

GOVERNOR RESCINDS A PORTION OF THE FY 2004 ACROSS-THE-BOARD REDUCTIONS

Executive Order



On June 25, the Governor issued Executive Order Number 36, which rescinded 10.0% of the 2.5% across-the-board reduction that was ordered in October 2003. The Executive Order adds back \$8.3 million in funding to State agencies and programs for FY 2004. The Order does not impact Charter Agencies or the Legislative and Judicial Branches. The agencies and programs receiving the largest benefit from the Executive Order include:

- Education Standings - \$4.8 million
- Board of Regents - \$1.5 million
- Department of Education (includes community colleges) - \$571,000
- Property Tax Replacement Funding - \$449,000

Summary Table

The following table summarizes the FY 2004 across-the-board reductions and the amounts rescinded by Executive Order Number 36:

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FY 2004 Across-the Board Reduction and Rescission

State Agency	Estimated FY 2004	2.5% ATB Cut FY 2004	Exec. Order 36 FY 2004	Estimated Net FY 2004
Education Standings	\$ 1,938,692,009	\$ -48,467,300	\$ 4,846,730	\$ 1,895,071,439
Regents, Board of	620,018,286	-15,497,873	1,549,787	606,070,200
Education, Department of	226,415,440	-5,708,142	570,814	221,278,112
Revenue, Property Tax Standings	182,361,615	-4,494,857	449,486	178,316,244
Public Safety, Department of	63,546,226	-1,566,634	156,663	62,136,255
College Aid Commission	52,834,457	-1,299,521	129,952	51,664,888
Inspections & Appeals, Dept of	48,809,335	-1,207,761	120,776	47,722,350
Legislative Branch	24,988,609	-624,715 *	0 *	24,363,894
Health, Department of Public	24,636,726	-610,118	61,012	24,087,620
Administrative Services, Dept. of	21,778,853	-536,235	53,624	21,296,242
Commerce, Department of	19,805,216	-485,093	48,509	19,368,632
Ag. & Land Stewardship	18,030,656	-442,283	44,228	17,632,601
Management, Department of	15,707,189	-390,832	39,083	15,355,440
Economic Development, Dept. of	14,106,654	-366,311	36,631	13,776,974
Transportation, Department of	8,479,134	-312,729	31,273	8,197,678
Justice, Department of	10,629,734	-260,627	26,063	10,395,170
Public Defense, Department of	6,797,236	-168,054	16,805	6,645,987
Iowa Workforce Development	5,015,644	-128,665	12,867	4,899,846
Cultural Affairs, Dept. of	5,187,861	-121,476	12,148	5,078,533
Elder Affairs, Department of	2,699,770	-67,102	6,710	2,639,378
Secretary of State	3,109,684	-65,146	6,515	3,051,053
Governor	2,007,005	-47,671	4,767	1,964,101
Human Rights, Department of	1,875,653	-45,552	4,555	1,834,656
Executive Council	1,650,000	-41,250	4,125	1,612,875
Blind, Iowa Commission for the	1,580,798	-38,891	3,889	1,545,796
Auditor of State	1,173,968	-29,213	2,921	1,147,676
Law Enforcement Academy	1,093,847	-26,957	2,696	1,069,586
Parole, Board of	1,043,768	-25,858	2,586	1,020,496
Public Employment Relations Board	918,296	-22,544	2,254	898,006
Civil Rights Commission	846,582	-20,830	2,083	827,835
Treasurer of State	820,762	-20,198	2,020	802,584
IA Telecommun & Technology Commission	500,000	-12,500	1,250	488,750
Ethics and Campaign Disclosure	421,661	-10,365	1,037	412,333
Veterans Affairs, Comm. Of	301,395	-7,424	742	294,713
Gov. Office of Drug Control Policy	260,859	-6,473	647	255,033
Revenue, Collection Costs and Fees	28,166	-704	70	27,532
Judicial Branch	119,877,526	0	0	119,877,526
Total	\$ 3,448,050,620	\$ -83,177,904	\$ 8,255,319	\$ 3,373,128,035
Charter Agencies				
Human Services, Department of	\$ 802,684,035	\$ 0	\$ 0	\$ 802,684,035
Corrections, Department of	265,317,449	0	0	265,317,449
Revenue, Department of	24,506,391	0	0	24,506,391
Natural Resources, Department of	16,619,282	0	0	16,619,282
Veterans Home	16,351,559	0	0	16,351,559
Commerce, Alcoholic Beverages Division	1,876,497	0	0	1,876,497
Total	\$ 1,127,355,213	\$ 0	\$ 0	\$ 1,127,355,213
Grand Total	\$ 4,575,405,833	\$ -83,177,904	\$ 8,255,319	\$ 4,500,483,248

* The Legislature ordered a self-imposed 2.5% reduction on the FY 2004 budget. The Governor's Executive Order 36 did not impact the Legislative reductions.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS TRANSFERS

Appropriations Transfers

The Fiscal Services Division of the Legislative Services Agency (LSA) received notification of two requests to transfer funds within the Department of Human Services (DHS) for FY 2004 pursuant to Section 8.39, Code of Iowa, as follows:



- \$1.9 million in General Funds from Child and Family Services to the Family Investment Program (FIP).
- \$1.9 million in Temporary Assistance to Needy Families (TANF) funds from the FIP to Child and Family Services.

Transfer Purpose

The transfers shift TANF funds from Child and Family Services to the FIP and then replace the transferred funds with an opposite General Fund transfer. This results in no net loss of funds to either Program.

TANF Program

During the 2004 Legislative Session, it was noted that the TANF Program faced a maintenance of effort shortfall for FY 2006. The FY 2006 maintenance of effort is based, in part, on expenditures occurring in FY 2004.

Case & Assistance

State Cases and State Supplementary Assistance transfers totaling \$715,000 include:

- \$90,000 to the State Supplementary Assistance Program due to requirements of supplementary payments to recipients eligible for the federal Supplemental Security Income (SSI) Program.
- \$625,000 to the State Cases Program, due to increasing costs and a less than anticipated appropriation for FY 2004.
- \$625,000 from the Medical Assistance (Medicaid) Program, which will reduce the carry forward balance for the DHS related to Charter Agency status and reversion to the General Fund.
- \$40,000 from the Volunteer Program due to limited expenditures.
- \$50,000 from the Health Insurance Premium Payment Program due to limited expenditures.

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Sue Lerdal (Ext. 17794)

DEPARTMENT OF CORRECTIONS APPROPRIATIONS TRANSFERS

Transfer of Funds

The Fiscal Services Division of the LSA received notification of a request to transfer funds within the Department of Corrections (DOC) for FY 2004 pursuant to Section 8.39, Code of Iowa. The DOC is transferring or reallocating \$915,000, including a \$115,000 appropriation transfer and an \$800,000 reallocation. Details are provided in the table below.

Department of Corrections FY 2004 Appropriation Transfers and Reallocations

Appropriation Transfers

Transfer From:	Transfer To:	Amount:
Clarinda Correctional Facility	Eighth CBC District Department	\$ 65,000
Fort Dodge Correctional Facility	Second CBC District Department	<u>50,000</u>
Total:		<u><u>\$ 115,000</u></u>

Allocation Transfers

Transfer From:	Transfer To:	Amount:
Fifth CBC District Department	Eighth CBC District Department	<u>\$ 75,000</u>
Clarinda Correctional Facility		235,000
County Confinement Account		100,000
Fort Dodge Correctional Facility		50,000
	Iowa Correctional Institution for Women	<u>385,000</u>
Iowa State Penitentiary at Fort Madison		230,000
Fort Dodge Correctional Facility		20,000
	Iowa Medical Classification Center at Oakdale	<u>250,000</u>
Fort Dodge Correctional Facility	North Central Correctional Facility at Rockwell City	<u>90,000</u>
Total:		<u><u>\$ 800,000</u></u>

Transfers and Reallocations Appropriation transfers occur when the DOC transfers funds between the prison system and Community-Based Corrections (CBC) systems. Reallocations occur when the Department moves funds within the prison or CBC systems.

Clarinda Reallocation



The Clarinda Correctional Facility reallocated or transferred out \$300,000. Funds were available to transfer due to the delayed opening of the 225-bed minimum-security lodge. The DOC received two months of operating funds in FY 2004 for the lodge as the original anticipated opening date was May 2004. The lodge is now anticipated to open in January 2005.

Fort Dodge Reallocation

The Fort Dodge Correctional Facility reallocated or transferred out \$210,000. Funds were available to transfer from various line items, including personnel services (delayed filling vacant positions), uniforms, equipment, and outside repairs.

Fort Madison

The Iowa State Penitentiary at Fort Madison reallocated or transferred out \$230,000. Funds were available to transfer from various line items, including personnel services (delayed filling vacant positions) and outside services.

County Confinement

The County Confinement Account is a General Fund appropriation to the DOC to reimburse counties for holding alleged parole, work release, and certain Operating While Intoxicated (OWI) violators in local jails pending revocation proceedings. The DOC reallocated \$100,000 from this Account due to a decrease in claims from counties. The DOC is holding more of these alleged violators within the prison system rather than in county jails, which has decreased the number of claims.

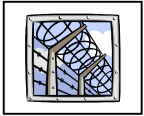
Fifth CBC The Fifth CBC District Department reallocated \$75,000 to the Eighth CBC District Department. The Fifth District had funds available to transfer due to increased local income from client rent.

Eighth CBC The Eighth CBC District Department received a total of \$140,000 through transfers and reallocations. The Eighth District experienced unanticipated cost increases, primarily in utility costs.

Second CBC The Second CBC District Department required a \$50,000 appropriation transfer due to local income (supervision fees and interest income) generating less funding than budgeted.

Mitchellville The Iowa Correctional Institution for Women at Mitchellville received \$385,000 in reallocations. Funds were required to be transferred due to unexpected increases in drugs and biologicals, food, communications, unanticipated costs in workers' compensation, and outside repairs.

Oakdale



The Iowa Medical Classification Center at Oakdale received \$250,000 in reallocations. Funds were required to be transferred due to unexpected cost increases in various supply line items and unanticipated costs for travel, including vehicle operations, and in-state and out-of-state travel.

Rockwell City

The North Central Correctional Facility at Rockwell City received \$90,000 in reallocations. Funds were required to be transferred into the Facility due to unexpected cost increases in various supply line items, drugs and biologicals, plus unanticipated costs for travel, including vehicle operations and in-state and out-of-state travel.

More Information Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

DEPARTMENT OF PUBLIC HEALTH APPROPRIATIONS TRANSFERS

Appropriations Transfer



The Fiscal Services Division of the LSA received notification of a request to transfer funds within the Department of Public Health pursuant to Section 8.39, Code of Iowa. The notice requests transfers of FY 2005 appropriations totaling \$15,800 to Resource Management from other Department appropriations, including:

- Addictive Disorders - \$1,200
- Child and Adolescent Wellness - \$40
- Chronic Conditions - \$500
- Community Capacity - \$3,100
- Infectious Diseases - \$1,700
- Injuries - \$100
- Public Protection - \$9,200

Transfer Purpose The transfer applies a reduction for health insurance premium savings to the Department's FY 2005 Resource Management appropriation across each of the Department's appropriations in the same ratio as the salary adjustment received in FY 2004.

More Information Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

FY 2004 AND FY 2005 MEDICAL ASSISTANCE PROGRAM ESTIMATES

Medicaid Estimates

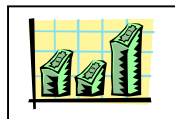


Staff members from the Department of Management, the Department of Human Services (DHS), and the Fiscal Services Division of the LSA met on June 25 to discuss estimated expenditures for the Medical Assistance (Medicaid) Program for FY 2004 and FY 2005. The staffs meet monthly to discuss estimated expenditures for the current fiscal year and to agree on a range for expenditures.

FY 2004 The three staffs agreed to an estimated range of a surplus of \$3.0 million to a deficit of \$5.0 million for FY 2004. The estimate accounts for the increased funding due to the federal Fiscal Relief for Medicaid.

Year End Status Medicaid accounting transactions are not closed for FY 2004 until August 30. This allows an additional 60 days from the June 30 fiscal year end date. Expenditures during this 60-day time period are difficult to predict as large adjustments and reconciliations take place and vary significantly from year to year. These factors make the final expenditure amount difficult to forecast with precision.

FY 2005 When the FY 2005 Medicaid budget of \$568.5 million was enacted, it was discussed that the funding level was not likely to cover the full cost. A shortfall for FY 2005 is projected, with an agreed upon shortfall range of \$30.0 to \$60.0 million compared to the FY 2005 appropriation. This is no change from the previous shortfall range for FY 2005.



More Information Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Vermeer (Ext. 14611)

COUNCIL OF STATE GOVERNMENTS MEETING

Annual Meeting The 59th annual meeting of the Midwestern Legislative Conference of the Council of State Governments met in Des Moines from July 11-14. There were more than 300 legislators from 11 Midwestern states and the Canadian provinces of Ontario, Saskatchewan and Manitoba in attendance. More than 80 legislative staff members volunteered to help with the meeting.

Speakers Guest speakers included Dr. Richard Florida, Charles Cook, Stuart Rothenberg, and David Halberstam.

Tours Tours for the delegates included site visits to Pioneer Hi-Bred International in Johnston and Monsanto Company in Ankeny. Spouse and guest tours included Terrace Hill, the Meredith Test Kitchens and Gardens, the Summerset Winery, and Hoyt Sherman Place.

Committees



Various committee meetings were held with the following topics discussed:

- **Economic Development, Technology, and Labor Committee:** The State of Midwestern Manufacturing; Evaluation and Accountability in Economic Development; and the Future of the Rural Midwest.
- **Education Committee:** *Brown v. Board of Education: 50 Years Later*; and Midwestern States' Progress in Building Student Records Systems.
- **Environment, Natural Resources, and Energy Committee:** Agricultural Conservation Programs for the Midwest; Water Management and Protection; and the Future for Wind Energy in the Midwest.
- **Health and Human Services Committee:** The Medicare Modernization Act and Prescription Drug Importation.

Public Policy Roundtable

Public Policy Roundtable discussions were held on various topics, including The Right to Farm, Alternative Fuel Technologies, Specialty Courts, The Aging Midwest, Early Childhood Education, The No Child Left Behind Act, and State Efforts to Combat Childhood Obesity.

Fiscal Roundtable

Fiscal Leaders' Roundtable discussions focused on the various state efforts to cope with ongoing fiscal challenges.

Midwest-Canada Relations

The Midwest-Canada Relations Committee discussed the North American Free Trade Agreement (NAFTA) and further economic integration efforts between the United States and Canada. The Livestock Identification Program examined the program already in use in Canada to help control Bovine Spongiform Encephalopathy or Mad Cow Disease.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223) Debra Kozel (Ext. 16767)

FY 2005 JUDICIAL BRANCH OPERATING BUDGET REDUCTIONS

Budget Reductions



The Iowa Supreme Court approved approximately \$5.0 million in budget reduction measures to the FY 2005 operating budget. The FY 2005 General Fund appropriation to the Judicial Branch was \$117.8 million, which is no change compared to FY 2004. The Judicial Branch employs approximately 1,900 employees, who comprise 96.0% of the overall operating budget expense.

Increased Costs

The Judicial Branch estimates an increase of approximately \$2.7 million for health and dental insurance premiums and deferred compensation program match. The Judicial Branch must also pay approximately \$1.0 million for salary increases to contract employees required under the collective bargaining agreement for FY 2005, despite a request from the State Court Administrator for the two unions to accept a salary freeze. The Supreme Court decided to give similar pay raises to non-contract employees at a cost of \$1.3 million to avoid disproportionate budget cuts.

Reductions

To assist with balancing the FY 2005 budget, the Judicial Branch will implement 10 days of unpaid leave for all non-judicial employees, delays in filling vacant judgeships and other positions, a reduction in travel, and a

reduction in supplies. The unpaid leave will result in Judicial Branch employees receiving gross wage reductions of 1.0% to 2.0% over the course of FY 2005. The Judicial Branch also estimates approximately \$1.0 million in savings by temporarily holding open vacant positions.

Office Closures

All court offices, including clerk of court offices, will be closed and non-judicial personnel will take unpaid leave on August 20, September 17, October 11 (Columbus Day), November 12, December 10, January 28, February 21 (President's Day), March 25, April 22, and May 27.

Fiscal Impact



The offices closings will result in a cost savings of \$277,000 per day or \$2.8 million for FY 2005. Under Iowa law, if a filing deadline for commencing court action falls on a day the office is closed, by order of the Supreme Court, the deadline will be extended to the next day the office is open. Any hearings or motions which occur on days the offices are closed will need to be rescheduled. Judges and magistrates are not subject to the unpaid leave order.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

GASOLINE TAX INCREASE FOR FY 2005

Tax Rate Change



House File 716 (FY 2002 Ethanol Sales Promotion Act) provides for changes in fuel tax rates based on the gallons of ethanol-blended gasoline sold in the State between January 1 and December 31 of each year. The rates apply for the period beginning the following July 1 and ending June 30 of each year. The Act allows the tax rates to change each July 1 depending on the percentage of ethanol-blended gasoline sold during the previous calendar year (CY).

Tax Schedule

The following tax schedule was implemented on July 1, 2002, and will be effective through June 30, 2007. The Act provides that after June 30, 2007, the excise tax on gasoline will go back to 20.0 cents, and gasohol will increase from 19.0 to 20.0 cents per gallon.

<u>Ethanol Percentage</u>	<u>Ethanol Tax</u>	<u>Gasoline Tax</u>
0% - 50%	19.0	20.0
50% - 55%	19.0	20.1
55% - 60%	19.0	20.3
60% - 65%	19.0	20.5
65% - 70%	19.0	20.7
70% - 75%	19.0	21.0
75% - 80%	19.3	20.8
80% - 85%	19.5	20.7
85% - 90%	19.7	20.4
90% - 95%	19.9	20.1
95% - 100%	20.0	20.0

Fiscal Impact

In CY 2003, the market share of ethanol-blended gasoline was 62.2%. Since this percentage is within the 60.0% to 65.0% range, the tax on gasoline increased by 0.2 cent effective July 1, 2004, for a tax rate of 20.5 cents per gallon. The result is an estimated increase of \$2.7 million (2.5%) to the Road Use Tax Fund in FY 2005. The increased revenue will be used to help offset losses in Road Use Tax Fund revenues due to the increasing market share of ethanol-blended gasoline.

Gasoline Tax



In the first fiscal year following implementation of the tax schedule, the tax on gasoline increased by 0.1 cent, for a tax rate of 20.1 cents per gallon in FY 2003. In FY 2004, the tax increased by 0.2 cent, for a tax rate of 20.3 cents per gallon. The result was an increase of \$640,000 (0.5%) to the Road Use Tax Fund in FY 2003, and an estimated increase of \$1.8 million (1.5%) in FY 2004. The tax on ethanol-blended gasoline remains at 19.0 cents per gallon.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

CONGRESS EXTENDS REAUTHORIZATION OF FEDERAL TRANSPORTATION EQUITY ACT

Extension

Congress has extended reauthorization of the federal Transportation Equity Act of the 21st Century (TEA-21) for a fourth time. The Act was set to expire on September 30, 2003. The latest extension allows continued funding at the authorized FFY 2003 level through July 31, 2004, while the obligation limitation is set at the level identified in the FFY 2004 Department of Transportation Appropriations Act.

Funding Levels

The delay in reauthorization stems from discrepancies in funding levels between the House, Senate, and Administration. The Bill passed by the Senate in February 2004, called the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 (SAFETEA), provides \$318.0 billion over six years. The Bill passed by the House in April 2004, called the Transportation Equity Act: A Legacy for Users (TEA-LU), provides \$284.0 billion over six years. The Administration threatens to veto a Bill over \$256.0 billion.

Ethanol



The following provisions relating to ethanol tax exemptions and incentives are currently being considered:

- Eliminating the 5.2 cent tax exemption on ethanol-blended gasoline, and replacing the exemption with a tax credit of the same amount. The tax credit would be distributed to ethanol producers. Under current law, the gasoline is taxed at 18.4 cents per gallon.
- Depositing the 2.5 cent ethanol tax incentive into the Highway Trust Fund. The tax incentive is currently deposited into the General Fund.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

ENVIRONMENTAL PROTECTION COMMISSION MEETING

June 21 Meeting



The Environmental Protection Commission met on June 21 and July 19. Some of the issues discussed at the June 21 meeting included:

- The Commission amended and approved the Final Rule for manure management plans that require manure application rates from confinement feeding operations to be based on the phosphorus index. The Index that was developed by the federal Natural Resource Conservation Service (NRCS) was used as a guide in development of the rule amendment.
- The Commission approved the Department's recommendations for project funding under the Solid Waste Alternatives Program. This included 10 projects that will receive \$507,000 in funding.
- The Commission approved a contract for \$91,000 with the University of Iowa Hygienic Laboratory to measure bacteria levels at 37 State-owned beaches.
- The Commission approved a contract for \$475,000 with the University of Iowa Hygienic Laboratory to collect and analyze a number of water quality parameters at 1,200 publicly owned lakes in Iowa.
- Mel Pins, Department of Natural Resources (DNR), provided information regarding the Brownfield Redevelopment Program. Brownfields are contaminated properties that have unknown risks that make the areas less desirable to developers. Items discussed included:
 - The DNR will be working in conjunction with the Department of Economic Development to address Brownfield issues. It is estimated there are 4,000 Brownfield sites in Iowa.
 - The Departments received a federal \$1.5 million grant to clean up Brownfield sites in smaller towns and rural areas.
 - Department staff will conduct site assessments that include environmental testing to determine the amount of cleanup needed. The White Tractor manufacturing plant in Charles City will be one of the first projects addressed.
- The Commission approved the Administrative Rules for the Iowa Land Recycling Program that includes a memorandum of agreement with the federal Environmental Protection Agency (EPA). The agreement specifies that the EPA will not take action on sites enrolled in the Program.
- The Commission approved the Administrative Rules regarding nonpublic water supply wells and the Well Contractor Certification Program.
- The Commission approved the Administrative Rules regarding controlling pollution, emission contaminant standards, and measurement of emissions.



July 19 Meeting

The Commission met on July 19 and discussed the following:

- The Commission listened to testimony from the DNR, the Department of Public Health, and the public regarding the Final Rule on the Animal Feeding Operations Field Study. The Commission approved the establishment of an animal feeding operations health effects value (HEV) and a health effects standard (HES) for hydrogen sulfide.
- The Commission approved the following Final Rules:



Next Meeting

The next meeting is scheduled for August 16.

More Information

Additional information is available from the LSA upon request. For review of Commission agendas, minutes, and other related information, access the DNR web site at: <http://www.iowadnr.com/>

STAFF CONTACT: Debra Kozel (Ext. 16767)

SENIOR LIVING COORDINATING UNIT MEETING

Senior Living Unit

The Senior Living Coordinating Unit met on June 18 and conducted the following business:



- Liz Selk, Area Agencies on Aging Association, reviewed the “Rebalancing Long Term Care for Iowa” plan developed by the Area Agencies on Aging. Copies of the Plan will be mailed to legislators.
- Legislative Services Agency staff reported on the proposed Legislative Council workgroup that may be appointed by the Council to study the State’s current long-term care system and make recommendations for the future. It was noted that no formal workgroup had been appointed to date and the Council was scheduled to meet on June 29. (The Council approved the study on June 29.)
- Michael Tramontina, Iowa Finance Authority, reviewed the language from SF 2298 (FY 2005 Omnibus Appropriations Act) that established and set forth requirements for the Senior Living Revolving Loan Program Fund and the Home and Community-Based Services Revolving Loan Program Fund. Draft copies of the proposed rules were distributed.
- Director Mark Haverland, Department of Elder Affairs, provided the following:

A review of Section 231.58, Code of Iowa, which outlines the duties and responsibilities of the Senior Living Coordinating Unit.

Discussion regarding the name, “Senior Living Coordinating Unit,” and a potential future legislative request to change this name.

A review of Administrative Rules that pertain to the Senior Living Coordinating Unit, as well as the role of the Community-Based Adult Services (CBAS) Committee and their related services.

A review of the Long Term Care Plan developed by the Department of Elder Affairs, which is anticipated to be distributed in the fall after additional town meetings with seniors are held in cooperation with the American Association of Retired Persons (AARP).

Comments regarding the Governor’s veto message for SF 2190 (Long Term Care Task Force Bill). Director Haverland noted the Legislative Council may appoint a workgroup similar to the one that would have been established if SF 2190 had been enacted.

An update regarding the federal Aging and Disability Resource Center Grant.





- Director Kevin Concannon, Department of Human Services (DHS), provided an update regarding the role of the Medical Assistance (Medicaid) Crisis Intervention Team.

- The following information was provided regarding the Senior Living Program:

Eileen Creager, DHS, reported the Request for Proposal (RFP) for FY 2005 nursing facility conversion grants is not yet in process.

Greg Anliker, Department of Elder Affairs, provided an update regarding unmet needs for seniors accessing home and community-based services through the Senior Living Program.

Lisa Burk, Fiscal Services Division, LSA, provided an update on projections for the Senior Living Trust Fund.

- Eileen Creager, DHS, also reported that the Department has applied for a three-year, \$350,000 Cash and Counseling Grant through the Robert Wood Johnson Foundation. Ten states will be awarded grants and it is anticipated the Department will be notified in September if Iowa has been chosen.
- Joel Wulf, Department of Elder Affairs, provided an update regarding the federal Program of All Inclusive Care for the Elderly (PACE) Grant.
- Jim Matre, Department of Elder Affairs, provided an update regarding projects funded by the federal Seamless System Grant.

Next Meeting

The next meeting is scheduled for August 20.

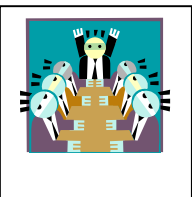
More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

STATE BOARD OF HEALTH MEETING

State Board Meeting



The State Board of Health met on July 14 and conducted the following business:

- Mary Jones, Department of Public Health, provided an update on federal Bioterrorism funding for FFY 2005 as follows:

The federal Health Resources and Services Administration (HRSA) currently provides \$5.6 million to the State for Hospital/Emergency Management Systems Bioterrorism Preparedness and Response, which will also be available in FFY 2005.

The federal Centers for Disease Control (CDC) currently provides \$12.5 million to the State for Public Health Bioterrorism Preparedness and Response. For FFY 2005, the State will receive \$9.8 million, a \$2.7 million reduction compared to FFY 2004. Ms. Jones reported this portion of the State's funding was reduced to assist in funding the federal Cities Readiness Initiative Pilot Program. The Initiative includes 20 cities chosen based on population and geographic location and no Iowa cities were selected.

- Tom Newton, Department of Public Health, provided the following information on behalf of Director Hansen:

The Department received a partial restoration of the Governor's 2.5% across-the-board reduction that was implemented in FY 2004. As a result, approximately \$60,000 was restored to into various programs in June 2004.

Director Hansen will hold local public health development meetings in the fall. It is anticipated that a meeting will be held in each of the State's six Bioemergency Regions.

The Department is working with the Iowa Business Council on the prospect of applying the Lean Business Model within the Department.

The Director's Public Health Advisory Council has held one initial meeting and will focus on obesity, mental health/substance abuse, and access to health care.

The Department recently went through a reorganization process. As a result, the Chief Operating Officer position, which was vacated in February 2004, no longer exists. The new Table of Organization may be accessed at the Department's web site at: www.idph.state.ia.us.

- Christopher Shaffer provided a presentation on the Iowa Public Health Information web site, which may be accessed at: www.iowapublichealth.org.
- Sarah Brend and Susan Brockus, Department of Public Health, provided information on the West Nile Virus Program and surveillance system.
- Judy Goddard, Department of Public Health, provided information on the local quarantine and isolation procedures used during three recent cases of measles.
- The following Administrative Rules relating to the Department of Public Health were adopted:

Chapter 68 - Changes provide a model rule for lead hazard remediation that can be adopted by local boards of health to be used in instances where a child is confirmed as lead poisoned. There is no estimated fiscal impact.

Chapter 73 - Amendments clarify policies in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). There is no estimated fiscal impact.

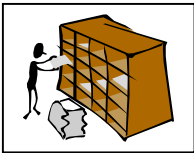
Chapter 88 - Changes to the Volunteer Health Care Provider Program to provide defense and indemnification to volunteer health care providers of free services at approved clinics and to eligible free clinics. The fiscal impact is not anticipated to be significant.

Chapter 4 - Technical changes to rename the Birth Defects Institute to the Center of Congenital and Inherited Disorders and the Birth Defects Registry to the Iowa Registry for Congenital and Inherited Disorders. Also, changes regarding information sharing and confidentiality relating to the infant metabolic screening process. There is no estimated fiscal impact.

- The following Administrative Rules relating to the Department of Public Health were placed on notice for adoption at a future meeting:

Chapter 11 - Amendments to describe and define the Acquired Immune Deficiency Syndrome (AIDS) Drug Assistance Program (ADAP), as well as provide current criteria for eligibility. Also, clarifies enrollment and disenrollment policies and establishes wait list and appeals policies. There is no estimated fiscal impact.

Chapter 96 - Increases the fee for certified copies of vital records, including birth, marriage, and death certificates from \$10.00 to \$15.00. A portion of the death certificate copy fee increase will be used to support the operation of the State Medical Examiner's Office and the Office's contribution to the modernization of vital records. The fee increase will result in an additional \$805,000 in revenues from these fees in FY 2005. Of this amount, \$558,000 will be retained by the



Department of Public Health, Division of Vital Statistics; \$199,000 will support vital records information provided by the State Medical Examiners Office; and \$48,000 will be deposited into the General Fund.

Chapter 202 - Amendments clarify some of the procedures followed by the Health Facilities Council, primarily putting what has been in practice into the rules. Also, provides additional guidance in preliminary review determinations. There is no estimated fiscal impact.

- The following Administrative Rule relating to the Department of Inspections and Appeals was adopted:

Chapter 51 - Amendments update the Department's rules to reflect changes made in the federal Medicare conditions of participation regarding Critical Access Hospitals. The federal requirements permit these hospitals to increase the number of acute care inpatient beds from 15 to 25. This change will impact 58 hospitals in the State. There is no estimated fiscal impact.

- The following Administrative Rule relating to the Department of Inspections and Appeals was placed on notice for adoption at a future meeting:

Chapter 58 - Changes exempt the Veterans Home from assisting the Commission on Veterans Affairs from identifying residents at the Home for Veterans Affairs (VA) benefits as most residents are veterans. There is no estimated fiscal impact.

Next Meeting

The next meeting is scheduled for September 8.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

**MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES
COMMISSION MEETING**

Commission Meeting



The Mental Health and Developmental Disabilities Commission met on June 17 and conducted the following business:

- Discussed the Children's Mental Health System Design meeting that will be held on October 21.
- Approved various accreditation requests.
- Approved the membership of the Children's Oversight Committee.
- Heard a presentation regarding the Children's Mental Health System.
- Received an update regarding the various Adult Redesign Teams, including:

Universal Access, with a planned survey to the 99 counties for local information.

Residency in relation to the review of State Cases recipients eligibility for Medicaid and those eligible for the Home and Community-Based Services Waiver in lieu of State Cases.

Core Services in relation to establishing a list of possible definitions for potential core services.

Information Technology, with possible federal Data Infrastructure Grant funds to design a new information system or a modified existing system.

Resource Centers, with discussion regarding options for existing services and mobile crisis team availability.

Disability Services (case rates), with information needed from other Teams for continuation of the process.

Mental Health Institutes, with discussion regarding the number of psychiatric beds in the State and the commitment process.

Functional Assessment, with continued review of existing assessment tools and possible incorporation into developing web potential for use of tool.



Next Meeting

The next meeting is scheduled for July 15.

More Information

Additional information is available from the LSA upon request. The dates for the Adult Redesign Teams and the newly created Children's Oversight Committee are available on the LSA web site at:

http://staffweb.legis.state.ia.us/lfb/subcom/human_serv/interim_2004.htm.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

COMMISSION FOR THE DEPARTMENT OF ELDER AFFAIRS MEETING

Commission Meeting

The Commission for the Department of Elder Affairs met on June 22 and conducted the following business:

- Director Mark Haverland provided the following report, including:

An update on the Long Term Care Plan developed by the Department of Elder Affairs, which is anticipated to be distributed in fall 2004 after additional town meetings are held in cooperation with the American Association of Retired Persons (AARP).

An update on the federal Aging and Disability Resource Center Grant. The two-year grant is being used to create a one-stop shop for long-term care services for seniors and the disabled. The project expands work already underway by the Area Agencies on Aging.

Topics of concern that were discussed at the National Association of State Units on Aging Conference held on June 12-15 in Washington, D.C.

An update on the Whitehouse Conference on Aging, which is scheduled to be held next year and is currently in the planning stages.

An update regarding the federal Older Americans Act, which is scheduled for reauthorization by Congress again in the near future.

An update regarding the business conducted at the Senior Living Coordinating Unit meeting held on June 18.

An update regarding Resident Advocate Committee (RAC) functions, which will no longer be conducted by each Area Agency on Aging. The Administrative Rules for Resident Advocate Committees will be re-drafted and the Department will oversee RAC responsibilities within the Long Term Care Ombudsman Programs.



An update regarding the Older Iowans Legislature (OIL). After this year, the Department and the Area Agencies on Aging will no longer be part of the OIL process. The OIL will remain in existence, but will be independent in terms of developing legislative platforms and for advocacy purposes.

An update regarding Governor's vetoes, including the veto of SF 2190 (Long Term Care Task Force Bill) and HF 2514 (Dementia Pilot Project Bill). Director Haverland noted that with the veto of SF 2190, which would have established a Long Term Care Task Force, it is anticipated that the Legislative Council will appoint a Long Term Task Force to make recommendations on the future of long term care in the State.



- During the 2004 Legislative Session, four commissioners were confirmed by the Iowa Senate, including Kitty Buckwalter, Lisa Carlson, Hazel Chuck, and Craig Downing.
- Mary Ann Young, Department of Elder Affairs, presented the following Administrative Rules, which were approved for notice by the Commission:

Chapter 29 - The rules previously noticed for elder group homes were terminated due to changes that resulted from comments received at the Public Hearing held on May 5. Clarifications will be provided with regard to the assessment tool; the self administration of medications and supervision of this; on-site manager and operator distinctions; definition of part-time or intermittent care; and increased square footage requirement for living space.

Chapter 26 - Monitoring, Civil Penalties, Complaints, and Investigations - Adds Elder Group Homes to this Chapter, which deals with the oversight of assisted living programs and adult day services. Also, eliminates adult day services from being covered by the Department's Long Term Care Ombudsman Program, as the Department does not have statutory authority to do this.

Chapter 25 - Assisted Living Programs - Provides clarifications with regard to door alarms in programs that provide care to tenants with dementia.



- Greg Anliker, Department of Elder Affairs, reported on FY 2004 Area Plan Amendments. Mr. Anliker noted that each Area Agency on Aging must have a four-year long-range plan, and the Agencies may file amendments to these plans each year if an Agency wants to add a direct service, add or delete a service category, or request a transfer of funds between federal Older Americans Act titles. Agencies are required to hold a public hearing regarding the change prior to filing the amendment. The Commission approved amendments to FY 2004 Area Plans for two Agencies.
- Anliker reported on FY 2005 Area Plan Amendments. The Commission approved amendments to FY 2005 Area Plans for five of the Area Agencies on Aging.
- Carlene Russell provided an update regarding nutrition education efforts at Congregate Meal Sites, which are required both by federal law and State Administrative Rule.
- Phyllis Anderson provided an update regarding the Senior Internship Program, which is a work-training program authorized under Title V of the federal Older Americans Act and administered by the Department.

Next Meeting

The next meeting is scheduled for August 31.

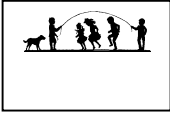
More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

HAWK-I BOARD MEETING

hawk-i Board



The Healthy and Well Kids in Iowa (*hawk-i*) Board met on June 21 and discussed the following:

Board meeting times.

Discussion of news from other states.

Updates on the FY 2004 and FY 2006 budgets, as well as reports on enrollment and other statistics.

Discussion of a possible rule change related to allowing participants to change health plans mid-year when there is a significant change to the health plan's provider network.

Approval of Health Plan Contracts.

Updates on outreach activities and other reports.

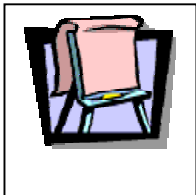
More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Vermeer (Ext. 14611)

COUNCIL ON HUMAN SERVICES MEETING

Council Meeting



The Council on Human Services met on July 7 and conducted the following business:

- Various organizations provided testimony regarding the FY 2006 budget. Written materials received at the meeting may be accessed on the LSA web site at: http://staffweb.legis.state.ia.us/lfb/subcom/human_serv/interim_2004.htm

- Approved the following Administrative Rules:

Changes that eliminate the requirement that an individual seeking correction or expungement of a child abuse or dependent adult abuse report must first exhaust a review process before an appeal hearing is granted. An individual seeking appeal will be directly referred to the appeals unit and then on to the Department of Inspections and Appeals for the scheduling of an administrative hearing. There is no estimated fiscal impact.

Establishment of requirements for health insurance companies to submit information on their enrollees to the Medical Assistance (Medicaid) Program. This will allow Medicaid to identify persons who have other insurance and allow the other insurer to be billed before Medicaid will pay. This is expected to result in a savings; however, the amount is unknown.

- Approved the following Administrative Rules for action at future meetings:

Adds a coverage group under the State Supplementary Assistance Program that will allow the State to draw down federal matching dollars. The estimated savings will be \$3.6 million in FY 2005.

Various changes to the Home and Community-Based Services Waivers. Minimal fiscal impact as these changes are currently handled under exceptions to policy.

Adds dental hygienist services as a covered Medicaid service within Maternal Health Centers. Minimal fiscal impact.



- Director Concannon provided information on the role of the Medical Assistance (Medicaid) Crisis Intervention Team.
- Jim Chrisinger, Department of Management, provided information regarding the “purchasing results” budget methodology, which State departments will use in addition to the 75.0% base budget methodology when submitting budget requests for FY 2006.
- Mary Nelson, Department of Human Services (DHS), provided information on the current co-pay schedule and provider reimbursement rates for the Child Care Assistance Program. Ms. Nelson presented information regarding the additional funds that would be necessary if changes to the Program, such as an increase in provider rates, were to occur. The Council requested that the State Child Care Advisory Council review the potential changes suggested by advocates and present a recommendation to the Council.

Next Meeting

The next meeting is scheduled for August 10 and 11. The meeting on August 10 will be held at the Clarinda Mental Health Institute, and will continue at the Glenwood State Resource Center on August 11.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942) Jennifer Vermeer (Ext. 14611)
Sue Lerdal (Ext. 17794)

MEDICAID CRISIS INTERVENTION TEAM MEETING

Medicaid Team



The Medicaid Crisis Intervention Team, created in SF 2298 (FY 2005 Omnibus Appropriations Act), met on July 15 in Ottumwa. The Team is chaired by Dr. David Skorton, President, University of Iowa, and consists of representatives of provider groups and health insurance companies. The Team heard a presentation by Eugene Gessow, Iowa Medicaid Director, regarding the Medicaid Program, statistics, and the funding issues facing the program. The Team also heard public testimony and discussed future agenda items.

Next Meeting

The next meeting is scheduled for August 2 in Sioux City.

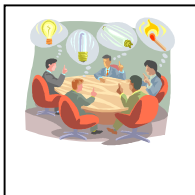
STAFF CONTACT: Jennifer Vermeer (Ext. 14611)

BOARD OF CORRECTIONS MEETING

Corrections Meeting

The Board of Corrections met on July 9 at the North Central Correctional Facility at Rockwell City. Warden Jim McKinney explained that the facility is for minimum-security inmates with a focus on work. The facility provides work crews to the Department of Human Services, the City of Cherokee, and others. Offenders also raise approximately 400,000 pounds of garden produce annually in labor-intensive gardens. The facility’s population ranges from 480 to 500 offenders.

Prison Population



Director Gary Maynard, Department of Corrections, stated the prison population is at 8,585 offenders, or 122.8% of capacity. The Department’s goal is to stabilize the prison population at approximately 123.0% of capacity. In addition, Director Maynard announced he is the President Elect of the American Correctional Association (ACA) and will serve on the Board for six years. He will be President Elect for two years, President for two more

years, and immediate past President for the subsequent two years. Director Maynard also indicated the Department will soon be hiring a Deputy Director in the Central Office for Treatment Programs.

Inmate Work

Director Maynard indicated the Department continues to expand inmate work opportunities. Inmates are now working at the Alcoholic Beverages Division Warehouse in Ankeny, the Pioneer Cemeteries in Appanoose County, and cleaning barracks for the Iowa State Patrol.

Budget Request

Deputy Director John Baldwin presented information regarding the FY 2006 budget request. The budget will be presented in two formats, including a 75.0% base budget with decision packages to restore funding to the current level as required under current law, and a new "Buyer/Seller" concept that is used by the State of Washington.

Maintenance Agreement

The Board approved a roadway maintenance agreement between the Department of Transportation and the Fort Dodge Correctional Facility. The Board also approved the FY 2005 proposed budget of \$403,000 for the Inmate Telephone Fund, including:

- Victim Assistance - \$80,000
- Inmate Legal Services - \$150,000
- Statewide Religious Coordinator - \$65,000
- Prepaid Deposit Management - \$ 88,000
- Translation Services - \$20,000



Telephone Fund

Deputy Director Baldwin indicated approximately \$500,000 from the FY 2004 ending balance in the Inmate Telephone Fund will be transferred to the Institutions Education budget for FY 2005. This action will result in a similar funding level as for FY 2004, and may prevent layoffs of teachers at the community colleges.

Central Pharmacy

Dr. Harbans Deol, Medical Director, informed the Board that the Department awarded a centralized pharmacy contract to Diamond Pharmacy, Inc. The Department is also researching consolidating and bidding other aspects of offender health care.

Next Meeting

The next meeting is scheduled for August 6 at the Iowa Correctional Institution for Women at Mitchellville.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

CRIMINAL JUSTICE INFORMATION SYSTEM

CJIS Initiative



The Criminal Justice Information System (CJIS) Board met on April 26. The mission, scope, goals, and objectives were distributed as an addendum to the Memorandum of Understanding between the Executive Branch and the Judicial Branch.

The Criminal Justice Information System Advisory Committee met on June 22. The meeting informed members on the status of the project and future expectations. The Committee plans to continue to meet on a monthly basis, and will issue a status report to the Board every six months. The first report is due October 1.

Advisory Committee

The purpose of the Advisory Committee is to study existing criminal and juvenile justice information systems, procedures, and resources to assist in creating a Statewide integrated criminal justice information system. The system will enhance the public's safety by providing criminal justice agencies and officials with faster access to important criminal justice information throughout the justice process.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

IOWA PUBLIC TELEVISION BOARD MEETING

Board Meeting



The Iowa Public Broadcasting Board met on June 9 at Iowa Public Television (IPTV) in Johnston. Following a joint meeting with the IPTV Foundation Board, the Broadcasting Board approved a proposed fundraising plan for the Foundation and made three new appointments to the Foundation Board, including Timothy Haight of Johnston, Linda Klinger of Cedar Rapids, and Raymond Meyer of Chariton.

Regional Councils

The Board approved the allocation of State funding to the Regional Telecommunications Councils (RTCs) for FY 2005. The total allocation of \$1.2 million was established in Senate File 2298 (FY 2005 Omnibus Appropriations Act) and represented no change in funding compared to FY 2004. The Board adopted the recommendation of the Educational Telecommunications Council to maintain the FY 2004 allocations to the individual RTCs.

Personnel and Budget

Iowa Public Television staff provided updates to the Board regarding personnel costs and the FY 2005 budget. Salary and benefit increases are estimated to be \$215,000. No layoffs are planned. Two new vacancies, resulting from a retirement and a resignation, will not be filled. Also, plans are being made to share costs of field staff with the Iowa Communications Network. In addition, two more retirements are anticipated, and the position of Program Director remains vacant.

Informational Updates



The Board heard informational presentations regarding a report from the United States General Accounting Office on federal funding by the Corporation for Public Broadcasting and IPTV's conversion to digital television. The Board watched a demonstration of United Streaming, a service that provides on-line programming to teachers. Iowa Public Television's programming will be available through United Streaming in the coming school year.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Robin Madison (Ext. 15270)

IOWA LEARNS COUNCIL STEERING COMMITTEE MEETING

Steering Committee

The Steering Committee for the Iowa Learns Council held a telephonic meeting on July 1. The Committee reviewed documents that will form the basis for the final report that will be submitted to the Governor. Some of the topics reviewed and included in the documents were:

- Need for change in Iowa's educational system.
- Expansion of quality preschool opportunities.
- Development of a partnership between education and the business community and ensuring there is a match between the skills taught and those needed for today's economy.
- Improvement of professional training and skill development for teachers.
- Leadership and advocacy to ensure those students' needs are met.



Next Meeting

Future meetings will be scheduled after staff has incorporated the Steering Committee's changes into the report documents.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

DEPARTMENT OF EDUCATION RESTRUCTURING

Restructuring Education

The Department of Education is undergoing an organizational restructuring designed to effectively deliver services while reducing costs. Two bureaus are being disbanded: the Bureau of Administration and School Improvement and the Bureau of Information Technology Services. The restructuring will eliminate two bureau chief positions, and the remaining bureaus will absorb most of the consulting staff and associated responsibilities.

Information Technology

The Bureau of Information Technology Services is part of the Division of Financial and Information Services. These responsibilities will remain within that Division.

Administration

The Bureau of Administration and School Improvement is part of the Division of Early Childhood, Elementary and Secondary Education. As part of the restructuring, the School Improvement consultants will become a stand-alone team directly under the supervision of Division Administrator Judy Jeffrey. The Title I consultants will become part of the Bureau of Children, Family & Community Services to work more closely with that Bureau's Special Education consultants. School Plant Facilities will become part of the Division of Financial and Information Services, while Transportation and School Bus Inspections will become part of the Bureau of Food and Nutrition.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Robin Madison (Ext. 15270)

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