FISCAL UPDATE January 29, 2001

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Senate Passes SF 65 - LIHEAP Supplemental Appropriations Bill



**LIHEAP Suppl – SF 65** The Senate passed Senate File 65 (Low-Income Home Energy Assistance Program [LIHEAP] Supplemental Appropriations Bill) on January 24. The Bill provides FY 2001 supplemental appropriations to the energy assistance component of the LIHEAP Program totaling $11.3 million. The appropriations are from the Innovations Fund, the Groundwater Protection Fund, and the Housing Program Fund.

**Funds Are Capped** The Bill also caps the amount of LIHEAP funds that may be expended on the weatherization, administration, and assessment and resolution portions of the LIHEAP Program. This will allow another $3.7 million to be used for energy assistance.

**Next Action** The Bill now goes to the House for consideration. The House Appropriations Committee has passed a similar version, HF 108, scheduled for debate this week. A Notes on Bills and Amendments (NOBA) summary of SF 65 is available from the Legislative Fiscal Bureau.

STAFF CONTACT: Jeff Robinson (Ext. 14614) Lisa Burk (Ext. 16765)

Senate Passes HF 1 - UtilIty Tax Suspension Bill



Suspension

**Utility Tax Suspension**  On January 25, the Senate amended and passed House File 1 (Utility Tax Suspension Bill). The Bill as passed by the House suspended the State and local option sales taxes on heating utility bills (natural gas, heating oil, and propane) delivered in March and April 2001. The fiscal impact of the suspension is $10.0 million in FY 2001. The House-passed Bill would also reduce local option sales tax by a maximum of $1.8 million in FY 2001.

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**Sales Tax Phase-out** The Senate amendment added a phase-out of the State sales tax on natural gas, electricity, heating oil, and propane, beginning January 1, 2002. The tax is reduced to 4.0% on that date, and reduced another 1.0% each January 1 until the tax is entirely removed. The phase-out does not apply to local option sales taxes. The fiscal impact of the Senate amendment is a reduction in General Fund revenue equal to the following amounts:

* $ 8.8 million – FY 2002
* $26.5 million – FY 2003
* $44.2 million – FY 2004
* $61.9 million – FY 2005
* $79.6 million – FY 2006
* $88.5 million – FY 2007 and beyond

**Next Action** The Bill now returns to the House for further consideration.

STAFF CONTACT: Jeff Robinson (Ext. 14614)

Senate Ways & Means Passes SF 59 - Social Security Tax Exemption Bill



Exemption

**Social Security Tax Exempt.** On January 23, the Senate Ways & Means Committee passed SF 20 (Social Security Tax Exemption Bill). The Bill was redrafted as SF 59. The Bill phases out the amount of Social Security income that is subject to Iowa income tax over a three-year period. The General Fund fiscal impact of the Bill is a revenue reduction of:

* $15.0 million – FY 2002
* $32.5 million – FY 2003
* $53.0 million – FY 2004

**Similar Bill** A similar Bill (HF 2) is currently on the House calendar.

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Senate Appropriations Committee Action

### NOBA

**Expenditure Limitation** The Senate Appropriations Committee passed SF 66, a Bill which amends the Expenditure Limitation Law. The Bill clarifies that the Governor or the General Assembly when determining compliance with the expenditure limitation statute, may not use reversions.

**NOBA** A Notes on Bills and Amendments (NOBA) summary of SF 65 is available from the Legislative Fiscal Bureau.

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Administration and Regulation Appropriations Subcommittee Meeting

**Admin./Regulation Sub.** The Administration and Regulation Appropriations Subcommittee met the week of January 22 and heard budget presentations from the following agencies:



**Dept. of General Services** On January 23, Richard Haines, Director of the Department of General Services, presented an overview of the responsibilities, organization, and funding sources of the divisions of the Department. Recommended increases for FY 2002 for the Rental Space Division were discussed, including:

* An increase of $455,000 for leases for the Medical Examiner, the Division of Criminal Investigation dry lab, and archival space for the Department of Cultural Affairs. Of this amount, $165,000 is expected to be one-time relocation costs.
* Language changes that would allow the Rental Space Division to carry forward unexpended dollars into the next fiscal year and allow the Building Services Division to add FTE positions without legislative approval if paid from additional receipts.

**Dept. of Revenue & Finance** Gerald Bair, Director of the Department of Revenue and Finance, presented the Department’s budget request for FY 2002 and reviewed the operations of the Department. Mr. Bair also indicated that he is requesting to have all of his separate appropriations rolled into one appropriation.

**Gov’s Recommendation** The Department is not requesting any change in the total amount of the General Fund appropriation or appropriated FTE positions. The Governor is recommending the appropriation of an additional $400,000 to replace a proposed fee on the administration of Local Option Sales and Services Taxes.

**Postage Rate Increase** Mr. Bair advised the Subcommittee that the $0.01 increase in postage rates would cost the Department an additional $75,000 each year.

**Future Discussion** Mr. Bair was asked to return on January 31 to address additional questions, to talk about the Local Option Sales and Services Tax Fee and the Department’s Electronic Tax System Redesign.



**Governor’s Office** On January 24, Elizabeth Buck, Director of Administration of the Office of the Governor, presented an overview of the duties, organization, and funding history of the Office. The only recommended increase for the Office for FY 2002 is an increase of $36,000 and 1.0 FTE position for an Administrative Assistant for the First Lady.

**Auditor Of State** Warren Jenkins, Chief Deputy in the Office of Auditor of State, discussed with the Subcommittee the various duties of the Office, including funding mechanisms for departmental audits and the Office’s increasing problem with high employee turnover. The Subcommittee encouraged the Office to examine the categorization within line items of expenditure reports and require departments to uniformly allocate expenditures.

**Dept. of Management** Cynthia Eisenhauer, Director of the Department of Management, presented the budget request for FY 2002, including:



* An increase of 1.0 FTE position for local government functions. The funding for this position currently exists within the Department’s budget, and the local government functions are currently being contracted.
* An increase of $2.0 million to repay the Federal Government for overcharges to federal programs for technology services.



**Ethics/Campaign Discl.** Kay Williams, Director of the Iowa Ethics and Campaign Disclosure Board, presented the FY 2002 budget requests for the Board. Some of the increases include:

* $8,000 to pay ICN phone bills
* $5,000 to reclassify two existing positions
* $8,000 to pay Wellmark health insurance premium increases
* $5,000 to make campaign finance disclosure statements available online
* $4,500 to create a Board Member Publication Fund used for sending notices and other educational publications
* $7,500 to replace three of the 13 existing computers
* $2,000 for a printer to be used by the public for printing reports

**More Information** Copies of agendas, minutes, and selected materials that were distributed to Subcommittee Members are available on the LFB web site at <http://staffweb.legis.state.ia.us/lfb/subcom/admin_reg/admin_reg.htm>

STAFF CONTACT: Christina Schaefer (Ext. 17942) Ron Robinson (Ext. 16256)

Agriculture and Natural Resources Appropriations Subcommittee

**Agric./Natural Res. Sub.** The Agriculture and Natural Resources Appropriations Subcommittee met on January 23 and 24. The following topics were discussed:

**Pseudorabies** Dr. John Schiltz, State Veterinarian, provided an update on the status of Pseudorabies disease in Iowa. Favorable progress has been made, as the number of animals sampled and vaccinated has increased.

**Destination Park** Steve Pennington, Department of Natural Resources, provided the Subcommittee with information on the proposal for a State destination park. A study conducted by Shive-Hattery, Inc., recommended the site for the destination park at the Honey Creek State Park. The total cost of the park would range from $40 to $80 million, and development would take approximately five years.



**Web Site** For more information, copies of handouts, agendas, and minutes, refer to the Agriculture and Natural Resources web page at <http://staffweb.legis.state.ia.us/lfb/subcom/ag_dnr/ag_dnr.htm>

STAFF CONTACT: Deb Kozel (Ext. 16767)

ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE

**Economic Devel. Sub.** On January 23, the Economic Development Appropriations Subcommittee heard a presentation by the Department of Economic Development (DED) regarding the New Economy Fund proposal and an update on the Strategic Investment Fund.



**New Economy** C. J. Niles, Director of the DED, stated that the New Economy is knowledge-based, and markets are global. In the New Economy, there are different priorities to meet, including housing, health care, childcare, and workforce demands. Target industry clusters of advanced manufacturing, information solutions, and life sciences are used to redefine sector boundaries and create relationships among specific industry sectors. Part of the concept is to increase interaction between cluster companies and Iowa’s universities and community colleges, increase collaboration on a regional basis between towns and counties, and focus on recruiting and retaining high-wage, high-growth companies.

**New Economy Council** The Iowa New Economy Council would be made up of representatives from private business, government, and universities, and would provide long-range planning toward these goals. It is anticipated that the Council would be staffed with current DED staff, and after a period of six to 12 months, private business would be willing to contribute support funds. The Iowa New Economy Council will form three industry leadership councils, one for each of the cluster industries. They are:

* Life Sciences Industry Leadership Council
* Information Solutions Industry Leadership Council
* Advanced Manufacturing Industry Leadership Council

**Council Functions** All four Councils will support and coordinate specific activities related to projects addressing common needs, communications and information sharing activities, benchmarking and performance measurements, and identifying and implementing best practices for industry cluster development.



**Strategic Investment Fund** Bob Henningsen, Division Administrator of the Business Development Division, DED, provided an update to the Subcommittee on the Strategic Investment Fund. The goals of the Strategic Investment Fund are to assist start-ups and exciting new entrepreneurial ventures, leverage substantial private capital investment, and create/retain increasingly higher wage jobs with quality fringe benefits. Strategic Investment Fund Programs include:

* Entrepreneurial Ventures Assistance (EVA) – 14 awards totaling $530,000 in FY 2001.
* Entrepreneurs with Disabilities (EWDI) – $100,000 contract with Department for Vocational Rehabilitation and Department for the Blind in FY 2001.
* Business Assistance Services for Entrepreneurs (BASE) - $83,000 in contracted services in FY 2001.
* Self-Employment Loan Program (SELP) – 12 awards totaling $78,000 in FY 2001.
* Targeted Small Business Program (TSB) – 54 awards totaling $758,000 in FY 2001.
* Community Economic Betterment Account (CEBA) – 44 awards totaling $9.0 million in FY 2001.
* CEBA Venture – 8 awards totaling $800,000 in FY 2001.

**FY 2001 Awards** In FY 2001, the awards and contracts from the Strategic Investment Fund totaled $11.4 million. In addition, $962,000 was expended for administration, and $3.0 million transferred to the Value Added Agricultural Programs/Financial Assistance Programs.

**FY 2001 Revenues** In FY 2001, the Strategic Investment Fund received revenues from the following sources:



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| --- | --- | --- | --- |
|  | Appropriations |  | $ 3,724,474 |
|  | Recapture |  | 340,000 |
|  | Repayments |  | 2,463,176 |
|  | ISCC/ICC Liquidation |  | 5,310,079 |
|  | Carry Forward |  | 6,966,286 |
|  | Total |  | $ 18,804,015 |
|  |  |  |  |

**Transfer from Seed Capital** Funding from the Iowa Seed Capital Liquidation Corporation is projected to end in FY 2002, with approximately $500,000 being transferred into the Strategic Investment Fund.



Tourism

**Tourism Division**  On January 24, the Subcommittee heard from Nancy Landess, Tourism Division Director, DED. She stated that the tourism program purpose is to increase the growth of existing tourism business through advertising, cooperative marketing, merchandising, and customer service. She shared the following statistics relating to tourism in Iowa:

* There has been a 25.0% increase in tourism-generated expenditures from 1995 to 1999.
* There was a 5.4% increase in tourism-generated expenditures from 1998 to 1999, while the national average was 4.6%.
* There are 60,000 jobs in the tourism area.
* It is estimated by DED that $248.0 million in State tax receipts result from tourism.

**CAT Program** For FY 2000 and FY 2001, $1.2 million was provided from the Community Attractions and Tourism (CAT) Program for out-of-state advertising. This allowed advertisements to be placed earlier in the year and in more publications than before. Ms. Landess stated that as a result, the Tourism Division experienced:

* 134.0% increase in phone calls to the toll-free number requesting Iowa tourism guides
* 205.0% increase in web site users

The $1.2 million is not included in the FY 2002 Governor’s recommendations.

**Award** Ms. Landess noted that the 2000 Iowa travel guide won the Mercury Award from the Travel Industry Association of America, as did Iowa’s direct marketing campaign.



**Direct Marketing** Toll-free telephone and web site users were contacted with follow-up surveys, and the following results were collected:

* Of 701 interviews of telephone users, 60.0% actually took a trip to Iowa, spending an average of $212 per trip.
* Of 4,772 web-site users surveyed, 76.0% actually took a trip to Iowa, spending an average of $320 per trip.

**More Information** Copies of agendas, minutes, and selected materials that were distributed to Subcommittee members are available on the LFB web site at <http://staffweb.legis.state.ia.us/lfb/subcom/econ_dev/econ_dev.htm>

STAFF CONTACT: Alice Wisner (Ext. 14611) Dwayne Ferguson (Ext. 16561)

Education Appropriations Subcommittee

**Education Subcommittee** The Education Appropriations Subcommittee held two meetings during the week of January 22.

**State Library** On January 23, the Subcommittee heard a presentation from Sharman Smith, the State Librarian. Discussion included:



* Open Access Program – this is a statewide library card program. Local libraries are reimbursed by the State Library on a per transaction basis for patrons that visit from outside the library district.
* Access Plus Program – both public and nonpublic libraries are reimbursed for loaning library materials.
* Enrich Iowa – a program which provides State support for local libraries.

**Enrich Iowa For FY 2002** The Governor has recommended that the funding for the Open Access and Access Plus Programs be included in the line item for Enrich Iowa for FY 2002.

**College Student Aid** On January 24, the Subcommittee heard a presentation from Gary Nichols, Executive Director of the College Student Aid Commission. Several topics were discussed, including:

* Background and funding of various scholarship and grant programs administered by the Commission
* Default reduction activities
* New funding initiatives for FY 2002, including the Foster Care Grant Program and education benefits for United States Army recruiters located in Iowa.

**Next Week** Next week the Subcommittee is planning presentations from the following:

* Board of Educational Examiners
* Regents Board Office and Special Schools
* Regents university presidents

**More Information** Information about the Education Appropriations Subcommittee, such as members, agendas, and meeting handouts, can be found on the LFB web site located at: <http://staffweb.legis.state.ia.us/lfb/subcom/ed_sub/educat.htm>

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HEALTH AND HUMAN RIGHTS APPROPRIATIONS SUBCOMMITTEE

**Health/Human Rts. Sub.** The Health and Human Rights Appropriations Subcommittee met January 23 and January 24. On January 23, the Legislative Fiscal Bureau presented an analysis of the Department of Public Health and the Veterans Affairs budgets. On January 24, the Subcommittee traveled to Marshalltown to tour the Iowa Veterans Home. The Subcommittee meeting scheduled for January 25, was cancelled. The two Departments scheduled to present their budgets that day, Veterans Affairs and the Commission of Civil Rights, will be rescheduled for a later date. The next meeting is scheduled for Tuesday, January 30.



**More Information** Information about the Health and Human Rights Appropriations Subcommittee, such as members, agendas, and meeting handouts, can be found on the LFB web site located at: <http://staffweb.legis.state.ia.us/lfb/subcom/health_hr/health_hr.htm>

STAFF CONTACT: Russ Trimble (Ext. 14613) Lisa Burk (Ext. 16765)

Human Services Appropriations

**Human Services Sub.** The Human Services Appropriations Subcommittee met the week of January 22 and conducted the following business:

**Community Empowerment** January 23:

* Community Empowerment: Presentations from Kris Bell, the State Community Empowerment Coordinator, and from Empowerment areas of Cass, Mills, and Montgomery Counties Area; Clinton and Jackson Counties Empowerment Area; Clay, Dickinson, Osceola and O’Brien Counties Empowerment Area; and the Linn County Empowerment Area.
* Presentation from Richard Woods regarding fathers’ rights and uses of available federal funding.

**Decategorization**  January 24:

* Presentation from Marilyn Hill from the State of Michigan regarding changes in funding for disabled adults similar to preliminary decategorization efforts in Iowa.

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* Representatives from the Merit Behavioral Corporation of Iowa were present to provide information regarding managed care in substance abuse and mental health services for those eligible for Medicaid.

**Child Care** January 25:

* Senator King was present to discuss his legislative proposal regarding child care financial fraud.



* A private citizen was present regarding concerns for child care subsidy funding and the funding available from the Family Investment Program (FIP).
* Julie Ingersoll from the Department of Human Services was present to discuss:
* The child care waiting list imposed by the Department of Human Services on October 1, 2000.
* The number of children on the waiting list and the impact of the waiting list.
* The Report required in SF 2344 (Child Care Act of 2000) relating to the feasibility of different subsidy rates in separate geographical areas.
* Changes underway to improve child care subsidy payment accountability.
* Status report regarding three new grant programs created for FY 2001 relating to child care emergency and start-up grants, providers of child care to school-age children, and educational opportunities for registered child care home providers.
* Status report regarding the FY 2001 budget and expenditures for child care financial assistance.

**Minnesota Legislation** The Subcommittee reviewed legislation and a related report from the State of Minnesota regarding child care financial assistance for individuals remaining in their home.

**More Information** Material distributed at the meetings is available on the web site of the Legislative Fiscal Bureau. Additional information is also available.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

Justice Systems Subcommittee

**Justice System Sub.** On January 23, the Department of Public Safety, Commissioner, E.A. Penny Westfall, discussed the following issues:



* Table of Organization
* Sex Offender Registry
* Iowa State Patrol
* Sick Leave Payout Fund

**Public Safety** On January 24, the Commissioner of the Department of Public Safety returned to discuss the following issues:

* Narcotics Enforcement
* Gaming Enforcement
* Fire Marshal’s Office
* Speed Limits

**More Information** On January 25, the Subcommittee meeting was cancelled. Agendas, minutes, and handouts can be obtained on the Justice Systems web site. The address is: <http://staffweb.legis.state.ia.us/lfb/subcom/justice/justice.htm>. Also, located on the Justice Systems web site is a presentation calendar for presenters at future Subcommittee meetings.

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Oversight and Communications Appropriations Subcommittee

**Oversight/Commun. Sub.** The Oversight and Communications Appropriations Subcommittee met on January 24.

**FY 2002**

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**Information Tech. Dept.** The Subcommittee heard presentations from Richard Varn, Chief Information Officer, and other staff of the Information Technology Department related to:

* Department’s FY 2002 budget request
* Rate changes for services provided by the Department to other State agencies
* Growth of FTE positions within the Department
* Update on new office space for the Department and why it was needed
* Federal recovery charges and steps the Department was taking to reduce and eventually eliminate the overcharges
* Status of the projects funded through the Pooled Technology Account for FY 2001
* Projects recommended by the Information Technology Council to be funded from the Pooled Technology Account for FY 2002
* Revisions for FY 2003, of the Department’s Return On Investment document that all agencies must complete when requesting funding for new technology initiatives

**Next Meeting** The next meeting of the Subcommittee will be January 31.

**More Information** Copies of agendas, minutes, and selected materials that were distributed to Subcommittee Members are available on the LFB web site at <http://staffweb.legis.state.ia.us/lfb/subcom/oversight/oversight.htm>.

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

Transportation, Infrastructure, and Capitals appropriations Subcommittee

**Gov.**

**FY 2002**

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**Tran., Infra., & Capitals** The Transportation, Infrastructure, and Capitals Appropriations Subcommittee met January 23 and 24. The Fiscal Bureau provided a presentation on the Summary Document of the FY 2002 Governor’s Recommendations and answered questions from legislators. The Document includes information on the Governor’s recommendations and department requests for the Department of Transportation and capital projects for all State agencies. A representative from the Department of Transportation was also present to answer questions.



**Dept. of Corrections** The Subcommittee heard a presentation from Kip Kautzky, Director of the Iowa Department of Corrections, concerning the Governor’s recommended capital projects. The Governor is recommending a total of $7.2 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the Department in FY 2002. The recommendations include:

* $6.4 million for continued funding of the Iowa State Penitentiary’s 200-Bed Special Needs Unit in Fort Madison.
* $333,000 to upgrade the electrical system for the Fort Madison Special Needs Facility. This recommendation provides the first year of funding for a seven-year lease-purchase agreement. The total cost of the project is estimated to be $1,800,000.
* $100,000 for demolition and removal of a water tower at the Iowa Medical Classification Center in Oakdale.
* $364,000 for costs associated with the upgrade of the City of Mitchellville water facility due to the increased inmate population at the Iowa Correctional Institution for Women.
* The Governor is also recommending the reversion of $5.2 million from appropriated funds for the construction of a 170-bed facility at the Iowa Medical Classification Center at Oakdale. Under the Governor’s recommendation, the funds would revert to the RIIF in FY 2002. The project is still in the planning stages and construction is not expected to begin until FY 2003. The General Assembly appropriated $3.8 million in FY 1999 and $2.5 million in FY 2000 for a portion of the construction cost.

**More Information** Agendas, minutes, and handouts can be obtained on the LFB web site. The address is: <http://staffweb.legis.state.ia.us/lfb/subcom/trans_infra/trans_infra.htm>

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School District Reorganization and Sharing Incentive Study

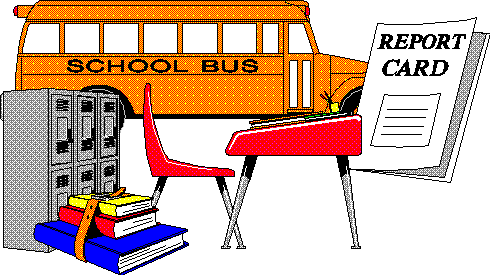
**Study Released** As required by HF 2198 (School District Reorganization and Sharing Incentives Study Act), the Department of Education released a report providing information and recommendations on school district sharing and reorganizations. The information contained in the report includes:



* A review of reorganization and sharing legislation that has been enacted since 1979.
* A summary of sharing and reorganizations since 1979.
* A list of districts that have reorganized.
* A list of districts that are currently sharing.
* Information on the budget guarantee.

**Recommendations** The following recommendations were made:

* Continue supplementary weighting for student/teacher sharing.



* Continue to clarify eligibility or ineligibility criteria for joint employment, whole grade sharing, and student/teacher sharing.
* Continue to clarify desired policy for joint employment, whole grade sharing, and student/teacher sharing.
* Reauthorize whole grade sharing weighting coupled with a reorganization sunset requirement.
* Reauthorize supplementary weighting for curriculum directors/specialists.
* Reauthorize reorganization incentives for taxpayers.
* Implement new incentives for sharing staff and/or services in the areas of business, human resources, and transportation.
* Implement new incentives that encourage and support regional high school academies.
* Implement new requirements for any district that whole grade shares that all grades must reorganize or dissolve within five years of implementing whole grade sharing.

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Attorney General’s Operating While Intoxicated (OWI) Task Force

**OWI Task Force** The Attorney General’s OWI Task Force met January 22 and recommended the following amendments to Iowa’s OWI law:

* Adding false testimony by a peace officer, as determined by the court, as a circumstance for rescinding a driver’s license revocation.

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Task Force

* Broadening the permitted inquiry on appeals held by the Department of Transportation (DOT).
* Adding a new subsection to eliminate the requirement of a guilty plea for refusal cases that do not result in a criminal charge for temporary restricted driver’s licenses.
* Reducing the license revocation length from two years to one year if there is no pending administrative revocation, in certain circumstances.
* Permitting the DOT to conduct driver’s license revocations and issue work permits, rather than the court.
* Eliminating “reasonable grounds” from implied consent to submit a specimen for chemical testing, to comply with current case law.
* Eliminating “reasonable grounds” being required to issue a search warrant. This recommendation complies with probable cause standards.
* Clarifying an affirmative defense.
* Placing all sentencing authority for deferred sentence, deferred judgment, or suspended sentence in Chapter 321J, Code of Iowa.

**Final Report in February** The Task Force considered and rejected proposed changes to permit in-person administrative hearings for license revocations. The Task Force plans to issue a final report shortly after February 1, 2001.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

Required Report Received by the Oversight and Communications Appropriations Subcommittee

**Report Submitted** A report from the Department of Management required in Section 29.2, SF 2433 (FY 2001 Oversight and Communications Appropriations Act) has been received.

**Data Center Management** The Department of Management submitted a report entitled*Report Concerning Written Recommendations To The General Assembly With Respect To The Manner In Which The State’s Three Data Centers Should Be Managed.*

**Report Available** The report was submitted on time and is available on the Legislative Fiscal Bureau web site at <http://staffweb.legis.state.ia.us/lfb/subcom/oversight/oversight.htm>.

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LOTTERY REVENUES AND EXPENDITURES THROUGH DECEMBER



 **December Rev./Exp.** Through December, FY 2001 Lottery game revenues increased $3.0 million from the FY 2000 level. Lottery prize expenses increased $1.6 million, operating expenses increased $1.2 million, and transfers to State funds decreased $239,000. The following table details revenues, expenditures, and balances of the State Lottery. Rows and columns may not add, due to rounding.

**Comparison to FY 2000** Fiscal year sales through December, compared to the same time period of FY 2000, were as follows:



* Instant ticket sales decreased $3.0 million (7.0%).
* Pick 3 sales increased $39,000 (2.1%).
* Multi-State Powerball sales increased $6.1 million (34.3%).
* Cash 4 Life sales decreased $1.1 million (69.0%).
* Daily Game sales decreased $294,000 (12.6%).
* Pull-tab sales decreased $280,000 (2.2%).

**Ticket Sales** Total Lottery sales through December were $82.0 million, an increase of $3.0 million (3.8%) compared to December 1999. July through December 2000 sales for Pick 3 and Powerball were above sales for the same period during FY 2000. Freeplay Replay, which was not offered until March of 2000, had sales through December of $0.4 million, and Rolldown, which was not offered until September of 2000, had sales through December of $1.1 million.

December 2000 sales for all games available in December 2000 were below sales for December 1999.

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**Transfer**

**Estimated Transfers** The December Revenue Estimating Conference (REC) projected FY 2001 Lottery profit transfers to the General Fund will total $32.5 million. Actual profit transfer for FY 2000 was $35.7 million. Therefore, the REC is currently estimating General Fund Lottery transfers will be $3.2 million (9.0%) lower in FY 2001 than in FY 2000. Through December, FY 2001 transfers to the General Fund are $249,000 (1.5%) below FY 2000.

**Sales Tax** In addition to the amount transferred to the State as profits, the Lottery has transferred $4.1 million in sales tax during FY 2001.

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*This document can be found on the LFB web site:* <http://staffweb.legis.state.ia.us/lfb/fupdate/fupdate.htm>