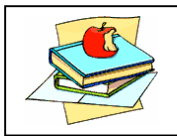


SENATE PASSES FY 2007 ALLOWABLE GROWTH RATE BILL – SF 36

Appropriations Bill

The Senate passed SF 36 (FY 2007 Allowable Growth Rate Bill) on January 18. The Bill establishes the School Foundation Aid allowable growth rate at 4.0% for FY 2007. The House Education Standing Committee passed an identical bill (HF 1) on January 17.

Highlights



Highlights of SF 36 include:

- The school district cost per pupil is increased by \$197, which brings the FY 2007 State cost per pupil to \$5,128.
- State Foundation Aid totals \$2,074.1 million, an increase of \$99.5 million (5.0%) compared to FY 2006.
- Foundation Property Tax totals \$1,072.9 million, an increase of \$27.7 million (2.7%) compared to FY 2006.
- The budget guarantee totals \$14.0 million (included in the total Foundation Property Tax amount), and 133 school districts will be eligible to receive the guarantee. Of these districts, 46 will receive the 101.0% budget adjustment, and 87 will receive the scaled-down budget adjustment.

Bill Summary

The Notes on Bills and Amendments (NOBAs) for SF 36 and HF 1 are available on the Legislative Services Agency (LSA) web site at: <http://www3.legis.state.ia.us/noba/index.jsp>.

Web Site Tools

Additional K-12 school aid information and budget tools are available on the LSA web site at: http://staffweb.legis.state.ia.us/lfb/docs/k-12_ed/k-12_ed.htm.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE MEETINGS

Subcommittee Meetings



The Administration and Regulation Appropriations Subcommittee met on January 19 and 20 and conducted the following business:

The Subcommittee confirmed that the Co-Chairpersons will be Representative Sands and Senators Stewart and Putney, approved Subcommittee rules, and reviewed topics for future meetings. In addition, the Fiscal Services Division of the Legislative Services Agency (LSA) reviewed the Summary of the FY 2006 Department Requests.

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Human Rights

Interim Director Kathryn Baumann-Reese, Department of Human Rights, provided an overview of the new Commission on the Status of Iowans of Asian and Pacific Islander Heritage.

Public Strategies Group



Jim Chrisinger, Department of Management (DOM), provided an overview of the relationship between the State and the Public Strategies Group (PSG). Mr. Chrisinger reported that approximately 20 PSG representatives have worked with the State, and approximately \$5.5 million has been paid to the PSG to date. Mr. Chrisinger agreed to provide the Subcommittee with the proposal that the PSG originally made concerning reinvention of services for local governments. He also agreed to provide information on work the Governor's Office has been involved in with local governments.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=32>.

STAFF CONTACT: Ron Robinson (Ext. 16256) Douglas Wulf (Ext. 13250)
Sam Leto (Ext. 16764)

AGRICULTURE AND NATURAL RESOURCES
APPROPRIATIONS SUBCOMMITTEE MEETINGS

Subcommittee Meetings

The Agriculture and Natural Resources Appropriations Subcommittee met on January 19 and 20 and conducted the following business:

The Subcommittee approved rules, and Jim Chrisinger, Department of Management, provided a presentation on Purchasing Results.

Conservation Districts



Representatives from the Conservation Districts of Iowa provided an overview of the organization's operations. Speakers included Gail Neumeyer, Jerry Fine, and Deb Rynun. The following items were discussed:

- There are 100 Soil and Water Conservation Districts in Iowa. Each District has five elected commissioners that serve four-year terms. The Commissioners do not receive a salary but are reimbursed for travel and other related expenses.
- The Soil and Water Conservation District offices are maintained by the federal Natural Resources Conservation Service (NRCS).
- The Soil and Water Conservation District Commissioners work with local landowners to develop an annual Soil and Water Resource Conservation Plan that prioritizes county projects eligible for funding.

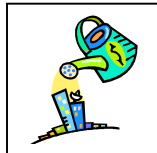
More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=33>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE MEETING

Subcommittee Meeting



The Economic Development Appropriations Subcommittee met on January 19 and conducted the following business:

- Introduced members and staff.
- Approved Subcommittee rules.
- Discussed future agenda items.

Next Meeting

The next Subcommittee meeting is scheduled for January 25. The Department of Economic Development will present an overview of programs, activities, and issues, as well as information on the Grow Iowa Values Fund.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=34>

STAFF CONTACT: Russell Trimble (Ext. 14613)

EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETINGS

Subcommittee Meetings



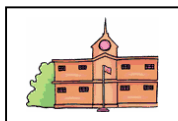
The Education Appropriations Subcommittee met the week of January 17 and conducted the following business:

- Approved rules.
- Reviewed the FY 2006 appropriations tracking spreadsheet and issues presented by LSA staff.
- Reviewed information regarding the LSA Education Appropriations Subcommittee web site.

Presentations

The Subcommittee heard the following presentations:

- Purchasing Results – Randy Bauer, Acting Director, Department of Management, explained how the budgeting strategy was developed and implemented in Iowa. The Iowa process is modeled after budgeting practices used for the last two fiscal years in the state of Washington.
- College Student Aid Commission – The new Executive Director, Karen Misjak, was introduced and described her work background. Commission staff presented updated information regarding scholarship, grant, and loan programs.
- National Guard – Brigadier General Mark Zirkelbach presented updated information regarding the National Guard Education Assistance Program.



Tentative Schedule

The tentative schedule for the week of January 24 is as follows:

- Tuesday, January 25 – No meeting.
- Wednesday, January 26 – State Library and Department of Cultural Affairs.
- Thursday, January 27 – Board of Educational Examiners and Iowa Public Television.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=35>

STAFF CONTACT: Mary Shipman (Ext. 14617) Robin Madison (Ext. 15270)

**HEALTH AND HUMAN SERVICES APPROPRIATIONS
SUBCOMMITTEE MEETINGS**

Subcommittee Meetings

The Health and Human Services Appropriations Subcommittee met the week of January 17 and conducted the following business:

The Subcommittee adopted rules and reviewed priorities of the members.

Review of Dept. Budgets



The LSA staff reviewed programs and funding sources for the Department of Elder Affairs. The LSA staff also reviewed the budget and operations of the Iowa Veterans Home and the Veterans Affairs Commission. Representatives from the Department, the Veterans Home, the Commission, and the Pottawattamie County Veterans Affairs Director provided comments and answered questions from the Subcommittee.

Tentative Schedule



The tentative schedule for the week of January 24 is as follows:

- Tuesday, January 25 – Overview of the Department of Human Services (DHS) Non-Medicaid Programs.
- Wednesday, January 26 – Overview of the DHS Medical Assistance (Medicaid) Program.
- Thursday, January 27 – Overview of the Department of Public Health Programs.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=37>.

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

**JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE
MEETING**

Subcommittee Meeting



The Justice System Appropriations Subcommittee met on January 19 and conducted the following business:

- Reviewed and approved joint rules.
- Received information from the Legislative Services Agency.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=38>.

STAFF CONTACT: Beth Lenstra (Ext. 16301) Jennifer Acton (Ext. 17846)

TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE MEETING

Subcommittee Meeting

The Transportation, Infrastructure, and Capitals Appropriations Subcommittee met on January 19. The Fiscal Services Division of the LSA presented an overview of the bills that will be considered by the Subcommittee and the sources from which the Subcommittee will likely be appropriating funds for programs and projects.

FY 2006 Funding Requests

The following table was presented and details the FY 2006 Department requests for Transportation, Infrastructure, and Capital Programs and Projects, in addition to funds that were appropriated in FY 2004 and FY 2005.



**Transportation, Infrastructure, and Capitals
Appropriations Subcommittee**
(Dollars in Millions)

	FY 2004 Actual	FY 2005 Estimated	FY 2006 Dept. Request
Department of Transportation			
General Fund	\$ 0.1	\$ 0.1	\$ 0.1
Road Use Tax Fund	46.2	42.6	51.4
Primary Road Fund	235.4	244.2	243.0
Total	<u>\$ 281.7</u>	<u>\$ 286.9</u>	<u>\$ 294.5</u>
Infrastructure and Capitals			
Environment First Fund	\$ 35.0	\$ 35.0	\$ 45.6
Rebuild Iowa Infrastructure Fund	23.6	74.6	259.0
Restricted Capital Fund (Bond Proceeds)	150.1	68.0	20.8
Total	<u>\$ 208.7</u>	<u>\$ 177.6</u>	<u>\$ 325.4</u>
GRAND TOTAL	<u><u>\$ 490.4</u></u>	<u><u>\$ 464.5</u></u>	<u><u>\$ 619.9</u></u>

Tentative Schedule



The tentative schedule for the week of January 24 is as follows:

- Tuesday, January 25 – Presentation by the Department of Administrative Services.
- Wednesday, January 26 – Presentation by the Department of Transportation on the Department's FY 2006 budget request.
- Thursday, January 27 – Tour of the DOT's Motor Vehicle Division Building at Park Fair Mall.

More Information

Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=40>.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223) Dave Reynolds (Ext. 16934)

GOVERNMENT OVERSIGHT COMMITTEE MEETING

Committee Meeting



The Government Oversight Committee met on January 19 and conducted an organizational meeting. Rules were approved and Committee members provided input to the Chairpersons on possible topics for review during the Session.

Next Meeting

The next meeting is scheduled for January 25. Copies of agendas, minutes, and selected handouts distributed to Subcommittee members are available on the General Assembly web site at:

<http://www3.legis.state.ia.us/ga/committee.do?id=41>.

STAFF CONTACT: Douglas Wulf (Ext. 13250) Sam Leto (Ext. 16764)
Richard Nelson (Ext. 25822)

MEDICAID ESTIMATES FOR FY 2005 AND FY 2006

Medicaid Estimates



Staff from the Department of Management, Department of Human Services (DHS), and the Fiscal Services Division of the LSA met on January 19 to discuss estimated expenditures for the Medical Assistance (Medicaid) Program for FY 2005 and FY 2006. The three staffs meet monthly to discuss estimated expenditures for the current fiscal year and to agree upon a range for expenditures.

FY 2005

When the FY 2005 Medicaid budget of \$568.5 million was enacted, it was noted that the funding was not likely to be sufficient to cover the full cost. A shortfall for FY 2005 is projected. The agreed upon range for the FY 2005 shortfall is \$60.0 to \$74.0 million compared to the FY 2005 appropriation. The range in December was \$52.0 to \$85.0 million compared to the FY 2005 appropriation.

FY 2006



The three staffs agreed to an estimated increase ranging from \$100.0 to \$148.0 million for FY 2006. The increase is relative to the original FY 2005 appropriation, prior to any FY 2005 supplemental, and assumes that Iowa continues to receive revenue from the Intergovernmental Transfers (IGTs) and that the Senior Living Trust Fund will be depleted at the end of FY 2006.

It is likely that the IGTs will be discontinued in FY 2006. This increases the range by \$66.0 million or \$166.0 to \$214.0 million for FY 2006. The range in December was \$148.0 to \$196.0 million.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Vermeer (Ext. 14611)

INDIGENT DEFENSE CLAIMS PAID BY THE STATE APPEAL BOARD

Indigent Defense Claims



The LSA was recently notified that approximately \$82,000 in Indigent Defense claims were paid by the State Appeal Board in January 2005. Indigent Defense provides legal counsel to indigent defendants in criminal court proceedings. Payments were made to private attorneys, investigators, court reporters, and interpreters. All of the claims were submitted late, with the majority dated from FY 2004.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

CIVIL RIGHTS COMMISSION – FY 2005 BUDGET**FY 2005 Budget**

The Civil Rights Commission announced the lay-off of 2.0 FTE positions in December 2004 and is holding an additional 3.0 FTE positions vacant. The Commission also implemented a furlough plan, where five exempt staff are furloughed for one day per week for an unknown number of weeks.



The Commission is attempting to balance the FY 2005 budget. Currently, federal funds are \$156,000 less than the amount received in FY 2004. The FY 2005 budget did not include funding for salary increases. The estimated need for salary increases is approximately \$32,000 if all positions are filled for an entire year.

More Information

Additional information is available from the LSA upon request.

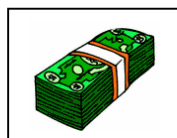
STAFF CONTACT: Beth Lenstra (Ext. 16301)

COLLEGE STUDENT AID COMMISSION MEETING**Commission Meeting**

The College Student Aid Commission met on January 18. Significant agenda items included:

Guarantee Fee Waiver

The Commission approved waiving the guarantee fee for student and parent borrowers for the 2005-2006 academic year. The Commission has waived the fee since the 1999-2000 academic year. The fee was first waived on recommendation as part of a study done by consultant KPMG Peat Marwick, LLP. The recommendation was made as a result of the financial strength of the Commission's Federal Student Loan Reserve Fund. Since 1999, a total of approximately \$15.0 million in fees have been waived. Extending the fee waiver for 2005-2006 is expected to result in savings of \$4.0 million to Iowa borrowers.

Contract Review

The Commission authorized staff to exercise the option to renew the lender and school review contract with McGladrey & Pullen, LLP, for one year at a fee not to exceed \$50,000. The Commission is required by federal regulations to review lenders and schools participating in the guaranteed student loan program. The Commission contracts this function from McGladrey.

Recruitment Reimbursement

The Commission authorized the Chair to compensate the new Executive Director up to \$8,000 as a one-time recruitment reimbursement to offset moving and relocation costs.

Ethnic Diversity

The Commission reviewed an initial draft of the Student and Faculty Ethnic Diversity Report. The Report will be finalized and submitted to the General Assembly by March 1 as required by statute.

Loan Default Rates

The Commission reviewed a presentation regarding student loan default rates.

Next Meeting

The next Commission meeting is scheduled for March 14. Copies of the Commission meeting materials are available on the Commission's web site at:
<http://www.iowacollegeaid.org/meetingminutes/Commission%20Book%20Jan-18-05.pdf>

STAFF CONTACT: Mary Shipman (Ext. 14617)

ENHANCED 911 ANNUAL REPORT

Annual Report



The LSA received the annual report from the Office of Homeland Security and Emergency Management Division. Highlights of the Report include:

- The entire State is covered by an Enhanced 911 Wireline Service.
- As of December 31, 2002, all 99 counties have Phase 1 wireless service (call back number and location of the tower that received the call).
- In 2003, a \$500,000 grant upgraded some Public Safety Answering Points (PSAPS) to Phase 2 (latitude and longitude information received with the 911 call).
- As of December 31, 2004, 51 PSAPS in 47 counties were accepting Phase 2 calls from at least one wireless provider.
- Senate File 2298 (FY 2005 Omnibus Appropriations Act) increased the wireless surcharge rate from \$0.50 to \$0.65 and redefined the distribution of revenue.
- For the upcoming year, the Division will continue the rollout of wireless E911 Phase 2 service. The goal is to have the entire State Phase 2 compliant within the next 18 months.



More Information

Copies of the Report are available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

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