FISCAL UPDATE February 14, 2000

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Administration and Regulation Appropriations Subcommittee

**Admin./Regulation Sub.** The Administration and Regulation Appropriations Subcommittee met February 9 and 10 and conducted the following business.

**Revenue & Finance** On February 9, Gerald Bair, Director of the Department of Revenue and Finance, discussed the administrative expenses incurred by the Department of Revenue and Finance to administer local taxes.

**College Savings Iowa Prg.** Bret Mills, Deputy Treasurer of State, discussed the administrative expenses incurred by the College Savings Iowa Program. The Office of the Treasurer will be providing alternatives for the administration of the Program, such as outsourcing, paying with General Fund dollars, and/or assessing fees to program participants.

**Uniform State Laws** On February 10, David Walker, Commissioner on Uniform State Laws, presented the function of the Commission and Iowa’s participation within the Commission.

STAFF CONTACT: Christina Schaefer (Ext. 16765) Ron Robinson (Ext. 16256)

Agriculture and Natural Resources Appropriations Subcommittee

**Agric./Natural Res. Sub.** The Agriculture and Natural Resources Appropriations Subcommittee met February 8, 9, and 10.



**Environmental Health** On February 8, the Subcommittee heard from Dr. Steven Gleason, Director of the Department of Public Health, on the determination of human health risks from contaminated water. Dr. Gleason informed the Subcommittee that he would like to add expertise and scientific excellence for the development of an environmental health program in the Department.

**Iowa Water Quality Initiative** Lyle Asell, Department of Natural Resources; Patty Judge, Secretary of Agriculture; and Jim Gulliford, Soil Conservation Division; addressed the Subcommittee on the Iowa Water Quality Initiative. The Iowa Water Quality Initiative consists of five parts:

* A Conservation Reserve Enhancement Program (CREP) to construct wetlands for the removal of nutrients in tile flow in the prairie pothole region of the State.
* Accelerated conservation buffers to enhance revegetation efforts along streams to remove nutrients from shallow subsurface water flow and improve habitat.



* An expanded Water Quality Monitoring Program for increased information on water quality in the State.
* Water Quality Program Implementation, which includes:
* Iowa Watershed Protection Program
* Nutrient Management Demonstration Program
* Soil Conservation Cost Share
* Septic Tank Revolving Loan Fund
* Geographical Information System (GIS) data for local watershed managers
* Volunteers for water quality
* Enhanced water quality data to develop Total Maximum Daily Loads (TMDL), water quality standards, and protect floodplains.

**Manure Certification Program** On February 10, Wayne Gieselman, Department of Natural Resources, discussed the Manure Certification Program. There are two ways to receive manure applicator certification, by testing or training. In 1999, the Department certified 847 commercial applicators and 1,398 confinement applicators. The approval process of manure management plans was also discussed. As of February 7, the Department had received 1,860 plans to review and had completed review of 392 plans. The Department has 60 days to review all completed plans and approve or disapprove them.

**Dairy Trade Practice** On February 10, Shashi Goel, Department of Management, spoke to the Subcommittee on February 10, on the FY 1999 ending balance of the Dairy Trade Practice account.

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

Economic Development Appropriations Subcommittee

**Economic Devel. Sub.** The Economic Development Appropriations Subcommittee met February 8 and 9 and conducted the following business:

**Mainstreet & BLIC** February 8:



* Lane Palmer, Department of Economic Development, reviewed the funding and accomplishments of the Mainstreet Program. The Program provides assistance to communities relating to improvements to city centers.
* Christy Aumer, Department of Economic Development, described the funding and available services of the Business License Information Center (BLIC). The Center provides a one-stop location for businesses in need of licenses.

**Enterprise Team**  February 9:

* David Lyons, Director of the Department of Economic Development; Richard Running, Director of the Department of Workforce Development; and Ted Stillwell, Director of the Department of Education; made a joint presentation to the Economic Development and Education Subcommittees. The presentation focused on the interaction of the three agencies when providing education and training to Iowa's workforce.



**Next Week** During the week of February 14th, the tentative schedule for Subcommittee meetings includes:

* February 15 – Legislative Fiscal Bureau ***Issue Reviews***.
* February 16 – Technology enhancements at the Department of Workforce Development, and Bob Tibor, Technology Adviser for the Department of Economic Development. This will be a joint meeting with the Oversight Appropriations Subcommittee.
* February 17 – Iowa Finance Authority and the Iowa Coalition for Housing and the Homeless.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Education Appropriations Subcommittee

**Education Subcomm.** The Education Appropriations Subcommittee met on February 8, 9, and 10. Significant agenda items included:

* University of Northern Iowa – President Robert Koob gave brief remarks and answered questions.
* Joint Meeting with Economic Development Subcommittee – The Education Appropriations Subcommittee met jointly with the Economic Development Subcommittee to hear presentations regarding efforts to increase collaboration in State government regarding job training programs. The Directors of the Departments of Education, Economic Development, and Workforce Development made presentations. The Directors also responded to questions.



* State Library – Sharman Smith, Administrator of the State Library, gave brief remarks and answered questions. The discussion also included remarks and questions regarding regional libraries and Enrich Iowa (support for local libraries).
* Community Colleges – Janice Friedel, Administrator of the Division of Community Colleges and Workforce Preparation of the Department of Education, gave brief remarks and answered questions. The Subcommittee also heard from Gene Gardner, Executive Director of the Iowa Associations of Community College Presidents and Trustees (IACCP and IACCT).

**Next Week** Next week the Subcommittee has plans to hear from representatives of the following:

* University of Iowa
* Iowa School for the Deaf and Iowa Braille and Sight Saving School
* National Guard, private colleges, and College Student Aid Commission

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Health and Human Rights appropriations Subcommittee



**Tobacco**

**Settlement**

**Tobacco Settlement**  On February 9, Attorney General Miller and Dr. Stephen Gleason, Director of the Department of Public Health, presented the Governor’s proposed comprehensive tobacco prevention, cessation, and enforcement program to the Subcommittee. The Governor is recommending $10.0 million from tobacco settlement funds be used to implement the Program. These dollars, combined with $8.6 million in additional new and existing funds, will enable the Department of Public Health to implement a program based on the Center for Disease Control guidelines.

**Substance Abuse Treatment** Dr. Gleason also discussed the Governor’s recommendation to appropriate $11.9 million of tobacco settlement funds for substance abuse treatment. The funding would be used to support treatment programs that would be of longer duration and higher quality than those that can be supported by current funding.

**Healthy Iowans 2010** On February 10, Dr. Gleason completed the presentation on health-related recommended uses of tobacco settlement funds. Dr. Gleason discussed the recommended $3.5 million for Healthy Iowans 2010 initiatives. Those initiatives include: public health nursing, environmental epidemiology, youth suicide prevention, cardiovascular disease prevention, emergency medical services, and poison control.



**Veterans Affairs** Also on February 10, Brian Bales, Director of the Commission of Veterans Affairs; and Commandant Jack Dack, Administrator of the Iowa Veterans Home, presented the agency budgets. The Governor is recommending $46.7 million from the General Fund and 896.9 FTE positions, an increase of $1.4 million and 23.0 FTE positions compared to the estimated FY 2000 appropriation. The change is due to:

* Commission on Veterans Affairs – A decrease of $11,999 due to a one-time FY 2000 appropriation for a copier.
* Iowa Veterans Home:
* An increase of $57,000 for the inflationary adjustment to the housekeeping contract
* An increase of $42,000 for food and dietary supplies
* An increase of $748,000 for new and increased medication costs
* An increase of $239,000 for lease of a unit dose machine
* An increase of $370,000 for lease of 280 personal computers
* A decrease of $51,000 due to projected savings in pharmaceutical costs from the unit dose machine
* An increase of 23.0 FTE positions for dietary services workers to annualize the FY 2000 staffing level

**Increasing Costs** Commandant Dack and Greg Wright, Business Manager, emphasized the Home’s funding needs related to escalating medical supplies costs and insufficient computer systems.

STAFF CONTACT: Russ Trimble (Ext. 14613) Valerie Thacker (Ext. 15270)

Human Services Appropriations

**Human Services Sub.** The Human Services Appropriations Subcommittee met the week of February 7 and conducted the following business:

**Glenwood & Woodward** On February 8, the Subcommittee received information from the Superintendents of the State Hospital-Schools at Glenwood and Woodward. Topics of discussion included services being provided, the federal Department of Justice visit, the use of the campuses for community and private entities, and the use of overtime.

**Parent Organizations** Also present were representatives of the Parent Organizations of both Hospital-Schools. The representatives stressed the supportive environment and cooperation received from the Schools. They indicated the relationship with entities desiring community level services rather than institutionalization has improved.

**Comments** Spokespersons for ARC of Iowa provided personal examples of the need for community level services for those with mental retardation and developmental disabilities.

**Toledo & Eldora** The Superintendents of the Iowa Juvenile Home at Toledo and the State Training School at Eldora provided information regarding services, capital improvements, educational opportunities, recidivism rates, and expenditures at the facilities.

**Federal Visit to Schools** On February 9, Gordy Allen, Office of the Attorney General, discussed the federal Department of Justice visit at the State Hospital-Schools. Representatives from the State Mental Health Institutes reviewed services, expenditures, safety concerns, utilization, capital needs, and the Physician Assistants’ Program at the Cherokee Mental Health Institute.

**CPC Changes in Funding** Representatives of county Central Points of Coordination (CPCs) were present to discuss their proposal regarding changes in funding and services for mental health/mental retardation/developmental disabilities expenditures.



REPORT

**Child Care Report** On February 10, the two Co-Chairpersons of the Governor’s Task Force on Child Care and Early Education provided information and recommendations regarding the recently issued Child Care Report. Representatives of the Rockwell Collins Corporation in Cedar Rapids shared suggestions for improvements in child care in Iowa.

**HAWK-I Program** The Healthy and Well Kids in Iowa (HAWK-I) Program was discussed, including enrollment data and outreach efforts.

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

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

Justice System Appropriations Subcommittee

**Justice System Subcom.** The Justice System Appropriations Subcommittee met during the week of February 7 to hear budget presentations from the Department of Public Defense, Iowa Law Enforcement Academy, and the Department of Corrections. The following are some of the issues discussed by the Subcommittee:



**Dept. of Public Defense Department of Public Defense:** The Governor is recommending an increase of $279,000 (4.8%) and 13.0 (4.8%) FTE positions for FY 2001. The increase includes $189,000 and 13.0 FTE positions for the Military Division for staffing of new facilities and federal maintenance agreements and the receipt of $947,000 in associated federal support. The Emergency Management Division has a recommended increase of $90,000 to annualize the new Federal Emergency Management Agency (FEMA) state match requirements. Issues discussed include:

* The Emergency Management Division’s pass-through funding, totaling an estimated $30.0 million in FY 2000.
* The Governor’s recommendation to fund the Performance of Duty Fund from the Economic Emergency Fund instead of the General Fund. The Emergency Management Division requests State match funds for disasters from the Performance of Duty Fund.
* Armories staffing and maintenance and availability of federal funding.
* The impact of the National Guard Educational Assistance Program on recruitment and the availability of funding for the program.

**Law Enf. Academy Iowa Law Enforcement Academy:** The Governor is recommending a decrease of $80,000 for FY 2001 to move the Drug Abuse Resistance Education (D.A.R.E.) Program to the Governor’s Alliance on Substance Abuse. Some of the issues discussed were:

* The effectiveness of the Academy being able to withdraw officer certification when the officer candidates contract with the cities for repayment of training costs if the officer leaves employment within four years of graduating from the Academy.
* Waiting lists for admission to the program. Director Gene Shepard commented that only a few officer candidates were still on the waiting lists when the last two classes were filled. Applications are now being booked for January 2001.
* Specific training offered – bicycle patrol, courses offered over the Iowa Communications Network (ICN), and reserve officers.



**Dept. of Corrections Department of Corrections:** The Governor is recommending an increase of $6.5 million and 167.9 FTE positions for FY 2001. The cost increases recommended for the institutions total $8.6 million (4.9%) and 120.6 (4.1%) FTE positions. The increases would pay for the transfer of revenues from private sector employment of inmates into the General Fund, increased medical costs, particularly AIDS and Hepatitis C medications, the new facilities at Mitchellville, Ft. Dodge, and Ft. Madison, and implementation of the Iowa Corrections Offender Network (ICON) computer system.

**Central Office** The Central Office has reductions of $4.0 million (31.9%) to eliminate the cost of housing women out of state and to pay off Certificates of Participation for 1990 capital expansion.



**CBC Budgets** The cost increases recommended for the Community-Based Corrections District Departments (CBCs) total $1.8 million (3.4%) and 47.3 (4.4%) FTE positions. The major increases recommended for the CBCs are for additional probation and parole officers, implementation of the Iowa Corrections Offender Network (ICON) implementation, replacement of expiring federal funding, opening the Residential facility expansion in Dubuque, expanding Drug Courts, and developing a 50-bed intensive substance abuse treatment facility funded from the tobacco settlement revenues. The Governor is recommending a decrease of $1.3 million to be offset by increased supervision fees.

**Issues Discussed** Issues for the Department of Corrections discussed by the Subcommittee include:



* The paygrade increase to make Probation/Parole Officers’ (PPOs) salaries comparable to Juvenile Court Officers who handle juvenile probations in the Judicial Branch. The cost of these upgrades is estimated to be $479,000 in FY 2001 and $888,000 in FY 2002. These costs were not included in the budget recommendations. According to Director Kautzky, if these costs are not funded, the Department will need to eliminate 11 positions to pay for the increase in FY 2001. Another alternative would be furloughing staff.
* Continuation of the medical contract for Ft. Madison. The Department of Corrections provided a study showing minimal cost savings from utilizing State employees to provide the medical services.
* The County Confinement Account’s payment to county jails for holding parole and work release violators until their return to prison. The budget recommendation does not include an increase, even though costs have been increasing. Concern was expressed by Subcommittee members that county jails were not being fully reimbursed for their costs.
* Replacement of the armed guard towers at the Mt. Pleasant institution with an electronic perimeter monitoring system. The Subcommittee expressed concern for the safety of correctional officers working in the prison yard.

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Oversight and Communications Appropriations Subcommittee

**Oversight/Commun. Sub.** The Oversight and Communications Appropriations Subcommittee met February 8 and 9.

**Gov. FY 2001 **

**Governor’s Budget** On February 8, the Subcommittee heard presentations related to the Governor’s proposed budget from Tom Miller, Attorney General, and Richard Johnson, Auditor of State. The Subcommittee questioned the speakers and discussed the positions presented. The Subcommittee requested written follow-up statements addressing the positions of each presenter.

**Information Tech. Dept.** On February 9, the Subcommittee heard a presentation from Richard Varn, Director, Information Technology Services, about the bill draft to create a new Information Technology Department. The proposed bill would combine Information Technology Services Division of the Department of General Services and the Iowa Telecommunications and Technology Commission (ITTC), along with the Iowa Communications Network (ICN), into a new Information Technology Department. The ITTC would be semi-autonomous within the new department until it was fully integrated on July 1, 2002.



 **New Department**

**Divisions** The director of the new department would be appointed by the Governor and confirmed by the Senate, and would be governed by the Information Technology Council. The department would have the following divisions:

* Policy and planning
* Operations
* Customer support
* Administration

**Other Bill Provisions** Additionally, the Bill would also create the following:

* Office of Information Technology
* Information Technology Innovation Advisory Board
* Office of Digital Government
* Information Technology Management Council
* IowAccess Board
* Information Technology Council Citizen Subcommittee

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

Transportation, Infrastructure, and Capitals Appropriations Subcommittee

**Trans., Infra., & Capitals** The Transportation, Infrastructure, and Capitals Appropriations Subcommittee met February 8, 9, and 10 and heard presentations from several agencies and interest groups.

**Facilities Assessment** The Department of General Services continued its presentation from February 3 in regard to facilities assessment and planning. Representatives of the Iowa Vertical Infrastructure Advisory Committee gave an overview of that Committee’s work and its recommendations to the Governor in regard to prioritization of backlogged maintenance needs. Department staff explained the process for assessing vertical infrastructure maintenance needs and demonstrated the resulting database.



**Joint Meeting with Ag/NR** At a joint meeting with the Agriculture and Natural Resources Appropriations Subcommittee, the Departments of Agriculture and Natural Resources presented the Governor’s FY 2001 recommendations on water quality initiatives. The Department of Agriculture’s recommendations include:

* $1.0 million for continued funding of the Soil Conservation Cost Share Program.
* $2.0 million for the Conservation Resource Enhancement Program (CREP) in the prairie pothole region to protect water resources from agricultural drainage systems.
* $1.0 million to develop a statewide nutrient management program to demonstrate the effectiveness of emerging agricultural systems for nutrient and pesticide management, air quality, and soil and water protection.
* $1.5 million to accelerate the watershed protection efforts to provide water quality protection, flood control, and reduced soil erosion.

**Recommendations** The Department of Natural Resources’ recommendations include:

* $1.5 million to establish vegetative buffers, field borders, and wetlands on private land to improve water quality and wildlife habitat.



* $600,000 to assist homeowners with improvements to individual wastewater systems (septic tanks) through the establishment of a revolving loan fund.
* $372,000 to provide enhanced water-quality planning, standards, and assessment.
* $360,000 to increase the number of wastewater construction and discharge permits and animal feeding operations.
* $200,000 for the development of geographic information system (GIS) data for use by local watershed managers in monitoring and displaying results of watershed work.
* $153,000 to implement methods for meeting federal standards involving total maximum daily loads (TMDL) to improve water quality.
* $65,000 to establish a volunteer corps committed to protecting, preserving, and enhancing Iowa’s natural resources.
* $2.0 million for the development of a statewide water quality monitoring network.

**Ice Ban on Highways** The Department of Transportation (DOT) reported on the use of Ice Ban on Iowa highways. Ice Ban is a concentrated liquid residue derived from the processing of grains and other agricultural products. Ice Ban is used to improve the performance of the deicing properties of salt. Tests have also found that Ice Ban, when used in conjunction with salt and salt brine, reduces the corrosive effects of deicing agents on machinery and concrete. The Department is currently testing Ice Ban in a variety of ways at ten locations throughout the State. Ice Ban currently costs the DOT $1.19 per gallon. When mixed with salt brine at approximately $0.05 per gallon, the cost for the mix is approximately $0.62 per gallon. Based on 1998-1999 brine use by the DOT, the cost to convert entirely to Ice Ban/salt brine mix statewide would be approximately $3.0 million. This would be an increase of $2.85 million over current costs for salt brine only. The DOT recommends further testing of Ice Ban, including the long-term effects on corrosion and laboratory tests on how the various properties of the product affect the environment.



**Water System Proposal** The Lewis and Clark Rural Water System presented an overview of plans to fund and build a water system spanning portions of Iowa, South Dakota, and Minnesota. Funding would consist of 10.0% from the three states, 10.0% from the member communities, and 80.0% from a federal grant of $223.0 million. The U.S. Senate has approved the federal funding, and the issue is now before the U.S. House of Representatives. Iowa’s total contribution would be $5.6 million. The Lewis and Clark Rural Water System is requesting $60,000 in State funding for FY 2001. This request was not included in the Governor’s recommendations.

**Soil & Water Conservation** The Southern Iowa Development and Conservation Authority presented a proposal to integrate soil and water conservation activities into public infrastructure improvements. Specifically, the project would accelerate construction of more than 300 multi-purpose road structures over the next ten years to reduce sedimentation of Rathbun Lake and other bodies of water in Southern Iowa. In addition to protecting water resources, the project would accelerate the replacement of deteriorated bridges and culverts. Project construction would be accomplished through partnerships with federal and state agencies. Funding for the proposal would include federal, state, local, and private monies. The Southern Iowa Development and Conservation Authority is requesting $660,000 in State funding for FY 2001 for planning and construction.

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Senate Study Bill 3073 (100% Budget Guarantee Bill) Passes Senate Education Committee

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**Budget Guarantee** Senate Study Bill 3073 (now SF 2111) passed the Senate Education Committee on February 7. The Bill extends the budget guarantee provision that allows school districts experiencing decreasing enrollment to receive additional funds that guarantee the FY 2001 regular program district cost is equal to the FY 2000 total program district cost. Under the proposal, the budget guarantee is entirely funded from property taxes. The estimated budget guarantee amount for FY 2001 is $7.0 million. In FY 2000, the budget guarantee is entirely State aid and is estimated to be $6.2 million.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

Senate File 2121 (Instructional Support Additional Local Funding Bill) Passes Senate Education Committee

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**Instructional Support** Senate File 2121 passed the Senate Education Committee on February 9. The Bill provides for additional local funding authority under the instructional support levy and could increase local property taxes by an estimated $22.6 million in FY 2001. The State provides a standing appropriation of $14.8 million for instructional support for qualifying school districts. The unadjusted Instructional Support State Aid portion is estimated to be $37.4 million for FY 2001.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

Governor Signs FY 2002 Allowable Growth Bill



Governor

 Signs

**Gov. Signs Allowable Grwth** On February 9, the Governor signed SF 2082 (FY 2002 Allowable Growth Bill), establishing a 4.0% rate of allowable growth for State cost per pupil for FY 2002. The rate of allowable growth is used to determine both, the amount by which State School Foundation Aid to local school districts will increase, and the amount by which school districts’ controlled budgets may increase over the prior year’s amounts. As a result of this action, each school district’s cost per pupil will increase by $172 to $4,470 for the 2001–2002 school year.

**FY 2002 Fiscal Estimate** Senate File 2082 is estimated to increase FY 2002 State support of local school districts by $78.6 million (4.5%) and property tax support of local schools by $26.4 million (2.9%), compared to estimated FY 2001.

**FY 2001** The FY 2001 allowable growth rate of 4.0% was set in the 1999 Session. State aid is estimated to increase by $44.3 million (2.6%) and property taxes by $34.3 million (3.9%) for FY 2001, compared to estimated FY 2000.

**District Estimates** The FY 2001 and FY 2002 State aid and property tax estimates are available by district from the LFB. However, these estimates are based on several statewide assumptions that may not accurately reflect conditions in local districts. Information on the assumptions used to compute these estimates may also be obtained from the LFB.

STAFF CONTACT: Shawn Snyder (Ext. 16765)

Senate Passes Physical Plant and Equipment Levy Protection



**Plant/Equip. Levy Protection** On February 10, the Senate passed SF 2089. This Legislation provides protection for both School Board and voter-approved physical plant and equipment levies from being diverted to pay for urban renewal projects as a result of local governments establishing tax increment financing districts. Under current law, all taxes levied within a tax increment financing district may be claimed for projects within the district. In FY 2000, approximately $2.5 million of physical plant and equipment levy authority is subject to such diversion. Senate File 2089 would protect physical plant and equipment levies from such future diversion of funds unless the municipality that estimated the tax increment financing district certifies to the county auditor that the funds are needed to meet existing debt service obligations. If passed by the House and signed by the Governor, the Legislation would take effect July 1, 2000.

STAFF CONTACT: Mike Lipsman (Ext. 14611)

Department of General Services Parking Structure Cost Study



Study

**Parking Structure Cost Study** The Department of General Services completed a detailed cost study of the proposed Capitol Complex parking structure. The study was completed in accordance with Section 4 of HF 772. The project involves the construction of a seven-level, 891 stall, 303,000 gross square foot parking structure at the northwest corner of Grand and Pennsylvania Avenues. The project also includes the construction of a tunnel from the structure to the Historical Building. The following table provides the costs related to construction:

**Cost Estimates** The study also identifies projected operating and maintenance expenses associated with the parking structure. The estimates do not include costs for security. The study provides estimates for four different operating scenarios:

**Scenario 1** Scenario 1 assumes the facility would be open to all users on a first come, first-serve basis. No parking controls would be in place. This scenario includes salary costs for a custodian.

**Scenario 2** Scenario 2 would involve key card controls for State employees and no controls for visitors. This scenario includes salary costs for a custodian.

**Scenario 3** Scenario 3 assumes there would be no separation between employee and visitor spaces. The option involves key card controls for State employees and visitors would receive a time stamped, magnetic stripe parking ticket. This scenario includes salary costs for a parking manager, cashier, bookkeeper, and a custodian.

**Scenario 4** Scenario 4 would include the installation of multi-space meters for visitors and key card controls for state employees. This scenario includes salary costs for a parking attendant and a custodian.

**Other Options** The study also discusses options for third party contracting for scenarios 3 and 4. However, the projected costs are the same as the Department of General Services providing this service directly.



**Appropriations** The Department of General Services has been appropriated a total of $9.3 million for planning, design, and partial construction of the parking structure. Of this, approximately $1.0 million has been expended or obligated. The Governor’s FY 2001 budget proposal, recommends the deappropriation of the remaining $8.3 million.

STAFF CONTACT: David Reynolds (Ext. 16934)

*Issue Review* - Economic Impact of Travel on the Iowa Economy



***Issue Review*** The LFB recently released an ***Issue Review*** describing the economic impact of travel on the Iowa economy. The ***Issue Review*** analyzed annual reports (1995 - 1998) prepared by the U.S. Travel Data Center for the Department of Economic Development.



**Background** To be included in the study’s definition of travel, the traveler must be a U.S. resident traveling at least 100 mile or staying overnight in paid accommodations (regardless of distance of trip). The survey for calendar year 1998 concludes U.S. resident travel in Iowa generated $3.7 billion in direct economic impact, including $775.0 million in wage and benefit payments to 58,800 persons employed in travel-related jobs. Travel-related expenditures generated $290.6 million in State and local taxes during 1998. More than half of the travel-related expenditures and employment occurred in six Iowa counties, while the lowest one-third of counties accounted for 3.7% of travel-related expenditures and 2.5% of wages and employment.

**Conclusions** The ***Issue Review*** concludes travel expenditures are 4.6% of the Gross State Product, travel-related taxes are 4.6% of net State tax revenues, and travel-related jobs are 3.9% of resident employment and 1.1% of total State personal income.

**Copies Available** Copies of the ***Issue Review*** are available upon request from the LFB.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

*Issue Review* - Water Quality and Total Maximum Daily Loads





***Issue Review*** The LFB recently released an ***Issue Review*** providing an overview of the establishment of total maximum daily load (TMDL) measurements as required by the federal Clean Water Act. The Clean Water Act requires each state to establish water quality standards. Waterbodies that do not meet these standards are considered impaired. Each state is required to submit a listing of impaired waterbodies every two years to the Environmental Protection Agency (EPA). For each of the listed waterbodies, a total maximum daily load measurement must be calculated for each pollutant causing the impairment. The calculation quantifies the sources of pollutants and the local reduction necessary to meet the state’s water quality standards. Other items in this ***Review*** include:

* A discussion on the 1998 listing of impaired waterbodies submitted to the Environmental Protection Agency.
* Costs of implementing total maximum daily load measurements for specific projects in other states.
* Discussion on costs associated with developing and implementing total maximum daily load measurements.
* A table summarizing estimated costs for implementing total maximum daily load measurements in surrounding states.

**Copies Available** Copies of the ***Issue Review*** are available upon request.

STAFF CONTACT: Deb Kozel (Ext. 16767)

*ISSUE REVIEW* - UPDATE on riverboatS, pari-MUTUEL, AND SLOT MACHINES AT RACETRACKS



***Issue Review*** The Legislative Fiscal Bureau recently released an ***Issue Review*** providing an update on riverboat, pari-mutuel, and slot machine operations in Iowa. The ***Review*** includes information relating to:

* History of Gambling in Iowa
* Regulation of Gambling Operations
* Revenue Flow
* Revenue and Expenses - A Historical Perspective
* Riverboats and Racetracks Currently in Operation
* FY 1999 Wagering Tax Revenue
* Statistics by Individual Riverboats and Racetracks



**Wagering Tax Revenue** Wagering tax revenue generated by gambling enterprises, in Iowa and excluding Indian gaming and the Iowa Lottery, totaled $159.1 million in FY 1999. This is an increase of $18.4 million (13.0%) compared to FY 1998. The Racing and Gaming Commission estimates total FY 2000 wagering tax revenues of $167.0 million.

**Copies Available** Copies of the ***Issue Review*** are available upon request.

STAFF CONTACT: Ron Robinson (Ext. 16256)

*Issue Review* Series completed



***Issue Review* Series** The LFB ***Issue Review*** series for the 1999 Interim is now complete. The ***Issue Review*** series was developed by the LFB in 1992 to provide information to the General Assembly on selected issues and has published more than 315 ***Reviews*** since the series began. Each ***Issue Review*** provides information on a specific topic, including background, current situation, agencies affected, alternatives, and budget impact. Following is a list of ***Issue Review*** titles that were completed since the 1999 Legislative Session:

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| * An Update of the Case Management Program
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| * Calculation of Residential Property Taxes and the Property Tax Rollback Amounts for Assessment Year 1999
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| * Community College Funding Overview
 |
| * Community College Management Information System
 |
| * Department of Corrections Program Backlogs and Waiting Lists
 |
| * Dietary Staffing at the Iowa Veterans Home
 |
| * Earthen Waste Storage Structures in Iowa
 |
| * Economic Impact of Travel on the Iowa Economy
 |
| * Federal Education Assistance
 |
| * Financing Changes to the 260E Job Training Program
 |
| * Indigent Defense Update
 |
| * Iowa Finance Authority Low-Income Housing Tax Credits
 |
| * Iowa Recreational Trails Program
 |
| * Johne's Disease
 |
| * Linked Investments for Tomorrow Program Update
 |
| * Low-Income Home Energy Assistance Program (LIHEAP)
 |
| * Mental Health Expenditures
 |
| * Nursing Facility Direct Care Staff Turnover
 |
| * Overview of the Beverage Container Control Act
 |
| * Plant Science Initiative at Iowa State University
 |
| * Professional Licensing
 |
| * Reading Recovery Program Update
 |
| * Recent Changes in the Prison Population
 |
| * Recreation Infrastructure Grant Program
 |
| * Refugee and Immigrant Growth in the State of Iowa
 |
| * Review of Regents Infrastructure Projects
 |
| * Section 8.39 Appropriation Transfers
 |
| * Sex Offender Correctional Programming
 |
| * Sexually Violent Predator Commitment Program
 |
| * Social Services Block Grant Update
 |
| * State of Iowa Aviation Assistance Programs
 |
| * Student Loan Default Prevention Activities by the College Student Aid Commission
 |
| * Tourism Advertising
 |
| * Underground Storage Tank Insurance Program
 |
| * Update on Excursion Gambling Boats, Pari-Mutuel, and Slot Machines at Racetracks for FY 1999
 |
| * Water Quality and Total Maximum Daily Loads
 |

**Copies Available** Copies of these ***Issue Reviews*** are available upon request from the LFB Office. The General Assembly is also encouraged to access these ***Reviews*** via the LFB’s website at <http://staffweb.legis.state.ia.us/lfb/ireview/ireview.htm>.

STAFF CONTACT: Mary Shipman (Ext. 14617)

Topical Information Summaries on State Issues - Week of February 7

**Topical Summaries** The Legislative Fiscal Bureau has available on the Legislative Website or through the Legislative Mapper system, thirty-five summaries on a power point program available for informational purposes. The listing of presentations was provided in the January 18 edition of the **Fisca**l **Update**, as well as the instructions for accessing the information. The following is a highlight of three of the power points:

**Children’s Health Ins.** The Children’s Health Insurance Program provides:



* The history of the Program and implementation of the Healthy and Well Kids in Iowa (HAWK-I) Program.
* The health care services covered and the eligibility requirements.
* Statistics regarding the possible number of uninsured children in the State of Iowa and the number of children enrolled in the Program.
* The federal funding formula and Iowa’s allocation.
* The managed care providers and the private insurer participating in the Program.

Staff Contact: Deb Anderson (Ext. 16764)

**Overview of Forestry** Overview of Forestry in Iowa provides:

* Identification of Forest Districts within the Department of Natural Resources.



* The assistance provided within the State by the Forestry Division.
* The number of acres in each State Forest, as well as a map with the locations.
* Revenues generated by the sale of trees and forest products.

Staff Contact: Deb Kozel (Ext. 16767)

**Iowa Retirement Systems** Iowa Retirement Systems provides:

Retirement



* Identification of the five retirement systems offered to various governmental employees within the State.
* The number of members and a comparison of the number of employees by the various governmental entities.
* Contribution rates for both the employee and the governmental employer.
* Assets of the systems and the maximum individual benefit available upon retirement.

Staff Contact: Dwayne Ferguson (Ext. 16561)

**For Assistance** If you need assistance accessing, printing, or e-mailing these presentations, please do not hesitate to ask any LFB staff member for assistance.

STAFF CONTACT: Sue Lerdal (Ext. 17794)