FISCAL UPDATE April 5, 1999

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 Status of Appropriations Bills

| **Appropriations Subcommittee Bills** |
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| **Appropriations Subcommittee** |  | **LSB/File #** |  | **Status** |
| Admin./Regulation |  | SF 460 |  | Passed Senate on March 25. |
| Ag./Natural Resources |  | HF 746 |  | Passed House Approps. on March 25. |
| Economic Development |  | HF 745 |  | Passed House on March 31. |
| Education |  | SF 464 |  | Passed Senate Approps. on March 30. |
| Health/Human Rights |  | HF 737 |  | Passed House on March 25. |
| Human Services |  | HF 760 |  | Passed House Approps. on March 29. |
| Justice System |  | SF 468  |  | Passed Senate Approps. on April 1. |
| Oversight & Comm. |  | LSB 3396 |  | Bill passed Joint Subcommittee on March 30. Bill starts in House. |
| Trans., Infrastruc- ture, & Caps. |  | SF 424 |  | Transportation Appropriations Bill passed Senate on March 17. In House Approps.Infrastructure Bill in Joint Subcommittee. Bill starts in House. |

| **Other Appropriations Bills** |
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| **Subject** |  | **File #** |  | **Status** |
| DOT Administration - Nonreversion |  | SF 76 |  | Passed Senate on March 23. |
| Battle Flag Commission - $50,000 GF |  | SF 166 |  | Passed Senate Approps. on March 10. On Senate calendar.  |
| Teacher Mentoring - $300,000 GF  |  | SF 232 |  | Passed House Education on March 18. Referred to House Approps. |
| Fed. Block Grant  |  | SF 283 |  | Signed by the Governor on March 31. |
| FY 1999 Supple- mental $2.9 mil GF |  | SF 430 |  | Passed Senate on March 16. In House Approps. |
| Embedded Chip Supplemental |  | SF 366 |  | Passed Senate on March 15. In House Approps. |
| Substance Abuse/Sexual Abuse (Meth Bill) $3.3 mil GF |  | SF 361 (substituted for HF 514) |  | Ready to be enrolled and sent to the Governor.  |
| National Guard Tuition Assistance |  | SF 461 |  | Passed Senate Approps. on March 25. On Senate calendar. |
| Oil Overcharge |  | HF 332 |  | Signed by the Governor on March 31. |
| Early Intervention (Education Agreement)  |  | HF 743 |  | Passed Senate on March 31. Ready to be enrolled and sent to the Governor. |
| Recruiting Our Own Targeted Students (ROOTS) Forgivable Loan Prg. |  | HF 756 |  | Passed House Approps. on March 24. |
| Teacher Shortage Forgivable Loan Prg. $250,000 GF  |  | HF 759 |  | Passed House Approps. On March 20. On House calendar. |

STAFF CONTACT: Holly Lyons (Ext. 17845)

ECONOMIC DEVELOPMENT APPROPRIATIONS BILL – HF 745 amended and passed by the house



**HF 745 – Econ. Develop.** On March 31, the House amended and passed the FY 2000 Economic Development Appropriations Bill (HF 745). The Bill as amended appropriates $42.5 million from the General Fund and 1,318.9 FTE positions to the Department of Workforce Development, Department of Economic Development, Public Employment Relations Board, and several programs at Board of Regents institutions. This is an increase of $814,000 (2.0%) and 12.8 (1.0%) FTE positions compared to the estimated FY 1999 appropriations. Changes made to the Bill by the House include:

1. A General Fund increase of $129,000 and 3.5 FTE positions to restore funding for positions funded at least in part by the General Fund that have remained vacant for 12 months or longer.
2. A General Fund increase of $350,000 for the Iowa Manufacturing Technology Center at Iowa State University to expand the Center’s outreach programs.
3. A General Fund increase of $37,500 for the Institute of Decision Making at the University of Northern Iowa to expand the Institute’s laborshed surveys.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Education Appropriations Subcommittee Bill – SF 464 Approved by Senate Appropriations Committee

#### FY 2000

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**SF 464 – Education Approps.** The Senate Appropriations Committee passed SF 464 (formerly SSB 1206) on March 30. The Bill appropriates a total of $917.3 million and 17,350.0 FTE positions from the General Fund. This is an increase of $20.6 million (2.3%) and 73.9 (0.4%) FTE positions compared to estimated FY 1999.

**Significant Funding** Significant funding and language in the Bill include:

**College Student Aid *College Student Aid Commission***

1. Makes a new General Fund appropriation of $250,000 for the Teacher Shortage Forgivable Loan Program. The standing appropriation of $90,000 for the Industrial Technology Forgivable Loan Program is eliminated in Section 22 of this Bill. This is a net increase of $160,000 compared to the estimated FY 1999 appropriation.



1. Allows funds appropriated for the National Guard Tuition Assistance Program to carryover from FY 1999 to FY 2000.
2. Increases the appropriation for the Tuition Grant Program by $3.0 million compared to the estimated FY 1999 appropriation. This will allow for an increase in the maximum tuition grant from $3,650 to $3,900 and will assist approximately 12,300 students.
3. Increases the appropriation for the State of Iowa Scholar Program by $24,000 compared to the estimated FY 1999 appropriation. This Program provides a $400 scholarship to graduating seniors in the top 10.0% of their class. This increase will allow full funding of the expected increase in qualified candidates.
4. Increases the appropriation for the Vocational-Technical Tuition Grant Program by $238,000 compared to the estimated FY 1999 appropriation.

**Cultural Affairs *Department of Cultural Affairs***



1. Increases the appropriation for the Iowa Arts Council by $100,000 compared to the estimated FY 1999 appropriation. The increase is for the Operational Support Grants Program and the Access Iowa Arts Program.
2. Increases the appropriation for the Historical Division by $25,000 compared to the estimated FY 1999 appropriation to annualize funding for an archivist to process records, including papers from the Branstad administration.
3. Increases the appropriation for the Local Arts Comprehensive Educational Strategies (LACES) Program within the Department of Cultural Affairs by $50,000 compared to the estimated FY 1999 appropriation.

**Dept. of Education *Department of Education***

1. Increases the appropriation for the Administration Division by $28,000 compared to the estimated FY 1999 appropriation for support of the teacher licensure imaging system.
2. Increases the appropriation for the Division of Vocational Rehabilitation by $100,000 compared to the estimated FY 1999 appropriation to increase State share of funding to fully match federal funds.



1. Increases the appropriation for the State Library by $60,000 compared to the estimated FY 1999 appropriation for the Open Access Program.
2. Adds a new appropriation of $800,000 for a one-year Enrich Iowa Library program to provide grants to local libraries.
3. Increases the appropriation for the Regional Library System by $100,000 compared to the estimated FY 1999 appropriation to fund salaries.
4. Increases the appropriation for Iowa Public Television by $195,000 to begin the transition to digital television.
5. Increases the appropriation for deposit in the Iowa Empowerment Fund by $5.2 million compared to the estimated FY 1999 appropriation.
6. Increases the appropriation for community colleges by $6.2 million compared to the estimated FY 1999 appropriation.
7. Permits the Board of Educational Examiners to retain up to 85.0% of any increase in license fees for expenditures relating to Board duties.
8. Requires the State Board of Education to include reading programs within the practitioner preparation programs (teacher preparation) at higher education institutions.



* Creates allocations from the Educational Excellence standing appropriation for FY 2000 as follows:
1. $50,000 for the Geography Alliance.
2. $1.3 million for the New Iowa Schools Development Corporation (NISDC).
3. $150,000 to Iowa Public Television for overnight block feeds.
4. $1.0 million for the issuance of national board certification awards to teachers.
5. $50,000 for participation in the national assessment of education progress.
* $50,000 for the Iowa Mathematics and Science Coalition.

**Board of Regents *Board of Regents***



* University of Iowa
1. Increases the appropriation for the University of Iowa (SUI) general university operating budget by $1.6 million compared to the estimated FY 1999 appropriation for: building repair ($300,000), opening the Biology Building ($200,000), undergraduate education ($600,000), biosciences ($100,000), arts and humanities ($100,000), and natural science faculty ($300,000).
2. Increases the appropriation for the SUI Hospital School by $200,000 compared to the estimated FY 1999 appropriation. The increase is to include funding for the Creative Employment Options university-affiliated program.
3. Eliminates the appropriation of $200,000 for the SUI Creative Employment Options university-affiliated program. This item is rolled into the Hospital School appropriation.
4. Increases the appropriation for the SUI Specialized Child Health Care Program by $50,000 to add a specialized dietary program.
5. Adds a new appropriation of $1.1 million and 16.0 FTE positions for the SUI Public Health Initiative, which will involve establishing a College of Public Health and a Masters of Public Health Program at SUI.
* Iowa State University



1. Increases the appropriation for the Iowa State University (ISU) general university operating budget by $550,000 compared to the estimated FY 1999 appropriation for: undergraduate education ($450,000) and a wildlife care clinic ($100,000).
2. Increases the appropriation for the ISU Extension Service Program by $300,000 and 1.9 FTE positions compared to the estimated FY 1999 appropriation for continued expansion of the Extension 21 Program.
3. Adds a new appropriation of $2.2 million and 18.0 FTE positions to establish a Center for Excellence in Plant Science Research at ISU. This includes $200,000 appropriated in FY 1999 for Bioinformatics.
4. Eliminates funding of $250,000 for the World Food Prize.
* University of Northern Iowa



1. Increases the appropriation for the University of Northern Iowa (UNI) general operating budget by $550,000 compared to the estimated FY 1999 appropriation for: opening the Performing Arts Center ($140,000), building repair ($60,000), and undergraduate education ($350,000).
2. Adds a new appropriation of $300,000 to establish a masters degree program in social work at UNI.
* Increases the appropriation for the Iowa School for the Deaf by $269,000 and 2.5 FTE positions compared to the estimated FY 1999 appropriation for: inflation ($34,000), building repair ($60,000), vocational education ($65,000), and additional faculty ($110,000).
* Increases the appropriation for the Iowa Braille and Sight Saving School by $148,000 and 6.2 FTE positions compared to the estimated FY 1999 appropriation for: inflation ($18,000), building repair ($20,000), and extended school year support ($110,000).

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available at the LFB Office.

STAFF CONTACT: Mary Shipman (Ext. 14617) Paige Piper/Bach (Ext. 17942)

Human Services Subcommittee Appropriations Bill – HF 760 Approved by House Appropriations Committee



**HF 760 – Human Services** On March 29, the House Appropriations Committee passed HF 760, the FY 2000 Human Services Appropriations Bill. The Bill appropriates $768.8 million from the General Fund and 5,492.0 FTE positions, an increase of $38.0 million (5.2%) and 40.5 FTE positions (0.7%) compared to estimated FY 1999. Changes include:

**FIP** Family Investment Program (FIP)

1. An increase of $3.2 million, transferring Child Support incentives from the Child Support Recovery Unit line-item.

**Medical Asst. Program** Medical Assistance Program

1. An increase of $26.3 million for changes in reimbursement rates and drug product increases.
2. An increase of $2.2 million due to a decrease in the federal match rate.
3. An increase of $1.5 million for transferring the cost of 41 group care beds from the Children and Family Services budget unit.



1. An increase of $3.5 million due to expected eligible children for the Medicaid Program as a result of outreach efforts for the Children’s Health Insurance Program.
2. A decrease of $1.7 million due to changes in eligibility.
3. A decrease of $1.0 million for expansion of drug prior authorization.
4. A decrease of $1.5 million due to historical reversions from this budget unit.

**Child Health Insurance** Child Health Insurance Program

1. An increase of $1.7 million to annualize the FY 1999 Medicaid Program expansion costs.
2. An increase of $2.4 million to annualize the Healthy and Well Kids in Iowa (HAWK-I) Program costs.
3. A decrease of $1.0 million due to expected FY 1999 carryover.

**Child Care Assistance** Child Care Assistance

1. A decrease of $3.7 million due to the transfer of funds for protective child care to the Child and Family Services budget unit.

**Child Support Recovery** Child Support Recovery Unit

1. A decrease of $3.2 million to transfer child support incentives to the Family Investment Program budget unit.

**Adult, Children/Family** Adult, Children, and Family Services



1. An increase of $3.3 million to transfer the Court-Ordered Juvenile Services budget unit from a separate budget unit.
2. An increase of $3.7 million to transfer the Protective Child Care Program funds from the Child Care Assistance budget unit.
3. A decrease of $1.5 million to transfer 41 group foster care beds for the mentally retarded to the Medical Assistance budget unit.
4. An increase of $2.3 million for subsidized adoption increases.
5. An increase of $1.4 million for school-based supervision sites.
6. An increase of $2.3 million for increases in Rehabilitative Treatment and Support (RTS) services provider rates.
7. A decrease of $2.7 million due to changes in federal match rates and average costs per case.
8. An increase of $1.0 million to add 41 group foster care beds.

**State Cases** State Cases Program

1. An increase of $1.5 million for additional caseload of persons without legal settlement.

**Service Provider Reimb.** Purchase of Service Provider Reimbursement Increase

1. An increase of $2.0 million for purchase of service provider reimbursement rate increases.

**Sexual Predator Committ.** Sexual Predator Program

1. An increase of $1.0 million for the Sexual Predator Commitment Program.

**Field Op./General Adm.** Department of Human Services Field Operations and General Administration

1. A combined decrease of $1.5 million due to vacant funded positions.
2. A decrease of $1.2 million in Field Operations due to expected increases from federal Title IV-E foster care funds.



**Studies** Requested Studies

1. Requests the Legislative Council to establish a task force for provider reimbursement review.
2. Requests the Legislative Council to provide an independent review of the impact of the administrative rules of the Department of Human Services.

**Statutory Changes** Statutory Changes

1. Specifies that federal incentives received for child support recoveries are to be credited to the Child Support Recovery Unit rather than to the Family Investment Program.
2. Delays the independent evaluation of the child protection system until FY 2001.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Deb Anderson (Ext. 16764) Sue Lerdal (Ext. 17794)

Justice System Appropriations Subcommittee Bill - SF 468 Approved by Senate Appropriations Committee



**SF 468 – Justice System** Senate File 468 (formerly SSB 1205), the Justice System Appropriations Bill, was amended and passed by the Senate Appropriations Committee on April 2. The Bill makes appropriations to the Departments of Justice, Corrections, Inspections and Appeals, Public Defense, Public Safety, the Parole Board, the Judicial Department, and the Iowa Law Enforcement Academy. The Bill appropriates $457.9 million from the General Fund and 7,878.2 FTE positions for FY 2000. This is an increase of $29.8 million and 353.9 FTE positions compared to the estimated FY 1999 appropriation.

**Significant Changes** Significant changes compared to FY 1999 include:

**Attorney General Attorney General:** Increases funding by $825,000 and 3.0 FTE positions compared to the estimated FY 1999 appropriation. Major changes include:

1. Increases funding for the General Office by $300,000 for sexually violent predator commitment proceedings and $190,000 and 3.00 FTE positions for attorneys in the Appellate Division.
2. Increases funding for the Victim Assistance Grants Program by $50,000.
3. Increases funding for the Legal Services Poverty Grants Program by $300,000.
4. Decreases funding for travel and related expenses by $15,000.

**Corrections Department of Corrections:** Increases funding by $1.9 million and 34.1 FTE positions compared to the estimated FY 1999 appropriation. Major changes include:



1. *Institutions:* Increases funding by $16.6 million and 303.6 FTE positions compared to the estimated FY 1999 appropriation. Major changes include:
2. An increase of $1.1 million for the direct variable costs associated with the increasing inmate population.
3. An increase of $412,000 for upgrading and expanding computer technology.
4. An increase of $375,000 to replace expiring federal funding for substance abuse programs.
5. An increase of $654,000 and 3.7 FTE positions for increased medical costs and services.
6. An increase of $449,000 and 11.0 FTE positions for a program for reintegration of administratively segregated inmates into the general inmate population. The Newton-based program will receive inmates from Ft. Madison.



1. An increase of $200,000 and 11.0 FTE positions for sex offender treatment and hormonal intervention. The Central Office received $500,000 for the program in FY 1999. The change with the transfer to the Mt. Pleasant facility yields a net decrease of $300,000 for the program.
2. An increase of $7.1 million for the prison expansions at Ft. Dodge and Mitchellville.
3. Transfers $1.5 million from the FY 1999 ending balance of the Prison Infrastructure Fund to the Department of Corrections for one-time start-up costs in FY 1999. The funds are distributed as follows:
4. $500,000 for the 200-bed expansion at the Mitchellville women’s prison.
5. $1.0 million for the 400-bed expansion at the Ft. Dodge prison.
6. ***Central Office****:* Increases funding by $2.1 million and 1.0 FTE position compared to the estimated FY 1999 appropriation. Major changes include:
7. An increase of $2.2 million for the costs of housing 100 female inmates out of state.
8. An increase of $52,000 and 1.0 FTE position for training officers at the Mt. Pleasant Training Center.
9. An increase of $325,000 for inmate education at the expanded facilities.
10. A decrease of $500,000 to transfer funding for a sex offender hormonal treatment program to Mt. Pleasant.



1. ***Community-Based Corrections****:* Increases funding by $4.2 million and 136.3 FTE positions compared to the estimated FY 1999 appropriation. Major changes include:
2. An increase of $1.9 million and 51.0 FTE positions for probation/parole officers to supervise medium and high risk offenders.
3. An increase of $1.8 million and 64.4 FTE positions to increase staffing for residential facilities.
4. An increase of $427,000 and 4.0 FTE positions for upgrading and expanding computer technology.
5. An increase of $246,000 and 3.3 FTE positions to replace expiring federal funding for treatment programs.

**Public Defender State Public Defender:** Increases funding to the State Public Defender’s Office by $300,000 and 1.0 FTE position compared to the estimated FY 1999 appropriation to fund sexually violent predator commitment proceedings.



**Judicial Branch Judicial Branch:** Increases funding by $1.9 million and 34.1 FTE positions compared to the estimated FY 1999 appropriation. Major changes include:

1. An increase of $598,000 and 8.0 FTE positions for Court of Appeals Judges and staff.
2. An increase of $1.1 million and 16.5 FTE positions for three District Court Judges, three District Associate Judges, and staff.
3. An increase of $25,000 for staff education and training.
4. An increase of $65,000 and 2.0 FTE positions for technology staff.
5. An increase of $241,000 and 7.6 FTE positions for Juvenile Court clerical staff and to expand the Court Appointed Special Advocate (CASA) Program.
6. A decrease of $160,000 for travel and related expenses.
7. Increases funding by $27,000 for the Juvenile Restitution Program.
8. Increases funding by $259,000 to fully fund the Judicial Retirement Fund.

**Law Enforcement Acad. Iowa Law Enforcement Academy:**  Increases funding by $80,000 and 1.5 FTE positions for the Telecommunicator Training Program.



**Public Defense Department of Public Defense:** Increases funding by $419,000 and 10.9 FTE positions compared to the estimated FY 1999 appropriation. Major changes include:

1. Increases funding for the Military Division by $152,000 for the State match to receive $2.1 million in federal funding for maintenance, repair, and employee costs at the federally expanded Air National Guard bases.
2. Increases funding for the Emergency Management Division by $271,000 for the State match for Federal Emergency Management Agency (FEMA) grants. The grants will require a 50.0% State match instead of being fully federally funded as in past years.

**Public Safety Department of Public Safety:** Increases funding by $9.4 million and 1.0 FTE position compared to the estimated FY 1999 appropriation. Major changes include:

1. An increase of $40,000 and 1.0 FTE position for a criminalist to staff the Sex Offender Registry website.
2. An increase of $24,000 to the Fire Marshal’s Office to update the Iowa Administrative Code to Americans with Disabilities Act (ADA) standards.
3. An increase of $186,000 and 3.0 FTE positions to replace federal funding from the Community Oriented Policing Services (COPS) grant.
4. An increase of $9.2 million from the General Fund for the Highway Patrol. This is the final year of a four-year phase-in to shift funding from the Motor Vehicle Use Tax Fund to the General Fund.
5. A decrease of $42,000 for travel and related expenses.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561) Christina Schaefer (Ext. 16301)

Oversight and Communications Appropriations Subcommittee



**Oversight & Commun. Sub.** The Oversight and Communications Appropriations Subcommittee met March 30 and passed a Joint Subcommittee Bill. The Bill appropriates $23.5 million from the General Fund and 267.0 FTE positions, a decrease of $57,000 (0.2%) and no change in FTE positions compared to estimated FY 1999.

**Appropriations** The Bill appropriates $12.9 million from the General Fund to the Treasurer of State, an increase of $79,000 compared to estimated FY 1999, for payment of debt service for the Iowa Communications Network (ICN).

**ITTC** The Bill appropriates $3.4 million from the General Fund and 100.0 FTE positions to the Iowa Telecommunications and Technology Commission (ITTC), a decrease of $336,000 and no change in FTE positions compared to estimated FY 1999. The change includes:

1. A decrease of $300,000 for payment of fees to the Federal Communications Commission Universal Fund and related attorney fees.
2. A decrease of $36,000 for salaries that will be paid for through increased receipts.

**Part III Sites** The Bill appropriates $2.7 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the costs of maintenance and leases of connections to Part III sites. Funds for this purpose were included in the FY 1999 Part III build out appropriation from the RIIF fund.



**Public Television** The Bill appropriates $2.3 million from the General Fund and 9.0 FTE positions to Iowa Public Television and the regional telecommunications councils for support of K-12 schools related to the ICN, which is no change compared to estimated FY 1999.

**ITS Division** The Bill appropriates $4.7 million from the General Fund and 158.0 FTE positions to the Information Technology Services (ITS) Division of the Department of General Services. This is no change compared to estimated FY 1999.

**New Department** The Bill also appropriates $200,000 from the General Fund to the ITS Division of the Department of General Services for the activities of the transition team for the creation of a new Information Technology Department, including the costs associated with retaining a consultant. This is a one-time appropriation.

**Statutory Changes** The Bill makes the following significant changes to the Code of Iowa:



1. Provides funding for $10.6 million of technology projects from the Reversion Technology Initiatives Account to support various technology programs. Notwithstands Sections 8.33 and 8.62, Code of Iowa, to provide that 75.0% of the funds that would otherwise revert from operating accounts and 100.0% of funds that would otherwise revert from non-operational accounts be appropriated to the Reversion Technology Initiatives Account. The Bill specifies the priority order of projects that shall be funded if sufficient funds are not available. These funds would otherwise revert to the General Fund.
2. Transfers the responsibility for telecommunications cabling for State communications and the related staff and revolving fund from the Department of General Services to the Iowa Telecommunications and Technology Commission.
3. Requires up to $800,000 of driver’s record receipts to be transferred to the ITS for funding of IowAccess. These funds would otherwise be deposited into the General Fund.
4. Provides nonreversion language for specified projects funded through the Reversions Technology Initiatives Account in FY 1998 reversions. Allows the funds to carry forward to FY 2000.
5. Creates the IowAccess Network, including:
6. Creates the IowAccess Board and specifies the membership and duties of the Board.
7. Specifies the duties of the IowAccess Network manager.
8. Specifies the responsibilities of the lawful custodians of State information.
9. Specifies that IowAccess is not the legal custodian of State information.
10. Specifies that the IowAccess manager shall collect fees and transfer the fees to the Treasurer of State and allows access charges to be included in the fees.
11. Requires the Auditor of State to conduct annual audits of the IowAccess Network.
12. Repeals language allowing the Judicial Branch to be the provider of public electronic access to records of Clerks of Court.
13. Requires the Code Editor to codify the IowAccess language as new Code of Iowa sections.
14. Provides notwithstanding language through FY 2006 for appropriations from the RIIF fund to the Iowa Telecommunications and Technology Commission for costs of maintenance and leases for Part III connections.

**Intent Language** The Bill also provides the following significant intent language:

1. Specifies the intent of the General Assembly that an Information Technology Department be created effective July 1, 2000, and specifies components to be included in the Department.
2. Creates a transition team for the purposes of developing a written proposal for submission to the General Assembly concerning the creation of the new department, specifies membership of the team, requires the Department of Management and the LFB to provide staffing support, requires the development of a request for proposal to hire a consultant to assist the transition team, and requires a final report to the Legislative Oversight Committee by October 15, 1999.



 **New Department**

1. Requires the Director of the Information Technology Services Division of the Department of General Services to prepare a unified budget for the new department for FY 2001.
2. Requires all State entities to continue reporting to the Legislative Oversight Committee, the Legislative Fiscal Bureau, and the Year 2000 Project Office on the progress toward resolving the Year 2000 computer programming and related embedded chip problems.

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB.

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

Early Intervention & School Improvement - HF 743 Passes Senate

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**HF 743 – Early Intervention** OnMarch 31, the Senate passed HF 743, providing $90.0 million in State assistance for the purpose of aiding school districts in reducing class size for kindergarten through third grade and improving student achievement in basic skills, especially reading. Also, the Bill provides $60.0 million for two additional years of school technology investment and staff development activities. Annual appropriations and allocation procedures specified in the Bill are:

1. For FY 2000, funding for early intervention programs for grades K-3 totals $10.0 million to be allocated to school districts, 50% based on the number of pupils in those grades qualifying for free or reduced price meals, and 50% based on grades K-3 enrollment.
2. For FY 2001, funding for early intervention programs for grades K-3 totals $20.0 million to be allocated to school districts, 50% based on the number of pupils in those grades qualifying for free or reduced price meals, and 50% based on grades K-3 enrollment.
3. For FY 2002 and FY 2003, funding each year for early intervention programs for grades K-3 totals $30.0 million to be allocated to school districts, one-third based on the number of pupils in those grades qualifying for free or reduced price meals, and two-thirds based on grades K-3 enrollment. In addition, $30.0 million per year is provided for school technology investment, to be allocated based on K-12 enrollment for school districts, the Iowa School for the Deaf, the Iowa Braille and Sight Saving School, Price Lab School, the Iowa Juvenile Home, and the State Training School. However, each school district and State school is guaranteed a minimum allocation of $10,000. In addition, $20,000 is allocated off-the-top to four special State schools administered by the Department of Human Services, and $150,000 is allocated to the Area Education Agencies.

**Estimated By District** Estimates of funding distributions by school district may be obtained from the Legislative Fiscal Bureau.

STAFF CONTACT: Mike Lipsman (Ext. 17799)

Year 2000 Embedded Chip Supplemental Bill - SF 366 Passes House Appropriations Committee



**SF 366 – Embedded Chip** The House Appropriations Committee passed SF 366 (Year 2000 Embedded Chip Supplemental Bill) on March 31. The Bill appropriates $2.4 million from the Rebuild Iowa Infrastructure Fund (RIIF) to the Information Technology Services Division of the Department of General Services for the replacement of noncompliant year 2000 embedded computer chips in technology and equipment of State departments.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

Teacher Shortage Forgivable Loan Program - HF 759 Passes House Appropriations Committee

**HF 759 – Teacher Shortage** The House Appropriations Committee approved HF 759, the Teacher Shortage Forgivable Loan Program, on March 29. The Bill appropriates $250,000 to the College Student Aid Commission. The funds are to be used to make loans to college students who agree to teach in Iowa in a subject that has been designated as a shortage area. Shortage areas are to be determined by the Commission, in consultation with the Department of Education.



**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA), Executive Summary only, are available from the LFB Office.

STAFF CONTACT: Mary Shipman (Ext. 14617)

Recruiting Our Own Targeted Students (ROOTS) Forgivable Loan Program - HF 756 Passes House Appropriations Committee



**HF 756 – ROOTS Bill** The House Appropriations Committee approved HF 756, the ROOTS Bill, on March 24. The Bill creates a forgivable loan program to recruit postsecondary graduates with targeted technical skills to stay and work in Iowa. Significant elements of the Program include:

1. Requires the Iowa Economic Development Board and the Iowa Workforce Development Board to annually designate targeted industries and occupations for the Recruiting Our Own Targeted Students (ROOTS) Loan Repayment Program. The Boards are to consider current demand for the industry or occupation in Iowa and the quality of the industry or occupation in relation to local communities.
2. Establishes the Recruiting Our Own Targeted Students Loan Repayment Program. The Program is to be administered by the College Student Aid Commission. Eligible applicants must:
3. Be a resident of Iowa.
4. Be employed in a technical professional position in a targeted occupation or industry. Technical professional means a position that requires highly specialized knowledge or skills. Examples include computer programmers, engineers, tool and die makers, educators, genetic scientists, mold builders, and chemical research and development specialists.
5. Have attended an eligible postsecondary institution and received a certificate, diploma, or degree in an eligible occupation. An eligible postsecondary institution is a community college, a Regents institution, or an accredited private institution.
6. Have acquired a student loan.
7. Have entered into a student loan repayment agreement with an eligible business and the Commission by June 30, 2004. The agreement requires a dollar-for-dollar match by the eligible business.
8. Graduate from an eligible postsecondary institution no sooner than May 1, 1999.
9. An individual does not become ineligible, once an agreement has been signed, if the occupation or industry ceases to be listed as targeted. An individual does become ineligible if they cease to be an Iowa resident.
10. The Commission shall repay 25.0% of the individual’s total loan amount for every two years of service. The loan repayment is limited to $2,500 every two years, or the amount of the employer match, whichever is less. Maximum loan repayment is $10,000 for eight years of service.
11. It is the intention of the General Assembly to appropriate up to $2.5 million per year beginning in FY 2002 for this Program. The maximum number of students to be served is 1,000. The total maximum cost of this Program is $10.0 million
12. Allows a total of $150,000 in administrative costs to be distributed to the Commission and the Departments of Economic Development and Workforce Development for each year in which funds are appropriated for the Program.

**NOBA**

**Bill Summary** Copies of the Notes on Bills and Amendments (NOBA) are available from the LFB Office.

STAFF CONTACT: Mary Shipman (Ext. 14617)

CUSTODY AND VISITATION Bill - HF 683 PASSED HOUSE

**Custody & Visitation** House File 683, Custody and Visitation Bill, passed the House on March 31. The Bill provides that the Court may order mediation where custody and visitation rights are unresolved unless the Court determines physical or emotional harm is likely to result to the child, other children, or a parent.

**Family Mediation Program** In August 1996, the Sixth Judicial District added a Family Mediation Program for families in divorce and custody cases. Parties retain their right to resolve issues among themselves or with their attorneys, or to request a hearing or trial. Mediation is currently used to resolve disputes in small claims cases, civil rights cases, neighborhood disputes, farmer-creditor cases and victim-offender mediation.



**Fiscal Impact** The General Fund impact of House File 683 is approximately $323,000 and 2.9 FTE positions in FY 2000, and $281,000 and 2.9 FTE positions in FY 2001. These estimates include costs for case coordinators in every judicial district, office space rental in districts where space is not available, and one-time equipment start-up expenditures.

STAFF CONTACT: Christina Schaefer (Ext. 16301)

Secondary Road Dust Control Bill - HF 634 Passes the House

**Road Dust Control Bill** The House passed House File 634, Secondary Road Dust Control Bill, on March 31. The Bill allows the Department of Transportation (DOT) to use moneys from the Primary Road Fund for dust control on secondary roads if the road has noticeable increase in traffic due to the closure of a State primary road for construction or maintenance purposes.

**Secondary Roads** Currently, the DOT can spend funds from the Primary Road Fund on secondary roads designated as detours for primary roads that are closed. House File 634 allows the DOT to spend Primary Road Fund moneys on other secondary roads that motorists use as alternate routes to the detours (i.e., short cuts). The DOT is restricted by statute from using Primary Road Fund moneys on secondary roads that are not part of a designated primary road detour.



**Fiscal Impact** The fiscal impact of HF 634 would be a cost to the Primary Road Fund of $552,000 annually. However, the language in the Bill is permissive and could allow the Department to selectively treat secondary roads for dust control as well as work out arrangements with counties to share the costs.

STAFF CONTACT: David Reynolds (Ext. 16934)

Open Containers Bill - SF 192 Passes the Senate

**SF 192 – Open Containers** The Senate passed SF 192, Open Containers Bill, on March 30. The Bill prohibits the possession of an open or unsealed alcoholic beverage container within the passenger area of a vehicle. A person convicted of this violation is guilty of a simple misdemeanor.



**Federal Requirements** The federal Transportation Equity Act for the 21st Century (TEA-21) requires each state to have in effect a law prohibiting the possession of any open alcoholic beverage container in the passenger area of any motor vehicle located on a public highway, or the right-of-way of a public highway in the state. States that do not have such a law in place on October 1, 2000, will have 1.5% of the state's federal apportionments for National Highway System funds, Surface Transportation Program funds, and Interstate Maintenance funds transferred to highway safety programs. The amount transferred will increase to 3.0% per year beginning on October 1, 2002.

**Funds Retained** Senate File 192 will allow the State to retain federal highway apportionments for the National Highway System, the Interstate Maintenance Program, and the Surface Transportation Program in the following estimated amounts:

1. FY 2001: $3.3 million
2. FY 2002: $3.4 million
3. FY 2003 and each year thereafter: $6.9 million

STAFF CONTACT: David Reynolds (Ext. 16934)

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