FISCAL UPDATE February 9, 1998

Legislative Fiscal Bureau (515) 281-5279 FAX 281-8451

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **IN THIS ISSUE:** | Appropriations Subcommittees: | Appropriations Subcommittees (cont.): |
|  | Administration & Regulation, pg. 1 | Trans, Infrastructure, & Capitals, pg. 9 |
|  | Agriculture & Natural Resources, pg. 2 | Allowable Growth for Schools, pg. 9 |
|  | Economic Development, pg. 2 | Federal Block Grant Bill, pg. 10 |
|  | Education, pg. 3 | Oil Overcharge Appropriations Bill, pg. 11 |
|  | Health & Human Rights, pg. 3 | Board of Regents Lease Purchase, pg. 12 |
|  | Human Services, pg. 4 | December Prison Population, pg. 12 |
|  | Justice System, pg. 6 | Child Care Monthly Usage Report, pg. 13 |
|  | Oversight & Communications, pg. 8 | Weekly Medical Assistance Program, pg. 15 |

Administration and Regulation Appropriations Subcommittee



**Admin./Regulation Sub.** The Administration and Regulation Appropriations Subcommittee met February 3. Linda Hanson, Director, presented the Department of Personnel’s budget for FY 1999. The Department is requesting $11.0 million from the General Fund and 157.5 FTE positions, an increase of $887,000 (8.8%) and 3.0 (1.9%) FTE positions compared to estimated FY 1998. The Governor is recommending $10.3 million and 157.5 FTE positions.

**IPERS Revolving Fund** The Department is also requesting $5.2 million and 70.0 FTE positions from the Iowa Public Employee Retirement System (IPERS) Revolving Fund, an increase of $467,000 (10.0%) and no change in FTE positions compared to estimated FY 1998. The Governor is recommending $5.0 million and 70.0 FTE positions. Ms. Hanson also discussed the Deferred Compensation Program.

**Vacation Pay-Outs** On February 4, the Departments of Management and Personnel met with Committee members to discuss vacation and sick leave benefits. The Department of Personnel provided information on vacation pay-outs. Vacation pay-out occurs each fiscal year on June 1 when an employee with a balance of 160 or more hours of accrued leave may receive payment for up to 40 hours of their accrued annual leave. The following are vacation pay-outs for FY 1995, FY 1996, and FY 1997:

* FY 1995: 1800 participants, $1.2 million
* FY 1996: 1000 participants, $750,000
* FY 1997: 1300 participants, $916,000

**Revenue & Finance** On February 5, Gerald Bair, Director, and Michael Flaherty, Administrator of the State Financial Management Division, gave a tour of the Department of Revenue and Finance to demonstrate the process of handling taxpayer paper returns and remittances.

STAFF CONTACT: Carolyn India Black (Ext. 16765) Paige Piper/Bach (Ext. 14613)

Agriculture and Natural Resources Appropriations Subcommittee



**Agric./Natural Res. Sub.** The Agriculture and Natural Resources Appropriations Subcommittee met February 3, 4, and 5.

* On February 3, Larry Wilson, Director of the Department of Natural Resources, discussed problems of municipal sewage disposal and the establishment of the Water Analysis Network. The Water Analysis Network is a study of the possible impacts on surface water and groundwater from livestock confinement feeding operations.
* On February 4, Lou Honary from the Department of Industrial Technology, University of Northern Iowa, discussed the research and development of soy hydraulic oil and grease.
* On February 5, Mark Carrier, Administrator of the Parks and Preserves Division, Department of Natural Resources, discussed the history and current uses of funds for the Parks Program.

STAFF CONTACT: Sherry Weikum (Ext. 17846) Deb Kozel (Ext. 16767)

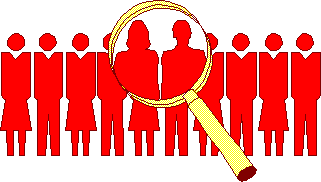
Economic Development APPROPRIATIONS Subcommittee



**Econ. Development Sub.** The Economic Development Appropriations Subcommittee met February 3, 4, and 5. On February 3, Larry Tuel, Executive Director of the Iowa Housing Corporation, responded to questions from the Subcommittee concerning a recent Attorney General’s Opinion. The Opinion raised doubts as to the method by which the Corporation was created and the Corporation’s independence from Legislative control. Mr. Tuel will return on February 10 to respond to additional Subcommittee questions.

**Workforce Dev. Programs** On February 4, Department of Workforce Development Director Cynthia Eisenhauer briefed the Subcommittee on Promise Jobs, Welfare-to-Work, and Customer Tracking issues. The Department operates the federal Promise Jobs Program through a contract with the Department of Human Services. Welfare-to-Work is a new federal program to help remove long-term welfare recipients from the welfare rolls. Customer Tracking is a recent technology initiative to provide a common intake system for persons seeking assistance from several State agencies and State programs.

**SBA Proposal** On February 5, James Thomson, District Director of the U.S. Small Business Administration (SBA), briefed the Subcommittee on a proposal to make the SBA loan guaranty fee a State tax credit against the future tax liability of the small business.



**Workforce Recruitment** Members of the Department of Economic Development’s Human Resource Marketing Advisory Group reviewed recommendations, experiences, and problems related to workforce recruitment in Iowa. Members of the Group offering testimony were:

* Mary O’Keefe - Principal Financial
* Tom Hobson - Rockwell International
* Jamie Wade - Engineering Animation
* Dee Baird - Cedar Rapids Chamber of Commerce

**Tone’s Inc.** Rob Anderson, Human Resource manager for the Ankeny Tone’s plant, related his company’s experience with the Department of Workforce Development when recruiting workers during a recent plant expansion. Working through the regional Workforce Development Center and the Des Moines Area Community College, Tone’s Inc. hired over 400 new employees.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Education Appropriations Subcommittee

**Education Subcom.** The Education Appropriations Subcommittee met the week of February 2 and conducted the following business:

* February 4: Heard from representatives regarding the Listening Curriculum being used in the Sioux City School District, in cooperation with the Iowa Business Council and the Sioux City Chamber of Commerce.
* February 5: Heard from representatives regarding:
* The Initiative for the Health and Independence of Elderly Iowans at the University of Iowa.
* The Reading Recovery Program.

**Food, Fiber Program** On February 3, some members of the Subcommittee met informally and heard from representatives of the Agricultural Committee of the Iowa Business Council regarding the Food, Fiber, and Environmental Science Program.

**More Information** Additional information is available upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794) Mary Shipman (Ext. 14617)

HEALTH AND HUMAN RIGHTS APPROPRIATIONS SUBCOMMITTEE

**Health/Human Rights** The Health and Human Rights Appropriations Subcommittee met February 4 and 5.

**Dept. of Elder Affairs** On February 4 and 5, Betty Grandquist, Director of the Department of Elder Affairs, presented the Department’s budget request for FY 1999. The Department of Elder Affairs is requesting $5.1 million from the General Fund and 28.0 FTE positions, an increase of $870,000 (20.6%) and no change in FTE positions compared to estimated FY 1998. The Governor is recommending $4.7 million from the General Fund and 28.0 FTE positions, an increase of $507,000 (12.1%) and no change in FTE positions compared to estimated FY 1998.

**B**udgeting

**F**or

**R**esults

**BFR - Elder Affairs** Ms. Grandquist reviewed the Department’s Budgeting for Results material. She responded to questions concerning Case Management, Advocacy and Information, Housing Alternatives, background checks for in-home service providers, consumer protection, Assisted Living, and Healthy Aging.

**Bid Selection Process** On February 4, representatives of the Department of General Services appeared before the Subcommittee to respond to questions regarding the process of bid selection. Dave Ancell and Ken Paulsen answered questions regarding the process of contracting for housekeeping and dietary services at the Iowa Veterans Home. Discussion focused on the content of the request for proposal, the involvement of, and recognition of AFSME concerns, the hiring process of new contractors, and the evaluations of bids received.



**Criminal Juvenile Justice** On February 5, Dick Moore, Division Administrator for Criminal and Juvenile Justice, presented the Division’s budget request for FY 1999. The Division is requesting $398,000 from the General Fund and 8.6 FTE positions for Criminal and Juvenile Justice, which is no change compared to estimated FY 1998. The Division is requesting $1.8 million from the General Fund and 2.32 FTE positions for the Community Grant Fund, an increase of $194,000 and no change in FTE positions compared to FY 1998.

**Gov.'s Recommendation** The Governor is recommending $398,000 from the General Fund and 8.6 FTE positions for Criminal and Juvenile Justice, which is no change compared to estimated FY 1998. The Governor is recommending $1.6 million from the General Fund and 2.3 FTE positions for the Community Grant Fund, which is no change compared to FY 1998.

**Subcomm. Discussion** Mr. Moore responded to questions and advised that local DARE programs can apply for funding from the Community Grant Fund. Mr. Moore was asked to return on February 10 to continue the discussion.

STAFF CONTACT: Ron Robinson (Ext. 16256) Valerie Thacker (Ext. 15270)

Human Services Appropriations Subcommittee



**Group Foster Care**  The Human Services Appropriations Subcommittee met February 4. Mary Nelson of the Department of Human Services (DHS) and Marilyn Lantz of the Attorney General’s Office jointly reported on issues discussed by a group of stakeholders concerning the September 1997 Supreme Court Ruling on group foster care. The Ruling defined issues of finite resources, lack of consistent criteria and due process for group care admissions, and separation of powers, stating that the Legislature could not require the Judicial Branch to participate in expenditure limitation decisions. The stakeholders’ discussions included the following options:

* Remove the bed or expenditure cap on group foster care and increase appropriations.
* Develop a method of utilization review guidelines to help control access to the system. This option suggested a multi-disciplinary team to make a treatment recommendation to the court.
* Delineate roles of the Juvenile Court Officers and Judges to address separation of powers issues.
* Develop an exit strategy, suggesting more frequent reviews of children in placements to encourage an earlier discharge when appropriate.
* Narrow the pool of children in group foster care, suggesting separating children with mental retardation from the remainder of children in group foster care.

**Group Foster Care Caps** The Subcommittee members discussed group foster care caps and utilization as presented in the following table:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | |  |  | |  | |  | |
|  | Fiscal Year | |  | Bed / State  Expenditure Cap | |  | | Placements | |
|  | 1988 |  |  | - |  | |  | | 1,480 |
|  | 1989 |  |  | - |  | |  | | 1,547 |
|  | 1990 |  |  | - |  | |  | | 1,531 |
|  | 1991 |  |  | - |  | |  | | 1,656 |
|  | 1992 |  |  | - |  | |  | | 1,576 |
|  | 1993 |  |  | 1,405 |  | |  | | 1,393 |
|  | 1994 |  |  | 1,305 |  | |  | | 1,096 |
|  | 1995 |  |  | 1,305 |  | |  | | 1,109 |
|  | 1996 |  |  | 1,220 |  | |  | | 1,028 |
|  | 1997 |  |  | $23.6 million (1,078 Beds) |  | |  | | 968 |
|  | 1998 |  |  | $29.2 million (1,116 Beds) |  | |  | | 994 est |
|  | 1999 | Gov Rec |  | $29.8 million (1,141 Beds) |  | |  | |  |

**Group Foster Care Caps and Utilization**



**Ending Balances** The Subcommittee received presentations concerning plans for spending ending balances in Decategorization counties, including:

* Matt Madsen, Decat Coordinator, Pottawatamie County
* Patricia Russman, Decat Coordinator, Mills, Montgomery, & Cass Counties
* Priscilla Smith, Decat Coordinator, Scott County

**Savings** All Coordinators present demonstrated savings from local allocation of resources for child welfare services within Decategorization budgets and redirection of the savings to prevention and early intervention efforts.

**County Concerns** Representatives from the Iowa Juvenile Detention Association, Iowa State Association of Counties, and the Iowa County Attorneys Association presented county concerns about State contributions to juvenile detention costs. The LFB presented data through January 22, 1998, on DHS collections dedicated to county juvenile detention costs.

**PMIC’s** LFB staff presented information on Psychiatric Medical Institutions for Children (PMIC), including historical funding allocations and actual expenditures for PMIC, and the DHS’s reallocation of the PMIC budget line to fund budget shortfalls in group foster care and to supplement lower than anticipated federal financial participation in child welfare.



**Adult, Children, & Fam. Serv.** Mary Nelson, Division Administrator for Adult, Children, and Family Services, discussed budget initiatives within the Division and three major outcomes the Division is prioritizing, including child safety, permanency, and public safety. Ms. Nelson also discussed the budget process, the allocation formula for child welfare dollars to the regions, and child care goals of increased quality and access. The Division of Adult, Children, and Family Services is requesting $127.7 million from the General Fund and 343.5 FTE positions, a decrease of $18.6 million (12.7%) and an increase of 21.75 FTE positions (6.8%) compared to estimated FY 1998. The Governor is recommending $127.0 million and 347.5 FTE positions.

**Mental Health Issues** The Subcommittee met February 5 and discussed mental health issues. Victor Elias and Karon Perlowski of the Child and Family Policy Center presented the preliminary Mental Health Work Group Recommendations addressing county mental health concerns of adults aged 21-64 at Mental Health Institutions, State Cases, and Dual Diagnosis payment responsibility.

**Property Tax Relief** LFB staff presented a history of the Property Tax Relief Fund, county expenditure comparisons, mental health fund budgeted ending balances, revenue sources to county community mental health services funds, and code language sections relevant to property tax relief. County expenditure reports distributed at the meeting indicated that county mental health expenditures decreased by $7.0 million (3.7%) from FY 1996 to FY 1997. Total FY 1997 county mental health expenditures were $32.7 million (15.3%) below the $214.4 million expenditure limitation. The members discussed the issues of calculation of the State share of mental health funding, elements of determining growth, service equity across counties, and development of a risk pool for counties with extreme and unpredicted financial pressures.

STAFF CONTACT: Deb Anderson (Ext. 16764) Margaret Buckton (Ext. 17942)

Justice System Appropriations Subcommittee

**Justice System Sub.** The Justice System Appropriations Subcommittee continued its examination of the budget request and related issues for the Department of Corrections and heard the request from the Judicial Branch during the week of February 2.



**Dept. of Corrections Department of Corrections:** The Governor recommended $212.1 million from the General Fund and 3,765.8 FTE positions for the Department of Corrections for FY 1999. This is an increase of $14.2 million (7.2%) and 222.4 (6.3%) FTE positions compared to estimated FY 1998. The issues addressed include:

* The Pay-for-Stay Program: FY 1998 revenues for the Community-Based Corrections District Departments are projected to exceed budget by $163,000 (34.8%). Revenues from institutional fees charged FY 1998 to inmates are projected to fall short by $17,000 (5.5%). The FY 1998 revenues from inmates employed in private sector jobs are projected to fall short of the $511,000 budget by $221,000 (43.2%). The Governor’s FY 1999 recommendation increases the budget for revenues from private sector jobs by $1.3 million (254.4%) and provides an offsetting reduction in the General Fund recommendation.



* The University of Northern Iowa Criminal Justice Research Program: Professor Gene Lutz described the research process and commented on reports completed and underway.
* Prison Farms: Roger Baysden, Director for Prison Industries, discussed the operations, plans, and needs of the prison farms. The Subcommittee emphasized that the farms should not rely on traditional farming practices, but should be innovative and take advantage of the large supply of low-cost inmate labor.
* Prison Industries: Mr. Baysden discussed product lines and the market for Prison Industries products. Prison Industries has a major responsibility for developing private sector jobs for inmates.



**Judicial Branch** J**udicial Branch:** The Judicial Department is requesting a total of $106.9 million from the General Fund and 2,045.1 FTE positions for FY 1999. This is an increase of $5.5 million (5.4%) and 48.8 (2.5%) FTE positions compared to estimated FY 1998. Justices Lavorato and Carter presented the budget. Highlights of the requests for increases include:

* Funding positions from the General Fund that were previously funded from the Enhanced Collections Fund and the Court Technology and Modernization Fund.
* An increase of $2.2 million and 35.3 FTE positions for Clerk of Court positions and other support staff.
* An increase of $959,000 for program staffing for the Juvenile Court and juvenile programs.
* Other issues discussed include:
* The progress in filling the Court Planning Coordinator position and the function to be filled by the planner.
* Why one-fourth to one-third of the counties do not collect the D.A.R.E. Surcharge. A modification to the legislation to improve the collection process was identified by the Subcommittee.
* Purchase of furniture from Prison Industries.
* Implementation of the Iowa Court Information System (ICIS), technology needs, and training and support for users in the Clerks of Courts Offices.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) Darlene Kruse (Ext. 16301)

Oversight and Communications Appropriations Subcommittee

**Oversight & Comm. Sub.** The Oversight and Communications Appropriations Subcommittee met February 4 and 5.



**ICN Presentations** On February 5, the Subcommittee heard a presentation from Harold Thompson, Chief Operating Officer of the Iowa Communications Network (ICN). Mr. Thompson discussed the Governor’s recommendation to provide $4.0 million for the first year of a transition of the ICN to new Asynchronous Transfer Mode (ATM) technology. The Governor’s recommendation is to fund this request and other large technology requests through a Technology Initiatives Account funded with75.0% of the General Fund reversions for FY 1998.

**New Technology** The new technology would allow the ICN to increase capacity of classrooms that could be connected at any one time from approximately 500 to nearly 2,000. This would be accomplished by creating fiber loops and utilizing laser optics that could travel either direction around a loop to reach the classroom. The total projected cost for this transition is approximately $23.0 million, of which $7.0 million is currently available in the ICN budget for FY 1998 to be used to replace optics. Mr. Thompson noted that instead of purchasing the existing one-way laser optics, the new ATM switches and optics would be purchased for one area of the State this year and conversion of the entire system would take about three years. Total new funding needed (excluding funding available in the FY 1998 appropriation) would be $16.0 million over the next three years.



**Year 2000**

**Other Presentations** On February 6, the Subcommittee heard a presentation and discussed the following:

* Cynthia Eisenhauer, Director, Department of Workforce Development, discussed the efforts of the Department to identify and resolve Year 2000 Computer problems. Ms. Eisenhauer also reported that the Department had received $4.5 million in federal funds for the Year 2000 problem.
* Staff of the LFB provided information related to :
* Budget decision packages on the ICN request for video subsidization and the Iowa Public Television (IPTV) request for funding to support Regional Technology Councils, support for K-12 video classrooms, and for spare parts for inventory.
* Federal General Services Administration (GSA) IowAccess Projects.
* Governor’s recommendation of projects to be funded through the Technology Initiatives Account.
* Reengineering Project requests and funding.

STAFF CONTACT: Douglas Wulf (Ext. 13250) Glen Dickinson (Ext. 14616)

Transportation, Infrastructure, and Capitals Appropriations Subcommittee

**Tran., Infra., & Capitals** The Transportation, Infrastructure, and Capitals Appropriations Subcommittee met February 3 - 5.

**DED & Business Devel.** The Subcommittee heard a presentation from the Department of Economic Development (DED) on the importance of transportation on business development and state economic development. Much of the presentation was focused on the importance of completing the construction of Highway 20 to four lanes to assist with business development in western Iowa.

**Black Officers’ Memorial** The Subcommittee heard a presentation from Robert Morris of Fort Des Moines Black Officers Memorial, Incorporated. The organization is proposing to construct a memorial honoring the U.S. Army’s first school for African-American officer candidates at Fort Des Moines during World War I. The organization is requesting $250,000 in state funding to help fund the construction, which is estimated to cost between $3.0 million and $6.0 million.

STAFF CONTACT: David Reynolds (Ext. 16934)

Senate Passes Allowable Growth for Schools



**SF 2094 - Allowable Growth** On February 3, the Senate passed SF 2094, which establishes a State percent of growth (Allowable Growth) for the purposes of the State School Foundation Formula at 3.0% for FY 2000. This increases the State cost per pupil by $120, to $4,133. Each district’s cost per pupil will also increase by $120.

**Fiscal Impact - FY 2000** Senate File 2094 is estimated to increase FY 2000 State support of local school districts by $57.7 million (3.6%) and property tax support of local school districts by $25.6 million (3.0%), compared to estimated FY 1999. Contact LFB for assumptions.

**FY 1999 Growth Rate** The FY 1999 allowable growth rate of 3.5% was set in the 1996 Session. State aid is estimated to increase by $62.0 million (4.0%) and property taxes by $32.9 million (4.0%) for FY 1999, compared to estimated FY 1998.

**District Estimates** FY 1999 and FY 2000 estimates are available by district from the LFB. However, statewide assumptions are applied to each district to generate a statewide estimate. The statewide assumptions may not be appropriate for an individual district.

STAFF CONTACT: Jon Studer (Ext. 17799)

Block Grant passes House Appropriations Committee



**Fed. Block Grant Bill** On February 4, the House Appropriations Committee passed LSB 3130, the Federal Block Grant Bill. The Bill appropriates $136.8 million of federal block grant funds, a decrease of $984,000 (0.7%) compared to FY 1998. The Bill appropriates:

* $11.9 million to the Department of Public Health for the Substance Abuse Block Grant.
* $2.7 million to the Department of Human Services for the Community Mental Health Services Block Grant.
* $6.9 million to the Department of Public Health for the Maternal and Child Health Services Block Grant.
* $2.1 million to the Department of Public Health for the Preventive Health and Health Services Block Grant.
* $5.8 million to the Office of the Governor for the Drug Enforcement and Abuse Prevention Coordinator for the Drug Control and System Improvement Block Grant.
* $1.6 million to the Office of the Governor for the Drug Enforcement and Abuse Prevention Coordinator for the Stop Violence Against Women Block Grant.
* $380,000 to the Office of the Governor for the Drug Enforcement and Abuse Prevention Coordinator for the Local Law Enforcement Grant Program.
* $237,000 to the Office of the Governor for the Drug Enforcement and Abuse Prevention Coordinator for the Residential Substance Abuse Treatment for State Prisoners Formula Grant.
* $5.3 million to the Department of Human Rights for the Community Services Block Grant.
* $30.4 million to the Department of Economic Development for the Community Development Block Grant.
* $18.1 million to the Department of Human Rights for the Low-Income Home Energy Assistance Block Grant.
* $24.7 million to the Department of Human Services for the Social Services Block Grant.
* $26.5 million to the Department of Human Services for the Child Care and Development Fund.

|  |  |  |  |
| --- | --- | --- | --- |
| Department of Ag. & Land Stewardship |  | | Department of Human Services |
| Department for the Blind |  | | Department of Inspections & Appeals |
| Iowa State Civil Rights Commission |  | | Iowa Telecommunications and Technology Commission |
| College Student Aid Commission |  | | Judicial Department |
| Department of Corrections |  | | Department of Justice |
| Department of Cultural Affairs |  | | Department of Natural Resources |
| Department of Economic Development |  | | Department of Public Defense |
| Department of Education |  | | Department of Public Health |
| Department of Elder Affairs |  | | Department of Public Safety |
| Department of Workforce Development |  | | State Board of Regents |
| Department of Human Rights |  | Department of Transportation | |



**Departments Affected** LSB 3130 also provides the mechanism for State agencies to receive $2.2 billion in federal and nonstate funds based upon the purposes set forth in the grants, receipts, or conditions accompanying the funds, unless otherwise provided by law. The departments and agencies listed to receive federal and nonstate funds include:

STAFF CONTACT: Valerie Thacker (Ext. 15270) Ron Robinson (Ext. 16256)

HSB 547 Oil overcharge Passes House Appropriations



**HSB 547 - Oil Overcharge** The House Appropriations Committee passed HSB 547 (Oil Overcharge Appropriations Bill) on February 4. The Bill appropriates petroleum overcharge funds for FY 1999 to the Department of Human Rights, the Department of Natural Resources, and the Department of Transportation. The Bill:

* Appropriates $700,000 to the Department of Human Rights for qualifying energy conservation programs for low-income housing. This maintains the current level of funding.
* Appropriates $115,000 to the Department of Natural Resources for energy conservation and extension purposes. This maintains the current level of funding.
* Appropriates $200,000 to the Department of Natural Resources for administrative functions. This is a decrease of $50,000 compared to the FY 1998 appropriation.
* Appropriates $725,000 to the Department of Transportation for deposit into the Intermodal Revolving Loan Fund established with funds previously from the Exxon Account. The Intermodal Revolving Loan Fund will remain in existence until June 30, 2019.
* Requires the dissolution of the Energy Fund Disbursement Council on June 30, 2003. Any remaining funds will be disbursed by the Department of Natural Resources. The Department of Transportation will report to the Department of Natural Resources on the status of the Intermodal Revolving Loan Fund.

STAFF CONTACT: Deb Kozel (Ext. 16767)

Board of Regents Lease Purchase Notification



**Lease Purchase - ISU** The Board of Regents submitted a lease purchase notification, in accordance with Section 8.46, Code of Iowa, for the purchase of a scoreboard and video display system for Hilton Coliseum at Iowa State University (ISU). The total cost of the project is estimated at $1.2 million. Of this, $900,000 is being financed through a lease purchase agreement and $351,000 will be provided by private sponsors.

**Total Cost** The total cost of the lease purchase is estimated at $1.0 million. This includes $900,000 in principal and $140,000 in interest at a rate of 5.0% for a period of five years. Annual debt service payments will total approximately $208,000 and will be paid from advertising revenues.

STAFF CONTACT: David Reynolds (Ext. 16934)

Prison Population Exceeds 7,000 in December



**Prison Population** On December 27, 1997, the Iowa prison inmate population reached a new high of 7,014. During the first six months of FY 1998, 377 inmates were added to the prison system. If the prison population continues to grow at the same rate during the second half of FY 1998, enough inmates will be added to the system this year to fill the new 750-bed prison that opened in July at Newton. The following table shows the distribution of inmates among Iowa prisons.



**Pop. Decrease/Male Inst.** The effects of opening the Newton prison can be seen in the decreased inmate populations at the male prisons. Anamosa has shown the greatest decrease with a reduction of 222 inmates. The Mount Pleasant and Fort Madison populations were reduced by 90 and 53 inmates, respectively.

**Mitchellville** The women’s prison at Mitchellville continued to be the most overcrowded, operating at 266.5% of design capacity. The Governor has proposed converting 100 mental health institution beds to special needs prison beds for women at Mount Pleasant for FY 1999. Another 200-bed facility is being designed for Mitchellville and will open after FY 1999. With these two additions, overcrowding for women should be reduced to less than 120.0% in the next two to three years.



**Other States** At current rates of growth and the addition of the new Fort Dodge prison and the 100 beds at Mount Pleasant, overcrowding will be reduced to approximately 135.0% of design capacity by January 1999. As a reference, on January 1, 1997, the national average for prison overcrowding was 114.7% of design capacity, according to The Corrections Yearbook 1997. On that date, eleven states (including Iowa) had inmate overcrowding exceeding 135.0% of design capacity.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) Darlene Kruse (Ext. 16301)

CHild Care Monthly Usage Report



**Child Care Assistance** The following table details a chronology of usage, cost per child, and eligibility criteria for the State Child Care Assistance Program. The Department of Human Services currently anticipates a monthly caseload growth of 340 children per month and a monthly average cost of $296 per child. The fiscal year average data is shaded for comparison.



**Child Care Historical Usage**

**FY 1993 through January 1997**

**Expenditures Monitored** The Legislative Fiscal Bureau will continue to monitor caseload growth and expenditures of the State Child Care Assistance Program, including the potential use of a waiting list as predicted by the DHS, effective October 1, 1999. The DHS waiting list prediction is based on a caseload growth of 340 cases per month. The FY 1998 activity through January has experienced an average caseload growth of 269 cases per month.

STAFF CONTACT: Margaret Buckton (Ext. 17942) Deb Anderson (Ext. 16764)

Weekly Medical Assistance Program Expenditures in the Department of Human Services



**Medical Assistance** For the week ending February 2, FY 1998 General Fund expenditures for the Medical Assistance Program in the Department of Human Services were $3.7 million (94.8% of budget). This is $203,000.0 below the weekly budget established by the Department. Year-to-date Medical Assistance General Fund expenditures are $200.0 million, which is $5.2 million (2.7%) above the amount budgeted for the fiscal year-to-date.

**Expenditures Monitored** The LFB will continue to monitor Medical Assistance Program expenditures and will provide regular updates to members of the General Assembly. More information is available from the Fiscal Bureau.



STAFF CONTACT: Margaret Buckton (Ext. 17942)