</u>	<u>207.33</u>	<u>158.10</u>	<u>65.00</u>	<u>223.10</u>
Total Available Resources	<u>\$ 173.72</u>	<u>\$ 62.57</u>	<u>\$ 236.29</u>	<u>\$ 158.10</u>	<u>\$ 65.00</u>	<u>\$ 233.35</u>
Infrastructure Projects						
DOC - Oakdale Expansion (120 Beds)	\$ 0.00	\$ 3.75	\$ 3.75	\$ 0.00	\$ 2.50	\$ 2.50
DOC - Community Based Corrections		2.00	2.00			0.00
DED - Physical Infrastructure Assistance Program		5.00	5.00		5.00	5.00
DED - Housing Development	1.00		1.00	1.00		1.00
DE - Local K - 12 Infrastructure Assistance		10.00	10.00		20.00	20.00
State Fair - Varied Industries		3.00	3.00			0.00
County Fairs		1.06	1.06		1.06	1.06
DGS - Infrastructure Data Management		0.14	0.14		0.14	0.14
DGS - Infrastructure Project Staff		0.12	0.12		0.12	0.12
DGS - Infrastructure Commission & Support		0.10	0.10		0.09	0.09
DGS - Capitol Interior Renovation		4.38	4.38		4.32	4.32
DGS - Capitol Complex Maintenance		0.80	0.80		0.80	0.80
DGS - Statewide Maintenance		8.00	8.00		8.00	8.00
DGS - Old Historical Building Renovation		5.90	5.90		5.84	5.84
DGS - Terrace Hill Maintenance		0.10	0.10		0.10	0.10
DGS - Lucas Building Renovation		4.03	4.03		2.65	2.65
DGS - Lucas Tunnel		1.10	1.10			0.00
DGS - Parking Structure			0.00		6.50	6.50
DGS - Employee Relocation Assistance		1.70	1.70		1.67	1.67
DGS - Salisbury House		0.60	0.60		0.44	0.44
DGS - Parking Lot 4 Improvements		0.59	0.59			0.00
DGS - Eldora Utility Upgrades		1.50	1.50			0.00
DGS - Eldora Training School	4.00		4.00			0.00
Judicial Building Construction		10.00	10.00		10.00	10.00
DPD - Maintenance		0.68	0.68		0.68	0.68
DPS - Patrol Post Construction		1.50	1.50			0.00
Regents Capitals	19.50		19.50	11.92		11.92
Regents - Tuition Replacement		27.87	27.87		28.17	28.17
Regents - Special Schools		4.49	4.49			0.00
DOT - Commercial Service Airports		1.00	1.00		1.00	1.00
Veterans Affairs - Dining Facility			0.00		2.42	2.42
Subtotal Infrastructure Projects	<u>\$ 24.50</u>	<u>\$ 99.41</u>	<u>\$ 123.91</u>	<u>\$ 12.92</u>	<u>\$ 101.50</u>	<u>\$ 114.42</u>

* The Governor is recommending a supplemental appropriation of \$2.43 million for the Information Technology Services Division of the Department of General Services to be used for embeded chip replacement.

Rebuild Iowa Distribution Account

(Dollars in Millions)

	Governor's			Governor's		
	Current Law FY 2000	New Recomm. FY 2000	Total FY 2000	Current Law FY 2001	New Recomm. FY 2001	Total FY 2001
Technology Projects						
DALS - Slide In Testing Equipment	\$ 0.00	\$ 0.07	\$ 0.07	\$ 0.00	\$ 0.00	\$ 0.00
DALS - Spectroscopy Equipment		0.03	0.03			0.00
DALS - Computer Replacement		0.03	0.03			0.00
DALS - Laboratory Equipment Needs		0.23	0.23			0.00
DOC - Department Wide Information System		0.95	0.95		1.04	1.04
DCA - On Line Catalog		0.11	0.11		0.11	0.11
DCA - Telecommunications Classroom		0.11	0.11			0.00
DE - Local K-12 Technology	30.00		30.00		30.00	30.00
DE - Community College Technology	3.00		3.00	3.00		3.00
DE - Public Television		5.00	5.00		8.20	8.20
DE - Electronic Data Exchange		0.50	0.50			0.00
DE - Vocational Rehabilitation-Information Tech		1.47	1.47			0.00
DPH - Imaging Project		0.15	0.15		0.07	0.07
DHR - Justice Data Warehouse		1.11	1.11		0.34	0.34
DHS - Welfare Reform System		0.74	0.74		0.74	0.74
DHS - Child Support Recovery		1.13	1.13		1.13	1.13
DHS - Campus Area Networks		1.00	1.00			0.00
ITS - Technology Commission and Support		0.10	0.10		0.09	0.09
ITS - Re-engineering Projects		1.00	1.00		1.00	1.00
ITS - Enterprise Security System Implementation		0.75	0.75		0.75	0.75
DIA - Criminal History - Single Contact Repository		0.15	0.15		0.05	0.05
DOM - City/County Technology		2.00	2.00		10.00	10.00
DPS - Radio Conversion	2.34		2.34			0.00
Regents - Institutional Projects		2.00	2.00			0.00
ITTC - ICN Maintenance & Line Lease		2.68	2.68		2.68	2.68
ITTC - ICN ATM Conversion			0.00		5.00	5.00
DWD - Automated Claims Taking System		0.10	0.10		0.10	0.10
DWD - Community Resource Directory		0.50	0.50		0.50	0.50
Subtotal Technology Projects	\$ 35.34	\$ 21.92	\$ 57.26	\$ 3.00	\$ 61.80	\$ 64.80
Recreation, Environment, & Cultural Projects						
DALS - Soil Conservation Cost Share	\$ 0.00	\$ 7.00	7.00	\$ 0.00	\$ 7.00	7.00
DALS - Watershed Protection Program		1.39	1.39		1.39	1.39
DALS - Loess Hills		1.00	1.00		1.00	1.00
DCA - Historical Cultural Grants		1.45	1.45		1.45	1.45
DCA - Black Officers Memorial		0.25	0.25			0.00
DED - Cultural and Recreation Incentives		10.00	10.00		10.00	10.00
DNR - REAP Fund		15.00	15.00		20.00	20.00
QNR - Restore the Outdoors Program	3.00		3.00	3.00		3.00
DNR - Marine Fuel Tax		2.30	2.30		2.30	2.30
DNR - Elinor Bedell State Park Construction		0.28	0.28		0.05	0.05
DNR - Water Quality Monitoring Stations		1.00	1.00		2.00	2.00
DNR - Lake Belva Deer Dam		0.20	0.20		0.20	0.20
DOT - Trails Acquisition - Construction		1.00	1.00		1.00	1.00
DOT - Existing Trails Improvements		1.00	1.00		1.00	1.00
Subtotal Recreational, Environmental, & Cultural Projects	\$ 3.00	\$ 41.87	\$ 44.87	\$ 3.00	\$ 47.39	\$ 50.39
Total Appropriations	\$ 62.84	\$ 163.20	\$ 226.04	\$ 18.92	\$ 210.69	\$ 229.61
Ending Balance			\$ 10.25			\$ 3.74

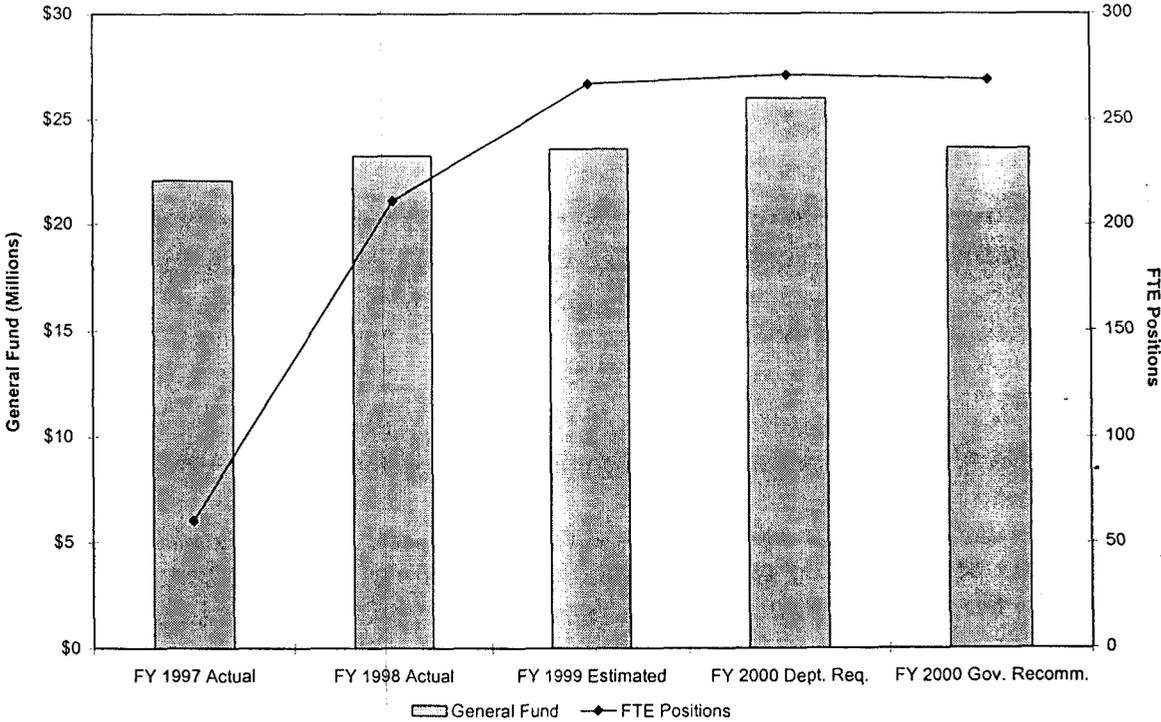
Note: Numbers may not equal totals due to rounding.

OVERSIGHT AND COMMUNICATIONS APPROPRIATIONS SUBCOMMITTEE

FY 2000 GOVERNOR'S RECOMMENDATION

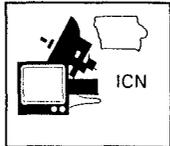
The Governor is recommending \$23.6 million from the General Fund and 269.0 FTE positions, for the three entities of the Oversight and Communications Appropriations Subcommittee. This is an increase of \$43,000 (0.2%) and 2.0 (0.7%) FTE positions compared to estimated FY 1999. During the 1999 Legislative Session, all General Fund appropriations requested by the Iowa Telecommunications and Technology Commission were appropriated to other departments for payment of costs related to the Iowa Communications Network (ICN). However, as the Commission is again making the requests rather than the other departments for video subsidization and debt service, this analysis compares changes from estimated FY 1999 as if they had been appropriated to the Commission.

Oversight and Communications Appropriations Subcommittee



Significant General Fund Changes Recommended

1. **Iowa Telecommunications and Technology Commission** - An increase of \$43,000 (0.3%) and 2.0 (2.0%) FTE positions compared to estimated FY 1999. The Commission is the governing entity of the ICN. For FY 1999, the General Assembly appropriated \$16.6 million from the General Fund for video subsidization and operations (\$3.8 million to the Department of Education) and debt service (\$12.8 million to the Treasurer of State). In FY 2000, the majority of the Commission's operating revenues will come from an enterprise fund using ICN revenues generated from fees collected for voice, data, video, and other services. The change includes:
 - A. An increase of 2.0 FTE positions for operating computer support systems, software design, development, implementation, integration and maintenance.
 - B. A decrease of \$36,000 from video subsidization as the ICN is covering the cost of 2.0 FTE positions transferred from Iowa Public Television to handle scheduling on the network through receipts.
 - C. An increase of \$79,000 for network debt service due to decreased interest on investments. These funds are appropriated to the Treasurer of State and used for payment of debt service when the ICN notifies the Treasurer that payment is due.
2. ❖ The Governor is recommending a status quo General Fund appropriation for both the Information Technology Services Division of the Department of General Services and for the ICN related activities of Iowa Public Television and the Regional Technology Councils.

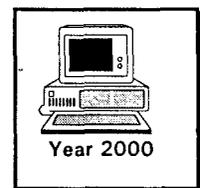


Issues

The Oversight and Communications Appropriations Subcommittee may wish to examine the following issues:

- Review the options related to the disposition or retention of the ICN that were provided in the study conducted by Ultrapro International, Inc. The study was submitted on January 11, 1999, and presented to the Oversight and Communications Appropriations Subcommittee on January 20. See the Iowa Communications Network section of this report for a summary of the study.
- New technological innovations that may serve as alternatives to the ICN's current planned migration to Asynchronous Transfer Mode and MPEG 2 technology.

- Continued subsidization of video use for educational users.
- Require the ICN to provide priority to educational users of video services. If the General Assembly does not fund the change to Asynchronous Transfer Mode (ATM) technology, then the number of users will exceed system capacity and some prioritization of uses will have to be established.
- Status of the Federal Communications Commission (FCC) Universal Fund on the rates to be charged to educational, library, and rural telemedicine users of all ICN services and video services in particular. The Fund was proposed to reduce the costs of telecommunication services for these types of users.
- Status of the implementation of the new application form and selection process for review of all major technology requests from the Executive Branch. The Oversight Subcommittee required the form to be implemented during FY 1999.
- Review of the findings of the Year 2000 Progress Audit that will be provided by Hitachi Data Systems, Inc. The audit will detail the efforts of the Executive Branch in solving the Year 2000 computer programming problems. The report will be available by February 16, 1999, and copies will be made available to the Subcommittee.
- Monthly progress reports being made by the Year 2000 Project Office for the Executive Branch, including the Offices of the Elected Officials, related to solving the Year 2000 computer problem and other non-computer Year 2000 related problems.
- Monthly progress reports being made by the Board of Regents and the Judicial and Legislative Branches related to solving the Year 2000 computer problem and other non-computer Year 2000 related problems.
- Costs related to solving the Year 2000 computer problem. The Department of Management estimates that the \$20.0 million dollars (\$5.0 million FY 1997 supplemental appropriation and \$15.0 million in FY 1997 General Fund reversions appropriated to the Reversion Incentive Program Fund), will be sufficient to complete the required modifications. However, this does not include the cost of remediation of all embedded chip problems. Estimates of the costs of correcting embedded chip problems will be provided to the Oversight Subcommittee during subcommittee presentations.
- Efforts to insure interface with local and federal governments related to the Year 2000 computer problem.
- Need for legislation dealing with electronic commerce and digital signature.



- Need for a statewide security system to protect confidential information held about lowans from improper access through the Internet.
- Costs incurred by the State for overcharges to the federal government for vehicle dispatch, communications, and information services, and what can be done in the future to eliminate these types of overcharges.
- *The Governor is recommending restructuring State government technology funding to ensure an enterprise-wide approach to 21st Century infrastructure.*
- *The Governor is recommending continued funding for the conversion of Iowa Public Television towers to handle digital signals to meet the federal mandate that all television broadcasts be converted by 2004.*

APPENDIX A

FY 2000 GENERAL FUND GOVERNOR'S RECOMMENDATIONS



GENERAL FUND APPROPRIATIONS

	<u>Actual FY 1998 (1)</u>	<u>Estimated FY 1999 (2)</u>	<u>Dept. Req. FY 2000 (3)</u>	<u>Gov. Recomm. FY 2000 (4)</u>	<u>Gov. Rec. vs Est. FY 1999 (5)</u>	<u>Percent Change (6)</u>
Admin. & Regulation	\$ 84,497,586	\$ 89,154,639	\$ 91,168,317	\$ 89,873,840	\$ 719,201	0.8%
Ag. & Natural Resources	49,235,600	51,036,764	58,426,425	37,533,920	-13,502,844	-26.5%
Economic Development	39,562,516	41,638,704	46,772,866	42,783,579	1,144,875	2.7%
Education	849,793,826	896,671,399	951,126,086	910,049,311	13,377,912	1.5%
Health & Human Rights	87,741,741	90,288,737	94,107,323	94,446,800	4,158,063	4.6%
Human Services	741,963,344	743,388,344	794,710,821	767,185,856	23,797,512	3.2%
Justice System	390,539,270	428,145,661	474,340,047	470,545,214	42,399,553	9.9%
Trans., Infra., & Capital	5,941,250	3,968,997	4,271,085	4,271,085	302,088	7.6%
Oversight & Communication	23,296,510	23,600,491	26,015,580	23,643,210	42,719	0.2%
Unassigned Standings	2,086,644,165	2,154,838,022	2,204,432,484	2,195,432,484	40,594,462	1.9%
	<u>\$ 4,359,215,808</u>	<u>\$ 4,522,731,758</u>	<u>\$ 4,745,371,034</u>	<u>\$ 4,635,765,299</u>	<u>\$ 113,033,541</u>	2.5%

Administration and Regulation Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Auditor of State						
Auditor - General Office	\$ 1,393,355	\$ 1,435,084	\$ 1,530,432	\$ 1,530,432	\$ 95,348	6.6%
Ethics and Campaign Disc.						
Campaign Finance	\$ 440,107	\$ 500,993	\$ 498,993	\$ 498,993	\$ -2,000	-0.4%
Commerce						
Commerce Administration	\$ 999,438	\$ 1,083,819	\$ 1,083,819	\$ 1,083,819	\$ 0	0.0%
Alcoholic Beverages Div.	1,536,754	1,557,630	1,557,630	1,557,630	0	0.0%
Banking Division	5,630,806	5,682,363	5,682,363	5,682,363	0	0.0%
Credit Union Division	1,092,832	1,107,860	1,107,860	1,107,860	0	0.0%
Insurance Division	3,163,305	3,803,178	3,800,037	3,732,240	-70,938	-1.9%
Professional Lic. Div.	871,392	909,673	979,673	882,356	-27,317	-3.0%
Utilities Division						
Utilities Division	5,844,482	5,879,737	5,879,737	5,879,737	0	0.0%
Communications Services	100,000	0	0	0	0	
Total Utilities Division	5,944,482	5,879,737	5,879,737	5,879,737	0	0.0%
Total Commerce	\$ 19,239,009	\$ 20,024,260	\$ 20,091,119	\$ 19,926,005	\$ -98,255	-0.5%
Legislative Branch						
Uniform State Laws	\$ 23,350	\$ 24,055	\$ 25,425	\$ 25,425	\$ 1,370	5.7%
NCSL	94,922	98,557	101,393	101,393	2,836	2.9%
Amer Leg. Exchange Coun.	7,500	0	7,500	7,500	7,500	
NCOIL	0	3,000	0	0	-3,000	-100.0%
Total Legislative Branch	\$ 125,772	\$ 125,612	\$ 134,318	\$ 134,318	\$ 8,706	6.9%

Administration and Regulation Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
General Services						
Gen. Services Admin.	\$ 1,945,585	\$ 1,886,097	\$ 2,308,097	\$ 1,924,097	\$ 38,000	2.0%
Property Management	4,303,755	4,505,119	5,099,518	4,305,293	-199,826	-4.4%
Capitol Planning Comm.	2,000	2,000	2,000	2,000	0	0.0%
Rental Space	656,104	835,898	1,028,898	1,028,898	193,000	23.1%
Utilities	2,208,942	2,324,489	2,324,489	2,324,489	0	0.0%
Terrace Hill Operations	209,352	217,130	309,164	361,132	144,002	66.3%
Total General Services	\$ 9,325,738	\$ 9,770,733	\$ 11,072,166	\$ 9,945,909	\$ 175,176	1.8%
Governor						
General Office	\$ 1,267,473	\$ 1,367,444	\$ 1,502,491	\$ 1,593,291	\$ 225,847	16.5%
Terrace Hill Quarters	73,414	75,314	75,314	75,314	0	0.0%
Admin. Rules Coordinator	131,928	135,047	0	0	-135,047	-100.0%
Natl. Governor's Assoc.	64,872	66,200	68,800	68,800	2,600	3.9%
Governor Elect Expenses	0	10,000	0	0	-10,000	-100.0%
Governors Transition Cost	0	15,000	0	0	-15,000	-100.0%
Total Governor	\$ 1,537,687	\$ 1,669,005	\$ 1,646,605	\$ 1,737,405	\$ 68,400	4.1%
Inspections & Appeals						
Inspections And Appeals						
Finance and Services Div.	\$ 530,078	\$ 554,763	\$ 554,763	\$ 554,763	\$ 0	0.0%
Audits Division	462,020	517,384	517,384	517,384	0	0.0%
Appeals and Fair Hearings	249,205	255,419	469,779	469,779	214,360	83.9%
Investigations Division	917,367	975,905	975,905	975,905	0	0.0%
Health Facilities Div.	2,042,194	2,089,072	2,515,462	2,243,150	154,078	7.4%
Inspections Division	660,132	652,150	652,150	652,150	0	0.0%

Administration and Regulation Subcommittee

General Fund Appropriations

	Actual FY 1998	Estimated FY 1999	Dept. Req. FY 2000	Gov. Recomm. FY 2000	Gov. Rec. vs Est. FY 1999	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)
Inspections & Appeals (cont.)						
Employment Appeal Board	34,360	35,178	35,178	35,178	0	0.0%
Foster Care Review Board	571,339	578,508	578,508	578,508	0	0.0%
Poultry Show Exhibit	500	500	500	500	0	0.0%
Total Inspections And Appeals	5,467,195	5,658,879	6,299,629	6,027,317	368,438	6.5%
Racing Commission						
Racetrack Regulation	2,051,690	2,095,194	2,095,194	2,095,194	0	0.0%
Excursion Boats Reg.	1,300,846	1,353,127	1,469,951	1,437,906	84,779	6.3%
Total Racing Commission	3,352,536	3,448,321	3,565,145	3,533,100	84,779	2.5%
Total Inspections & Appeals	\$ 8,819,731	\$ 9,107,200	\$ 9,864,774	\$ 9,560,417	\$ 453,217	5.0%
Management						
Management-General Office	\$ 1,966,504	\$ 2,073,299	\$ 2,242,430	\$ 2,492,430	\$ 419,131	20.2%
Law Enforcement Training	47,500	47,500	47,500	47,500	0	0.0%
Council of State Govts.	80,031	81,585	84,033	84,033	2,448	3.0%
Council On Human Invest.	190,093	169,131	0	0	-169,131	-100.0%
Salary Adjustment	114,744	1,009,817	0	0	-1,009,817	-100.0%
Total Management	\$ 2,398,872	\$ 3,381,332	\$ 2,373,963	\$ 2,623,963	\$ -757,369	-22.4%
Personnel						
Operations	\$ 1,283,246	\$ 1,423,928	\$ 4,692,777	\$ 4,622,487	\$ 3,198,559	224.6%
Program Delivery Services	1,330,232	1,370,734	0	0	-1,370,734	-100.0%
Program Admin. & Develop.	1,615,762	1,702,825	0	0	-1,702,825	-100.0%
Workers' Compensation	5,884,740	5,884,740	6,528,400	6,528,400	643,660	10.9%
Deferred Comp. Program	0	0	125,000	0	0	
Total Personnel	\$ 10,113,980	\$ 10,382,227	\$ 11,346,177	\$ 11,150,887	\$ 768,660	7.4%

Administration and Regulation Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Revenue and Finance						
Compliance	\$ 10,551,261	\$ 10,790,248	\$ 10,740,725	\$ 10,740,725	\$ -49,523	-0.5%
State Financial Mgmt.	10,916,497	11,208,394	11,690,329	11,690,329	481,935	4.3%
Internal Resource Mgmt.	6,249,275	6,880,687	6,310,493	6,310,493	-570,194	-8.3%
Collection Costs & Fees	42,963	45,000	45,000	45,000	0	0.0%
Collection Agencies Reimb	-408,462	0	0	0	0	
Total Revenue and Finance	\$ 27,351,534	\$ 28,924,329	\$ 28,786,547	\$ 28,786,547	\$ -137,782	-0.5%
Secretary of State						
Admin. & Elections	\$ 675,470	\$ 704,269	\$ 704,269	\$ 727,269	\$ 23,000	3.3%
Business Services	1,822,124	1,827,758	1,777,117	1,827,758	0	0.0%
Official Register Print	45,000	5,000	45,000	45,000	40,000	800.0%
Total Secretary of State	\$ 2,542,594	\$ 2,537,027	\$ 2,526,386	\$ 2,600,027	\$ 63,000	2.5%
State-Federal Relations						
General Office	\$ 255,658	\$ 274,095	\$ 274,095	\$ 299,095	\$ 25,000	9.1%
Treasurer of State						
Treasurer-General Office	\$ 953,549	\$ 1,022,742	\$ 1,022,742	\$ 1,079,842	\$ 57,100	5.6%
Total Admin. & Regulation	\$ 84,497,586	\$ 89,154,639	\$ 91,168,317	\$ 89,873,840	\$ 719,201	0.8%
Operations	\$ 78,977,845	\$ 83,224,399	\$ 84,594,417	\$ 83,299,940	\$ 75,541	0.1%
Grant and Aids	\$ 5,884,740	\$ 5,884,740	\$ 6,528,400	\$ 6,528,400	\$ 643,660	10.9%
Standings	\$ -364,999	\$ 45,500	\$ 45,500	\$ 45,500	\$ 0	0.0%
	\$ 84,497,586	\$ 89,154,639	\$ 91,168,317	\$ 89,873,840	\$ 719,201	0.8%

Agriculture and Natural Resources Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Ag. & Land Stewardship						
Administrative Division	\$ 2,010,580	\$ 2,102,210	\$ 2,198,523	\$ 2,474,511	\$ 372,301	17.7%
Regulatory Division	4,692,758	4,869,618	5,774,941	4,993,908	124,290	2.6%
Laboratory Division	3,623,293	3,794,441	4,271,649	3,772,874	-21,567	-0.6%
Soil Conservation Div.	6,410,145	6,805,031	10,335,031	6,914,882	109,851	1.6%
Agricultural Programs						
Soil Consv Cost Share	6,461,850	6,500,850	7,000,850	0	-6,500,850	-100.0%
Farmer's Market Coupon	216,573	260,242	269,059	301,373	41,131	15.8%
Pseudorabies Eradication	900,400	900,500	900,500	900,500	0	0.0%
Total Agricultural Programs	7,578,823	7,661,592	8,170,409	1,201,873	-6,459,719	-84.3%
Total Ag. & Land Stewardship	\$ 24,315,599	\$ 25,232,892	\$ 30,750,553	\$ 19,358,048	\$ -5,874,844	-23.3%
Natural Resources						
Natural Resources Dept.	\$ 15,176,001	\$ 16,024,872	\$ 17,746,872	\$ 17,246,872	\$ 1,222,000	7.6%
Water Quality Project	729,000	729,000	729,000	729,000	0	0.0%
REAP Appropriation	9,000,000	9,000,000	9,000,000	0	-9,000,000	-100.0%
FY98 Parks Retirement Sup	0	0	200,000	200,000	200,000	
Lewis & Clark Rural Wtr.	15,000	0	0	0	0	
Total Natural Resources	\$ 24,920,001	\$ 25,753,872	\$ 27,675,872	\$ 18,175,872	\$ -7,578,000	-29.4%

Agriculture and Natural Resources Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Board of Regents						
PRRS Research	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ -50,000	-100.0%
Total Ag. & Natural Resources	\$ 49,235,600	\$ 51,036,764	\$ 58,426,425	\$ 37,533,920	\$ -13,502,844	-26.5%
Operations	\$ 32,858,350	\$ 34,635,414	\$ 41,525,075	\$ 36,633,420	\$ 1,998,006	5.8%
Grant and Aids	\$ 7,377,250	\$ 7,401,350	\$ 7,901,350	\$ 900,500	\$ -6,500,850	-87.8%
Standings	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000	\$ 0	\$ -9,000,000	-100.0%
	\$ 49,235,600	\$ 51,036,764	\$ 58,426,425	\$ 37,533,920	\$ -13,502,844	-26.5%

Economic Development Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Economic Development						
Administrative Services						
General Administration	\$ 1,486,857	\$ 1,524,984	\$ 1,524,984	\$ 1,524,984	\$ 0	0.0%
Film Office	231,286	260,066	285,066	260,066	0	0.0%
School To Career Refund	0	0	500,000	500,000	500,000	
Workforce Recruit. Prog.	0	300,000	300,000	0	-300,000	-100.0%
Total Administrative Services	1,718,143	2,085,050	2,610,050	2,285,050	200,000	9.6%
Business Development						
Bus. Develop. Operations	3,934,560	3,946,209	4,026,209	4,046,209	100,000	2.5%
Small Business Program	445,463	452,252	739,184	739,184	286,932	63.4%
Procurement Office	102,862	106,932	0	0	-106,932	-100.0%
Strategic Investment Fund	6,803,513	6,815,799	6,815,799	5,815,799	-1,000,000	-14.7%
Total Business Development	11,286,398	11,321,192	11,581,192	10,601,192	-720,000	-6.4%
Community & Rural Devel.						
Community Assistance	600,070	658,038	1,153,038	1,003,038	345,000	52.4%
Mainstreet/Rural Main St.	424,315	431,937	506,937	431,937	0	0.0%
Community Develop Program	721,073	837,780	997,780	997,780	160,000	19.1%
Commun. Dev. Block Grant	418,292	422,719	422,719	422,719	0	0.0%
IMTC State Funds	0	0	1,100,000	700,000	700,000	
Housing Develop. Assist.	1,300,000	1,300,000	1,700,000	1,700,000	400,000	30.8%
Shelter Assistance Fund	400,000	400,000	0	0	-400,000	-100.0%
Total Community & Rural Devel.	3,863,750	4,050,474	5,880,474	5,255,474	1,205,000	29.7%

Economic Development Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Economic Development (cont.)						
International Division						
International Trade	1,357,001	2,048,222	2,568,222	2,568,222	520,000	25.4%
Foreign Trade Offices	651,150	0	0	0	0	
Export Trade Asst. Prog.	425,000	425,000	0	0	-425,000	-100.0%
Ag. Prod. Ad. Council	1,300	1,300	1,300	1,300	0	0.0%
Total International Division	2,434,451	2,474,522	2,569,522	2,569,522	95,000	3.8%
Tourism Division						
Tourism Operations	783,868	5,062,837	5,137,837	5,062,837	0	0.0%
Tourism Advertising	4,127,000	0	0	0	0	
Total Tourism Division	4,910,868	5,062,837	5,137,837	5,062,837	0	0.0%
Partner State Program	112,500	125,000	125,000	125,000	0	0.0%
Total Economic Development	\$ 24,326,110	\$ 25,119,075	\$ 27,904,075	\$ 25,899,075	\$ 780,000	3.1%
IA Workforce Development						
Labor Division	\$ 2,891,533	\$ 2,984,408	\$ 3,349,283	\$ 3,349,283	\$ 364,875	12.2%
Workers' Comp. Div.	2,323,726	2,436,620	2,436,620	2,436,620	0	0.0%
Workforce Dev. Board	121,929	106,929	106,929	106,929	0	0.0%
Employment Statistics	68,794	67,258	67,258	67,258	0	0.0%
Strategic Recruitment	0	1,480,022	1,480,022	1,480,022	0	0.0%
Mentoring	77,011	0	0	0	0	
Youth Conservation Corps	923,180	0	0	0	0	
Workforce Invest. Prog.	479,831	0	0	0	0	
Labor Management Coord.	66,828	67,759	67,759	67,759	0	0.0%
Welfare To Work Match	0	888,633	888,633	888,633	0	0.0%

Economic Development Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
<u>IA Workforce Development (cont.)</u>						
Information Technology	0	0	1,855,000	0	0	
Total IA Workforce Development	\$ 6,952,832	\$ 8,031,629	\$ 10,251,504	\$ 8,396,504	\$ 364,875	4.5%
<u>Public Emp. Relations</u>						
General Office	\$ 851,894	\$ 886,407	\$ 886,407	\$ 886,407	\$ 0	0.0%
<u>Board of Regents</u>						
University of Iowa						
SUI Research Park	\$ 330,272	\$ 340,118	\$ 342,500	\$ 340,118	\$ 0	0.0%
SUI Advanced Drug Devel.	261,234	272,731	273,031	272,731	0	0.0%
Total University of Iowa	591,506	612,849	615,531	612,849	0	0.0%
Iowa State University						
ISU Small Bus. Center	1,234,113	1,248,329	1,267,783	1,248,329	0	0.0%
ISU Research Park	376,500	381,380	383,767	381,380	0	0.0%
Institute for Phys. Res.	4,374,904	4,477,948	4,507,712	4,477,948	0	0.0%
Total Iowa State University	5,985,517	6,107,657	6,159,262	6,107,657	0	0.0%

Economic Development Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Board of Regents (cont.)						
Univ. of Northern Iowa						
UNI Metal Casting	166,349	171,996	171,996	171,996	0	0.0%
Decision Making Institute	688,308	709,091	784,091	709,091	0	0.0%
Total Univ. of Northern Iowa	854,657	881,087	956,087	881,087	0	0.0%
Total Board of Regents	\$ 7,431,680	\$ 7,601,593	\$ 7,730,880	\$ 7,601,593	\$ 0	0.0%
Total Economic Development	\$ 39,562,516	\$ 41,638,704	\$ 46,772,866	\$ 42,783,579	\$ 1,144,875	2.7%
Operations	\$ 39,144,224	\$ 41,215,985	\$ 45,850,147	\$ 41,860,860	\$ 644,875	1.6%
Grant and Aids	\$ 418,292	\$ 422,719	\$ 422,719	\$ 422,719	\$ 0	0.0%
Standings	\$ 0	\$ 0	\$ 500,000	\$ 500,000	\$ 500,000	
	\$ 39,562,516	\$ 41,638,704	\$ 46,772,866	\$ 42,783,579	\$ 1,144,875	2.7%

Education Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
College Student Aid Comm.						
Operations and Loan Prog.						
Scholarship & Grant Ad.	\$ 318,429	\$ 331,727	\$ 335,676	\$ 331,727	\$ 0	0.0%
Osteopathic Univ - Loans	379,260	379,260	379,260	379,260	0	0.0%
Osteopathic - Prim. Care	395,000	395,000	395,000	395,000	0	0.0%
Student Aid Programs	1,397,790	1,161,850	1,161,850	1,161,850	0	0.0%
Worker Retrain Forg Loans	0	0	0	1,750,000	1,750,000	
Nation Guard Assistance	625,000	833,900	1,000,000	1,000,000	166,100	19.9%
Chiropractic Loan Repay.	70,000	71,400	71,400	100,000	28,600	40.1%
Forgive Loans-Ind. Tech.	0	90,000	90,000	0	-90,000	-100.0%
Total Operations and Loan Prog.	3,185,479	3,263,137	3,433,186	5,117,837	1,854,700	56.8%
Standing Loan & Grant Prg						
Tuition Grant Standing	41,664,750	44,664,750	48,391,335	47,914,750	3,250,000	7.3%
Scholarship Prog. Stand.	474,800	474,800	498,540	498,540	23,740	5.0%
Voc. Tech. Grant Standing	1,608,257	2,244,197	2,482,400	2,482,400	238,203	10.6%
Work-Study Prog. Standing	2,950,000	2,950,000	2,950,000	2,950,000	0	0.0%
Teacher Short. Forg. Loan	0	0	160,000	250,000	250,000	
Total Standing Loan & Grant Prg	46,697,807	50,333,747	54,482,275	54,095,690	3,761,943	7.5%
Total College Student Aid Comm.	\$ 49,883,286	\$ 53,596,884	\$ 57,915,461	\$ 59,213,527	\$ 5,616,643	10.5%
Cultural Affairs						
Iowa Arts Council	\$ 1,178,615	\$ 1,344,795	\$ 1,444,795	\$ 1,444,795	\$ 100,000	7.4%
State Historical Society	2,895,137	3,163,307	3,576,307	3,188,307	25,000	0.8%
Historic Sites	537,040	596,001	646,001	596,001	0	0.0%
Cultural Affairs - Admin.	230,204	236,562	236,562	236,562	0	0.0%
LACES-Local Arts	25,000	25,000	25,000	25,000	0	0.0%
Cultural Grants	711,545	713,557	713,557	713,557	0	0.0%
Total Cultural Affairs	\$ 5,577,541	\$ 6,079,222	\$ 6,642,222	\$ 6,204,222	\$ 125,000	2.1%

Education Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Education						
Administration						
DE Administration	\$ 5,587,537	\$ 5,690,946	\$ 5,719,322	\$ 5,719,322	\$ 28,376	0.5%
Vocational Ed. Admin.	547,341	554,481	554,481	554,481	0	0.0%
Board of Ed. Examiners	201,973	205,396	805,396	805,396	600,000	292.1%
Vocational Rehab.	4,434,702	4,531,873	6,104,983	4,631,873	100,000	2.2%
Independent Living	75,631	76,067	76,067	76,067	0	0.0%
State Library	2,765,682	3,093,168	3,393,168	3,303,168	210,000	6.8%
Regional Library System	1,537,000	1,637,000	2,052,922	1,737,000	100,000	6.1%
Iowa Public Television	7,533,763	7,510,062	7,885,410	7,885,410	375,348	5.0%
Rehab. Donated Computers	50,000	0	0	0	0	
Natl. Assess. Ed. Prog.	0	0	50,000	50,000	50,000	
SBRC On-time Funding	0	0	0	4,000,000	4,000,000	
Total Administration	22,733,629	23,298,993	26,641,749	28,762,717	5,463,724	23.5%
Grants & State Aid						
Math & Science Coalition	50,000	0	0	0	0	
Vocational Ed. Secondary	3,308,850	3,308,850	3,308,850	3,308,850	0	0.0%
School Food Service	2,716,859	2,716,859	2,716,859	2,716,859	0	0.0%
Textbook Nonpublic	616,000	700,000	700,000	650,000	-50,000	-7.1%
Voc Ed. Youth Org.	107,900	107,900	107,900	107,900	0	0.0%
Family Resource Centers	120,000	120,000	0	0	-120,000	-100.0%
Reading Recovery	50,000	0	0	0	0	
Child Devel. - Additional	190,000	0	0	0	0	
Extended School Year	0	1,500,000	1,500,000	0	-1,500,000	-100.0%
BOEE - Para-Educator Lic.	0	75,000	75,000	75,000	0	0.0%
AEA Audits	0	75,000	0	0	-75,000	-100.0%
National Cert. Stipends	0	250,000	850,000	850,000	600,000	240.0%
Practitioner Performance	0	300,000	550,000	550,000	250,000	83.3%
Empowerment Fund	0	5,200,000	10,400,000	10,400,000	5,200,000	100.0%

Education Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Education (cont.)						
Grants & State Aid (cont.)						
Improve Teacher Standards	0	0	125,000	125,000	125,000	
Elect. Data Interchange	0	0	500,000	0	0	
Reduce Class Size	0	0	0	10,000,000	10,000,000	
Starbase Leadership Conf.	0	0	0	100,000	100,000	
Work Keys Assessments	0	0	0	750,000	750,000	
Enrich Iowa Libraries	0	0	0	1,000,000	1,000,000	
Total Grants & State Aid	7,159,609	14,353,609	20,833,609	30,633,609	16,280,000	113.4%
Community College Gen Aid	130,582,051	135,366,156	141,577,403	141,577,403	6,211,247	4.6%
Total Education	\$ 160,475,289	\$ 173,018,758	\$ 189,052,761	\$ 200,973,729	\$ 27,954,971	16.2%
Board of Regents						
Board Office Operations						
Regents Board Office	\$ 1,187,726	\$ 1,235,518	\$ 1,243,853	\$ 1,235,518	\$ 0	0.0%
Tuition Replacement	27,786,234	27,868,702	27,927,851	0	-27,868,702	-100.0%
Southwest Iowa Grad. Cnt.	108,562	111,113	111,730	111,113	0	0.0%
Tri State Graduate Center	79,198	81,716	82,319	81,716	0	0.0%
Quad Cities Graduate Cnt.	162,570	167,086	168,280	167,086	0	0.0%
Regents Technology Innov.	0	0	10,120,000	0	0	
Total Board Office Operations	29,324,290	29,464,135	39,654,033	1,595,433	-27,868,702	-94.6%

Education Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Board of Regents (cont.)						
University of Iowa						
Univ. of Iowa - General	223,672,433	235,994,141	244,545,986	238,144,141	2,150,000	0.9%
SUI Indigent Patient	30,965,308	31,812,568	32,053,797	31,812,568	0	0.0%
SUI Psychiatric Hospital	7,701,795	7,968,070	8,001,010	7,968,070	0	0.0%
SUI Hospital School	6,486,882	6,791,199	7,020,014	6,991,199	200,000	2.9%
SUI Creative Employment	0	200,000	0	0	-200,000	-100.0%
SUI Oakdale Campus	3,029,145	3,100,866	3,145,168	3,100,866	0	0.0%
SUI Hygienic Lab	3,663,374	3,870,920	3,988,218	3,870,920	0	0.0%
SUI Family Practice Prog.	2,224,308	2,312,290	2,313,877	2,312,290	0	0.0%
SUI Spec. Child Health	520,084	551,434	551,968	551,434	0	0.0%
SUI Ag. Health and Safety	265,981	272,634	274,608	272,634	0	0.0%
SUI Cancer Registry	205,044	209,730	301,911	209,730	0	0.0%
SUI Sub. Abuse Consortium	69,241	72,028	72,121	72,028	0	0.0%
SUI Cntr. - Biocatalysis	1,055,863	1,058,058	1,071,365	1,058,058	0	0.0%
SUI Driving Simulator	630,165	284,951	284,951	284,951	0	0.0%
SUI Primary Health Care	831,326	865,623	866,003	865,623	0	0.0%
SUI Birth Defects Regist.	0	50,000	150,000	50,000	0	0.0%
SUI Public Health Init.	0	0	1,250,000	1,050,000	1,050,000	
Total University of Iowa	281,320,949	295,414,512	305,890,997	298,614,512	3,200,000	1.1%

Education Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Board of Regents (cont.)						
Iowa State University						
Iowa State Univ.-General	177,639,007	185,648,896	194,055,209	188,548,896	2,900,000	1.6%
ISU Bioinformatics	0	200,000	0	0	-200,000	-100.0%
ISU Ag. Experiment	33,843,194	34,982,675	35,106,613	34,982,675	0	0.0%
ISU Coop Extension	20,675,180	22,406,446	23,242,520	22,706,446	300,000	1.3%
ISU Leopold Center	572,401	574,983	577,280	574,983	0	0.0%
ISU World Food Prize	0	250,000	255,003	250,000	0	0.0%
ISU Livestock Disease	276,729	277,573	280,010	277,573	0	0.0%
ISU Coop Veterinary	0	0	150,000	0	0	
Total Iowa State University	233,006,511	244,340,573	253,666,635	247,340,573	3,000,000	1.2%
Univ. of Northern Iowa						
UNI - General	78,748,825	82,872,982	86,001,799	83,872,982	1,000,000	1.2%
UNI Recycl./Reuse Cntr.	240,622	244,025	244,025	244,025	0	0.0%
Total Univ. of Northern Iowa	78,989,447	83,117,007	86,245,824	84,117,007	1,000,000	1.2%
Special Schools						
Iowa School for the Deaf	7,191,261	7,467,952	7,737,161	7,727,952	260,000	3.5%
Iowa Braille & Sight Sch.	4,008,852	4,155,415	4,303,242	4,245,415	90,000	2.2%
Tuition & Transportation	16,400	16,941	17,750	16,941	0	0.0%
Total Special Schools	11,216,513	11,640,308	12,058,153	11,990,308	350,000	3.0%
Total Board of Regents	\$ 633,857,710	\$ 663,976,535	\$ 697,515,642	\$ 643,657,833	\$ -20,318,702	-3.1%
Total Education	\$ 849,793,826	\$ 896,671,399	\$ 951,126,086	\$ 910,049,311	\$ 13,377,912	1.5%

Education Subcommittee

General Fund Appropriations

	Actual FY 1998 <u>(1)</u>	Estimated FY 1999 <u>(2)</u>	Dept. Req. FY 2000 <u>(3)</u>	Gov. Recomm. FY 2000 <u>(4)</u>	Gov. Rec. vs Est. FY 1999 <u>(5)</u>	Percent Change <u>(6)</u>
Operations	\$ 663,385,209	\$ 702,093,277	\$ 746,468,189	\$ 705,789,399	\$ 3,696,122	0.5%
Grant and Aids	\$ 139,710,810	\$ 144,244,375	\$ 150,335,622	\$ 150,414,222	\$ 6,169,847	4.3%
Standings	\$ 46,697,807	\$ 50,333,747	\$ 54,322,275	\$ 53,845,690	\$ 3,511,943	7.0%
	<u>\$ 849,793,826</u>	<u>\$ 896,671,399</u>	<u>\$ 951,126,086</u>	<u>\$ 910,049,311</u>	<u>\$ 13,377,912</u>	1.5%

Health and Human Rights Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Blind						
Department for the Blind	\$ 1,521,371	\$ 1,611,168	\$ 1,861,448	\$ 1,736,308	\$ 125,140	7.8%
Civil Rights Commission						
General Office	\$ 1,154,368	\$ 1,189,494	\$ 1,189,494	\$ 1,189,494	\$ 0	0.0%
Elder Affairs						
State Administration	\$ 539,214	\$ 550,201	\$ 0	\$ 0	\$ -550,201	-100.0%
Aging Programs & Services	3,657,598	4,215,598	0	0	-4,215,598	-100.0%
Aging Programs	0	0	4,805,799	4,965,799	4,965,799	
Total Elder Affairs	\$ 4,196,812	\$ 4,765,799	\$ 4,805,799	\$ 4,965,799	\$ 200,000	4.2%
Gov. Alliance Sub. Abuse						
Drug Enf. Ab. Prev. Coord.	\$ 410,296	\$ 438,460	\$ 471,354	\$ 0	\$ -438,460	-100.0%
Cedar Rapids Subs. Abs.	32,894	32,894	0	0	-32,894	-100.0%
Total Gov. Alliance Sub. Abuse	\$ 443,190	\$ 471,354	\$ 471,354	\$ 0	\$ -471,354	-100.0%
Public Health						
Addictive Disorders	\$ 8,813,036	\$ 8,924,406	\$ 8,924,406	\$ 10,424,406	\$ 1,500,000	16.8%
Adult Wellness	794,662	783,855	783,855	783,855	0	0.0%
Child & Adolesc. Wellness	1,602,171	1,659,456	1,559,456	1,559,456	-100,000	-6.0%
Chronic Conditions	1,809,042	1,841,486	1,891,486	1,841,486	0	0.0%
Community Capacity	1,166,935	1,286,221	1,686,221	1,586,221	300,000	23.3%
Elderly Wellness	10,932,737	10,932,737	10,932,737	10,932,737	0	0.0%
Environmental Hazards	163,297	165,721	165,721	165,721	0	0.0%
Infectious Diseases	1,163,427	1,246,770	1,346,770	1,346,770	100,000	8.0%
Injuries	1,848,996	1,863,449	1,863,449	1,863,449	0	0.0%
Public Protection	5,804,840	6,042,807	7,471,313	6,985,202	942,395	15.6%
Resource Management	1,319,893	1,274,956	1,274,956	1,274,956	0	0.0%
Medical Examiner	0	0	0	532,036	532,036	

Health and Human Rights Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Public Health (cont.)						
Total Public Health	\$ 35,419,036	\$ 36,021,864	\$ 37,900,370	\$ 39,296,295	\$ 3,274,431	9.1%
Human Rights						
Central Administration	\$ 205,391	\$ 238,121	\$ 238,121	\$ 238,121	\$ 0	0.0%
Deaf Services	303,229	319,149	319,149	319,149	0	0.0%
Persons With Disabilities	101,354	109,876	160,729	181,078	71,202	64.8%
Latino Affairs	144,083	156,599	156,599	156,599	0	0.0%
Status of Women	335,112	343,730	479,505	419,505	75,775	22.0%
Status of African Am.	115,662	129,500	129,500	129,500	0	0.0%
Criminal & Juvenile Just.	397,633	412,421	412,421	412,421	0	0.0%
Community Grant Fund	1,600,494	1,600,494	1,600,494	1,600,494	0	0.0%
Justice Data Warehouse	0	0	1,108,972	0	0	
Status of Southeast Asian	0	0	0	60,000	60,000	
Total Human Rights	\$ 3,202,958	\$ 3,309,890	\$ 4,605,490	\$ 3,516,867	\$ 206,977	6.3%
Comm. of Veterans Affairs						
Vet. Affairs Admin.	\$ 300,613	\$ 274,768	\$ 307,168	\$ 307,168	\$ 32,400	11.8%
War Orphans Ed. Fund	4,800	6,000	6,000	6,000	0	0.0%
Iowa Veterans Home	41,498,593	42,638,400	42,960,200	43,428,869	790,469	1.9%
Total Comm. of Veterans Affairs	\$ 41,804,006	\$ 42,919,168	\$ 43,273,368	\$ 43,742,037	\$ 822,869	1.9%
Total Health & Human Rights	\$ 87,741,741	\$ 90,288,737	\$ 94,107,323	\$ 94,446,800	\$ 4,158,063	4.6%
Operations	\$ 84,079,343	\$ 86,067,139	\$ 89,295,524	\$ 89,475,001	\$ 3,407,862	4.0%
Grant and Aids	\$ 3,662,398	\$ 4,221,598	\$ 4,811,799	\$ 4,971,799	\$ 750,201	17.8%
	<u>\$ 87,741,741</u>	<u>\$ 90,288,737</u>	<u>\$ 94,107,323</u>	<u>\$ 94,446,800</u>	<u>\$ 4,158,063</u>	4.6%

Human Services Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Human Services						
Economic Assistance						
Emergency Assistance	\$ 1,967,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 0	0.0%
Family Invest. Prog./P.J.	9,060,000	31,420,000	35,533,815	34,709,762	3,289,762	10.5%
Child Support Recoveries	6,732,885	9,454,527	7,906,434	6,774,458	-2,680,069	-28.3%
Total Economic Assistance	17,759,885	40,884,527	43,450,249	41,494,220	609,693	1.5%
Medical Services						
Medical Assistance	381,789,000	385,513,305	416,161,156	390,034,356	4,521,051	1.2%
Medical Contracts	7,700,000	7,357,150	7,695,461	7,695,461	338,311	4.6%
State Supplementary Asst.	19,190,000	19,537,200	20,332,277	20,501,611	964,411	4.9%
Health Insurance Premium	390,000	398,273	397,983	397,983	-290	-0.1%
Child Health Ins. Prog.	0	7,000,000	11,272,274	12,022,577	5,022,577	71.8%
Total Medical Services	409,069,000	419,805,928	455,859,151	430,651,988	10,846,060	2.6%
Serv. Adult/Child/Family						
Child Care Services	13,740,000	8,740,000	5,043,714	5,043,714	-3,696,286	-42.3%
Ct. Ordered Ser. Juvenile	3,290,000	3,290,000	0	0	-3,290,000	-100.0%
Family Support Subsidy	1,670,000	1,710,000	1,741,710	1,720,381	10,381	0.6%
Toledo Juvenile Home	5,319,382	6,107,477	6,170,221	6,170,221	62,744	1.0%
Eldora Training School	8,976,590	9,551,881	9,916,192	9,916,192	364,311	3.8%
Child and Family Serv.	111,084,000	96,744,904	105,538,930	107,477,496	10,732,592	11.1%
Community Based Services	2,272,417	1,009,499	1,009,499	1,009,499	0	0.0%
Total Serv. Adult/Child/Family	146,352,389	127,153,761	129,420,266	131,337,503	4,183,742	3.3%

Human Services Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Human Services (cont.)						
Serving MH/MR/DD/BI						
Conners Training	46,000	46,000	46,000	46,000	0	0.0%
MH/MR/DD Special Services	121,220	121,220	121,220	121,220	0	0.0%
DD Special Needs Grants	53,212	53,212	0	0	-53,212	-100.0%
State Cases	6,910,000	8,594,500	11,219,158	11,219,158	2,624,658	30.5%
Community MH/MR Fund	17,400,000	17,560,000	17,560,000	17,560,000	0	0.0%
Personal Assistance	364,000	364,000	417,212	417,212	53,212	14.6%
MH Property Tax Growth	6,163,211	12,504,538	18,126,362	18,126,362	5,621,824	45.0%
Shelter Workshop 1% Inc.	160,000	0	0	0	0	
Cherokee MHI	13,581,189	13,334,325	13,334,325	13,334,325	0	0.0%
Clarinda MHI	6,646,773	7,025,806	7,526,896	7,025,806	0	0.0%
Independence MHI	17,764,243	17,764,665	17,888,812	17,748,812	-15,853	-0.1%
Mt. Pleasant MHI	4,959,508	5,451,153	5,707,153	5,451,153	0	0.0%
Glenwood SHS	3,051,534	2,951,174	2,895,739	2,583,504	-367,670	-12.5%
Woodward SHS	27,255,709	2,249,601	1,723,592	1,765,780	-483,821	-21.5%
Sexual Predator Commit.	0	500,000	2,783,855	2,231,000	1,731,000	346.2%
Total Serving MH/MR/DD/BI	104,476,599	88,520,194	99,350,324	97,630,332	9,110,138	10.3%

Human Services Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Human Services (cont.)						
DHS Administration						
Volunteers	98,900	118,500	118,500	118,500	0	0.0%
Field Operations	49,583,176	51,110,262	51,110,262	50,637,595	-472,667	-0.9%
General Administration	14,623,395	15,795,172	15,402,069	15,315,718	-479,454	-3.0%
Total DHS Administration	64,305,471	67,023,934	66,630,831	66,071,813	-952,121	-1.4%
Total Human Services	\$ 741,963,344	\$ 743,388,344	\$ 794,710,821	\$ 767,185,856	\$ 23,797,512	3.2%
Operations	\$ 158,494,384	\$ 141,296,043	\$ 142,365,550	\$ 138,954,564	\$ -2,341,479	-1.7%
Grant and Aids	\$ 577,305,749	\$ 589,587,763	\$ 634,218,909	\$ 610,104,930	\$ 20,517,167	3.5%
Standings	\$ 6,163,211	\$ 12,504,538	\$ 18,126,362	\$ 18,126,362	\$ 5,621,824	45.0%
	\$ 741,963,344	\$ 743,388,344	\$ 794,710,821	\$ 767,185,856	\$ 23,797,512	3.2%

Justice System Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Attorney General						
General Office A.G.	\$ 7,250,033	\$ 7,792,457	\$ 8,620,782	\$ 8,381,457	\$ 589,000	7.6%
Pros. Attor. Training	282,516	298,825	298,825	298,825	0	0.0%
Victim Assistance Grants	1,759,806	1,759,806	1,935,806	1,935,806	176,000	10.0%
Area GASA Pros. Attorney	126,728	128,302	128,302	128,302	0	0.0%
Legal Serv. Poverty Grt.	500,000	600,000	950,000	950,000	350,000	58.3%
Consumer Advocate	2,639,441	2,623,170	2,623,170	2,623,170	0	0.0%
Total Attorney General	\$ 12,558,524	\$ 13,202,560	\$ 14,556,885	\$ 14,317,560	\$ 1,115,000	8.4%
Corrections						
Corr. - Institutions						
Ft. Madison Inst.	\$ 28,304,773	\$ 28,474,916	\$ 29,330,320	\$ 28,459,808	\$ -15,108	-0.1%
Anamosa Inst.	21,399,242	22,918,926	23,238,063	23,133,514	214,588	0.9%
Oakdale Inst.	17,783,715	19,149,907	20,107,867	20,054,367	904,460	4.7%
Newton Inst.	19,652,615	21,278,797	22,518,980	22,188,698	909,901	4.3%
Mt. Pleasant Inst.	15,507,451	18,617,623	20,785,948	20,149,111	1,531,488	8.2%
Rockwell City Inst.	6,145,633	6,268,795	7,058,985	6,934,936	666,141	10.6%
Clarinda Inst.	15,768,896	16,919,414	18,387,537	17,455,368	535,954	3.2%
Mitchellville Inst.	7,340,002	7,716,593	12,097,185	11,347,025	3,630,432	47.0%
Ft. Dodge Inst.	9,659,971	16,470,414	24,715,429	23,907,753	7,437,339	45.2%
Total Corr. - Institutions	141,562,298	157,815,385	178,240,314	173,630,580	15,815,195	10.0%

Justice System Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Corrections (cont.)						
Corr. - Central Office						
Central Office	2,117,990	2,226,916	4,496,916	4,496,916	2,270,000	101.9%
County Confinement	524,038	524,038	524,038	524,038	0	0.0%
Fed. Prisoners/Contract	341,334	341,334	341,334	341,334	0	0.0%
Training Center	468,758	486,847	590,847	590,847	104,000	21.4%
Hormone Treatment Prog.	0	500,000	0	0	-500,000	-100.0%
Corr. Expansion-Phase I	625,860	0	0	0	0	
Corr. Expansion-Phase II	3,186,275	3,185,265	3,180,815	3,180,815	-4,450	-0.1%
Corrections Education	2,950,600	2,950,600	3,282,775	3,282,775	332,175	11.3%
Mitchellville Education	0	12,000	12,000	12,000	0	0.0%
Total Corr. - Central Office	10,214,855	10,227,000	12,428,725	12,428,725	2,201,725	21.5%
CBC Districts						
CBC District I	7,460,996	7,742,472	8,738,305	8,593,596	851,124	11.0%
CBC District II	5,911,339	6,158,059	7,015,519	6,961,192	803,133	13.0%
CBC District III	3,563,143	3,742,296	4,291,828	4,252,830	510,534	13.6%
CBC District IV	2,756,929	2,861,255	3,219,106	3,188,898	327,643	11.5%
CBC District V	9,632,302	10,864,091	12,199,575	11,975,954	1,111,863	10.2%
CBC District VI	7,541,595	7,981,974	9,086,436	8,917,919	935,945	11.7%
CBC District VII	4,759,928	4,931,035	5,234,736	5,177,904	246,869	5.0%
CBC District VIII	4,413,034	4,551,656	5,190,230	5,174,014	622,358	13.7%
CBC Statewide	83,576	83,576	83,576	83,576	0	0.0%
Total CBC Districts	46,122,842	48,916,414	55,059,311	54,325,883	5,409,469	11.1%
Total Corrections	\$ 197,899,995	\$ 216,958,799	\$ 245,728,350	\$ 240,385,188	\$ 23,426,389	10.8%

Justice System Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
<u>Inspections & Appeals</u>						
Public Defender	\$ 12,723,130	\$ 13,089,276	\$ 13,589,276	\$ 13,478,276	\$ 389,000	3.0%
Indigent Defense Approp.	20,786,516	20,912,289	19,401,376	20,401,376	-510,913	-2.4%
Total Inspections & Appeals	\$ 33,509,646	\$ 34,001,565	\$ 32,990,652	\$ 33,879,652	\$ -121,913	-0.4%
<u>Judicial Branch</u>						
Judicial Branch	\$ 97,519,356	\$ 103,196,690	\$ 109,344,138	\$ 109,344,138	\$ 6,147,448	6.0%
Juv. Vict. Restitution	155,396	183,471	210,291	210,291	26,820	14.6%
Judicial Retirement	3,806,457	3,944,059	4,202,697	4,202,697	258,638	6.6%
Total Judicial Branch	\$ 101,481,209	\$ 107,324,220	\$ 113,757,126	\$ 113,757,126	\$ 6,432,906	6.0%
<u>Law Enforcement Academy</u>						
ILEA Operations	\$ 1,195,245	\$ 1,249,629	\$ 1,349,629	\$ 1,329,629	\$ 80,000	6.4%
ILEA D.A.R.E. Coord.	30,000	80,000	0	0	-80,000	-100.0%
Total Law Enforcement Academy	\$ 1,225,245	\$ 1,329,629	\$ 1,349,629	\$ 1,329,629	\$ 0	0.0%
<u>Board of Parole</u>						
Parole Board	\$ 956,625	\$ 1,018,547	\$ 1,018,547	\$ 1,018,547	\$ 0	0.0%
<u>Public Defense</u>						
Military Division	\$ 4,428,945	\$ 4,544,320	\$ 4,696,387	\$ 4,696,387	\$ 152,067	3.3%
Emergency Mgmt. Div.	606,790	627,836	898,541	898,541	270,705	43.1%
Total Public Defense	\$ 5,035,735	\$ 5,172,156	\$ 5,594,928	\$ 5,594,928	\$ 422,772	8.2%

Justice System Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Public Safety						
Administration	\$ 2,380,382	\$ 2,474,051	\$ 2,474,051	\$ 2,474,051	\$ 0	0.0%
Investigation, DCI	10,323,612	11,759,610	11,840,566	11,882,047	122,437	1.0%
Narcotics Enforce.	2,631,475	2,845,587	3,351,063	3,772,293	926,706	32.6%
Undercover Funds	139,202	139,202	139,202	139,202	0	0.0%
Fire Marshal	1,556,797	1,606,121	1,629,621	1,707,289	101,168	6.3%
Capitol Security	1,274,051	1,307,615	1,307,615	1,307,615	0	0.0%
AFIS System Maintenance	233,265	244,930	269,425	269,425	24,495	10.0%
Fire Fighter Training	548,792	709,405	709,405	709,405	0	0.0%
Medical Examiner	353,049	357,036	532,700	0	-357,036	-100.0%
Iowa State Patrol	18,431,666	27,694,628	37,090,282	37,529,903	9,835,275	35.5%
Gov. Alliance Sub. Ab.	0	0	0	471,354	471,354	
Total Public Safety	\$ 37,872,291	\$ 49,138,185	\$ 59,343,930	\$ 60,262,584	\$ 11,124,399	22.6%
Total Justice System	\$ 390,539,270	\$ 428,145,661	\$ 474,340,047	\$ 470,545,214	\$ 42,399,553	9.9%
Operations	\$ 340,941,790	\$ 375,254,609	\$ 415,473,923	\$ 412,412,518	\$ 37,157,909	9.9%
Grant and Aids	\$ 49,597,480	\$ 52,891,052	\$ 58,866,124	\$ 58,132,696	\$ 5,241,644	9.9%
	\$ 390,539,270	\$ 428,145,661	\$ 474,340,047	\$ 470,545,214	\$ 42,399,553	9.9%

Transportation, Infrastructure, and Capitals Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Transportation						
Rail Projects	\$ 1,415,000	\$ 1,190,000	\$ 1,492,000	\$ 1,492,000	\$ 302,000	25.4%
State Aviation Approp.	2,472,000	2,500,000	2,500,000	2,500,000	0	0.0%
Planning & Programming	254,250	278,997	279,085	279,085	88	0.0%
Total Transportation	\$ 4,141,250	\$ 3,968,997	\$ 4,271,085	\$ 4,271,085	\$ 302,088	7.6%
Natural Resources Capital						
GF-Marine Fuel Tax Cap.	\$ 1,800,000	\$ 0	\$ 0	\$ 0	\$ 0	
Total Trans., Infra., & Capital	\$ 5,941,250	\$ 3,968,997	\$ 4,271,085	\$ 4,271,085	\$ 302,088	7.6%
Operations	\$ 254,250	\$ 278,997	\$ 279,085	\$ 279,085	\$ 88	0.0%
Grant and Aids	\$ 3,887,000	\$ 3,690,000	\$ 3,992,000	\$ 3,992,000	\$ 302,000	8.2%
Capitals	\$ 1,800,000	\$ 0	\$ 0	\$ 0	\$ 0	
	\$ 5,941,250	\$ 3,968,997	\$ 4,271,085	\$ 4,271,085	\$ 302,088	7.6%

Oversight and Communications Subcommittee

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Education						
IPTV-Regional Councils	\$ 2,200,000	\$ 2,327,217	\$ 2,816,587	\$ 2,327,217	\$ 0	0.0%
General Services						
lowAccess	\$ 0	\$ 0	\$ 800,000	\$ 0	\$ 0	
ITS Operations	4,851,754	4,719,993	5,469,993	4,719,993	0	0.0%
Total General Services	\$ 4,851,754	\$ 4,719,993	\$ 6,269,993	\$ 4,719,993	\$ 0	0.0%
IA Telecommun & Tech Comm						
Video Subsid. Part III-Ed	\$ 3,730,000	\$ 3,771,281	\$ 3,735,000	\$ 3,735,000	\$ -36,281	-1.0%
Routers - Y2k	0	0	333,000	0	0	
Total IA Telecommun & Tech Comm	\$ 3,730,000	\$ 3,771,281	\$ 4,068,000	\$ 3,735,000	\$ -36,281	-1.0%
Treasurer of State						
ICN Debt Service	\$ 12,514,756	\$ 12,782,000	\$ 12,861,000	\$ 12,861,000	\$ 79,000	0.6%
Total Oversight & Communication	\$ 23,296,510	\$ 23,600,491	\$ 26,015,580	\$ 23,643,210	\$ 42,719	0.2%
 Operations	 \$ 23,296,510	 \$ 23,600,491	 \$ 26,015,580	 \$ 23,643,210	 \$ 42,719	 0.2%
	<u>\$ 23,296,510</u>	<u>\$ 23,600,491</u>	<u>\$ 26,015,580</u>	<u>\$ 23,643,210</u>	<u>\$ 42,719</u>	<u>0.2%</u>

Unassigned Standings Appropriations

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Corrections						
State Cases - Stdg.	\$ 0	\$ 66,370	\$ 66,370	\$ 66,370	\$ 0	0.0%
Education						
Trans. - Nonpublic Pupils	\$ 7,469,184	\$ 7,500,000	\$ 7,900,000	\$ 7,500,000	\$ 0	0.0%
Child Development	15,170,000	15,360,000	15,360,000	15,360,000	0	0.0%
Educational Excellence	80,981,336	82,891,336	82,891,336	82,891,336	0	0.0%
Instructional Support	14,798,227	14,798,227	14,798,227	14,798,227	0	0.0%
School Foundation Aid	1,558,251,824	1,611,858,487	1,656,500,000	1,662,900,000	51,041,513	3.2%
School Improv./Technology	30,000,000	30,000,000	30,000,000	0	-30,000,000	-100.0%
Total Education	\$ 1,706,670,571	\$ 1,762,408,050	\$ 1,807,449,563	\$ 1,783,449,563	\$ 21,041,513	1.2%
Executive Council						
Court Costs	\$ 74,949	\$ 75,000	\$ 75,000	\$ 75,000	\$ 0	0.0%
Public Improvements	0	50,000	50,000	50,000	0	0.0%
Performance of Duty	2,356,420	5,000,000	1,400,000	1,400,000	-3,600,000	-72.0%
Drainage Assessment	8,098	25,000	25,000	25,000	0	0.0%
Total Executive Council	\$ 2,439,467	\$ 5,150,000	\$ 1,550,000	\$ 1,550,000	\$ -3,600,000	-69.9%
Legislative Branch						
Legislature	\$ 21,136,396	\$ 24,930,469	\$ 25,114,483	\$ 25,114,483	\$ 184,014	0.7%
Governor						
Interstate Extradition	\$ 0	\$ 4,000	\$ 4,000	\$ 4,000	\$ 0	0.0%

Unassigned Standings Appropriations

General Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Human Services						
Commission of Inquiry	\$ 0	\$ 1,800	\$ 1,800	\$ 1,800	\$ 0	0.0%
Nonresident Transfer	0	87	87	87	0	0.0%
Nonresident Commitment	49,039	184,398	184,398	184,398	0	0.0%
MH Property Tax Relief	95,000,000	95,000,000	95,000,000	110,000,000	15,000,000	15.8%
Total Human Services	\$ 95,049,039	\$ 95,186,285	\$ 95,186,285	\$ 110,186,285	\$ 15,000,000	15.8%
Management						
Special Olympics Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0	0.0%
Indian Settlement Officer	25,000	25,000	25,000	25,000	0	0.0%
Appeal Board Standing	4,863,010	5,500,000	5,500,000	5,500,000	0	0.0%
Total Management	\$ 4,908,010	\$ 5,545,000	\$ 5,545,000	\$ 5,545,000	\$ 0	0.0%
Personnel						
IPERS-Legislative Buy-In	\$ 14,942	\$ 0	\$ 0	\$ 0	\$ 0	
Public Defense						
Compensation & Expense	\$ 322,568	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0	0.0%
Revenue and Finance						
Ag. Land Tax Credit	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 0	0.0%
Personal Prop. Tax Repl.	56,287,557	56,287,557	56,287,557	56,287,557	0	0.0%
Printing Cigarette Stamps	121,216	115,000	115,000	115,000	0	0.0%
Homestead Tax Credit Aid	113,566,415	113,100,000	114,200,000	114,200,000	1,100,000	1.0%
Elderly/Disabled Credit	9,369,484	9,600,000	9,800,000	9,800,000	200,000	2.1%
Peace Officer Retirement	2,942,724	2,942,726	2,942,726	2,942,726	0	0.0%
Unemployment Compensation	314,117	400,000	353,000	353,000	-47,000	-11.8%
Franchise Tax Reimburse.	8,798,332	8,800,000	8,800,000	8,800,000	0	0.0%
Military Service Tax	2,746,128	2,900,000	3,000,000	3,000,000	100,000	3.4%

Unassigned Standings Appropriations

General Fund Appropriations

	Actual FY 1998 <u>(1)</u>	Estimated FY 1999 <u>(2)</u>	Dept. Req. FY 2000 <u>(3)</u>	Gov. Recomm. FY 2000 <u>(4)</u>	Gov. Rec. vs Est. FY 1999 <u>(5)</u>	Percent Change <u>(6)</u>
Revenue and Finance (cont.)						
Federal Cash Management	544,478	600,000	600,000	600,000	0	0.0%
Machinery/Equip Prop Tax	11,338,430	17,100,000	22,600,000	22,600,000	5,500,000	32.2%
Livestock Producers Cred.	2,000,000	2,000,000	2,000,000	2,000,000	0	0.0%
Total Revenue and Finance	\$ 247,128,881	\$ 252,945,283	\$ 259,798,283	\$ 259,798,283	\$ 6,853,000	2.7%
Secretary of State						
Iowa Servicemens Ballot	\$ 2,592	\$ 0	\$ 3,500	\$ 3,500	\$ 3,500	
Constitutional Amendments	0	2,565	0	0	-2,565	-100.0%
Total Secretary of State	\$ 2,592	\$ 2,565	\$ 3,500	\$ 3,500	\$ 935	36.5%
Transportation						
Public Transit Assistance	\$ 8,971,699	\$ 8,500,000	\$ 9,615,000	\$ 9,615,000	\$ 1,115,000	13.1%
Total Unassigned Standings	\$ 2,086,644,165	\$ 2,154,838,022	\$ 2,204,432,484	\$ 2,195,432,484	\$ 40,594,462	1.9%
 Standings	 \$ 2,086,644,165	 \$ 2,154,838,022	 \$ 2,204,432,484	 \$ 2,195,432,484	 \$ 40,594,462	 1.9%
	<u>\$ 2,086,644,165</u>	<u>\$ 2,154,838,022</u>	<u>\$ 2,204,432,484</u>	<u>\$ 2,195,432,484</u>	<u>\$ 40,594,462</u>	<u>1.9%</u>

Summary Data

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Admin. & Regulation	\$ 18,044,222	\$ 23,060,803	\$ 20,300,848	\$ 22,879,623	\$ -181,180	-0.8%
Ag. & Natural Resources	27,875,971	29,160,759	29,860,759	38,151,609	8,990,850	30.8%
Economic Development	12,937,028	17,552,000	16,801,000	16,801,000	-751,000	-4.3%
Education	5,333,060	8,651,983	5,447,838	4,193,110	-4,458,873	-51.5%
Health & Human Rights	60,000	914,000	20,000	1,276,972	362,972	39.7%
Human Services	7,025,000	10,179,126	6,600,000	9,474,531	-704,595	-6.9%
Justice System	24,575,523	16,957,133	5,000,000	5,948,338	-11,008,795	-64.9%
Trans., Infra., & Capital	349,436,428	367,129,523	463,535,508	468,571,279	101,441,756	27.6%
Oversight & Communication	23,976,016	23,904,000	10,681,685	4,534,485	-19,369,515	-81.0%
	<u>\$ 469,263,248</u>	<u>\$ 497,509,327</u>	<u>\$ 558,247,638</u>	<u>\$ 571,830,947</u>	<u>\$ 74,321,620</u>	14.9%

Administration and Regulation Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Commerce						
Professional Lic. Div.	\$ 0	\$ 0	\$ 0	\$ 62,317	\$ 62,317	
General Services						
Central Printing Div.	\$ 1,021,018	\$ 1,036,542	\$ 1,036,542	\$ 1,036,542	\$ 0	0.0%
Central Purchasing Div.	920,505	963,208	963,208	963,208	0	0.0%
Vehicle Dispatcher Div.	706,926	736,514	786,514	786,514	50,000	6.8%
Infrastructure Board	0	0	0	102,800	102,800	
Purchasing System	0	2,500,000	0	0	-2,500,000	-100.0%
Infr. Project Mgmt.	0	0	0	120,058	120,058	
Infr. Data Management	0	0	0	141,600	141,600	
Total General Services	\$ 2,648,449	\$ 5,236,264	\$ 2,786,264	\$ 3,150,722	\$ -2,085,542	-39.8%
Inspections & Appeals						
Use Tax - Ap. & Fair Hrg.	\$ 1,073,809	\$ 1,075,030	\$ 1,075,028	\$ 1,075,028	\$ -2	0.0%
Single Contact Repository	0	0	0	152,000	152,000	
Total Inspections & Appeals	\$ 1,073,809	\$ 1,075,030	\$ 1,075,028	\$ 1,227,028	\$ 151,998	14.1%
Management						
RUTF - General Office	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	0.0%
City/County Technology	0	0	0	2,000,000	2,000,000	
Total Management	\$ 56,000	\$ 56,000	\$ 56,000	\$ 2,056,000	\$ 2,000,000	3571.4%

Administration and Regulation Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Personnel						
Primary Road HR Bureau	\$ 359,741	\$ 383,707	\$ 410,100	\$ 410,100	\$ 26,393	6.9%
Road Use Tax HR Bureau	58,563	62,463	66,760	66,760	4,297	6.9%
Deferred Comp. Program	125,000	0	0	0	0	
Total Personnel	543,304	446,170	476,860	476,860	30,690	6.9%
IDOP Retirement						
IPERS Administration	4,688,915	5,145,154	6,649,511	6,649,511	1,504,357	29.2%
IPERS Studies - HF 2498	0	70,000	0	0	-70,000	-100.0%
Total IDOP Retirement	4,688,915	5,215,154	6,649,511	6,649,511	1,434,357	27.5%
Total Personnel	\$ 5,232,219	\$ 5,661,324	\$ 7,126,371	\$ 7,126,371	\$ 1,465,047	25.9%
Revenue and Finance						
Compliance	\$ 527,029	\$ 525,003	\$ 503,506	\$ 503,506	\$ -21,497	-4.1%
State Financial Mgmt.	265,154	214,279	231,507	231,507	17,228	8.0%
Internal Resource Mgmt.	234,635	299,776	304,045	304,045	4,269	1.4%
Lottery Operations	8,006,927	8,218,127	8,218,127	8,218,127	0	0.0%
Tele-filing Tax Returns	0	150,000	0	0	-150,000	-100.0%
Remittance Processing	0	1,500,000	0	0	-1,500,000	-100.0%
Tax & Wage Reporting Syst	0	125,000	0	0	-125,000	-100.0%
Total Revenue and Finance	\$ 9,033,745	\$ 11,032,185	\$ 9,257,185	\$ 9,257,185	\$ -1,775,000	-16.1%
Total Admin. & Regulation	\$ 18,044,222	\$ 23,060,803	\$ 20,300,848	\$ 22,879,623	\$ -181,180	-0.8%

Agriculture and Natural Resources Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Ag. & Land Stewardship						
Ag. - Soil Conservation						
Watershed Protection	\$ 0	\$ 0	\$ 0	\$ 1,390,000	\$ 1,390,000	
Soil Conserv. Cost Share	0	0	0	7,000,850	7,000,850	
Total Ag. - Soil Conservation	0	0	0	8,390,850	8,390,850	
Regulatory Division	207,143	256,606	281,606	281,606	25,000	9.7%
Total Ag. & Land Stewardship	\$ 207,143	\$ 256,606	\$ 281,606	\$ 8,672,456	\$ 8,415,850	3279.7%
Natural Resources						
F&G Fund - Operations	\$ 23,758,029	\$ 23,499,548	\$ 23,299,548	\$ 23,299,548	\$ -200,000	-0.9%
Snowmobile Fees To F&G	100,000	100,000	100,000	100,000	0	0.0%
Boat Registration Fees	1,350,000	1,600,000	1,400,000	1,400,000	-200,000	-12.5%
Ground Water	2,460,799	3,629,605	3,704,605	3,604,605	-25,000	-0.7%
UST Administration	0	75,000	0	0	-75,000	-100.0%
Oil Overcharge S. Well	0	0	490,000	490,000	490,000	
Oil Overcharge Exxon	0	0	260,000	260,000	260,000	
Oil Overcharge DShamrock	0	0	75,000	75,000	75,000	
FY98 F&G Retirement Suppl	0	0	250,000	250,000	250,000	
Total Natural Resources	\$ 27,668,828	\$ 28,904,153	\$ 29,579,153	\$ 29,479,153	\$ 575,000	2.0%
Total Ag. & Natural Resources	\$ 27,875,971	\$ 29,160,759	\$ 29,860,759	\$ 38,151,609	\$ 8,990,850	30.8%

Economic Development Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Economic Development						
Administrative Services						
260E-Administration	\$ 185,000	\$ 210,000	\$ 0	\$ 0	\$ -210,000	-100.0%
Workforce Development	5,531,028	6,850,000	8,800,000	8,800,000	1,950,000	28.5%
Total Administrative Services	5,716,028	7,060,000	8,800,000	8,800,000	1,740,000	24.6%
First Stop Business Syst.	0	100,000	0	0	-100,000	-100.0%
Fire Safety / Dry Hydrant	0	100,000	0	0	-100,000	-100.0%
Total Economic Development	\$ 5,716,028	\$ 7,260,000	\$ 8,800,000	\$ 8,800,000	\$ 1,540,000	21.2%
IA Workforce Development						
Labor Division	\$ 296,000	\$ 296,000	\$ 296,000	\$ 296,000	\$ 0	0.0%
Workers' Comp. Div.	175,000	175,000	175,000	175,000	0	0.0%
Target Alliance-J.T. Fund	30,000	30,000	30,000	30,000	0	0.0%
Job Service ACS Administ.	6,720,000	7,100,000	7,500,000	7,500,000	400,000	5.6%
Community Resources Syst.	0	178,000	0	0	-178,000	-100.0%
Integrated Inform. System	0	2,513,000	0	0	-2,513,000	-100.0%
Total IA Workforce Development	\$ 7,221,000	\$ 10,292,000	\$ 8,001,000	\$ 8,001,000	\$ -2,291,000	-22.3%
Total Economic Development	\$ 12,937,028	\$ 17,552,000	\$ 16,801,000	\$ 16,801,000	\$ -751,000	-4.3%

Education Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
<u>College Student Aid Comm.</u>						
Stafford Loan Prog. Adm.	\$ 5,194,555	\$ 5,226,983	\$ 5,447,838	\$ 0	\$ -5,226,983	-100.0%
<u>Cultural Affairs</u>						
Cultural Affairs Tech.	\$ 0	\$ 0	\$ 0	\$ 220,000	\$ 220,000	
<u>Education</u>						
Educational Excellence	\$ 106,763	\$ 0	\$ 0	\$ 0	\$ 0	
Teacher Examiner Records	0	475,000	0	0	-475,000	-100.0%
Electronic Data Interchan	0	500,000	0	500,000	0	0.0%
Access To Education	31,742	0	0	0	0	
Total Education	138,505	975,000	0	500,000	-475,000	-48.7%
Voc Rehab Computers	0	0	0	1,473,110	1,473,110	
IPTV Digital TV Conv.	0	2,000,000	0	0	-2,000,000	-100.0%
Total Education	\$ 138,505	\$ 2,975,000	\$ 0	\$ 1,973,110	\$ -1,001,890	-33.7%
<u>Board of Regents</u>						
Regents Technology Proj.	\$ 0	\$ 450,000	\$ 0	\$ 2,000,000	\$ 1,550,000	344.4%
Total Education	\$ 5,333,060	\$ 8,651,983	\$ 5,447,838	\$ 4,193,110	\$ -4,458,873	-51.5%

Health and Human Rights Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Public Health						
Health Protection	\$ 20,000	\$ 20,000	\$ 0	\$ 0	\$ -20,000	-100.0%
Appropriations	0	319,000	0	0	-319,000	-100.0%
Tele. Verification System	0	400,000	0	0	-400,000	-100.0%
Statistical Reporting	40,000	0	0	0	0	
Environmental Hazards	0	0	20,000	20,000	20,000	
Imaging Project	0	0	0	148,000	148,000	
Total Public Health	\$ 60,000	\$ 739,000	\$ 20,000	\$ 168,000	\$ -571,000	-77.3%
Human Rights						
Justice Data Analysis	\$ 0	\$ 175,000	\$ 0	\$ 0	\$ -175,000	-100.0%
CJJP Data Warehouse	0	0	0	1,108,972	1,108,972	
Total Human Rights	\$ 0	\$ 175,000	\$ 0	\$ 1,108,972	\$ 933,972	533.7%
Total Health & Human Rights	\$ 60,000	\$ 914,000	\$ 20,000	\$ 1,276,972	\$ 362,972	39.7%

Human Services Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Human Services						
Inst. Central Area Netw.	\$ 0	\$ 1,181,400	\$ 0	\$ 0	\$ -1,181,400	-100.0%
Economic Assistance						
Family Invest. Prog./P.J.	0	1,000,000	0	742,555	-257,445	-25.7%
Child Support Recoveries	0	1,131,976	0	1,131,976	0	0.0%
CSRU Welfare Reform Chng.	300,000	0	0	0	0	
Total Economic Assistance	300,000	2,131,976	0	1,874,531	-257,445	-12.1%
Medical Assistance	6,600,000	6,600,000	6,600,000	6,600,000	0	0.0%
Serv. Adult/Child/Family						
Runaway Assess. & Treat.	125,000	0	0	0	0	
FACS & STAR Upgrades	0	265,750	0	0	-265,750	-100.0%
Total Serv. Adult/Child/Family	125,000	265,750	0	0	-265,750	-100.0%
Serving MH/MR/DD/BI						
Clarinda MHI	0	0	0	151,090	151,090	
Independence MHI	0	0	0	140,000	140,000	
Mt. Pleasant MHI	0	0	0	256,000	256,000	
Glenwood SHS	0	0	0	452,910	452,910	
Total Serving MH/MR/DD/BI	0	0	0	1,000,000	1,000,000	
Total Human Services	\$ 7,025,000	\$ 10,179,126	\$ 6,600,000	\$ 9,474,531	\$ -704,595	-6.9%

Justice System Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Corrections						
DOC Technology Projects	\$ 0	\$ 0	\$ 0	\$ 948,338	\$ 948,338	
ICN Connections Newton	0	300,000	0	0	-300,000	-100.0%
ICN Connections FT Dodge	0	300,000	0	0	-300,000	-100.0%
Total Corrections	\$ 0	\$ 600,000	\$ 0	\$ 948,338	\$ 348,338	58.1%
Inspections & Appeals						
Indigent Defense Claims	\$ 0	\$ 75,000	\$ 0	\$ 0	\$ -75,000	-100.0%
Judicial Branch						
Enhanced Court Collect	\$ 6,000,000	\$ 6,000,000	\$ 4,000,000	\$ 4,000,000	\$ -2,000,000	-33.3%
Court Tech & Modern Fund	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%
Total Judicial Branch	\$ 7,000,000	\$ 7,000,000	\$ 5,000,000	\$ 5,000,000	\$ -2,000,000	-28.6%
Public Defense						
Preventive Maint. System	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ -50,000	-100.0%
Public Safety						
Iowa State Patrol	\$ 17,531,328	\$ 9,210,035	\$ 0	\$ 0	\$ -9,210,035	-100.0%
IDOP Reimbursement - IHP	44,195	22,098	0	0	-22,098	-100.0%
Total Public Safety	\$ 17,575,523	\$ 9,232,133	\$ 0	\$ 0	\$ -9,232,133	-100.0%
Total Justice System	\$ 24,575,523	\$ 16,957,133	\$ 5,000,000	\$ 5,948,338	\$ -11,008,795	-64.9%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
<u>Ag. & Land Stewardship</u>						
Loess Hills - RIF	\$ 742,500	\$ 1,200,000	\$ 0	\$ 1,000,000	\$ -200,000	-16.7%
Ag Drainage Wells - RIF	1,500,000	1,500,000	0	0	-1,500,000	-100.0%
Herbicide Analysis Equip.	0	0	0	230,000	230,000	
Spectroscopy Equipment	0	0	0	30,000	30,000	
Gasoline Testing Units	0	0	0	72,000	72,000	
Computer Replacement	0	0	0	28,975	28,975	
Total Ag. & Land Stewardship	\$ 2,242,500	\$ 2,700,000	\$ 0	\$ 1,360,975	\$ -1,339,025	-49.6%
<u>Economic Development Caps</u>						
Physical Infr. Asst.-RIF	\$ 6,100,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0	0.0%
Rec/Cultural Program-RIF	0	0	0	10,000,000	10,000,000	
Welcome Centers - RIF	500,000	450,000	150,000	0	-450,000	-100.0%
China/Des Moines Ctr-RIF	150,000	0	0	0	0	
Housing Development-RIF	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%
Total Economic Development Caps	\$ 7,750,000	\$ 6,450,000	\$ 6,150,000	\$ 16,000,000	\$ 9,550,000	148.1%
<u>Revenue and Finance</u>						
IFAS Upgrade - RIF	\$ 1,875,000	\$ 0	\$ 0	\$ 0	\$ 0	
<u>Transportation</u>						
Transportation, Departmen						
Grant: Motorcycle Ed.	\$ 0	\$ 25,000	\$ 0	\$ 0	\$ -25,000	-100.0%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Transportation (cont.)						
Primary Road Fund						
Operations & Finance	26,618,267	28,747,072	31,441,453	30,878,583	2,131,511	7.4%
Administrative Services	5,518,201	5,706,497	5,758,974	5,625,674	-80,823	-1.4%
Planning & Programming	8,339,952	8,704,336	8,810,630	9,211,530	507,194	5.8%
Project Development	55,396,507	57,041,858	57,041,858	57,822,358	780,500	1.4%
Maintenance	100,797,155	103,600,993	104,247,526	103,936,526	335,533	0.3%
Motor Vehicle	901,689	928,067	1,001,500	993,500	65,433	7.1%
Inventory Replacement	3,250,000	3,939,000	9,470,000	5,970,000	2,031,000	51.6%
Personnel Reim.	665,000	665,000	665,000	665,000	0	0.0%
Unemployment Comp.	328,000	328,000	328,000	328,000	0	0.0%
Workers Compensation	1,463,000	1,463,000	1,463,000	1,463,000	0	0.0%
Waste Management	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%
Indirect Cost Recov.	704,000	704,000	704,000	704,000	0	0.0%
Auditor Reimbursement	207,260	230,480	239,080	239,080	8,600	3.7%
Technology Enhancements	1,032,000	0	0	0	0	
Field Tuckpointing	0	0	100,000	100,000	100,000	
Heating System Replace.	0	0	200,000	200,000	200,000	
Total Primary Road Fund	206,221,031	213,058,303	222,471,021	219,137,251	6,078,948	2.9%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Transportation (cont.)						
Road Use Tax Fund						
Drivers License Costs	1,605,000	1,644,000	2,137,000	2,137,000	493,000	30.0%
Operations & Finance	4,333,208	4,679,756	5,118,376	5,026,746	346,990	7.4%
Administrative Services	898,312	951,982	937,506	915,806	-36,176	-3.8%
Planning & Programming	439,369	458,579	464,197	485,297	26,718	5.8%
Motor Vehicle	22,556,732	24,219,931	25,558,499	25,367,499	1,147,568	4.7%
Personnel Reim.	35,000	35,000	35,000	35,000	0	0.0%
Unemployment Comp.	17,000	17,000	17,000	17,000	0	0.0%
Workers Compensation	77,000	77,000	77,000	77,000	0	0.0%
Indirect Cost Recov.	96,000	96,000	96,000	96,000	0	0.0%
Auditor Reimbursement	33,740	37,520	38,920	38,920	1,400	3.7%
Technology Enhancements	168,000	0	0	0	0	
I-35 Corridor Coalition	150,000	150,000	0	0	-150,000	-100.0%
D.L. Suspension Service	225,000	225,000	225,000	225,000	0	0.0%
Co. Treasurers Stdg.	650,000	650,000	650,000	650,000	0	0.0%
Road/Weather Info. System	110,000	100,000	100,000	100,000	0	0.0%
Total Road Use Tax Fund	31,394,361	33,341,768	35,454,498	35,171,268	1,829,500	5.5%
Total Transportation	\$ 237,615,392	\$ 246,425,071	\$ 257,925,519	\$ 254,308,519	\$ 7,883,448	3.2%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Corrections Capital						
Oakdale Addition	\$ 0	\$ 0	\$ 5,700,000	\$ 3,750,000	\$ 3,750,000	
Comm. Based Corr. - RIIF	0	0	0	2,000,000	2,000,000	
Work Space For Prisoners	2,200,000	0	0	0	0	
Ft Dodge Add. Cellblocks	10,000,000	0	0	0	0	
DOC Major Maint. - RIIF	0	0	21,023,523	0	0	
Mitchellville Pwr & Wtr	0	1,400,000	0	0	-1,400,000	-100.0%
Ft Madison Facility-RIIF	0	6,500,000	0	0	-6,500,000	-100.0%
Total Corrections Capital	\$ 12,200,000	\$ 7,900,000	\$ 26,723,523	\$ 5,750,000	\$ -2,150,000	-27.2%
Cultural Affairs Capital						
Hist. Society - RIIF	\$ 0	\$ 0	\$ 1,821,360	\$ 0	\$ 0	
Museum/Disc. Ctr. - RIIF	500,000	0	0	0	0	
Historical Bldg - RIIF	500,000	0	0	0	0	
Burlington Capitol-RIIF	25,000	0	0	0	0	
Historical Pres - RIIF	0	2,425,000	2,425,000	1,700,000	-725,000	-29.9%
Total Cultural Affairs Capital	\$ 1,025,000	\$ 2,425,000	\$ 4,246,360	\$ 1,700,000	\$ -725,000	-29.9%
IA Workforce Dev. Capital						
Capital Projects - RIIF	\$ 0	\$ 0	\$ 1,490,480	\$ 0	\$ 0	
Integrated Inf. Sys.-RIIF	700,000	300,000	0	600,000	300,000	100.0%
Total IA Workforce Dev. Capital	\$ 700,000	\$ 300,000	\$ 1,490,480	\$ 600,000	\$ 300,000	100.0%
State Fair Authority Caps						
State Fair Cap. - RIIF	\$ 4,400,000	\$ 4,360,000	\$ 7,000,000	\$ 3,000,000	\$ -1,360,000	-31.2%
County Fairs - RIIF	1,060,000	1,060,000	1,060,000	1,060,000	0	0.0%
Total State Fair Authority Caps	\$ 5,460,000	\$ 5,420,000	\$ 8,060,000	\$ 4,060,000	\$ -1,360,000	-25.1%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
General Services Capital						
Health/Fire/Life - RIF	\$ 7,000,000	\$ 8,800,000	\$ 20,600,000	\$ 8,800,000	\$ 0	0.0%
Terrace Hill - RIF	100,000	1,400,000	100,000	100,000	-1,300,000	-92.9%
Employee Relocation-RIF	1,300,000	1,300,000	2,972,500	1,700,000	400,000	30.8%
Lucas Renovation - RIF	2,500,000	4,500,000	4,026,000	4,026,000	-474,000	-10.5%
Parking Struct Const-RIF	0	5,820,000	10,524,000	0	-5,820,000	-100.0%
Eldora Utility Upgrades	0	0	3,148,000	1,500,000	1,500,000	
Capitol Exterior	3,140,000	5,227,600	4,381,000	4,381,000	-846,600	-16.2%
Old Hist. Bldg. - RIF	4,100,000	0	5,899,155	5,899,155	5,899,155	
Lucas Bldg. Tunnel - RIF	400,000	0	1,104,228	1,104,228	1,104,228	
Street & Sidewalks - RIF	0	0	550,000	0	0	
Infrast. Survey - RIF	500,000	500,000	0	0	-500,000	-100.0%
Capitol Exterior - RIF	4,400,000	4,400,000	0	0	-4,400,000	-100.0%
Capitol Gateway East-RIF	50,000	0	0	0	0	
Parking Lots Impr. - RIF	730,750	0	594,000	594,000	594,000	
Eldora Train. School-RIF	2,600,000	2,700,000	4,000,000	4,000,000	1,300,000	48.1%
Toledo Juvenile Home-RIF	350,000	0	0	0	0	
Court Avenue Bridge Repl.	0	0	4,000,000	0	0	
Capitol Terrace Planning	0	390,000	0	0	-390,000	-100.0%
Salisbury House	0	0	600,000	600,000	600,000	
Building Demolitions-RIF	0	0	1,067,500	0	0	
Total General Services Capital	\$ 27,170,750	\$ 35,037,600	\$ 63,566,383	\$ 32,704,383	\$ -2,333,217	-6.7%
Human Services Capital						
ADA - RIF	\$ 0	\$ 0	\$ 784,963	\$ 0	\$ 0	
Major Maintenance-RIF	0	0	5,286,101	0	0	
Health/Life/Safety-RIF	0	0	825,000	0	0	
Total Human Services Capital	\$ 0	\$ 0	\$ 6,896,064	\$ 0	\$ 0	

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Natural Resources Capital						
Fish and Game Cap.- Stdg.	\$ 6,550,000	\$ 3,163,500	\$ 3,771,000	\$ 3,771,000	\$ 607,500	19.2%
REAP Land Mgmt Capitals	0	0	886,230	0	0	
REAP Open Spaces	0	0	2,757,161	0	0	
Total Natural Resources Capital	6,550,000	3,163,500	7,414,391	3,771,000	607,500	19.2%
Infrastructure Fund						
Marine Fuel Tax Capitals	0	2,288,689	2,288,689	2,300,000	11,311	0.5%
Elinor Bedell St Pk.-RIIF	0	430,000	278,000	278,000	-152,000	-35.3%
Recreation Grant - RIIF	0	2,500,000	2,500,000	0	-2,500,000	-100.0%
Blufflands Prog. - RIIF	0	500,000	0	0	-500,000	-100.0%
Lake Dredging Prog-RIIF	0	2,200,000	2,200,000	0	-2,200,000	-100.0%
Restore the Outdoors-RIIF	4,000,000	3,000,000	3,000,000	3,000,000	0	0.0%
REAP	0	0	0	15,000,000	15,000,000	
Lake Belva Deer Dam	0	0	0	200,000	200,000	
Water Quality Monitoring	0	0	0	1,000,000	1,000,000	
Total Infrastructure Fund	4,000,000	10,918,689	10,266,689	21,778,000	10,859,311	99.5%
Total Natural Resources Capital	\$ 10,550,000	\$ 14,082,189	\$ 17,681,080	\$ 25,549,000	\$ 11,466,811	81.4%
Public Defense Capital						
Armory Maintenance - RIIF	\$ 400,000	\$ 680,000	\$ 682,350	\$ 680,000	\$ 0	0.0%
Public Safety Capital						
DPS Radio Impr.- RIIF	\$ 1,897,786	\$ 2,074,663	\$ 2,339,200	\$ 2,339,200	\$ 264,537	12.8%
Dist. 1 Post - RIIF	0	1,700,000	1,500,000	1,500,000	-200,000	-11.8%
Med. Examiner Facility	0	0	1,000,000	0	0	
Total Public Safety Capital	\$ 1,897,786	\$ 3,774,663	\$ 4,839,200	\$ 3,839,200	\$ 64,537	1.7%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Regents Capital						
SUI Capitals - RIF	\$ 3,440,000	\$ 6,800,000	\$ 0	\$ 0	\$ -6,800,000	-100.0%
ISU Capitals - RIF	4,900,000	0	0	0	0	
SUI Capitals - RIF	7,255,000	5,750,000	8,445,000	8,445,000	2,695,000	46.9%
ISU Capitals - RIF	7,030,000	6,850,000	9,925,000	9,925,000	3,075,000	44.9%
UNI Capitals - RIF	4,870,000	6,900,000	1,130,000	1,130,000	-5,770,000	-83.6%
Regents Capitals - RIF	345,000	335,000	4,485,000	4,485,000	4,150,000	1238.8%
Tuition Replacement	0	0	0	27,868,702	27,868,702	
Total Regents Capital	\$ 27,840,000	\$ 26,635,000	\$ 23,985,000	\$ 51,853,702	\$ 25,218,702	94.7%
Transportation Capital						
Primary Road Fund						
Waste Water Improvements	\$ 400,000	\$ 300,000	\$ 750,000	\$ 400,000	\$ 100,000	33.3%
Garage Roofing Projects	400,000	300,000	400,000	300,000	0	0.0%
Ames Bldg. Tuckpointing	160,000	0	0	0	0	
Maint. Garages - PRF	3,500,000	1,500,000	3,500,000	2,500,000	1,000,000	66.7%
ADA Improvements	0	200,000	200,000	200,000	0	0.0%
Ames Admin. Bldg. Roof	0	0	400,000	400,000	400,000	
Salt Storage Facilities	0	500,000	750,000	625,000	125,000	25.0%
Laboratory Addition	0	0	300,000	300,000	300,000	
Admin. Bldg. Improvements	0	1,250,000	1,350,000	1,350,000	100,000	8.0%
Total Primary Road Fund	4,460,000	4,050,000	7,650,000	6,075,000	2,025,000	50.0%
Scale & Inspection Sites	0	550,000	650,000	550,000	.0	0.0%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Transportation Capital (cont.)						
Infrastructure Fund						
Recreational Trails-RIIF	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%
Recreational Trails-RIIF	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%
Comm. Serv. Airports-RIIF	0	945,000	1,796,000	1,000,000	55,000	5.8%
Harlan Airport AWOS-RIIF	0	55,000	0	0	-55,000	-100.0%
Total Infrastructure Fund	2,000,000	3,000,000	3,796,000	3,000,000	0	0.0%
Total Transportation Capital	\$ 6,460,000	\$ 7,600,000	\$ 12,096,000	\$ 9,625,000	\$ 2,025,000	26.6%
Education Capital						
IPTV Capitals - RIIF	\$ 0	\$ 0	\$ 317,500	\$ 0	\$ 0	
Digital TV Conversion	0	0	9,220,000	5,000,000	5,000,000	
Voc. Rehab. Capitals-RIIF	0	0	216,700	0	0	
Comm. College Tech-RIIF	3,000,000	3,000,000	3,000,000	3,000,000	0	0.0%
School Technology - RIIF	0	0	0	30,000,000	30,000,000	
School Infrastructure	0	0	0	10,000,000	10,000,000	
Natl. Ctr./Ag. Safe.-RIIF	0	450,000	0	0	-450,000	-100.0%
Total Education Capital	\$ 3,000,000	\$ 3,450,000	\$ 12,754,200	\$ 48,000,000	\$ 44,550,000	1291.3%
Judicial Branch Capital						
Judicial-Cap. Bldg.-RIIF	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ -250,000	-100.0%
Judicial Bldg. PIng-RIIF	1,700,000	0	0	0	0	
Judicial Relocation Study	150,000	0	0	0	0	
Judicial Bldg. Const.	0	0	10,000,000	10,000,000	10,000,000	
Total Judicial Branch Capital	\$ 1,850,000	\$ 250,000	\$ 10,000,000	\$ 10,000,000	\$ 9,750,000	3900.0%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1998 <u>(1)</u>	Estimated FY 1999 <u>(2)</u>	Dept. Req. FY 2000 <u>(3)</u>	Gov. Recomm. FY 2000 <u>(4)</u>	Gov. Rec. vs Est. FY 1999 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Veterans Affairs Capital</u>						
Veterans Affairs - RIF	\$ 0	\$ 0	\$ 1,354,605	\$ 0	\$ 0	
Dining Facility/Mnt.-RIF	1,400,000	0	2,424,244	0	0	
Total Veterans Affairs Capital	\$ 1,400,000	\$ 0	\$ 3,778,849	\$ 0	\$ 0	
<u>Law Enforcement Capital</u>						
ILEA Capitals - RIF	\$ 0	\$ 0	\$ 120,000	\$ 0	\$ 0	
<u>Personnel Capital</u>						
Headquarters Const.-IPERS	\$ 0	\$ 4,000,000	\$ 2,540,500	\$ 2,540,500	\$ -1,459,500	-36.5%
Total Trans., Infra., & Capital	\$ 349,436,428	\$ 367,129,523	\$ 463,535,508	\$ 468,571,279	\$ 101,441,756	27.6%

Oversight and Communications Subcommittee

Other Fund Appropriations

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
General Services						
ITS Contact Repository	\$ 125,000	\$ 0	\$ 0	\$ 0	\$ 0	
IA Telecommun & Tech Comm						
Iowa Communications Net.						
ICN Network Optics Upgrad	\$ 0	\$ 4,000,000	\$ 0	\$ 0	\$ -4,000,000	-100.0%
Infrastructure Fund						
RIIF-ICN Part III	22,640,000	18,904,000	7,000,000	0	-18,904,000	-100.0%
ICN Maintenance & Leases	0	0	2,681,685	2,681,685	2,681,685	
FY 98 Correct. Hookups	350,000	0	0	0	0	
T-1 Circuit Lease	61,016	0	0	0	0	
Total Infrastructure Fund	23,051,016	18,904,000	9,681,685	2,681,685	-16,222,315	-85.8%
Total IA Telecommun & Tech Comm	\$ 23,051,016	\$ 22,904,000	\$ 9,681,685	\$ 2,681,685	\$ -20,222,315	-88.3%
General Services Capital						
Enterprise Security Sys.	\$ 0	\$ 0	\$ 0	\$ 750,000	\$ 750,000	
Tech. Commission Support	0	0	0	102,800	102,800	
Reengineering Projects	800,000	1,000,000	1,000,000	1,000,000	0	0.0%
Total General Services Capital	\$ 800,000	\$ 1,000,000	\$ 1,000,000	\$ 1,852,800	\$ 852,800	85.3%
Total Oversight & Communication	\$ 23,976,016	\$ 23,904,000	\$ 10,681,685	\$ 4,534,485	\$ -19,369,515	-81.0%

Summary Data

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Admin. & Regulation	1,756.74	1,896.20	1,933.62	1,928.45	32.25	1.7%
Ag. & Natural Resources	1,391.94	1,452.20	1,488.40	1,464.40	12.20	0.8%
Economic Development	1,139.68	1,306.16	1,331.42	1,328.42	22.26	1.7%
Education	17,325.40	17,309.68	17,463.30	17,357.43	47.75	0.3%
Health & Human Rights	1,266.15	1,333.14	1,363.58	1,348.08	14.94	1.1%
Human Services	5,169.12	5,546.59	5,633.60	5,611.01	64.42	1.2%
Justice System	6,810.27	7,524.27	7,985.40	7,957.75	433.48	5.8%
Trans., Infra., & Capital	3,591.30	3,871.00	3,889.00	3,904.50	33.50	0.9%
Oversight & Communication	211.12	267.00	271.00	269.00	2.00	0.7%
Unassigned Standings	394.00	393.00	393.00	393.00	0.00	0.0%
	<u>39,055.72</u>	<u>40,899.24</u>	<u>41,752.32</u>	<u>41,562.04</u>	<u>662.80</u>	1.6%

Administration and Regulation Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
<u>Auditor of State</u>						
Auditor - General Office	112.01	112.50	112.50	112.50	0.00	0.0%
<u>Ethics and Campaign Disc.</u>						
Campaign Finance	7.45	14.00	14.00	14.00	0.00	0.0%
<u>Commerce</u>						
Commerce Administration	17.12	18.50	18.50	18.50	0.00	0.0%
Alcoholic Beverages Div.	23.34	25.00	25.00	25.00	0.00	0.0%
Banking Division	71.93	81.00	81.00	81.00	0.00	0.0%
Credit Union Division	17.29	19.00	19.00	19.00	0.00	0.0%
Insurance Division	80.84	95.00	94.50	94.00	-1.00	-1.1%
Professional Lic. Div.	11.73	12.00	12.00	12.00	0.00	0.0%
Utilities Division	68.52	75.00	75.00	75.00	0.00	0.0%
Total Commerce	290.77	325.50	325.00	324.50	-1.00	-0.3%
<u>General Services</u>						
Gen. Services Admin.	44.35	44.85	46.85	46.85	2.00	4.5%
Property Management	99.39	117.00	120.00	115.00	-2.00	-1.7%
Terrace Hill Operations	4.00	5.00	6.00	7.00	2.00	40.0%
Central Printing Div.	20.53	27.30	27.30	27.30	0.00	0.0%
Central Purchasing Div.	14.34	17.95	17.95	17.95	0.00	0.0%
Vehicle Dispatcher Div.	15.90	15.85	16.85	16.85	1.00	6.3%
Infrastructure Board	0.00	0.00	0.00	1.00	1.00	
Infr. Data Management	0.00	0.00	0.00	2.00	2.00	
Infr. Project Mgmt.	0.00	0.00	0.00	2.00	2.00	
Total General Services	198.51	227.95	234.95	235.95	8.00	3.5%

Administration and Regulation Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Governor						
General Office	17.54	17.25	20.25	20.25	3.00	17.4%
Terrace Hill Quarters	2.00	2.00	2.00	2.00	0.00	0.0%
Admin. Rules Coordinator	2.00	3.00	0.00	0.00	-3.00	-100.0%
Total Governor	21.54	22.25	22.25	22.25	0.00	0.0%
Inspections & Appeals						
Inspections And Appeals						
Finance and Services Div.	18.79	20.20	21.00	21.00	0.80	4.0%
Audits Division	10.35	12.00	12.00	12.00	0.00	0.0%
Appeals and Fair Hearings	22.70	25.50	30.00	30.00	4.50	17.6%
Investigations Division	37.51	40.00	40.00	40.00	0.00	0.0%
Health Facilities Div.	92.52	101.00	104.00	102.00	1.00	1.0%
Inspections Division	11.76	12.00	12.00	12.00	0.00	0.0%
Employment Appeal Board	12.71	15.00	15.00	15.00	0.00	0.0%
Foster Care Review Board	10.88	13.00	13.00	13.00	0.00	0.0%
Total Inspections And Appeals	217.22	238.70	247.00	245.00	6.30	2.6%
Racing Commission						
Racetrack Regulation	23.79	22.36	22.36	22.36	0.00	0.0%
Excursion Boats Reg.	22.59	24.01	25.72	25.05	1.04	4.3%
Total Racing Commission	46.38	46.37	48.08	47.41	1.04	2.2%
Total Inspections & Appeals	263.60	285.07	295.08	292.41	7.34	2.6%
Management						
Management-General Office	26.08	28.00	31.00	31.00	3.00	10.7%
Council On Human Invest.	2.00	2.00	0.00	0.00	-2.00	-100.0%
Total Management	28.08	30.00	31.00	31.00	1.00	3.3%

Administration and Regulation Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Personnel						
Operations	17.52	20.42	92.47	89.47	69.05	338.1%
Program Delivery Services	30.35	32.15	0.00	0.00	-32.15	-100.0%
Program Admin. & Develop.	31.71	36.80	0.00	0.00	-36.80	-100.0%
Total Personnel	79.58	89.37	92.47	89.47	0.10	0.1%
IDOP Retirement						
IPERS Administration	61.33	69.77	88.57	88.57	18.80	26.9%
Total Personnel	140.91	159.14	181.04	178.04	18.90	11.9%
Revenue and Finance						
Compliance	183.54	185.10	185.10	185.10	0.00	0.0%
State Financial Mgmt.	258.98	265.40	265.40	265.40	0.00	0.0%
Internal Resource Mgmt.	77.14	80.49	78.50	78.50	-1.99	-2.5%
Lottery Operations	108.28	117.00	117.00	117.00	0.00	0.0%
Total Revenue and Finance	627.94	647.99	646.00	646.00	-1.99	-0.3%
Secretary of State						
Admin. & Elections	9.69	10.00	10.00	10.00	0.00	0.0%
Business Services	30.87	32.00	32.00	32.00	0.00	0.0%
Total Secretary of State	40.56	42.00	42.00	42.00	0.00	0.0%
State-Federal Relations						
General Office	2.08	3.00	3.00	3.00	0.00	0.0%

Administration and Regulation Subcommittee

FTE Report

	<u>Actual</u> <u>FY 1998</u> <u>(1)</u>	<u>Estimated</u> <u>FY 1999</u> <u>(2)</u>	<u>Dept. Req.</u> <u>FY 2000</u> <u>(3)</u>	<u>Gov. Recomm.</u> <u>FY 2000</u> <u>(4)</u>	<u>Gov. Rec. vs</u> <u>Est. FY 1999</u> <u>(5)</u>	<u>Percent</u> <u>Change</u> <u>(6)</u>
Treasurer of State						
Treasurer-General Office	<u>23.29</u>	<u>26.80</u>	<u>26.80</u>	<u>26.80</u>	<u>0.00</u>	<u>0.0%</u>
Total Admin. & Regulation	<u><u>1,756.74</u></u>	<u><u>1,896.20</u></u>	<u><u>1,933.62</u></u>	<u><u>1,928.45</u></u>	<u><u>32.25</u></u>	<u><u>1.7%</u></u>

Agriculture and Natural Resources Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
<u>Ag. & Land Stewardship</u>						
Water Protection Fund	9.04	9.42	9.42	9.42	0.00	0.0%
Administrative Division	37.42	42.78	43.78	50.88	8.10	18.9%
Regulatory Division	117.77	125.50	130.50	127.00	1.50	1.2%
Laboratory Division	79.20	85.10	87.30	83.00	-2.10	-2.5%
Soil Conservation Div.	167.10	172.28	190.28	173.98	1.70	1.0%
Farmer's Market Coupon	1.14	1.00	2.00	2.00	1.00	100.0%
Total Ag. & Land Stewardship	411.67	436.08	463.28	446.28	10.20	2.3%
<u>Natural Resources</u>						
Natural Resources Dept.	980.27	1,016.12	1,025.12	1,018.12	2.00	0.2%
Total Ag. & Natural Resources	1,391.94	1,452.20	1,488.40	1,464.40	12.20	0.8%

Economic Development Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Economic Development						
Administrative Services						
General Administration	23.63	25.75	25.75	25.75	0.00	0.0%
Film Office	2.00	2.00	2.00	2.00	0.00	0.0%
260E-Administration	2.45	2.50	0.00	0.00	-2.50	-100.0%
Workforce Develop. Fund	1.30	1.50	4.00	4.00	2.50	166.7%
Workforce Recruit. Prog.	0.00	3.00	3.00	0.00	-3.00	-100.0%
Iowa Volunteer Commission	0.27	4.00	2.00	2.00	-2.00	-50.0%
School-to-Work	0.12	0.00	0.00	0.00	0.00	
Total Administrative Services	29.77	38.75	36.75	33.75	-5.00	-12.9%
Business Development						
Bus. Develop. Operations	17.11	22.75	22.75	25.75	3.00	13.2%
Small Business Program	3.75	5.00	8.00	8.00	3.00	60.0%
Procurement Office	2.52	3.00	0.00	0.00	-3.00	-100.0%
Strategic Investment Fund	7.84	12.50	12.50	12.50	0.00	0.0%
Value Added Ag Products	2.00	2.00	2.00	2.00	0.00	0.0%
Total Business Development	33.22	45.25	45.25	48.25	3.00	6.6%
Community & Rural Devel.						
Community Assistance	6.96	8.50	10.50	10.50	2.00	23.5%
Mainstreet/Rural Main St.	3.01	3.00	3.00	3.00	0.00	0.0%
Community Develop Program	4.57	7.51	7.51	7.51	0.00	0.0%
Commun. Dev. Block Grant	17.59	21.75	21.75	21.75	0.00	0.0%
Local Housing Assistance	0.00	1.00	1.00	1.00	0.00	0.0%
Total Community & Rural Devel.	32.13	41.76	43.76	43.76	2.00	4.8%

Economic Development Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
<u>Economic Development (cont.)</u>						
International Division						
International Trade	10.28	10.00	11.25	11.25	1.25	12.5%
Export Trade Asst. Prog.	0.00	0.25	0.00	0.00	-0.25	-100.0%
Total International Division	10.28	10.25	11.25	11.25	1.00	9.8%
Tourism Operations	15.96	18.52	18.52	18.52	0.00	0.0%
Iowa Seed Capital Corp.	3.08	0.00	0.00	0.00	0.00	
Iowa Finance Authority						
Title Guaranty Fund	6.40	8.50	8.50	8.50	0.00	0.0%
Finance Authority-General	17.85	20.34	22.00	22.00	1.66	8.2%
Total Iowa Finance Authority	24.25	28.84	30.50	30.50	1.66	5.8%
Total Economic Development	148.69	183.37	186.03	186.03	2.66	1.5%
<u>IA Workforce Development</u>						
Labor Division	87.94	93.00	102.00	102.00	9.00	9.7%
Workers' Comp. Div.	31.61	34.00	34.00	34.00	0.00	0.0%
Workforce Dev. Board	0.53	1.00	1.00	1.00	0.00	0.0%
Employment Statistics	1.44	1.20	1.20	1.20	0.00	0.0%
Job Service ACS Administ.	120.38	125.42	133.42	133.42	8.00	6.4%
Strategic Recruitment	0.00	1.79	1.79	1.79	0.00	0.0%
Mentoring	1.69	0.00	0.00	0.00	0.00	
Youth Conservation Corps	1.22	0.00	0.00	0.00	0.00	
Workforce Invest. Prog.	0.55	0.00	0.00	0.00	0.00	
Labor Management Coord.	0.26	0.25	0.50	0.50	0.25	100.0%

Economic Development Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
<u>IA Workforce Development (cont.)</u>						
Job Serv. Administration	639.00	775.30	775.30	775.30	0.00	0.0%
Welfare To Work Match	0.00	3.55	3.55	3.55	0.00	0.0%
Information Technology	0.00	0.00	4.50	0.00	0.00	
Integrated Inform. System	0.00	0.00	0.00	2.50	2.50	
Total IA Workforce Development	884.62	1,035.51	1,057.26	1,055.26	19.75	1.9%
<u>Public Emp. Relations</u>						
General Office	12.35	12.80	12.80	12.80	0.00	0.0%
<u>Board of Regents</u>						
University of Iowa						
SUI Research Park	4.35	4.35	4.35	4.35	0.00	0.0%
SUI Advanced Drug Devel.	2.77	2.85	2.85	2.85	0.00	0.0%
Total University of Iowa	7.12	7.20	7.20	7.20	0.00	0.0%
Iowa State University						
ISU Small Bus. Center	6.61	5.80	5.80	5.80	0.00	0.0%
ISU Research Park	4.00	4.31	4.31	4.31	0.00	0.0%
Institute for Phys. Res.	63.29	46.42	46.42	46.42	0.00	0.0%
Total Iowa State University	73.90	56.53	56.53	56.53	0.00	0.0%

Economic Development Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Board of Regents (cont.)						
Univ. of Northern Iowa						
UNI Metal Casting	3.00	2.75	2.60	2.60	-0.15	-5.5%
Decision Making Institute	10.00	8.00	9.00	8.00	0.00	0.0%
Total Univ. of Northern Iowa	13.00	10.75	11.60	10.60	-0.15	-1.4%
Total Board of Regents	94.02	74.48	75.33	74.33	-0.15	-0.2%
Total Economic Development	1,139.68	1,306.16	1,331.42	1,328.42	22.26	1.7%

Education Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
College Student Aid Comm.						
Scholarship & Grant Ad.	5.03	5.41	5.40	5.40	-0.01	-0.2%
Stafford Loan Prog. Adm.	27.66	33.61	34.61	0.01	-33.60	-100.0%
Total College Student Aid Comm.	32.69	39.02	40.01	5.41	-33.61	-86.1%
Cultural Affairs						
Iowa Arts Council	8.46	10.00	10.00	10.00	0.00	0.0%
State Historical Society	56.71	65.70	67.70	65.70	0.00	0.0%
Historic Sites	7.14	8.00	8.50	8.00	0.00	0.0%
Cultural Affairs - Admin.	4.30	4.30	4.30	4.30	0.00	0.0%
Cultural Grants	0.70	0.70	0.70	0.70	0.00	0.0%
Total Cultural Affairs	77.31	88.70	91.20	88.70	0.00	0.0%
Education						
Administration						
DE Administration	90.23	98.45	98.45	98.45	0.00	0.0%
Vocational Ed. Admin.	15.28	15.60	15.60	15.60	0.00	0.0%
Board of Ed. Examiners	2.14	2.00	2.00	2.00	0.00	0.0%
Vocational Rehab.	270.30	302.25	302.25	302.25	0.00	0.0%
Independent Living	1.44	1.50	1.50	1.50	0.00	0.0%
State Library	19.30	21.00	21.00	21.00	0.00	0.0%
Iowa Public Television	93.79	105.50	107.40	107.40	1.90	1.8%
Total Administration	492.48	546.30	548.20	548.20	1.90	0.3%
School Food Service	11.39	14.00	14.00	14.00	0.00	0.0%
Total Education	503.87	560.30	562.20	562.20	1.90	0.3%

Education Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Board of Regents						
Regents Board Office	15.08	15.63	15.63	15.63	0.00	0.0%
University of Iowa						
Univ. of Iowa - General	4,030.12	4,039.17	4,072.37	4,049.62	10.45	0.3%
SUI Indigent Patient	5,514.58	5,511.67	5,516.32	5,511.67	0.00	0.0%
SUI Psychiatric Hospital	291.55	292.18	292.18	292.18	0.00	0.0%
SUI Hospital School	163.58	161.56	161.56	161.56	0.00	0.0%
SUI Oakdale Campus	58.39	63.58	60.58	60.58	-3.00	-4.7%
SUI Hygienic Lab	102.11	102.49	102.49	102.49	0.00	0.0%
SUI Family Practice Prog.	180.74	180.74	192.40	192.40	11.66	6.5%
SUI Spec. Child Health	10.27	9.36	9.36	9.36	0.00	0.0%
SUI Ag. Health and Safety	3.45	3.48	3.48	3.48	0.00	0.0%
SUI Cancer Registry	1.97	3.07	3.07	3.07	0.00	0.0%
SUI Sub. Abuse Consortium	1.15	1.15	1.15	1.15	0.00	0.0%
SUI Cntr. - Biocatalysis	10.40	10.40	10.40	10.40	0.00	0.0%
SUI Driving Simulator	2.58	3.58	3.58	3.58	0.00	0.0%
SUI Primary Health Care	9.15	11.00	11.00	11.00	0.00	0.0%
SUI Birth Defects Regist.	0.00	0.00	0.90	0.90	0.90	
SUI Public Health Init.	0.00	0.00	18.70	16.00	16.00	
Total University of Iowa	10,380.04	10,393.43	10,459.54	10,429.44	36.01	0.3%

Education Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Board of Regents (cont.)						
Iowa State University						
Iowa State Univ.-General	3,803.85	3,598.44	3,632.12	3,618.84	20.40	0.6%
ISU Ag. Experiment	575.34	546.98	546.98	546.98	0.00	0.0%
ISU Coop Extension	399.86	443.91	454.88	445.80	1.89	0.4%
ISU Leopold Center	11.82	11.25	11.25	11.25	0.00	0.0%
ISU Livestock Disease	4.70	3.17	3.17	3.17	0.00	0.0%
ISU Coop Veterinary	0.00	0.00	1.86	0.00	0.00	
Total Iowa State University	4,795.57	4,603.75	4,650.26	4,626.04	22.29	0.5%
Univ. of Northern Iowa						
UNI - General	1,313.02	1,398.86	1,424.26	1,410.86	12.00	0.9%
UNI Recycl./Reuse Cntr.	0.60	1.00	1.50	1.50	0.50	50.0%
Total Univ. of Northern Iowa	1,313.62	1,399.86	1,425.76	1,412.36	12.50	0.9%
Special Schools						
Iowa School for the Deaf	124.14	124.14	126.60	126.60	2.46	2.0%
Iowa Braille & Sight Sch.	83.08	84.85	92.10	91.05	6.20	7.3%
Total Special Schools	207.22	208.99	218.70	217.65	8.66	4.1%
Total Board of Regents	16,711.53	16,621.66	16,769.89	16,701.12	79.46	0.5%
Total Education	17,325.40	17,309.68	17,463.30	17,357.43	47.75	0.3%

Health and Human Rights Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Blind						
Department for the Blind	94.35	101.50	105.50	103.50	2.00	2.0%
Civil Rights Commission						
General Office	33.27	37.53	38.50	38.50	0.97	2.6%
Elder Affairs						
State Administration	26.55	28.00	0.00	0.00	-28.00	-100.0%
Aging Programs	0.00	0.00	28.00	29.00	29.00	
Total Elder Affairs	26.55	28.00	28.00	29.00	1.00	3.6%
Gov. Alliance Sub. Abuse						
Drug Enf. Ab. Prev. Coord.	11.76	10.00	13.00	0.00	-10.00	-100.0%
Substance Abuse Pass Thr.	0.34	0.00	0.00	0.00	0.00	
Law Enforce. Block Grant	0.10	0.00	0.00	0.00	0.00	
Total Gov. Alliance Sub. Abuse	12.20	10.00	13.00	0.00	-10.00	-100.0%
Public Health						
Addictive Disorders	15.50	15.75	15.75	15.75	0.00	0.0%
Adult Wellness	19.31	19.80	19.80	19.80	0.00	0.0%
Child & Adolesc. Wellness	41.80	29.55	39.55	39.55	10.00	33.8%
Chronic Conditions	5.20	6.45	6.45	6.45	0.00	0.0%
Community Capacity	24.58	22.55	23.55	23.55	1.00	4.4%
Environmental Hazards	9.68	7.25	7.25	7.25	0.00	0.0%
Infectious Diseases	32.05	33.55	34.55	34.55	1.00	3.0%
Injuries	8.20	8.20	8.20	8.20	0.00	0.0%
Public Protection	119.50	122.25	129.25	124.25	2.00	1.6%
Resource Management	45.60	48.95	48.95	48.95	0.00	0.0%
Medical Examiner	0.00	0.00	0.00	5.00	5.00	
Total Public Health	321.42	314.30	333.30	333.30	19.00	6.0%

Health and Human Rights Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Human Rights						
Central Administration	5.95	6.60	6.60	6.60	0.00	0.0%
Deaf Services	5.05	7.00	7.00	7.00	0.00	0.0%
Persons With Disabilities	2.00	2.00	3.00	3.00	1.00	50.0%
Latino Affairs	2.63	3.00	3.00	3.00	0.00	0.0%
Status of Women	3.11	3.00	3.00	3.00	0.00	0.0%
Status of African Am.	1.82	2.00	2.00	2.00	0.00	0.0%
Criminal & Juvenile Just.	7.07	8.22	8.22	8.22	0.00	0.0%
Community Grant Fund	0.00	1.35	2.32	2.32	0.97	71.9%
Justice Data Warehouse	0.00	0.00	1.50	0.00	0.00	
Total Human Rights	27.63	33.17	36.64	35.14	1.97	5.9%
Comm. of Veterans Affairs						
Vet. Affairs Admin.	4.71	5.00	5.00	5.00	0.00	0.0%
Iowa Veterans Home	746.02	803.64	803.64	803.64	0.00	0.0%
Total Comm. of Veterans Affairs	750.73	808.64	808.64	808.64	0.00	0.0%
Total Health & Human Rights	1,266.15	1,333.14	1,363.58	1,348.08	14.94	1.1%

Human Services Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Human Services						
Economic Assistance						
Family Invest. Prog./P.J.	0.00	3.00	11.00	11.00	8.00	266.7%
Child Support Recoveries	208.04	232.22	243.22	243.22	11.00	4.7%
CSRU Welfare Reform Chng.	4.78	0.00	0.00	0.00	0.00	
Total Economic Assistance	212.82	235.22	254.22	254.22	19.00	8.1%
Health Insurance Premium	11.61	17.00	17.00	17.00	0.00	0.0%
Serv. Adult/Child/Family						
Toledo Juvenile Home	113.71	136.04	136.54	136.54	0.50	0.4%
Eldora Training School	194.62	213.68	219.91	219.91	6.23	2.9%
Community Based Services	1.00	1.00	1.00	1.00	0.00	0.0%
Total Serv. Adult/Child/Family	309.33	350.72	357.45	357.45	6.73	1.9%
Serving MH/MR/DD/BI						
Cherokee MHI	227.90	256.62	256.62	256.62	0.00	0.0%
Clarinda MHI	125.54	138.59	159.18	138.59	0.00	0.0%
Independence MHI	333.91	358.73	358.73	358.73	0.00	0.0%
Mt. Pleasant MHI	86.49	109.83	109.83	109.83	0.00	0.0%
Glenwood SHS	781.34	852.00	852.75	852.75	0.75	0.1%
Woodward SHS	607.42	661.76	661.76	661.76	0.00	0.0%
MH/MR/DD Case Management	117.46	95.12	103.56	103.56	8.44	8.9%
Sexual Predator Commit.	0.00	0.00	26.50	26.50	26.50	
Total Serving MH/MR/DD/BI	2,280.06	2,472.65	2,528.93	2,508.34	35.69	1.4%

Human Services Subcommittee

FTE Report

	<u>Actual FY 1998</u>	<u>Estimated FY 1999</u>	<u>Dept. Req. FY 2000</u>	<u>Gov. Recomm. FY 2000</u>	<u>Gov. Rec. vs Est. FY 1999</u>	<u>Percent Change</u>
	(1)	(2)	(3)	(4)	(5)	(6)
Human Services (cont.)						
DHS Administration						
Field Operations	2,010.30	2,084.00	2,086.00	2,086.00	2.00	0.1%
General Administration	<u>345.00</u>	<u>387.00</u>	<u>390.00</u>	<u>388.00</u>	<u>1.00</u>	<u>0.3%</u>
Total DHS Administration	<u>2,355.30</u>	<u>2,471.00</u>	<u>2,476.00</u>	<u>2,474.00</u>	<u>3.00</u>	<u>0.1%</u>
Total Human Services	<u>5,169.12</u>	<u>5,546.59</u>	<u>5,633.60</u>	<u>5,611.01</u>	<u>64.42</u>	<u>1.2%</u>

Justice System Subcommittee

FTE Report

	Actual FY 1998	Estimated FY 1999	Dept. Req. FY 2000	Gov. Recomm. FY 2000	Gov. Rec. vs Est. FY 1999	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)
Attorney General						
General Office A.G.	175.02	188.50	194.50	192.50	4.00	2.1%
Pros. Attor. Training	5.81	6.00	6.00	6.00	0.00	0.0%
Area GASA Pros. Attorney	2.10	2.00	2.00	2.00	0.00	0.0%
Victim Compensation Fund	12.81	17.00	17.00	17.00	0.00	0.0%
Consumer Advocate	28.47	32.00	32.00	32.00	0.00	0.0%
Total Attorney General	224.21	245.50	251.50	249.50	4.00	1.6%
Corrections						
Corr. - Institutions						
Ft. Madison Inst.	472.48	502.00	510.00	502.00	0.00	0.0%
Anamosa Inst.	363.29	394.25	394.25	394.25	0.00	0.0%
Oakdale Inst.	320.12	338.80	339.80	339.80	1.00	0.3%
Newton Inst.	341.69	380.58	401.25	395.25	14.67	3.9%
Mt. Pleasant Inst.	261.67	329.26	351.26	344.26	15.00	4.6%
Rockwell City Inst.	102.74	117.00	121.00	121.00	4.00	3.4%
Clarinda Inst.	250.47	286.90	313.40	292.75	5.85	2.0%
Mitchellville Inst.	138.37	151.25	203.96	198.96	47.71	31.5%
Ft. Dodge Inst.	63.39	287.00	371.88	371.88	84.88	29.6%
Total Corr. - Institutions	2,314.22	2,787.04	3,006.80	2,960.15	173.11	6.2%
Corr. - Central Office						
Central Office	31.46	37.18	38.18	38.18	1.00	2.7%
Training Center	7.51	8.07	10.07	10.07	2.00	24.8%
Total Corr. - Central Office	38.97	45.25	48.25	48.25	3.00	6.6%

Justice System Subcommittee

FTE Report

	Actual FY 1998	Estimated FY 1999	Dept. Req. FY 2000	Gov. Recomm. FY 2000	Gov. Rec. vs Est. FY 1999	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Corrections (cont.)</u>						
CBC Districts						
CBC District I	167.41	170.91	194.41	194.41	23.50	13.7%
CBC District II	123.27	123.87	147.95	147.95	24.08	19.4%
CBC District III	68.19	69.19	80.19	80.19	11.00	15.9%
CBC District IV	56.00	56.00	63.25	63.25	7.25	12.9%
CBC District V	177.92	200.85	226.85	226.85	26.00	12.9%
CBC District VI	160.63	166.13	187.63	187.63	21.50	12.9%
CBC District VII	98.55	99.55	107.55	107.55	8.00	8.0%
CBC District VIII	79.65	81.65	96.65	96.65	15.00	18.4%
Total CBC Districts	931.62	968.15	1,104.48	1,104.48	136.33	14.1%
Total Corrections	3,284.81	3,800.44	4,159.53	4,112.88	312.44	8.2%
<u>Inspections & Appeals</u>						
Public Defender	186.63	199.00	201.00	201.00	2.00	1.0%
<u>Judicial Branch</u>						
Judicial Branch	1,959.57	2,039.82	2,113.96	2,113.96	74.14	3.6%
<u>Law Enforcement Academy</u>						
ILEA Operations	26.64	30.55	30.55	30.55	0.00	0.0%
<u>Board of Parole</u>						
Parole Board	12.75	18.00	18.00	18.00	0.00	0.0%

Justice System Subcommittee

FTE Report

	Actual FY 1998 <u>(1)</u>	Estimated FY 1999 <u>(2)</u>	Dept. Req. FY 2000 <u>(3)</u>	Gov. Recomm. FY 2000 <u>(4)</u>	Gov. Rec. vs Est. FY 1999 <u>(5)</u>	Percent Change <u>(6)</u>
Public Defense						
Military Division	193.17	224.76	224.76	224.76	0.00	0.0%
Emergency Mgmt. Div.	12.63	14.35	25.25	25.25	10.90	76.0%
Total Public Defense	<u>205.80</u>	<u>239.11</u>	<u>250.01</u>	<u>250.01</u>	<u>10.90</u>	<u>4.6%</u>
Public Safety						
Administration	38.72	38.80	38.80	38.80	0.00	0.0%
Investigation, DCI	195.41	227.50	229.50	230.50	3.00	1.3%
Narcotics Enforce.	45.08	48.00	54.00	60.00	12.00	25.0%
Fire Marshal	29.67	31.80	31.80	32.80	1.00	3.1%
Capitol Security	26.74	27.00	27.00	27.00	0.00	0.0%
Fire Fighter Training	0.01	0.50	0.50	0.50	0.00	0.0%
Medical Examiner	2.57	4.00	5.00	0.00	-4.00	-100.0%
Iowa State Patrol	571.66	574.25	574.25	579.25	5.00	0.9%
Gov. Alliance Sub. Ab.	0.00	0.00	0.00	13.00	13.00	
Total Public Safety	<u>909.86</u>	<u>951.85</u>	<u>960.85</u>	<u>981.85</u>	<u>30.00</u>	<u>3.2%</u>
Total Justice System	<u><u>6,810.27</u></u>	<u><u>7,524.27</u></u>	<u><u>7,985.40</u></u>	<u><u>7,957.75</u></u>	<u><u>433.48</u></u>	<u><u>5.8%</u></u>

Transportation, Infrastructure, and Capitals Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Transportation						
Operations & Finance	272.70	271.00	279.00	279.00	8.00	3.0%
Administrative Services	92.40	98.00	97.00	95.50	-2.50	-2.6%
Planning & Programming	157.20	174.00	176.00	184.00	10.00	5.7%
Project Development	1,045.60	1,174.00	1,174.00	1,188.00	14.00	1.2%
Maintenance	1,494.80	1,591.00	1,591.00	1,591.00	0.00	0.0%
Motor Vehicle	528.60	563.00	572.00	567.00	4.00	0.7%
Total Transportation	3,591.30	3,871.00	3,889.00	3,904.50	33.50	0.9%
Total Trans., Infra., & Capital	3,591.30	3,871.00	3,889.00	3,904.50	33.50	0.9%

Oversight and Communications Subcommittee

FTE Report

	Actual FY 1998 (1)	Estimated FY 1999 (2)	Dept. Req. FY 2000 (3)	Gov. Recomm. FY 2000 (4)	Gov. Rec. vs Est. FY 1999 (5)	Percent Change (6)
Education						
IPTV-Regional Councils	8.69	9.00	11.00	9.00	0.00	0.0%
General Services						
ITS Operations	132.37	158.00	158.00	158.00	0.00	0.0%
IA Telecommun & Tech Comm						
IA Telecomm. & Technology	70.06	100.00	102.00	102.00	2.00	2.0%
Total Oversight & Communication	211.12	267.00	271.00	269.00	2.00	0.7%

Unassigned Standings Appropriations

FTE Report

	Actual FY 1998 <u>(1)</u>	Estimated FY 1999 <u>(2)</u>	Dept. Req. FY 2000 <u>(3)</u>	Gov. Recomm. FY 2000 <u>(4)</u>	Gov. Rec. vs Est. FY 1999 <u>(5)</u>	Percent Change <u>(6)</u>
Education						
Educational Excellence	0.99	0.00	0.00	0.00	0.00	
Legislative Branch						
Legislature	<u>393.01</u>	<u>393.00</u>	<u>393.00</u>	<u>393.00</u>	<u>0.00</u>	0.0%
Total Unassigned Standings	<u><u>394.00</u></u>	<u><u>393.00</u></u>	<u><u>393.00</u></u>	<u><u>393.00</u></u>	<u><u>0.00</u></u>	0.0%



APPENDIX B

PROJECTED FY 2000 BUILT-IN AND ANTICIPATED EXPENDITURES

General Fund

(Dollars in Millions)

	LFB Estimates
FY 2000 Built-in Increases and Decreases	
Collective Bargaining Salary Packages	\$ 49.9
K-12 School Foundation Aid	45.0
Human Services - Medical Assistance	33.2
Natural Resources - Resource Enhancement and Protection (REAP)	11.0
Public Safety - Highway Patrol	9.2
M&E Property Tax Replacement Fund	6.2
Mental Health Growth Factor	5.6
Human Services - State Cases	2.6
Homestead Credit	2.0
Elderly and Disabled Credit	1.9
Certified School-to-Career Program	0.5
Total Built-in Increases and Decreases	<u>\$ 167.1</u>

PROJECTED FY 2000 BUILT-IN AND ANTICIPATED EXPENDITURES (CONTINUED)

	<u>LFB</u> <u>Estimates</u>
FY 2000 Anticipated Increases and Decreases	
Corrections - Various Projects	\$ 9.4
Human Services - Federal SSBG Reduction - Backfill with General Fund	4.5
Human Services - Group Foster Care Caseload Increase	3.0
Human Services - Decrease in Federal Match Rates	2.7
Human Services - Sexual Predators Civil Commitment and Treatment	2.0
Natural Resources - Air Match Replace Toxic Fees for Air Pollution	1.2
Education - Stipends for Nationally Certified Teachers	0.6
Regents - Opening New Buildings	0.4
Human Services - Electronic Benefits Transfer	0.4
Human Services - Staff New Juvenile Facility at Eldora	0.3
Judicial Branch - Retirement Fund Contribution	0.3
College Aid - National Guard	0.2
Regents - Tuition Replacement	0.1
Human Services - State Hospital-Schools Increased Revenue	-1.1
Inspections and Appeals - Indigent Defense	-1.5
Natural Resources - REAP (Notwithstanding Language)	-11.0
Total Anticipated Increases and Decreases	<u>\$ 11.5</u>
TOTAL PROJECTED EXPENDITURES	<u><u>\$ 178.6</u></u>

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
BUILT-IN INCREASES OR DECREASES:					
Collective Bargaining Salary Packages Appropriation	Estimated salary increases for negotiated collective bargaining costs.	<ul style="list-style-type: none"> • Salary increases are subject to collective bargaining and represent the historical cost. 	\$ 49.9	<ul style="list-style-type: none"> • Change salary funding policy from past practice. 	
K-12 School Aid Standing Unlimited Appropriation	The School Foundation Program establishes limits and controls on local school district spending authority. By formula, the Program determines the amount of state aid and local property tax used in funding school district budgets.	<ul style="list-style-type: none"> • Allowable growth of 3.0%. • Enrollment has decreased by 0.5% for FY 2000. • Special education weightings have increased by 4.2%. • English-as-a-second language enrollment has increased by 13.0% . • Supplemental weightings for shared pupils/teachers has increased by 11.8%. • Property valuations are assumed to increase by 3.0%. 	\$ 45.0	<ul style="list-style-type: none"> • Each 1.0% increase in allowable growth will cost approximately \$20.8 million in additional state aid. The 3.0% allowable growth is current law. • Each 1.0% increase in the regular program foundation level will cost approximately \$21.3 million in additional state aid. The current regular program foundation level is 87.5%. • Each 1.0% increase in the special education program foundation level will cost approximately \$3.6 million in additional state aid. The current special education foundation level is 79.0%. 	

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
Human Services - Medical Assistance Appropriation	<p>Medical Assistance is a state/federal entitlement program that provides medical services to eligible low-income recipients. To qualify for federal funding, the State must reimburse providers for certain mandatory services. The State has the option to provide coverage of additional services and can elect to expand coverage to optional eligibility groups. Iowa is currently covering most of the optional services and optional eligibility groups for which federal funding is available. The State also has the ability to set the rates it uses to reimburse service providers, within federal guidelines.</p>	<ul style="list-style-type: none"> • Provider reimbursement increases (\$10.9 million). • Prescription drug increases (\$15.4 million). • Increased eligibles through Children's Insurance outreach (\$1.8 million). • Federal Financial Participation rate decrease which increases State costs by \$0.9 million. • Transfer Group Care beds from Child and Family Services (\$1.5 million). 	\$ 33.2	<ul style="list-style-type: none"> • Elimination of Optional Services (total \$124.8 million). These may result in some offsetting cost increases in mandatory services. Major Optional Services are as follows: • Eliminate coverage of prescribed drugs. \$ 65.3 • Eliminate various waived services. 15.5 • Eliminate nonfederal share of Intermediate Care Facilities for the Mentally Retarded. 11.9 • Eliminate coverage of dental services. 6.8 • Eliminate coverage of optometric services. 1.2 • Eliminate coverage for durable medical equipment and supplies. 8.3 • Eliminate physical therapist, rehabilitation services, and audiologist services. 1.8 • Eliminate case management services for mentally retarded and developmental disability eligible individuals. 3.5 • Eliminate Intermediate Care Facilities cost increase. 4.6 • Other 5.9 	

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
Natural Resources - Resource Enhancement and Protection (REAP) Fund <i>Standing Limited Appropriation</i>	<p>The REAP Program provides funds for land maintenance, acquisition and development, grants to cities and counties, soil conservation cost share, alternative roadside vegetation, and historical resource grants.</p> <p>The REAP appropriation for FY 1999 is \$9.0 million. For FY 2000 through FY 2021, \$20.0 million is appropriated from the General Fund, but that amount is reduced by any money appropriated from the Lottery Fund (Section 455.18(4), Code of Iowa).</p>	<ul style="list-style-type: none"> • The Standing Appropriation is restored as required by the <u>Code of Iowa</u>. 	<p>\$ 11.0</p>	<ul style="list-style-type: none"> • Eliminate Conservation Education. • Eliminate Administration. • Eliminate DNR Acquisition and Development. • Eliminate County Conservation. • Eliminate Soil and Water. • Eliminate City Parks. • Eliminate DNR Land Management. • Eliminate Historic Resource Grants. • Eliminate Living Road Way. 	<p>\$ 0.4</p> <p>0.1</p> <p>5.4</p> <p>3.9</p> <p>3.9</p> <p>2.9</p> <p>1.8</p> <p>1.0</p> <p>0.6</p>
Public Safety - Highway Patrol <i>Standing Limited Appropriation</i>	<p>Senate File 481 appropriated \$9.0 million in FY 1997 to the Highway Safety Patrol Fund to begin funding the Patrol from the General Fund. Senate File 481 increases the General Fund appropriation by \$9.0 million each year or as much as is necessary until the Highway Patrol is fully funded from the General Fund.</p>	<ul style="list-style-type: none"> • New funding. • Senate File 481 appropriated \$9.0 million in FY 1997, \$18.0 million in FY 1998, \$27.0 million in FY 1999, and \$36.0 million in FY 2000 or as much as is necessary to fully fund the Highway Patrol from the General Fund. 	<p>\$ 9.2</p>	<ul style="list-style-type: none"> • No options identified. 	

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
Human Services - State Cases <i>Appropriation</i>	The State Cases Program provides mental health, mental retardation, or other developmental disability services to persons who do not have a county of legal settlement.	<ul style="list-style-type: none"> Estimate based upon caseload and inflation costs. 	\$ 2.6	<ul style="list-style-type: none"> Require counties to pay for all residents, with or without legal settlement. 	\$2.6
				<ul style="list-style-type: none"> Use a portion of the appropriation as a pool for the counties to use for residents without legal settlement. 	\$2.6
Revenue and Finance - Homestead Credit <i>Standing Unlimited Appropriation</i>	The Homestead Credit replaces the first \$4,850 of assessed valuation for homeowners. The State reimburses local governments for lost revenue.	<ul style="list-style-type: none"> Increased levy rates result in increased Homestead Credit cost. 	\$ 2.0	<ul style="list-style-type: none"> Change to standing limited appropriation and provide pro rata share to local governments. 	
Revenue and Finance - Elderly and Disabled Credit <i>Standing Unlimited Appropriation</i>	Provides a property tax credit for low-income, elderly, or disabled taxpayers.	<ul style="list-style-type: none"> House File 2513, passed during the 1998 Legislative Session, increased the income eligibility requirements which allows additional taxpayers to receive the credit. 	\$ 1.9	<ul style="list-style-type: none"> Repeal provisions in HF 2513. 	\$1.9
Economic Development - Certified School-to-Career Program <i>Standing Limited Appropriation</i>	Provides work-study and post-secondary education training for persons 16 to 24 years of age through a payroll tax refund claimed by an employee.	<ul style="list-style-type: none"> Section 15.361, <u>Code of Iowa</u>. 	\$ 0.5	<ul style="list-style-type: none"> No option other than to reduce or eliminate the appropriation. There would be a problem with people already in the system. 	\$0.5

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
ANTICIPATED INCREASES OR DECREASES:					
Corrections Appropriation	<p>Various Corrections projects:</p> <ul style="list-style-type: none"> • \$1.1 million for one-time start-up costs for construction at Mitchellville. • \$2.1 million to annualize support costs for 750 inmates at Ft. Dodge. • \$4.0 million for additional two pods with 118.0 FTE positions at Ft. Dodge. • \$2.1 million for one-time startup costs for construction at Ft. Dodge. 	<ul style="list-style-type: none"> • Ongoing expenditure and one-time expenditures. 	\$ 9.4	<ul style="list-style-type: none"> • No options identified. 	
Human Services - Federal SSBG Reduction - Backfill with General Fund Appropriation	<p>The Social Services Block Grant (SSBG) provides federal funding for social services to promote self-sufficiency, prevent abuse, and reduce inappropriate institutional care. Iowa allocates approximately 50.0% of the federal funds received to counties for Local Purchase of Service.</p>	<ul style="list-style-type: none"> • Federal funding reduction for the SSBG reduces Iowa's FY 2000 allocation by \$4.5 million for total SSBG funding of \$20.2 million. 	\$ 4.5	<ul style="list-style-type: none"> • Reduce the number of programs offered or eligibles served to fit the social service program budgets within the reduced federal allocation. • Restore lost SSBG funds with other federal funds such as Temporary Assistance for Needy Families (TANF) funds. Federal restrictions apply. 	
Human Services - Group Foster Care Appropriation	<p>Continued impact from the Iowa Supreme Court group foster care decision, which specified that court ordered placements are not bound by expenditure limitations on human services budgets, due to separation of powers.</p>	<ul style="list-style-type: none"> • Includes increases in placements and an increase in provider rates. 	\$ 3.0	<ul style="list-style-type: none"> • Reduce regional allocations for Family Centered, Family Preservation, or Juvenile Justice prevention programs. (Currently, program budgets are planned at the local level, primarily within the structure of decategorization.) 	\$ 3.0

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
Human Services - Decrease in Federal Match Rates <i>Appropriation</i>	The federal financial participation match rate (the rate at which the federal government matches State funds for the Medical Assistance Program) will decrease from the State FY 1999 level of 63.43% to a State FY 2000 level of 63.22%.	• Federal match rate reduction.	\$ 2.7	• No options identified.	
Human Services - Sexual Predators Civil Commitment and Treatment <i>Appropriation</i>	Long term treatment of sexually violent predators, with housing at the Iowa Medical Classification Center at Oakdale.	• In FY 1999, \$500,000 was appropriated to initiate the treatment with some funds expended on one-time renovation projects within the Center. The Department of Human Services will contract with the Department of Corrections for certain services within the Center, such as security.	\$ 2.0	• Extend over a two-year period the increase of beds planned to 22 in FY 2000.	\$1.0

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
Natural Resources - Air Quality Match Appropriation	The Federal Air Quality Grant Program requires a 60.0% federal/40.0% State match ratio to implement the Federal Clean Air Act. The match was funded by the air permit fees due to a waiver from the federal government to allow the use of permit fees as the State match through FY 1999.	<ul style="list-style-type: none"> Federal match requirement. 	\$ 1.2	<ul style="list-style-type: none"> No options identified. 	
Education - Stipends for Nationally Certified Teachers Appropriation	<p>The FY 1999 appropriation is being expended as follows:</p> <ul style="list-style-type: none"> \$65,000 to pay \$5,000 to each of 13 currently nationally certified teachers. \$150,000 to pay the \$2,000 national certification application costs for 75 teachers. Applicants receive \$1,000 when they apply and the remaining \$1,000 upon successful completion. \$45,000 for administration and workshops to inform teachers of this new program. 	<p>Assumptions for FY 2000:</p> <ul style="list-style-type: none"> All 75 teachers that applied during FY 1999 will become nationally certified and be eligible for the \$5,000 stipend. When the original 13 are included, this makes a total of 88 teachers that will receive the \$5,000 stipend in FY 2000. (Total cost \$440,000). Remaining funds of \$410,000 would reimburse 205 teachers for national certification costs. 	\$ 0.6	<ul style="list-style-type: none"> Eliminate reimbursement of national certification costs. Assume only 50.0% of the applicants will successfully complete national certification. Limit the appropriation to the FY 1999 amount or revise (lower) the stipend amount. The General Assembly approved language limiting the appropriation to \$1.0 million for future years. The funding cap was vetoed by Governor Branstad. Savings for this option depend on the revision criteria. 	\$ 0.4 \$ 0.2 No est.
Regents - Opening New Buildings Appropriation	Costs which the institutions expect for general salaries, utilities, and supplies to open the new buildings on campus.	<ul style="list-style-type: none"> Ongoing expenses for new buildings. 	\$ 0.4	<ul style="list-style-type: none"> Not pay the costs of opening new buildings. The estimate includes only costs related to buildings authorized by the General Assembly. 	\$ 0.4

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
Human Services - Electronic Benefits Transfer <i>Appropriation</i>	The Electronic Benefits Transfer Program (EBT) provides economic assistance benefits, including food stamps, to eligible individuals through the use of an automated benefits card.	<ul style="list-style-type: none"> • Estimate assumes EBT will be significantly expanded in FY 2000 and will be implemented statewide in FY 2001. 	\$ 0.4	<ul style="list-style-type: none"> • Delay implementation. Federal legislation requires statewide implementation by FY 2002. • Eliminate the \$0.15 retailer transaction fee. 	\$ 0.4 \$ 0.2
Human Services - Staff New Juvenile Facility at Eldora <i>Appropriation</i>	Opening costs for a 24-bed cottage on October 1, 1999.	<ul style="list-style-type: none"> • The FY 1999 appropriation included \$378,000 for six months of the cost since the cottage was originally scheduled to open January 1, 1999. This could be carried over or reduced for a one-year period. 	\$ 0.3	<ul style="list-style-type: none"> • Carry over the \$378,000 into FY 2000 to eliminate for one year the extra months of cost in FY 2000. 	\$ 0.1
Judicial Branch - Retirement Fund Contribution <i>Appropriation</i>	The Judicial Retirement System provides retirement benefits to judges. Pursuant to Section 602.9104(4), <u>Code of Iowa</u> , the employer's contribution rate is 23.7% of all covered judges' salaries.	<ul style="list-style-type: none"> • The employer's contribution increases as the judges' salaries increase. 	\$ 0.3	<ul style="list-style-type: none"> • No options identified. The FY 1998 unfunded liability was \$10.2 million, down from \$13.9 million in FY 1997. 	
College Aid - National Guard <i>Appropriation</i>	The FY 1999 appropriation provided average tuition assistance to 975 National Guard members.	<ul style="list-style-type: none"> • Grant program determined by appropriations. 	\$ 0.2	<ul style="list-style-type: none"> • Cap Program at FY 1999 funding level. General Assembly assumed the Program was fully funded at the FY 1999 level. Approximately 60.0% of the funds remain unexpended after the first six months of FY 1999. • Eliminate Program (FY 1999 level). 	\$ 0.2 \$ 0.8

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
Regents - Tuition Replacement Appropriation	Tuition replacement is the appropriation to pay the debt service costs of academic revenue bonds. The bonds are sold when approved by the General Assembly to pay for certain buildings on the campuses of Regents' institutions. The payments are "guaranteed" with tuition and fee revenues from the students attending the Regents' universities.	<ul style="list-style-type: none"> Increased debt service on authorized Academic Revenue Bonds. 	\$ 0.1	<ul style="list-style-type: none"> No options identified. 	
Human Services - State Hospital-Schools Increased Revenue	The State Hospital-Schools at Glenwood and Woodward are operated on a net budgetary system. This permits the Schools to retain most of the revenues directly in lieu of a greater State appropriation.	<ul style="list-style-type: none"> Due to the reimbursement methodology, the FY 1999 salary adjustment funds added to the State appropriation will result in additional nonstate revenues, decreasing the need for State funding. 	\$ -1.1	<ul style="list-style-type: none"> An undetermined amount of additional nonstate revenues may be available in amounts greater than received in FY 1999. An underestimation of nonstate revenues occurred between FY 1997 and FY 1998 of \$2.0 million. 	

FY 2000 ESTIMATED GENERAL FUND REVENUE AND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Factors (3)	Current Law FY 2000 vs. FY 1999 (4)	Options for Reductions and Other Options (5)	Amount (6)
Inspections and Appeals - Indigent Defense <i>Appropriation</i>	The Indigent Defense Fund is used to pay costs of legal counsel and related defense costs for adult and juvenile clients to insure their constitutional right to effective and legal counsel.	<ul style="list-style-type: none"> • The excess funds appropriated in FY 1999 were in anticipation of a proposed increase in attorney's fees as well as proposed plan to pay all juvenile indigent defense claims up front rather than reimbursing the counties afterward. These proposals did not pass and the money was not spent. 	\$ -1.5	<ul style="list-style-type: none"> • The Legislature will determine the funding level. 	
Natural Resources - Resource Enhancement and Protection (REAP) Fund <i>Standing Limited Appropriation</i>	The REAP Program provides funds for land maintenance, acquisition and development, grants to cities and counties, soil conservation cost share, alternative roadside vegetation, and historical resource grants.	<ul style="list-style-type: none"> • This standing appropriation has not been fully funded in the past. 	\$ -11.0	<ul style="list-style-type: none"> • This item is listed as a built-in increase and an anticipated decrease since this item has never been funded at the standing appropriation amount. 	

APPENDIX C



GLOSSARY OF BUDGET TERMS

Accrual: The basis of accounting under which revenues are recorded when earned and expenditures are recognized in the period in which benefit is derived. It provides for the matching of expense against related revenue.

Allocation: Funds and/or personnel which are apportioned or designated to a function, program, or activity.

Appropriation: A legislative allocation of money for a specific purpose.

75.0% Base Budgeting: A form of modified base budgeting used by the State in which agency managers assume for budgeting purposes that 75.0% of the current appropriation becomes the base for the next fiscal year's budget.

Budget Unit: A predetermined grouping of one or more organizations that indicates an individual entity within a department. There may be one or more budget units within a department. A budget unit generally equals an appropriation made by the General Assembly.

Budgeting for Results: A form of budgeting which ties the appropriation of resources to the outcomes or results expected from a program. A results-oriented performance budget is developed by defining desired program results and determining how many units of the desired outcomes can be achieved with the requested level of funding. Resources are then allocated based on the performance expected. Progress toward meeting the outcomes is tracked and analyzed, and department directors are held accountable for the performance.

Capital Appropriation: An appropriation for long term additions to, or betterment of State property, such as land, buildings, or equipment.

Cost-Of-Living Adjustment (COLA): An annual increase made in the personal services line-item at the start of the fiscal year to take account of increases in the cost-of-living. The adjustment is determined through the collective bargaining process.

Decision Package: An individual request for funding made by a department for personnel, services, equipment, capitals, or other items. Decision packages are either requests to return the budget to 100.0% of the previous year's appropriation from the 75.0% base budget, or new requests for funding, over and above the previous year's appropriation. Decision packages are normally listed in priority order for each budget unit.



Electronic Publishing of Information: A project to provide electronic access to information produced or provided by the Legislative Fiscal Bureau.

Estimated Revenues: A projection compiled by the Revenue Estimating Conference for General Fund receipts.

Expenditures: Disbursements and payables for services rendered and goods received including authorized encumbrances for a specific period.

Estimated Expenditures: A projection compiled according to legislative action, adjusted for salary, cost-of-living, and merit increases.

Family Investment Program (FIP): The Program in Iowa replacing the Aid for Families with Dependent Children (AFDC) Program, also referred to as Welfare. The FIP is administered by the Iowa Department of Human Services and receives federal funding from the Temporary Assistance for Needy Families (TANF) federal block grant.

Federal Fiscal Year (FFY): The 12-month financial period used for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management for the federal government. The fiscal year of the federal government is October 1 through September 30.

Fiscal Year (FY): The 12-month financial period used for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management. The fiscal year of the State of Iowa is July 1 to June 30.

Full-Time Equivalent (FTE) Positions: One full-time equivalent position represents 2,080 working hours, which is the regular number of hours one full-time person works in one fiscal year.

General Fund: The fiscal entity whose receipts are not earmarked for dedicated purposes and which supports the general functions of State government.

Generally Accepted Accounting Principles (GAAP): A method of accounting approved by the Governmental Accounting Standards Board.

Goal: A broad statement of purpose or intended achievement as established by policy makers or program administrators.

Grants and Aids: State money that passes through State departments for local needs.

Item Veto: The action by the Governor voiding a section of an appropriation bill.

Line-Item: A term to describe funds requested and/or appropriated on a detailed or itemized basis (personal services, travel, equipment, or other items).

Merit Increase: The normal pay increase granted at the time of an employee's review date. Currently, a merit increase is the equivalent of one merit step or approximately 4.0% of the employee's salary.

New/Expanded Programs: Departmental requests that are above and beyond current operations of the department.

Objective: A specific statement of intent or action that serves to achieve a stated goal.

Operations: An appropriation of funds for the performance of the normal functions of a department or a division.

Organization: A responsibility center within the management structure of a department.

Performance Measures: Criteria used to assess progress toward objectives in the implementation of a program.

Reversion: Following the close of a fiscal year, all unencumbered or unobligated balances revert to the State treasury and to the credit of the fund from which the appropriation was made.

Revolving Fund: A fiscal entity which has a designated revenue source and specific expenditure purpose, with stipulated State agency access to the fund as required. All balances in a revolving fund typically remain in the fund at the close of the fiscal year for expenditure in the future.

Salary Adjustment: Costs for raises, merit steps, and other expenses associated with a collective bargaining agreement. Because the costs of the collective bargaining agreement are unknown at the time of budget submission, departments do not include these costs in their budgets. An appropriation is made to fund the adjustment costs in an annual Salary Bill.

Salary Annualization: Costs due to merit steps which occur for only part of the first year and require additional funds to fully fund in the second year. For example, if a merit step is given halfway through the fiscal year, the first-year cost to the agency is only one-half the amount the department would incur if the step started on the first day of the fiscal year. The department would incur the entire amount in the second year and request the difference between the first and second year amounts in the budget request.

Standing Limited Appropriation: An appropriation of a specific dollar amount established by the Code of Iowa. An example is the Indian Settlement Officer, Section 331.660, Code of Iowa: "There is appropriated annually from the General Fund of the State to the County of Tama the sum of three-thousand, three-hundred, sixty-five dollars to be used by the County only for the payment . . .".

Standing Unlimited Appropriation: An appropriation made by statute, but no dollar amount is mentioned in the Code of Iowa. An example reads as follows: "There is hereby appropriated out of any funds in the State treasury not otherwise appropriated a sum sufficient to pay for . . .".

Supplemental Appropriation: Additional funds appropriated for the current fiscal year in addition to the original appropriation.

Temporary Assistance for Needy Families (TANF): The federal block grant created by federal Welfare Reform in FFY 1997, allowing states flexibility in welfare programs and instituting a five-year limitation of aid to families. In Iowa, the TANF block grant provides funding for the Family Investment Program (FIP) and other programs supporting FIP recipients.

APPENDIX D

ISSUE REVIEW SERIES

As part of the continuing effort to provide legislative oversight, the staff of the Legislative Fiscal Bureau (LFB) monitors a variety of issues that develop in state agencies. Many of the issues are reported through the *Fiscal Update* newsletter, but some require more detailed review to present sufficient information and some may require legislative action. To meet the need, the LFB developed an *Issue Review* series in 1992, which presents selected issues to members of the General Assembly and the Fiscal Committee. Where appropriate, each paper contains a specific issue topic, a brief background on information related to the topic, the current situation, affected agencies, Code of Iowa authority, alternatives the General Assembly may wish to consider, and budgetary impacts.

The following *Issue Reviews* have been distributed during the 1998 Legislative Session or Interim and are available from the LFB (listed alphabetically).



- An Update of the Case Management Program for FY 1999
- Agricultural Drainage Wells
- Board of Educational Examiners
- Capitol Complex Parking Lot Improvements
- Community Based Corrections
- Community Mental Health Centers
- Death Penalty - Procedures in Other States
- Disability Services and State Cases
- Extension Services at Iowa State University
- Financing Changes to 260E Job Training Program
- Financing Mental Health Services in Iowa
- Highway Funding of the Transportation Equity Act for the 21st Century
- History of Child Welfare Treatment Services Paid by the Medical Assistance Program
- Implementation of the State Children's Health Insurance Program
- Income Tax Simplification
- Industrial Hemp
- Interstate Compact on Nurse Licensure
- Judicial Salaries
- Linked Investments for Tomorrow Program
- Local Option Taxes
- Loess Hills and the National Park System
- Loess Hills Development and Conservation Authority
- Maternal & Child Health Clinics
- Net Budgeting at Department of Human Services Institutions
- Prison Farms
- Prison Industries Private Sector Employment of Inmates
- Pseudorabies Eradication
- Public Health Nursing
- Reading Recovery
- Regents Graduate Study Centers
- Renovation of Facilities on the Capitol Complex
- Review of the Restore the Outdoors Program
- State Children's Health Insurance Program
- State Medical Examiner
- Substance Abuse Treatment and Prevention Programs in Iowa
- The Iowa Plan for Behavioral Health
- The Iowa Tuition Grant Program
- Underground Storage Tank Program Funding
- Unemployment Compensation Trust Fund
- University of Osteopathic Medicine and Health Sciences Primary Care Program
- Update on Excursion Gambling Boats, Pari-Mutuel, and Slot Machines at Racetracks

In addition to the *Issue Review* series, the LFB staff provided the following information at all Fiscal Committee meetings:

- Revenue Update.
- Update of Appropriation Transfers.
- Update of Federal Funds Status.
- Update of Lease Purchase Notifications.
- Update on the activities of the Oversight and Communications Committee.

The LFB provided written information on the following specifically requested topics to the Fiscal Committee (listed alphabetically with month presented in parenthesis):

- Agricultural Economic Outlook (September and November)
- Breakdown of Rebuild Iowa Infrastructure Fund Appropriations (July)
- Capitol Work Group Update (July)
- Cedar Falls Foster Family House Fire Situation (September)
- Child Support Recovery Unit Update (November)
- Department of Education Federal Entitlement and Competitive Grant Programs (September)
- Department of Human Services Grants (November)
- Estimated Reversions and Allocations from the Reversion Technology Fund (June)
- FY 2000 Projected Built-in Funding Increases and Decreases (June and November)
- Gambling Treatment Fund (December)
- Glenwood (Prison Farm) Cattle Sale (August)
- Medicaid Reversions (November)
- Medical Assistance Provision of Viagra (June and July)
- Post Legislative Session Review of Impact of Governor's Vetoes on General Fund, Infrastructure Fund, and Balances in the Cash Reserve and Economic Emergency Funds (June)
- Prison Capacity (July)
- Prison Farms Inventory (December)
- Prison Infrastructure Fund (June)
- Recreational Infrastructure Funding (Stadium Facilities) (July)
- Regents FY 1998 General University Building Repair Expenditures (September)
- Regents Treasurer's Temporary Investment (TTI) Funds - Review of FY 1998 Expenditures for Deferred Maintenance and Renovation (September)
- Replacement Policy, Purchasing Policy, and Inventory of State Vehicles (December)
- School Finance (December)
- State Child Care Assistance Growth (November)
- State Employees - Extra Pay (December)
- State Indebtedness Report (December)
- Storm Damage Update (July)
- Substance Abuse Treatment and Prevention (December)
- Tobacco Settlement (December)
- Update of Mental Health/Property Tax Relief Status (November)
- Update on Tax Interim Committee (December)

The LFB organized and coordinated the following visitations by the Fiscal Committee:

- Newton Correctional Facility on August 26, 1998, to tour the facility and review Department of Corrections issues.
- University of Northern Iowa in Cedar Falls on September 30, 1998, for the following:
 - Review the Board of Regents capitals priority planning process.
 - Tour the campus to review new infrastructure, planned new infrastructure, and deferred maintenance and fire safety needs.

APPENDIX E

ELECTRONIC PUBLISHING OF INFORMATION

The Legislative Fiscal Bureau (LFB) has a series of computer programs to allow legislators and legislative staff on-line access to LFB information. The information which is available includes:

1. A LFB staff directory with access to electronic mail and Committee and Subcommittee assignments.
2. Financial information including:
 - A. Appropriations Tracking - Viewing of appropriations status and amounts.
 - B. Balance Sheet - Viewing the most recent and past balance sheets.
 - C. Taxes and Receipts - Viewing of daily and historical revenue information.
 - D. Monthly Revenue Memo - Viewing of the Monthly Revenue Memo issued the first of each month.
3. Miscellaneous Information and Publications, including:
 - A. Searching and viewing of the Fiscal Update (the weekly LFB newsletter) and *Issue Reviews* published by the LFB.
 - B. Accessing an electronic version of the State Employee Salary Book. The program provides electronic searching capabilities.
 - C. Viewing a repository of miscellaneous information created by the LFB including on-going reports and information.
 - D. Accessing the Department Budget Requests and Governor's Budget Recommendations analysis created by the LFB.
 - E. Viewing the LFB Factbook, which is statistical summary information.
4. Fiscal Notes and Bill Summaries:
 - A. Viewing the executive summaries of Notes on Bills and Amendments (NOBA).

- B. The Fiscal Note System - Accessing the status of written and pending fiscal notes, displaying filed fiscal notes, and viewing a historical index of fiscal notes from past sessions.

Each computer program has a help file which is intended to assist the user in running each of the programs.

The LFB Electronic Publishing of Information operates in the Designer Workbench Mapper mainframe program. Please type the word "Fiscal" and the user will have access to the introductory menu. The button "Fiscal" in the main Computer Support Bureau program "Genmenu" will also access the LFB area.



The Legislative Fiscal Bureau has developed a logo to assist in the location of products associated with the Electronic Publishing of Information. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.

The LFB is continuing development of the Electronic Publishing system during the session and the coming interim. If you have any suggestions, questions, or problems with the computer run or information, please do not hesitate to contact the LFB.

APPENDIX F



STAFF LISTING

LEGISLATIVE FISCAL BUREAU

Dennis C. Prouty, Director
Capitol, Second Floor
281-5279

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
DEPUTY DIRECTOR	Tim Faller	281-4615	Capitol - Room 217
FISCAL ANALYSIS	Holly Lyons	281-7845	Capitol - Room 217
POLICY ANALYSIS	Douglas Wulf	281-3250	Lucas - Room G23
DATABASE	Glen Dickinson	281-4616	Lucas - Room G23
APPROPRIATIONS SUBCOMMITTEES			
ADMINISTRATION & REGULATION			
Auditor	Shawn Snyder	281-6765	Lucas - Room G23
Commerce			
General Services			
Governor			
Management			
Secretary of State	Ron Robinson	281-6256	Lucas - Room G23
Ethics & Campaign Finance Disclosure			
Inspections & Appeals			

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
ADMINISTRATION & REGULATION (Continued)			
Personnel Revenue & Finance State/Federal Relations Treasurer	Ron Robinson	281-6256	Lucas - Room G23
AGRICULTURE & NATURAL RESOURCES			
Agriculture State Fair Authority	Sherry Weikum	281-7846	Lucas - Room G23
Iowa Family Farm Development Authority Natural Resources	Debra Kozel	281-6767	Lucas - Room G23
ECONOMIC DEVELOPMENT			
Economic Development Iowa Finance Authority Iowa Seed Capital Corporation Public Employment Relations Board Workforce Development	Jeff Robinson	281-4614	Capitol - Room 217
EDUCATION			
Board of Regents College Aid Commission	Mary Shipman	281-4617	Capitol - Room 17
Cultural Affairs Education Iowa Public Television	Paige Piper/Bach	281-7942	Lucas - Room G23
HEALTH & HUMAN RIGHTS			
Blind Elder Affairs Governor's Substance Abuse Coordinator	Jennifer Dean	281-4613	Lucas - Room G23
Human Rights Civil Rights Public Health Veterans Affairs	Valerie Thacker	281-5270	Lucas - Room G23

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
HUMAN SERVICES			
Child Support Recovery Children's Health Insurance Program Family Investment Program, Promise Jobs, Food Stamps General Administration Medical Services Temporary Assistance for Needy Families (TANF) Block Grant	Deborah Anderson	281-6764	Lucas - Room G28
Child Care County Based Services Field Operations Foster Care Institutions Juvenile Justice Mental Health/Mental Retardation/Developmental Disabilities Enhanced Services Social Services Block Grant	Sue Lerdal	281-7794	Capitol - Room 217
JUSTICE SYSTEM			
Corrections Iowa Law Enforcement Academy Parole Board Public Defense Indigent Defense/Public Defender Judicial Department Justice Department Public Safety	Dwayne Ferguson	281-6561	Lucas - Room G23
	Christina Schaefer	281-6301	Lucas - Room G23
OVERSIGHT & COMMUNICATION			
Iowa Telecommunications & Technology Commission Technology Investment Account Information Technology Services Year 2000	Douglas Wulf	281-3250	Lucas - Room G23
	Glen Dickinson	281-4616	Lucas - Room G23

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
TRANSPORTATION, INFRASTRUCTURE, & CAPITALS	David Reynolds	281-6934	Lucas - Room G23
WAYS AND MEANS Standing Committees	Larry Sigel Mike Lipsman	281-4611 281-7799	Capitol - Room 217 Capitol - Room 217
EDUCATION STANDING COMMITTEES School Finance	Mike Lipsman	281-7799	Capitol - Room 217
APPROPRIATIONS COMMITTEES	Holly Lyons	281-7845	Capitol - Room 217
DATABASE SUPPORT	David Kair Raymond Knapp Scott Miller	281-3685 281-5335 281-4612	Lucas - Room G23 Lucas - Room G23 Lucas - Room G23
ADMINISTRATIVE STAFF	Sandra Laust Charlotte Mosher Nicole Navara	281-4594 281-5279 281-6766	Capitol - Room 217 Capitol - Room 217 Lucas - Room G23