FISCAL UPDATE April 17, 2000

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 Status of Appropriations Bills



| **Appropriations Subcommittee Bills** |
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| **Appropriations Subcommittee** |  | **LSB/File #** |  | **Status** |
| Admin./Regulation |  | HF 2545 |  | Passed the House on March 22. In Senate Approps. |
| Ag./Natural Resources |  | SF 2430 |  | Passed the House on April 13. |
| Economic Development |  | SF 2428 |  | Passed the House on April 13. |
| Education |  | HF 2549 |  | Passed the House on March 28. In Senate Approps. |
| Health/Human Rights |  | SF 2429 |  | Passed the House on April 13. |
| Human Services |  | SF 2435 |  | Passed the House on April 11. |
| Justice System |  | HF 2552 |  | Passed the House on March 29. In Senate Approps. |
| Justice System – Judicial Branch |  | HF 2554 |  | Passed the House on March 29. In Senate Approps. |
| Oversight & Comm. |  | SF 2433HF 2571 |  | Passed the Senate on April 10. Passed House Approps. on April 10. |
| Trans., Infrastruc- ture, & Caps. |  | HF 2538SF 2453HF 2574 |  | Transportation Appropriations signed by the Governor on April 7.Infrastructure Appropriations passed Senate Approps. on April 12.Infrastructure Appropriations passed House Approps. on April 11. |

| **Other Appropriations Bills** |
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| **Short Title** |  | **LSB/File #** |  | **Status** |
| Tobacco Fund Appropriations |  | HF 2555 |  | Passed House Approps. on March 30. |
| Block Grant/Federal Funds  |  | HF 2533 |  | Passed House on April 5. |
| At-Risk Weighting  |  | HF 2496 |  | Passed Senate on April 13. |
| Merchant Marine Bonus |  | SF 2141 |  | Passed the House on April 3. |
| Standings Bill |  | SF 2452HF 2572 |  | Passed Senate Appropriations on April 12.Passed House Appropriations on April 11 |
| Oil Overcharge |  | SF 2416 |  | Sent to the Governor on April 12. |
| Budget Guarantee |  | SF 2111 |  | Signed by the Governor on April 6. |
| WW II Memorial |  | HF 2059 |  | Signed by the Governor on January 31. |
| Senior Living Trust |  | SF 2193 |  | Signed by the Governor on February 29. |
| Allowable Growth |  | SF 2082 |  | Signed by the Governor on February 9. |
| Deappropriations |  | HF 2039 |  | Signed by the Governor on January 18. |

STAFF CONTACT: Holly Lyons (Ext. 17845)

At-Risk Weighting Bill - SF 2496 Passes Senate

**HF 2496 – At-Risk Wtg.** The Senate amended and passed HF 2496 (At-Risk Weighting Bill) on April 13.

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**District Sharing** The Bill, as amended by the Senate, provides the following:

* Assigns an additional weighting of 0.48 per pupil for school districts that send their resident pupils to another school district, which jointly employ and share the services of teachers, or which use the services of a teacher employed by another school district. The weighting of 0.48 is multiplied by the percentage of the pupil’s school day involved in the shared program.
* Assigns an additional weighting of 0.48 for school districts which send their resident pupils to a community college-offered class or to a class taught by a community college-employed teacher. The weighting of 0.48 is multiplied by the percentage of the pupil’s school day involved in the shared classes.



* Requires the School Budget Review Committee to certify to the Department of Management the schools to receive supplementary weighting.
* Requires that a number of conditions be met regarding the nature of the class or classes being taken in order to qualify for supplementary weighting for classes shared by a district with a community college.
* Assigns an at-risk poverty weighting of 0.00469 per pupil in FY 2001 based on the percentage of pupils enrolled in grades one through six who are eligible for free and reduced price meals, as reported by the school district on the basic educational data survey for the base year. The weight will be adjusted each fiscal year by the Department of Management through FY 2003.
* Assigns a weighting of 0.00152 per pupil in FY 2001 based on the number of pupils included in the budget enrollment of the school districts. The weight will be adjusted each fiscal year by the Department of Management through FY 2003.

**Cost Estimates** The Bill also:



* Provides for FY 2001, school districts will receive the greater of the amount generated by the total at-risk weighting or 65.0% of the amount received for supplementary weighting for alternative high schools in FY 2000. The FY 2001 total cost of the plan is estimated to be $8.9 million. Of this amount, $7.8 million will be funded from State aid and $1.1 million will be funded through additional property tax. However, this includes $7.0 million in new State dollars because approximately $800,000 has already been included in the FY 2001 allowable growth estimate.
* Provides for FY 2002, school districts will receive the greater of the amount generated by the total at-risk weighting or 40.0% of the amount received for supplementary weighting for alternative high schools in FY 2000. The FY 2002 total cost of this plan is estimated to be $9.0 million. Of this amount, $7.9 million will be funded through State aid and $1.1 million will be funded through additional property tax.
* Provides for FY 2003, there will be no guarantee amount and school districts will receive the amount of at-risk weighting based on an at-risk poverty weighting and an enrollment weighting. The FY 2003 total cost of this plan is estimated to be $9.6 million. Of this amount, $8.4 million will be funded through State aid and $1.2 million will be funded through additional property tax.

**Other Provisions** Other provisions of the Bill include:

* Requires that the enrollment amount in FY 2000 for alternative high schools be adjusted based on audit reports filed under Code of Iowa, Section 11.6.
* Provides that school districts or a consortium of school districts which received funds from the School Based Youth Services Program in FY 2000, receive a minimum of $50,000 for at-risk programs in FY 2001 and FY 2002.
* Specifies it is the intent of the General Assembly that when the at-risk poverty weight and enrollment weight are recalculated by the Department of Management, the total amounts generated by each weight shall be approximately equal.
* Requires the Department of Management to adjust the at-risk poverty weight and the enrollment weight to reflect the inclusion of the School Based Youth Services Program Guarantee.
* Requires the Department of Management to adjust the at-risk poverty weight and the enrollment weight to reflect the intent that the total statewide amounts generated by the at-risk poverty and enrollment weights are approximately equal with or without the School Based Youth Services Program guarantee.
* Requires the Department of Education to annually file a report with the General Assembly regarding school finance provisions or programs that receive a standing appropriation. This report should include supplementary weighting programs. The report is due January 1 of each year.
* Specifies that the Bill takes effect upon enactment.

**NOBA**

**Bill Summary** Copies of the Executive Summary of the Notes on Bills and Amendments (NOBA) are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONs BILL - SF 2430 PASSES the HOUSE

**Ag./Natural Resources** The Agriculture and Natural Resources Appropriation Bill, SF 2430, was passed by the House on April 13. The Bill appropriates $43.4 million from the General Fund and 1,507.5 FTE positions. This is a decrease of $617,000 (1.40%) and an increase of 13.0 FTE positions (0.09%) compared to the FY 2000 net estimated appropriation.

**Changes by the House** Major changes by the House include:

* Changes the name of the International Relations Fund to the International Travel Fund. Moneys in the Fund are appropriated to pay the costs incurred by the Secretary of Agriculture, or a designee of the Secretary, related to international travel for the promotion of Iowa agricultural products or commodities.



* Increases the FTE appropriation to the Soil Conservation Division in the Department of Agriculture and Land Stewardship by 2.00 FTEs. Specifies the FTEs will support the Conservation Reserve Enhancement Program.
* Increases the General Fund appropriation to the operating Divisions in the Department of Natural Resources that include:

An increase of $116,000 to the Administrative Services Division

An increase of $62,000 to the Parks and Preserves Division

An increase of $23,000 to the Forests and Forestry Division

An increase of $27,000 to the Energy and Geology Division

An increase of $1.2 million to the Environmental Protection Division

* Specifies the Air Quality Bureau in the Environmental Protection Division in the Department of Natural Resources will study the merits of assisting Iowa industry in implementing the enlibre air quality model.
* A decrease of 5.0 FTE positions in the Environmental Protection Division in the Department of Natural Resources for the enlibre air quality model.
* Eliminates the $300,000 allocation from the Water Quality Protection Fund to the Environmental Protection Division in the Department of Natural Resources.



* Increases the number of FTE positions in the Fish and Wildlife Division in the Department of Natural Resources by 10.0 FTE positions. Specifies not more than 7.0 FTE positions will be used for the Conservation Buffer Initiative and at least 3.0 FTE positions will be used for the Prairie Seed Harvest Initiative.
* Increases the appropriation to the Fish and Game Protection Fund in the Department of Natural Resources by $1.3 million. Specifies $700,000 will be used for the Conservation Buffer Initiative and $600,000 will be used for the Prairie Seed Harvest Initiative.
* Eliminates funding from non-General Funds to the Environmental Protection Division in the Department of Natural Resources. This includes $540,000 from the Groundwater Protection Fund and $100,000 from the Organic Nutrient Management Fund in the Department of Agriculture and Land Stewardship.
* Appropriates the unencumbered and unobligated balance from the Organic Nutrient Management Fund as of July 1, 2000, to the Department of Agriculture and Land Stewardship for deposit into the Agrichemical Remediation Fund if SF 466 (Remediation of Agrichemical Sites Bill) is enacted by the 2000 General Assembly. Eliminates funding from the Solid Waste Account in the Groundwater Protection Fund.
* Decreases the FY 2000 supplemental appropriation to Iowa State University for the Iowa Concern Hotline by $75,000.
* Appropriates a FY 2000 supplemental appropriation of $75,000 to the Department of Agriculture and Land Stewardship for support services in the Administrative Division.
* Appropriates 1.0 FTE position to the State Fire Marshal’s Office in the Department of Public Safety for the inspection of above ground storage tanks of petroleum and an increase of the annual registration fee from $10 to $15. This position will be funded with registration fees collected by the Department of Public Safety.



* Establishes a pilot project in the Department of Natural Resources for the refund of all or a portion of stormwater discharge permit fees when the permit is not issued in a timely manner.
* Specifies fuel pumps dispensing renewable fuels will have a decal attached to the pump identifying the type of renewable fuel. Prohibits the sale or storage of motor vehicle fuel containing more than a trace of amount of methyl tertiary butyl ether (MTBE) additives.

**NOBA**

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

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

Economic Development Appropriations Bill - SF 2428 amended and passed by the house

**Economic Development** On April 13, the House amended and passed SF 2428 (FY 2001 Economic Development Appropriations Bill). The Bill as amended appropriates $37.3 million and 1,276.9 FTE positions, a decrease of $4.4 million (10.4%) and an increase of 17.2 FTE positions (1.4%) compared to the FY 2000 estimated net appropriation.



**DED Changes** The House amendment increases General Fund appropriations to the Department of Economic Development (DED) by $550,000 and 5.0 FTE positions compared to the levels passed by the Senate. With the House amendment, the Bill appropriates $21.9 million and 211.8 FTE positions to the DED, a decrease of $2.9 million (11.8%) and an increase of 23.5 (12.5%) FTE positions compared to the FY 2000 estimated net appropriation. The amendment:

* Increases the appropriation to the DED Business Development $200,000 and 2.0 FTE positions and decreases the General Fund appropriation to the Small Business Development Centers at Iowa State University by $200,000 due to not transferring certain small business programs to the Centers in FY 2001.
* Increases the appropriation to the Business Development Division by $100,000 for immigration assistance to businesses.
* Requires that the DED consult with the Small Business Development Centers to eliminate any duplication of services provided to small businesses. The Department is to report to the Economic Development Appropriations Subcommittee Chairs and Ranking Members by December 1, 2000, with recommendations to eliminate duplication.
* Requires that the DED allocate $100,000 from the Business Development Division appropriation to the Federal Procurement Office.
* Reduces the minimum FY 2001 Strategic Investment Fund allocation to the Value-Added Agriculture Products and Processes Fund from $4.5 million to $3.0 million.
* Increases the appropriation to the DED International Division $250,000 and 3.0 FTE positions to establish an assistance program for food value-added and biotech products as an outgrowth of the “Taste of Iowa” Program.
* Reduces the cap on the amount of income tax withholding deposited annually to the Workforce Development Fund to $8.0 million. The current cap is $10.0 million. Senate File 2439 (Accelerated Career Education Bill) reduced the cap to $9.0 million. The fiscal impact of the two adjustments to the cap is a General Fund revenue increase of $1.8 million in FY 2001 and $2.0 million in FY 2001 and beyond.

**Workforce Development** The House amendment increases General Fund appropriations to the Department of Workforce Development by $189,000 and 5.5 FTE positions compared to the levels passed by the Senate. With the House amendment, the Bill appropriates $6.7 million and 978.6 FTE positions to the Department, a decrease of $1.3 million (16.5%) and 7.3 (0.7%) FTE positions compared to the FY 2000 estimated net appropriation. The amendment:



* Increases the Labor Division appropriation $104,000 and 3.5 FTE positions to increase occupational safety and health inspections and to reverse an adjustment to the base budget.
* Increases the Workers’ Compensation Division appropriation $216,000 and 1.0 FTE position to expedite workers’ compensation contested case appeals and to reverse an adjustment to the base budget.
* An increase of $69,000 and 0.50 FTE position to restore the Labor-Management Coordinator position.
* An increase of $500,000 from the General Fund and a decrease of $1.5 million from the Unemployment Administrative Contribution Surcharge Fund for the New Employment Opportunities Fund.
* A decrease of $700,000 from the General Fund and an increase of $700,000 from the Unemployment Administrative Contribution Surcharge Fund for the Welfare-to-Work Program.
* Decreases the Penalty & Interest Fund appropriation for Immigration Service Centers by $40,000.

**NOBA**

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

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Health and human RIghts Appropriations bill – Sf 2429 passes house



**Health/Human Rights** On April 13, SF 2429 (Health and Human Rights Appropriations Bill) passed the House. The Bill appropriates $88.6 million from the General Fund and 1,542.7 FTE positions, a decrease of $7.5 million and an increase of 26.9 FTE positions compared to the FY 2000 estimated net appropriation. The Bill provides funding to seven agencies: Department for the Blind, Civil Rights Commission, Department of Elder Affairs, Governor’s Alliance on Substance Abuse, Department of Public Health, Department of Human Rights, and Commission on Veterans Affairs. The House amendment includes the following changes:

* Changes the name of the Governor’s Alliance on Substance Abuse to the Governor’s Office of Drug Control Policy.
* Increases the appropriation to the Addictive Disorders Program of the Department of Public Health by $1.0 million
* Permits the Board of Dental Examiners to retain and expend up to $133,000 from dental assistant registration revenues for 2.0 FTE positions and related regulatory costs during FY 2001.
* Increases the appropriations to divisions of the Department of Human Rights by a total of $17,000 for continued access to the Iowa Hub.
* Requires the Healthy and Well Kids in Iowa (HAWK-I) Board to approve a plan for distribution of the funds allocated for HAWK-I outreach efforts.
* Appropriates approximately $80,000 to the Department of Public Health from receipts collected by the General Fund from 0.3% of the gross sum wagered at pari-mutuel tracks. Requires a maximum of $50,000 of the funds be used to supplement funds otherwise budgeted for the Childhood Lead Poisoning Prevention Program. Requires the remainder of the funds be allocated for the costs associated with the Child Fatality Review Committee, the expansion of the age range for child death case review, and the Iowa Domestic Death Review Team.
* Requires the Director of the Department of Public Health to consult with an ad hoc committee to conduct a study regarding prevention of lead poisoning among Iowa children. Specifies the requirements of the study and a report including recommendations by January 1, 2001. Also requires the Director present the recommendations to a joint meeting of the House and Senate Human Resources Committees during the 2001 Legislative Session.
* Makes various changes to the operation of the Community Grant Fund Program.
* Extends the sunset date for the Community Grant Fund to June 30, 2005. Requires the Division of Criminal and Juvenile Justice Planning to annually submit a report to the General Assembly by January 15.

**NOBA**

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

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

Human Services Appropriations Bill - SF 2435 as amended and passed by the House

**Human Services** Senate File 2435, as amended by S-5387, (Human Services Appropriations Bill) appropriates $797.8 million and 3,957.9 FTE positions from the General Fund. The funding remains an increase of $9.2 million compared to the FY 2000 estimated net appropriation. The FTE position authorization is a decrease of 1,551.4 FTE positions compared to Senate action and 1,537.7 FTE positions compared to the estimated FY 2000 positions.

**Changes by the House** The House changes include:



* Requires local match for after-school child care grants and limits applications for child care grants to two pages.
* Reduces the Medical Assistance FY 2001 appropriation by $322,000. This includes a decrease of $8,000 due to rounding, an increase of $100,000 to develop a plan for a Personal Assistance Services Program, and creation of a new budget unit and appropriation of $414,000 for the Pharmaceutical Case Management Program.
* Revises Home and Community-Based Waiver language to expand the Program to 100 slots and prioritize to whom services are to be provided.
* Strikes language requiring the Department of Human Services (DHS) to seek a waiver to provide continuous eligibility for children under the Medical Assistance Program.
* Requires the DHS to pursue alternative funding options for individuals no longer eligible for the Early and Periodic, Screening, Diagnosis, and Treatment Program.
* Requires the DHS to adopt emergency rules to permit reimbursement for certain nurse practitioners.
* Requires the DHS to seek a federal waiver to permit families with children eligible for Medical Assistance to participate in the Healthy and Well Kids in Iowa (HAWK-I) Program rather than Medical Assistance.



* Specifies that $50,000 of the FY 2001 appropriation for Medical Contracts is to be used to continue the Recruitment and Retention Strategies Project relating to certified nurse aides.
* Strikes language prohibiting the DHS from implementing a waiting list for child care assistance.
* Increases the amount of inflation funding for the Iowa Juvenile Home at Toledo, the State Training School at Eldora, the Mental Health Institutes at Clarinda and Independence, the State Hospital-School at Woodward, and the Sexual Predator Program in a total amount of $45,000.
* Reduces the FY 2001 appropriation for Child and Family Services by $8,000 due to rounding.
* Revises language relating to day treatment and aftercare services for juvenile females.
* Strikes the effective date for implementing reclassification of reimbursements for Psychiatric Medical Institutions for Children (PMICs). Increases the maximum per diem for reimbursement to Psychiatric Medical Institutions for Children (PMICs) to allow for receipt of possible tobacco settlement funds.
* Specifies that federal Title IV-E funding obtained by revising Judicial Branch resource allocation procedures is to be used for related purposes and allows funds to carry forward to FY 2002.



* Removes references to Full Time Equivalent (FTE) positions at the State Hospital-Schools at Glenwood and Woodward. Adds language permitting positions to be added and pooled between the Schools if DHS and the Department of Management agree the positions are needed.
* Reduces the FY 2001 appropriation for State Cases by $600,000.
* Adds a new FY 2001 appropriation of $300,000 for reimbursements to certain Intermediate Care Facilities for the Mentally Retarded (ICF/MRs) which serve persons with brain or head injuries.
* Adds $25,000 to be transferred to the Department for the Blind to establish Statewide access to the newsline for the blind and $25,000 for independent access to newspapers.
* Increases the FY 2001 FTE authorization for the Sexual Predator Program to 20.0 FTE positions.
* Increases the FY 2001 appropriation to Field Operations by $147,000 and adds related language for child abuse assessments.
* Reduces the FY 2001 appropriation to the Regional Offices by $119,000 due to rounding.
* Reduces the FY 2001 appropriation to General Administration by $93,000 for rounding and reallocation of funding for the State County Assistance Team.



* Provides a separate appropriation for the State County Assistance Team and increases funding by $140,000 to fund two additional State County Assistance Team employees.
* Prohibits implementation of certain reimbursement methodologies by the DHS without legislative approval.
* Requires the DHS to work with nursing facilities regarding reimbursement methodologies and specifies reporting requirements.
* Delays the statutory repeal of the Prevention of Disabilities Policy Council until June 30, 2001, and requires a report to the Governor and the General Assembly by December 15, 2000, regarding continuation of the Council.
* Permits the State Training School at Eldora to name newly constructed facilities other than the Educational Complex already specified in the Bill.
* Makes various corrective changes and adds effective dates.

**NOBA**

**Bill Summary** Copies of the Executive Summary of the Notes on Bills and Amendments (NOBA) are available from the Legislative Fiscal Bureau.

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

Infrastructure Appropriation Bills Passes Senate and House Appropriation Committees

**Infrastructure Approps.** The Senate and House Appropriations Committees passed companion Infrastructure Appropriation Bills. On April 11, the House Appropriations Committee passed HF 2574 which appropriates a total of $76.4 million from the Rebuild Iowa Infrastructure Fund and the Environment First Fund in FY 2001, $26.3 million in FY 2002, $14.4 million in FY 2003, and $3.0 million in FY 2004.

**SF 2453** On April 12, the Senate Appropriations Committee passed a companion bill (SF 2453) which appropriates a total of $76.7 million from the Rebuild Iowa Infrastructure Fund and the Environment First Fund in FY 2001, $26.9 million in FY 2002, $14.4 million in FY 2003, and $3.0 million in FY 2004.

**Summary of Bills** The following provides a summary of the two Infrastructure Appropriation Bills. The differences are highlighted in ***bold italics***.

**Dept. for the Blind** Department for the Blind

* Appropriates $122,000 from the Rebuild Iowa Infrastructure Fund for renovation of dormitory facilities.

**Corrections** Department of Corrections



* Appropriates $3.0 million from the Rebuild Iowa Infrastructure Fund for costs associated with the addition of 200 special needs beds for difficult to manage offenders at the Iowa State Penitentiary at Fort Madison.
* Appropriates $300,000 from the Rebuild Iowa Infrastructure Fund for costs associated with the renovation and construction of a community-based correctional facility in Council Bluffs.

**Cultural Affairs** Department of Cultural Affairs

* Appropriates $2.5 million from the Rebuild Iowa Infrastructure Fund for the Historical Site Preservation Program. ***The Senate Bill allocates $600,000 from this appropriation for renovation of the Salisbury House.***

**Economic Development** Department of Economic Development



* Appropriates $2.5 million from the Rebuild Iowa Infrastructure Fund for the Physical Infrastructure Assistance Fund.
* Appropriates $3.0 million from the Rebuild Iowa Infrastructure Fund for capital projects associated with the Accelerated Career Education (ACE) Program at community colleges.
* Appropriates $200,000 from the Rebuild Iowa Infrastructure Fund for the Dry Fire Hydrant and Rural Water Supply Education and Demonstration Project.
* Appropriates $3.0 million from the Environment First Fund for deposit in the Brownfield Redevelopment Fund.

**General Services** Department of General Services

* Appropriates $1.2 million from the Rebuild Iowa Infrastructure Fund for maintenance at Terrace Hill.
* Requires the Department of General Services to notify a State agency if the Department intends on billing the State agency for infrastructure-related project management costs prior to providing the service. Allows State agencies to request that all or a part of the service not be provided by the Department of General Services if the services will be provided by a person employed by the State agency or under contract with the State agency.

**Judicial Branch** Judicial Branch

* Appropriates $8.3 million from the Rebuild Iowa Infrastructure Fund in FY 2002 for costs associated with the construction of a new judicial building. This appropriation will supplement funds totaling $20.0 million appropriated in FY 2000 and FY 2001 for the new facility.

**Public Safety** Department of Public Safety

* Appropriates $8.5 million from the Rebuild Iowa Infrastructure Fund for planning, design, and construction of a new building to house the Department offices, crime laboratory, and the State Medical Examiner Laboratory.

**Regents** Board of Regents



* Appropriates $8.5 million from the Rebuild Iowa Infrastructure Fund in FY 2001 and $2.5 million in FY 2002 for improvements to Gilman Hall at Iowa State University.
* ***The Senate Bill appropriates $4.4 million from the Rebuild Iowa Infrastructure Fund in FY 2001, $7.3 million in FY 2002, and $3.0 million in FY 2003 for continued renovation of the Biological Sciences Facility at the University of Iowa. The House Bill appropriates $4.7 million in FY 2001; $7.0 million in FY 2002, and $3.0 million in FY 2003****.*
* ***The Senate Bill appropriates $2.7 million from the Rebuild Iowa Infrastructure Fund in FY 2001, $5.8 million in FY 2002, and $8.4 million in FY 2003 for the construction of an addition to McCollum Science Hall at the University of Northern Iowa. The House Bill appropriates $3.0 million in FY 2001; $5.5 million in FY 2002, and $8.4 million in FY 2003.***
* Appropriates $300,000 from the Rebuild Iowa Infrastructure Fund for planning and design of a new business college building at Iowa State University.
* ***The Senate Bill appropriates $250,000 from the Rebuild Iowa Infrastructure Fund for improvements to or replacement of the water system at the School for the Deaf. This is not included in the House Bill.***



* ***The Senate Bill appropriates $300,000 from the Rebuild Iowa Infrastructure Fund for planning and design of a new art history building at the University of Iowa. This is not included in the House Bill.***
* ***The Senate Bill appropriates $300,000 from the Rebuild Iowa Infrastructure Fund for planning and design of a steam distribution system at the University of Northern Iowa. This is not included in the House Bill.***

**Transportation** Department of Transportation

* Appropriates $1.0 million from the Rebuild Iowa Infrastructure Fund for infrastructure improvements at Iowa’s ten commercial service airports.
* Appropriates $500,000 from the Rebuild Iowa Infrastructure Fund to the Aviation Hangar Revolving Loan Fund for design, construction, and improvements to hangars at general aviation airports. The Bills create the Aviation Hangar Revolving Loan Fund to provide loans for assistance for the design, construction, or improvement of hangars at general aviation airports.

**Treasurer** Treasurer of State

* Appropriates $1.1 million from the Rebuild Iowa Infrastructure Fund for infrastructure improvements at county fairs.

**Veterans Affairs** Veterans Affairs Commission

* Appropriates $992,000 from the Rebuild Iowa Infrastructure Fund for continued funding of the expansion of the food preparation area and dining room at the Veterans Home.

**Environment First Fund** Environment First Fund

* ***Both the Senate and House Bills establish the Environment First Fund. However, the Senate Bill appropriates $35.0 million from the Rebuild Iowa Infrastructure Fund annually to the Fund and the House Bill directs that $35.0 million in gambling revenues be deposited into the Environment First Fund annually after the first $60.0 million is deposited into the General Fund.***

**Ag./Land Stewardship** Department of Agriculture and Land Stewardship

* Appropriates $1.5 million from the Environment First Fund for the Conservation Reserve Enhancement Program (CREP) that provides incentives for wetland development. It is estimated the Program will generate $2.4 million in federal funds.
* Appropriates $1.5 million from the Environment First Fund for the Watershed Protection Program to accelerate the Watershed Protection Program to provide water quality protection, flood control, and reduced soil erosion. It is estimated that the Department will receive $3.3 million in federal funding for this Program.



* Appropriates $850,000 from the Environment First Fund 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.
* Appropriates $50,000 from the Environment First Fund to assist farm operators in applying for grants associated with the Voluntary Farm Management Demonstration Program. It is estimated that the Program will generate $500,000 in federal funds through the United States Department of Agriculture (USDA) Sustainable Agriculture Research and Education Program.
* Appropriates $50,000 from the Environment First Fund for the development of plans for the reclamation of lands and water which were mined for coal. It is estimated that the appropriation will generate $500,000 in federal funds through the North America Wetlands Conservation Act.
* Appropriates $1.3 million from the Environment First Fund for the Alternative Drainage System Assistance Program.
* Appropriates $2.0 million from the Environment First Fund for the Soil Conservation Cost Share Program.
* Appropriates $1.5 million from the Environment First Fund to establish vegetative buffers, field borders, and wetlands on Iowa’s private land in an effort to improve water quality and wildlife habitat. The funds will be used to encourage and assist farmers to enroll in the Conservation Reserve Program (CRP) and assist them in enhancing revegetation efforts to improve water quality. It is estimated that the Program will generate $60.0 million in federal assistance to farmers through the USDA Natural Resources Conservation Reserve Program.

**Natural Resources** Department of Natural Resources

* ***The Senate Bill appropriates $50,000 from the Rebuild Iowa Infrastructure Fund for continued funding of the Elinor Bedell State Park and Wildlife Conservation Area. This is not included in the House Bill.***
* Extends the standing limited appropriation of $3.0 million from the Rebuild Iowa Infrastructure Fund for the Restore the Outdoors Program to FY 2004. Under current law the appropriation terminates in FY 2001.
* Appropriates $600,000 from the Environment First Fund to establish a program to assist rural homeowners in improving on-site wastewater systems. It is estimated that the Program will generate $2.4 million in federal assistance through the Environmental Protection Agency.
* Appropriates $195,000 from the Environment First Fund to provide geographic information system data for use in developing, monitoring, and displaying result of watershed work.



* Appropriates $2.0 million from the Environment First Fund for continued funding for the establishment of water quality monitoring stations.
* Appropriates $70,000 from the Environment First Fund to develop a program to support local volunteer management efforts in water quality programs.
* Appropriates $372,000 from the Environment First Fund to establish and implement improved water quality planning, standards, and assessment.
* Appropriates $250,000 from the Environment First Fund to assist Department staff with the review of national pollution discharge elimination system permits.
* Appropriates $200,000 from the Environment First Fund for the enhancement of floodplain protection and dam inspection by providing an education program to assist local officials with decision-making on floodplain management issues.
* Appropriates $153,000 from the Environment First Fund to implement methods for meeting federal standards involving total maximum daily loads (TMDL) to improve water quality.



* Appropriates $2.9 million from the Environment First Fund for the dredging of lakes in accordance with the Department’s Classification of Iowa Lakes Restoration Report.
* Appropriates $250,000 from the Environment First Fund for the Tree Planting Program.
* Appropriates $60,000 from the Environment First Fund for development of the Lewis and Clark Rural Water System.
* Appropriates $500,000 from the Environment First Fund for continuation of the Waste Tire Abatement Program.
* Appropriates $3.0 million from the Environment First Fund for the Recreational Grant Program.
* Appropriates $2.3 million from the Environment First Fund for capital projects which qualify for funding from Marine Fuel Tax receipts.
* Appropriates $10.5 million from the Environment First Fund for the Resource Enhancement and Protection (REAP) Fund.

**NOBA**

**Bill Summary** Copies of the Executive Summary of the Notes on Bills and Amendments (NOBA) are available from the Legislative Fiscal Bureau.

STAFF CONTACT: David Reynolds (Ext. 16934)

Oversight and Communications Appropriations Bill – SF 2433 Passes Senate

**Oversight – Senate Bill** The Senate passed SF 2433 (Oversight and Communications Appropriations Bill) on April 10. The Bill appropriates $21.6 million from the General Fund and 244.6 FTE positions. This is a decrease of $1.8 million and 26.0 FTE positions compared to the FY 2000 estimated net appropriation.

**Pooled Tech. Account** The Bill also creates a Pooled Technology Account and establishes a priority list of technology projects to be funded from the Account. A total of $29.3 million in projects is included in the list.

**Changes By Senate** The Senate made no changes to the Bill from the version that passed out of the Senate Appropriations Committee.

**NOBA**

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

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

Oversight and Communications Appropriations Bill – HF 2571 Passes House Appropriations Committee

**Oversight – House Bill** The House Appropriations Committee passed HF 2571 (Oversight and Communications Appropriations Bill) on April 10. The Bill appropriates $21.6 million from the General Fund and 244.6 FTE positions. This is a decrease of $1.8 million and 26.0 FTE positions compared to the FY 2000 estimated net appropriation.

**Pooled Tech. Account** The Bill also creates a Pooled Technology Account and establishes a priority list of technology projects to be funded from the Account. A total of $29.0 million in projects is included in the list.

**House/Senate Differences** The differences in the House Appropriations Committee Bill compared to the Bill passed by the Senate (SF 2433) include:

* Eliminating a $2.7 million appropriation from the Rebuild Iowa Infrastructure Fund (RIIF) to the Iowa Telecommunications and Technology Commission. These funds were to pay the costs of maintenance and leases for the tail circuits of the Part III Iowa Communications Network sites. The Committee replaces this funding by making this the first priority from the Pooled Technology Account.
* Changed the number of projects and priority rankings of projects to be funded through the Pooled Technology Account.

**NOBA**

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

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

Salary Bill – SF 2450 Is Passed By The Senate



Salary

Adj.

**Salary Bill – SF 2450** The Senate passed SF 2450 (the FY 2001 Salary Bill) on April 14. The Bill contains the following major provisions:

* **Collective Bargaining Agreements** - The Bill appropriates $42.2 million from the General Fund to fund collective bargaining agreements. The appropriation is made to the Department of Management (DOM) and DOM is authorized to distribute as provided. Actual distribution (excluding Board of Regents) is based on a late May or early June payroll period.
* **Non-contract Employees -** The Bill provides a 3.0% across-the-board increase and merit step increases for non-contract employees of the State, excluding the Board of Regents. Increases are effective June 23, 2000.
* **Board of Regents -** The Bill provides the Board of Regents faculty and professional and scientific employees will receive a 4.0% across-the-board increase.
* **Justices/Judges -** The Bill provides a 3.0% salary increase for justices and judges and a 6.0% increase for magistrates for FY 2001. Increases are effective June 23, 2000.
* **Elected Officials -** The Bill provides a 3.0% salary increase on June 23, 2000, for all elective executive officials except the Lieutenant Governor, who receives a 5.0% increase, and the Secretary of State, who receives a 6.1% increase.
* **Director, Department of Commerce** - The Bill provides that the Governor may select an administrator for the Department of Commerce in lieu of an annual appointment which rotates among the division administrators.
* **Range Changes -** The Bill provides the following range changes:

Drug Abuse Coordinator - Range 5 (formerly Range 4).

Director of the Department of Inspections and Appeals - Range 8 (formerly Range 7).

**NOBA**

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

STAFF CONTACT: Glen Dickinson (Ext. 14616)

STANDING APPROPRIATIONs BILLs - SF 2452 PASSES the SENATE APPROPRIATIONS committee – hf 2572 passes the house appropriations committee

**Standings Bill** The Senate and House Appropriations Committees passed companion Standing Appropriations Bills. On April 11, the House Appropriations Committee passed HF 2572 and on April 12, the Senate Appropriations Committee passed a companion bill, SF 2452.

**Summary of Bills** The following provides a summary the two Standing Appropriations Bills. The differences are highlighted in ***bold italics***.

**Mental Health Allow.Growth** The Bills make an appropriation of $25.8 million to the Department of Human Services for FY 2002 for county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, including:

* $12.0 million for distribution to counties
* $9.8 million for deposit in the per capita expenditure pool
* $2.0 million for deposit in the incentive and efficiency pool
* $2.0 million for deposit in the risk pool

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**Tobacco Fund Transfer** The Bill transfers $64.6 million from the money deposited in the Tobacco Settlement Fund to the General Fund for FY 2001. ***The Senate Bill provides moneys in the Tobacco Settlement Fund are considered part of the General Fund for cash flow purposes only and must be returned to the Tobacco Settlement Fund by the close of each fiscal year. The House Bill does not contain this provision.***



**Educ. Excellence** The Bill reduces the FY 2001 Education Excellence standing appropriation made in Chapter 294A, Section 25, Subsection 1, Code of Iowa by $2.0 million. The FY 2001 total appropriation for Education Excellence is $80.9 million. Current statute allocates the Education Excellence appropriation as follows:

* Phase I – Teacher Minimum Salaries - $15.1 million
* Phase II – General Salary Increases - $42.3 million
* Special Interest Funding - $2.0 million
* Phase III – Performance based or supplemental pay - $23.4 million
* This Bill would reduce this allocation to Phase III by $2.0 million to $21.4 million.

**Non-reversion** The Bill provides that the FY 2000 appropriation to the Board of Regents for the Iowa Waste Reduction Center at the University of Northern Iowa (UNI) not revert at the close of the fiscal year, but be made available for expenditure in FY 2001.

**Microsoft Settlement Fund** ***The House Bill creates a Microsoft Settlement Fund within the Treasurer of State for the deposit of any moneys the State receives as a result a settlement of the federal or State antitrust lawsuit. The Senate Bill does not create this Fund.***

**Corrective Changes** Corrective changes are made to the following 2000 Iowa Acts:

HF 2442 (International Relations/Legislative Protocol Officer)

SF 2373 (Worker’s Compensation)

HF 2492 (Fire and Emergency Medical Services Training)

HF 2362 (Domestic Abuse Death Review Team)

SF 182 (Licensure to Practice Acupuncture)

HF 2105 (Nurse Licensure Compact)

SF 2344 (Child and Family Services)

SF 2193 (Senior Living Trust Fund)

SF 2248 (College Student Aid Commission)

HF 2435 (Asbestos Removal Projects)

SF 2194 (Roads and Roads Right-of-Way)

SF 2411 (Public Retirement Bill)

SF 2371 (Water Quality Initiative)

HF 2331 (Operating a Boat while Intoxicated)

SF 2300 (Interference with Lawful Hunting)

HF 2316 (Regulation of Health Organizations for Purposes of Solvency)

HF 2317 (Insurance Regulation)

SF 421 (Jurisdiction of Juvenile Court – Adoption)

SF 2145 (National Crime Prevention & Privacy Compact)

HF 2148 (Telephone Listing)

SF 2254 (Child Support)

HF 683 (Mediation Services – Child Custody, Visitation) ***(correction not made in the House Bill)***

**Other Corrective Changes** The Bill makes these other corrective changes:

* Amends Chapter 30, Section 2, of the 1999 Code of Iowa, by changing the membership of the Iowa Emergency Response Commission from one member to represent the State Fire Service Institute of Iowa State University to one member to represent the State Fire Service and Emergency Response Council.
* Makes a corrective amendment to Chapter 239B (Family Investment Program), Section 24,1999 Supplement, Code of Iowa. ***The House Bill does not make this correction.***
* Directs the Code Editor to transfer Section 325A.16 (Motor Carrier Authority – Rules of Procedure), Code of Iowa, as amended during the 2000 session, to the more appropriate place in Subchapter 1 of Chapter 325A. ***The House Bill does not make this correction.***
* Clarifies that appropriations to the Drug Enforcement and Abuse Coordinator in HF 2533 (Block Grant Bill), 2000 Iowa Acts, are references to the Drug Policy Coordinator in HF 2153 (Drug Policy Coordinator), 2000 Iowa Acts, if enacted.

**Vetoes** The Bill states that if the Governor vetoes bills amended in this Bill, the amendments to the bill provisions are void.

**NOBA**

**Bill Summary** Copies of the Executive Summary of the Notes on Bills and Amendments (NOBA) are available from the Legislative Fiscal Bureau.

STAFF CONTACT: Sherry Weikum (Ext. 17846)

Tax Exemption for School Infrastructure Bonds – SF 2451 Passes Senate Ways and Means Committee

**Tax Exemp./School Infrast.** Senate File 2451 (Tax Exemption for School Infrastructure Bonds) passed the Senate Ways and Means Committee on April 12. The Bill provides that any bonds or notes issued by a school district for school infrastructure purposes will be exempt from taxation by the State and the interest earned will be exempt from State income tax.

**Fiscal Impact** The estimated fiscal impact is as follows:



* In FY 2001, the estimated statewide reduction in tax is $345,000.
* In FY 2002, the estimated statewide reduction in tax is $775,000.
* In FY 2003, the estimated statewide reduction in tax is $1.2 million.
* In FY 2015 (the maximum impact year), the estimated statewide reduction in tax is $7.1 million.

STAFF CONTACT: Shawn Snyder (Ext. 17799)

Judiciary Bills Update

**Governor Signed** The Governor has signed the following Judiciary Bills:



Governor Signed

**Crime Prev./Privacy Compact** Senate File 2145 enacts the Crime Prevention and Privacy Compact of 1998. The Bill organizes an electronic information sharing system between the federal government and the states for the purposes of exchanging criminal history records, excluding sealed records, for purposes such as background checks, immigration matters, and national security clearances. Senate File 2145 requires the Federal Bureau of Investigation and the states which are parties to the Compact to maintain their own criminal history databases and to make such records available to the federal government or other states for background checks. The states are required to provide information and records for the National Identification Index and the National Fingerprint File. The Bill is expected to have no significant fiscal impact on the Department of Public Safety. The Bill is expected to improve efficiencies related to employers’ ability to request background checks for employees.

**Victim Comp. Fund Benefits** Senate File 2142 relates to victim eligibility for Victim Compensation Fund benefits. The Bill adds compensation for parents or caretakers of a dependent victim for lost wages related to the dependent’s medical and counseling appointments and for lost wages of victims, parents, and caretakers for meetings with law enforcement and prosecutors in relation to criminal proceedings. Compensation for health care and lost wages for relatives of homicide victims is limited to a specified list of relatives. Compensation for crime scene cleanup is expanded to include crimes other than homicide. Senate File 2142 is estimated to increase expenditures from the Victim Compensation Fund by not more than $400,000 annually. Annual costs will not exceed the capacity of the Victim Compensation Fund, which is comprised of the following revenues: federal Victim of Crime Act funds, criminal surcharges and fines, restitution, donations, inmate wages, and recovery from insurance companies.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

Iowa Communications Network FY 1999 Annual Report

**ICN Annual Report** In April, the Iowa Telecommunications and Technology Commission released the FY 1999 Annual Report on the operations of the Iowa Communications Network.



**Report Contents** In addition to the financial statements related to operation of the ICN, the Report includes historical highlights of the five years of operation of the Network in the following areas:

* K-12 education
* Life-long learning
* State and Federal Government
* Telejustice and Telemedicine
* Libraries

**Copies Available** A copy of the report can be requested from ICN and the annual report is also available on the ICN web site at www.icn.state.ia.us.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

Higher Education Faculty Salaries increased by 3.7% Nationwide in 1999-2000



Faculty

Salaries

**Higher Ed. Faculty Salaries** Average faculty salaries at higher education institutions increased by 3.7% during the 1999-2000 academic year. The increase exceeds the 1999 inflation rate of 2.7% and constitutes the sixth time in seven years that the average faculty salary increase has exceeded the rate of inflation.

**Average Salary Increased** The average salary for a full-time faculty member increased from $56,282 to $58,352. This salary information is included in an annual report released this week by the American Association of University Professors and results were published recently in *The Chronicle of Higher Education*.

**Doctoral Institutions** Faculty members at doctoral institutions earned the highest salaries and received the highest increase – an average of 3.9%. Salaries at community colleges rose an average of 2.5%. Professors at liberal arts colleges received an average increase of 3.3% and those at master’s universities received an average of 3.4%.

**Iowa Institutions** Information regarding average salaries specific to Iowa’s Regents institutions is illustrated in the following table. The information is listed in thousands of dollars, rounded to the nearest hundred, and adjusted to a nine-month work year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Institution | Professor | AssociateProfessor | AssistantProfessor | Instructor |
| University of Iowa (SUI) | $ 89.6 | $ 60.8 | $ 52.7 | $ 42.2 |
| Iowa State University (ISU) |  83.2 |  61.9 |  49.9 |  35.7 |
| University of Northern Iowa (UNI) |  70.0 |  53.8 |  44.8 |  36.9 |

 The SUI and ISU are classified as doctoral institutions and UNI is classified as a comprehensive institution for purposes of the survey.

STAFF CONTACT: Mary Shipman (Ext. 14617)

NONREVERSIONS BASED UPON PRIOR SESSION LAW LANGUAGE



**Non-reverting Funds** Based upon prior Session Law, 43 projects have been granted authority to carry-forward project funds into FY 2001. The 43 projects’ current cumulative balance is approximately $41.9 million. The agencies responsible for the projects estimate that approximately $18.3 million will be carried-forward into FY 2001.

**LFB Report** The Legislative Fiscal Bureau has prepared a report identifying the subcommittee that appropriated the funds, the name of the appropriation, the agency the funds have been appropriated to, the FY 2000 Estimated Net Appropriation, the current fund balance, the projected carry-forward amount, and an explanation of the current status of each project.

**Copies Available** Please contact the Legislative Fiscal Bureau if you would like a copy of the report.

STAFF CONTACT: Ron Robinson (Ext. 16256)