February 28, 2000 FISCAL UPDATE February 28, 2000

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Senior Living program and Trust Fund

**Senior Living Program** Two similar bills, SF 2193 and HF 2408, passed both the Human Resources Committee and the Appropriations Committee of both chambers. Senate File 2193 was sent to the Governor on February 24. The Bill creates an Iowa Senior Living Program, and provides grants as an incentive to convert existing nursing home beds to “assisted living” beds, and provides alternative long-term care services.

**Trust Fund** The grants are appropriated from the Senior Living Trust Fund. The Trust Fund is created from federal revenues received as a result of adjusting the charges from the State to the Health Care Financing Authority for the Medical Assistance (Medicaid) Program. Initial estimates indicate that between $205.0 million and $270.0 million may be received between FY 2001 and FY 2005.

**Appropriations**  The Bill appropriates from the Trust Fund for FY 2001:



* $4.2 million and 7.0 FTE positions to the Department of Elder Affairs for administration and service delivery costs.
* $20.0 million for conversion grants, the cost of altering a nursing home bed to assisted living beds, or development of long-term care alternatives.
* $2.2 million and 5.0 FTE positions to the Department of Human Services (DHS) for administration and service delivery costs.
* $17.8 million to the DHS for nursing facility provider reimbursements or reimbursement methodology changes. This includes approximately $12.8 million to provide the historical 70th percentile reimbursement level and $5.0 million for changes in case mix (reimbursements based upon the severity of the case).

**Duties & Rule Making** The Bill also provides numerous duties and administrative rule-making authority for the Department of Elder Affairs and the DHS relating to:



* Home and Community-Based Services
* Programs for All-inclusive Care for the Elderly (PACE)

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* Senior health care and Support Services database and distribution of the information
* Caregiver Support Program for respite care and persons with disabilities
* A resident assessment prior to initial admission into a nursing facility

**Other Items** Other items included in SF 2193 include:

* Changes the name of the existing Long-Term Care Coordinating Unit to the Senior Living Coordinating Unit and adds four legislative members
* Amends the statutory definition of “assisted living”
* Requests an interim study for senior living insurance and incentives
* Requires the DHS to create a task force to develop a case mix reimbursement methodology
* Requires the DHS to evaluate the Senior Living Program and reimbursement methodology changes to residential care facilities

**NOBA**

**Bill Summary** Detailed information, as well as a Notes on Bills and Amendments (NOBA) is available upon request.

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Administration and Regulation Appropriations Subcommittee



**Admin./Regul. Sub** Members of the Administration and Regulation Subcommittee met February 22 and were joined by Secretary of State, Chet Culver, and several members of the Iowa Student Political Awareness Club (ISPAC). Secretary Culver presented to the Committee what the Iowa Student Political Awareness Club has accomplished since its inception last year and discussed with the Committee the coordination of the events that have taken place in schools around the State.

**Political Awareness Club** The Iowa Student Political Awareness Club was created to increase voter awareness and voter turnout among young people. It is a non-partisan organization aimed toward increasing community and political participation. Membership is free and available to students in grades 6-12.

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Agriculture and Natural Resources Appropriations Subcommittee

**Agric./Natural Resources Sub.** The Agriculture and Natural Resources Appropriations Subcommittee met February 22 though 24 and conducted the following business:



**FY 2001 Budget** On February 22, Sherry Weikum and Deb Kozel, Legislative Fiscal Bureau, discussed the FY 2001 Department Requests and Governor’s Recommendations for the Department of Agriculture and Land Stewardship and the Department of Natural Resources.

**FY 2000 Budget Review** On February 23, the Subcommittee members discussed the FY 2000 Agriculture and Natural Resources Appropriations Act by line item. Subcommittee members proposed changes for the FY 2001 budget.

**Brownfields Program** On February 24, Susan Dixon, Department of Natural Resources, provided an overview of the Brownfields Program. At the federal level, there are five Brownfields Assessment Demonstration Pilot Projects funded by the Environmental Protection Agency (EPA). The Department works with the EPA on these sites; however, there is no State funding provided. At the State level, there is the Iowa Land Recycling Program administered by the Department and addresses contaminated properties. Currently, there are six sites enrolled in the Program in the State. The sites are located in Manchester, Newton, Sergeant Bluff, Des Moines, and Sioux City.

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Health and Human Rights Appropriations Subcommittee Meeting



**Health/Human Rights Sub.** The Health and Human Rights Appropriations Subcommittee met on February 24 to hear a presentation on the Community Grant Fund, administered by the Division of Criminal and Juvenile Justice Planning in the Department of Human Rights. Presenters included:

* Dick Moore, Administrator of Criminal and Juvenile Justice Planning Division
* Sally Schroeder, Clinton/Jackson County Decategorization Board
* Derek Clark, Clinton Substance Abuse Council
* John Krogman, Clinton School District
* Jane Marlow, Families and Schools Together (FAST)
* Laura Pfeffer, Senate Page from Clinton County

**Community Grant Fund** Subcommittee members inquired about the status of HF 2379 (Community Grant Fund) and SF 2257 (Community Grant Fund). Both bills propose to repeal the current June 30, 2000, sunset of the Community Grant Fund and change the method by which grants are awarded. Both bills have been voted out of Human Resources Committees and have been placed on the calendars.

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Transportation, Infrastructure, and Capitals Appropriations Subcommittee

**Trans., Infra., & Capitals** The Transportation, Infrastructure, and Capitals Appropriations Subcommittee met February 22, 23, and 24 to hear presentations from several departments and interest groups**.**



**Judicial Branch** The Judicial Branch reported plans for the new facility would be finished this week. They anticipate a total project cost of $30.0 million. The Judicial Branch has been appropriated a total of $21.7 million for FY 2000 and FY 2001 and is requesting an additional $8.3 million for FY 2002. The Judicial Branch is also requesting contract authority to obligate the $30.0 million in order to enter construction agreements with contractors.

**State Fair** The Iowa State Fair Blue Ribbon Foundation highlighted the building and renovation projects completed at the Fairgrounds over the past six years and reported on the progress of plans for the Varied Industries Building, the last of the projects. The Iowa State Fair Authority is requesting $1.0 million for FY 2001 for maintenance and secondary infrastructure projects. This request was not included in the Governor’s recommendations.

**Economic Development** The Department of Economic Development highlighted a wide range of projects funded throughout the State in the areas of Community Attraction and Tourism Development, Accelerated Career Education, Physical Infrastructure Assistance, Local Housing Assistance, and Advanced Research and Commercialization. The Governor’s recommendations for FY 2001 include $7.5 million for Physical Infrastructure Assistance and $2.0 million for the development and creation of major multiple purpose attraction and tourism facilities. The Governor is also recommending the issuance of $200.0 million in revenue bonds to assist local communities to construct such facilities and $10.0 million from the Rebuild Iowa Infrastructure Fund for FY 2002 to pay the debt service on the bonds.

**Silos & Smokestacks** Representatives of America’s Agricultural Heritage Partnership (Silos and Smokestacks) highlighted their efforts to preserve and promote Iowa’s agricultural heritage. Silos and Smokestacks is a network of sites, programs, and events in 37 northeastern Iowa counties designated by the U. S. Congress as a National Heritage Area under Public Law 104-333, the 1996 Omnibus National Parks and Public Lands Act. The designation resulted in a federal appropriation of $248,000 for FY 2000. America’s Agricultural Heritage Partnership is requesting State funding of $250,000 for FY 2001. This request was not included in the Governor’s recommendations.

**Historical Preservation** The Department of Cultural Affairs presented its request for $2.5 million for the Historical Preservation Grant Program. The Governor is recommending $1.5 million for the program and $278,000 for the National World War II Memorial.



**Battleflag Preservation** The Iowa Battleflag Preservation Committee reported on efforts to preserve Iowa battleflags from the Civil War, Spanish American War, and World War I. The flags are currently being assessed, and the initial estimate of the cost to stabilize, store, and display the flags is $1.0 million. The Committee requested an appropriation of $1.0 million for FY 2001. This request was not included in the Governor’s recommendations.



**Dept. of Natural Resources** The Department of Natural Resources presented the Governor’s recommendations for FY 2001. The Department is requesting $34.6 million, which includes:

* $3.0 million for the Restore the Outdoors Program to renovate park facilities built through the Civilian Conservation Corps (CCC) and the Work Progress Administration (WPA) Programs throughout the State.
* $20.0 million for annual funding of the Resource Enhancement and Protection Fund (REAP).
* $2.3 million for boating access and lake restoration projects that meet Marine Fuel Tax funding requirements. Marine Fuel Tax receipts are deposited into the Rebuild Iowa Infrastructure Fund.
* $50,000 for continued funding to develop and construct Elinor Bedell State Park adjacent to Lake Okoboji.
* $3.5 million for continued funding of the Recreation Infrastructure Grant Program.
* $200,000 for costs associated with the construction of a dam at Lake Belva Deer.
* $5.5 million in water quality initiatives.

**Roadside Vegetation** A representative of the University of Northern Iowa’s Roadside Vegetation Program presented a request for $100,000 in FY 2001 and $300,000 in subsequent years to operate a Native Roadside Vegetation Center. The University has received $760,000 from the federal Transportation Equity Act for the 21st Century (TEA 21) to construct a Center. The State funds would provide the support costs necessary to operate the facility. This request was not included in the Governor’s recommendations for FY 2001.

**Heritage Park** A representative of the Winnebago Historical Society, Inc., of Forest City, presented information on the development of Heritage Park of North Iowa, a series of agricultural museums and exhibits scheduled to open in the summer of 2000. He identified funding needs through FY 2003 of $1.0 million.

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Weekly Medical Assistance Program Expenditures in the Department of Human Services



**Medical Asst. Program** For the week ending February 21, FY 2000 General Fund expenditures for the Medical Assistance Program in the Department of Human Services were $4.6 million (97.9% of budget). This is $100,000 below the weekly budget established by the Department. Year-to-date Medical Assistance General Fund expenditures are $241.9 million, which is $6.9 million (2.9%) 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.



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