

FISCAL UPDATE

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Legislative Services Agency

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<http://staffweb.legis.state.ia.us/lfb>

DEPARTMENT OF ELDER AFFAIRS FY 2007 BUDGET REQUEST

FY 2007 Request



General Fund

The Department of Elder Affairs is requesting \$2.8 million from the General Fund for FY 2007, a net decrease of \$13,000 compared to estimated FY 2006.

A total of \$12.9 million was also requested from the Senior Living Trust Fund for FY 2007, an increase of \$4.6 million compared to estimated FY 2006.

The General Fund request includes the following changes for FY 2007:

- An increase of \$160,000 and 2.0 FTE positions for additional long-term care ombudsmen.
- An increase of \$1,000 and 1.0 FTE position to leverage Medicaid reimbursement for Case Management clients served under the Elderly Waiver.
- A decrease of \$174,000 to transfer Retired Senior Volunteer Program (RSVP) funding to the Commission on Volunteerism within the Governor's Office. The RSVP duties were transferred to the Commission in legislation enacted during the 2005 Legislative Session.

Other Funds



The Senior Living Trust Fund request includes the following changes for FY 2007:

- An increase of \$3.0 million to leverage Medicaid reimbursement for Case Management clients served under the Elderly Waiver.
- An increase of \$957,000 for unmet service needs for seniors.
- An increase of \$392,000 for a Substitute Decision Maker Office.
- An increase of \$150,000 to leverage funds for federal and foundation grant proposals.

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- An increase of \$125,000 to implement a "Winning Compliance" strategy in the areas of assisted living, adult day services, and elder group homes.

More Information

Additional information is available from the Legislative Services Agency (LSA) upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

WATERSHED IMPROVEMENT REVIEW BOARD MEETING

Watershed Meeting

The Watershed Improvement Review Board met on October 10 in Des Moines. Senator Dennis Black and Representative Sandy Greiner were in attendance.

Administrative Rules

The Administrative Rules for the Board were submitted and will be discussed by the Administrative Rules Committee on October 11.

Request for Application

The Board approved the following forms that will be submitted by grant applicants:



- A summary of the Watershed Improvement Review Board and examples of projects eligible for funding.
- A projected budget that outlines revenues, expenditures, and grant money being requested.

The Board agreed to have all Requests for Applications received by the Department of Agriculture and Land Stewardship by November 30.

More Information

The next meeting is scheduled for December 2 in Des Moines. For more information on the Watershed Improvement Review Board, access the web site at: <http://www.agriculture.state.ia.us/IWIRB.htm>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

NEW COLLEGE STUDENT AID COMMISSION MEMBERS

New Members



Several members of the College Student Aid Commission have recently resigned, and replacements have been appointed by Governor Vilsack. New members include:

- Phillip Hall - Senior Vice President, Human Resources/Risk Management, Wells Fargo Home and Consumer Finance Group (HCFG), replaces Jim Crawford as a representative of the general public.
- Mary Ellen Becker - Chairperson of the Board of Regent's Education and Student Affairs Committee, will represent the State Board of Regents. Ms. Becker is from Oskaloosa and replaces Greg Nichols.
- Michael Haluska - Superintendent of Schools, Jefferson-Scranton Community School District, replaces Linda Kennedy as a representative of the general public.

Remaining Vacancy The Commission still has a vacancy remaining for the student member. Travis Koop, the current student member, recently graduated from college and is no longer eligible to serve as the student representative.

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

STAFF CONTACT: Mary Shipman (Ext. 14617)

COLLEGE STUDENT AID COMMISSION MEETING

Commission Meeting The College Student Aid Commission met on October 5 in Des Moines.

Tuition Grant Study



Keith Greiner gave a report on the Iowa Tuition Grant Legislative Study Group. The Group met on October 5 and reviewed two survey documents, one for institutions and one for graduates who received tuition grants. The Study must be completed by January 10, 2006, as required by legislation. The purpose of the Study is to provide recommendations for a "policy regarding the protection of educational consumers for inclusion in the definition of accredited institution" as it relates to eligibility under the Tuition Grant Program. The Study is intended to resolve funding issues related to nonprofit versus for-profit private institutions.

Choices Funding

The Commission discussed allocating \$100,000 of federal operating funds to support the purchase of and training for *Choices*, a career information software program. The Commission currently provides access to *Choices* via their web site under a 28E agreement with the Department of Education. The Iowa Student Loan Liquidity Corporation, through the College Planning Center, has committed to provide \$80,000; however, the funds are contingent on the College Planning Center having exclusive rights to the web link location. Funding of \$157,000 is required to provide the *Choices* software at no charge to all public and private middle and high schools in Iowa.

FY 2007 Budget



The Commission approved a resolution supporting full funding of the Iowa Work Study Program. The Program is funded with a standing limited appropriation of \$2.8 million; however, the appropriation was nullified for FY 2002 through FY 2005. For FY 2006, partial funding of \$140,000 was authorized. Other increases in the Commission's budget for FY 2007 include \$3.0 million for the Tuition Grant Program and \$1.0 million for the Vocational-Technical Tuition Grant Program.

Executive Session

Prior to the election of officers, the Commission went into executive session to discuss pending or imminent litigation. The closed session was requested by Commissioner Lynch, a member of the nominating committee, who stated that she had been pressured by certain individuals in regard to the upcoming election of officers.

Election of Officers

The election of officers was originally on the agenda at the July meeting, but the Commission voted to postpone the election until four vacancies on the Commission were filled. Since July, three new Commissioners have been appointed to replace commissioners that had to resign due to job or other circumstances (see a related *Fiscal Update* article on new Commissioners on page two). The remaining Commissioner vacancy is for a student representative. Prior to election of officers, Commissioner Hartung made a motion that the election be postponed until the student commissioner is



appointed and present. The motion did not carry for lack of a second. The following officers were elected:

- Michelle Durand-Adams, Chairperson
- Rudolph Leytze, Vice Chairperson
- Janet Adams, Secretary-Treasurer

More Information

The next meeting is scheduled for November 15. Additional information, including meeting materials, may be accessed on the Commission's web site at: <http://www.iowacollegeaid.org/about.html>

STAFF CONTACT: Mary Shipman (Ext. 14617)

INSTITUTE FOR TOMORROW'S WORKFORCE MEETING

Institute Meeting

Members of the Institute met on October 6 in Des Moines. Members include:

- Som Baccam, former member of the Des Moines School Board, Des Moines
- Diane Crookham-Johnson, Musco Lighting, Oskaloosa
- Jerry Downin, Iowa Farm Bureau, West Des Moines
- Deb Durham, President, Siouxland Chamber of Commerce, Sioux City
- Doug Gross, Attorney, Des Moines
- Patricia Keir, Chancellor, Eastern Iowa Community College, Davenport
- Robert Koob, President, University of Northern Iowa, Cedar Falls
- Charles Link, New Link Genetics, Ames
- Carol Montz, Superintendent, Highland Community School, Riverside
- Linda Nelson, President, Iowa State Education Association, Des Moines
- Marvin Pomerantz, Mid-American Group, West Des Moines
- Harold Prior, Superintendent, Algona Community School, Algona
- David Roe, President, Central College, Pella
- Brent Siegrist, Director, Area Education Agency Services, Council Bluffs
- Daron Wilson, Voyager Ethanol, Emmetsburg



Staff

Staff for the Institute includes Executive Director Bill Lepley (former Director of the Iowa Department of Education) from Clive; Jodie Butler of Butler Consulting of Des Moines, who provides consulting services; and Jeff Berger, Department of Education, who provides legislative liaison services.

Funding

The funding for the Institute includes a \$125,000 General Fund appropriation for FY 2006 that has been matched, as required by legislation, with private funds.

Agenda Items**Citizen Forums**

The discussion centered on a presentation of key imperatives and essential actions presented by Director Lepley. The overall goal is for all Iowa learners to acquire a postsecondary credential. Director Lepley also introduced Joe Cronin, who gave a presentation on the importance of technology in education.

The Institute plans to have citizen forums to receive input and feedback. The forums will take place in several Iowa locations and are expected to occur prior to January 2006.

More Information

The next meeting is tentatively scheduled for October 27 in Des Moines. Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Shipman (Ext. 14617)

IOWA LEARNING TECHNOLOGY COMMISSION MEETING**Commission Meeting**

The Iowa Learning Technology Commission met on October 7 in Des Moines. The meeting was facilitated by Jeff Berger, Department of Education, who presented a revised draft of the grant application and a scoring criteria rubric.

Grant Specifications

After discussing and revising the grant application, the Commission approved it, with the understanding that Commission members will have an opportunity to review the final draft before it is sent to school districts. The grant specifications include:

- \$450,000 will be distributed in grants, with \$50,000 remaining for evaluation costs and Commission expenses.
- The Commission will award no less than five competitive grants, and the minimum award will be \$20,000.
- A minimum local match of 25.0% will be required and may consist of public or private, federal, state, or local funds. Given the timeline for awarding grants, this may take the form of a promise of funding in FY 2006.
- One grant will be awarded to school districts or consortia of districts in each of four enrollment-size categories:
 - 0 – 600 students
 - 601 – 1,500 students
 - 1,501 – 9,000 students
 - 9,001 or more students
- One or more grants will be awarded to the highest scores among the remaining applications, regardless of enrollment size.
- School districts may choose to partner in a consortium. The enrollment-size category will be determined using the combined enrollment of the participating districts.

Scoring Criteria



The Commission revised and approved the scoring criteria rubric, which includes the following nine criteria:

- Focus on increasing student achievement opportunities through quality teaching and learning – 0-9 points possible.
- Identification of needs/support for emerging best practices – 0-12 points possible.
- Educational technology planning – 0-12 points possible.
- Involvement of partners and other stakeholders – 0-9 points possible.
- Curriculum – 0-9 points possible.
- Professional development – 0-12 points possible.
- Equitable access – 0-6 points possible.
- Assessment and Accountability – 0-12 points possible.
- Budget – 0-9 points possible.

Timeline



The Commission approved the following timeline:

- Grant applications will be available beginning on October 17.
- Interested districts will be asked to submit a letter of intent to assist the Department in planning the review process.
- The Department will conduct a help session for applicants over the ICN in late October or early November.
- Applications will be due to the Department of Education by December 15, 2005.
- The Department of Education will review the applications and make recommendations, based on established criteria, to the Commission by January 15, 2006.
- The Commission will have the opportunity to review all applications and will designate grant awards by January 31, 2006.
- Applicants will be notified of the result by February 15, 2006.
- All activities funded by the grant must be completed by June 30, 2007.

The Commission established a blackout period from October 17 until February 15, during which time applicants may not discuss the grants with Commission members.

Representative Carmine Boal told the Commission it was her hope that the successful applicants would make presentations to legislative committees during the 2006 Session.

Election of Officers

Before adjourning, the Commission elected Bill Decker, Superintendent of the Mount Ayr Community School District, to serve as Chairperson and Ann Watts, Instructional Design Coordinator for Des Moines Area Community College, to serve as Vice Chairperson.

More Information

Future meetings will be scheduled as needed. Additional information is available from the LSA upon request.

STAFF CONTACT: Robin Madison (Ext. 15270)

TOBACCO SETTLEMENT AUTHORITY MEETING**TSA Meeting**

The Tobacco Settlement Authority (TSA) met on October 4. The Authority selected bond council and underwriters to serve as a financing team for the purpose of examining options related to refunding existing tobacco bonds.

Securitization Update

The Authority received an update from Public Financial Management (PFM) on the refunding of existing tobacco bonds and securitizing residual revenues. It was stated that an estimated \$100.0 million in proceeds may be generated from refunding the existing debt and from securitizing the residual revenues. The estimate is based on current market conditions and assumes that the maturity dates of the existing bonds will not change. The Authority would examine other alternatives with respect to extending the maturity dates, as well as the types of bonds that would be sold (i.e., taxable vs. tax-exempt).

Residual Revenues

Residual revenues are the portion of tobacco settlement payments, securitized in 2002, which are in excess of the amount needed to make the annual debt service payment on the tobacco bonds. The residuals are currently being retained in a Trapping Account due to the downgrade of R. J. Reynolds Tobacco Company. The funds are to remain in the Trapping Account until R. J. Reynolds is upgraded to above investment grade or the amount retained in the Trapping Account reaches 25.0% of the outstanding principal of the bonds. The proceeds in the Trapping Account currently total approximately \$20.0 million. The proposals being considered by the TSA would eliminate the Trapping Account, and the proceeds of the account would be securitized.

Market Conditions

Treasurer Fitzgerald stated that the refinancing of the tobacco bonds could be completed by Thanksgiving, assuming market conditions remain favorable.

Additional Information

Additional information is available from the LSA upon request.

STAFF CONTACT: David Reynolds (Ext. 16934) Beth Lenstra (Ext. 16301)

NEW IOWANS INTERIM STUDY COMMITTEE PUBLIC HEARINGS HELD**Public Hearing**

The New Iowans Interim Study Committee held public hearings in Storm Lake on September 27, Ottumwa on October 4, and Davenport on October 6.

Purpose and Topics

The Legislative Council established the Committee to examine the impact of the increasing number of immigrants, migrant workers, and refugees residing in Iowa. Four public hearings have been held to receive information regarding education, health care, employment, and public safety. (The first hearing was held in Des Moines on September 26 and was summarized in the October 5 edition of the *Fiscal Update*).

Testimony



Members of the Committee received testimony regarding educational needs, employment opportunities, health care, outreach efforts, and public safety issues. Specific concerns mentioned by participants included:

- Landlords taking advantage of those renting housing.
- Access to health care and transportation needs.
- Acquisition of drivers' licenses, including bilingual testing capability, translation services, and access to insurance coverage.
- Profiling and public safety, including discrimination while incarcerated at local facilities.
- Lack of adequate employment.
- Various minority groups working together for common good.
- Needing five to seven years of school aid weighting for English as a Second Language education in lieu of the current three-year maximum. Also, providing assistance to help parents learn English.
- The need to communicate with all citizens of the community.
- Elimination of penalties for acquiring the appropriate work permits and then lack of extension due to time delays by the Immigration and Naturalization Service.
- Increasing the number of work visa waivers on a national basis.
- The impact of new lowans on local school districts and the need for increased funding for teacher salaries and technology.
- Support for the federal Dream Act (S-1545) to require universities to charge in-state tuition rates to undocumented students.
- The recent closing of a Refugee Resettlement Office in Davenport and the subsequent loss of services.
- The need for a State law addressing human trafficking.
- Deportation proceedings that result in separation of family members or children born in the U.S. but forced to leave the country with parents.
- The need to educate new lowans regarding financial services available from local banks, credit unions, and the Iowa Finance Authority (IFA).
- Bureaucratic barriers between Iowa and Illinois that interfere with helping immigrants in the Quad Cities area.



More Information

Additional Information may be accessed on the web site at:
http://www4.legis.state.ia.us/scripts/lisa/docmgr/docmgr_comdocs.dll/showtypeinterim?id=true&type=ih&fy=2005&com=75. Additional information is available from the LSA upon request.

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MEDICAL MALPRACTICE INTERIM STUDY COMMITTEE

Committee Purpose

The Medical Malpractice Interim Study Committee met on October 5. The Committee was established pursuant to HR 50 to propose possible solutions to the General Assembly that will alleviate problems regarding availability and affordability of medical liability insurance in Iowa.

Presenters



The Committee heard testimony from Susan Voss, Iowa Insurance Commissioner; Trina Caudle, National Conference of State Legislatures Medical Malpractice Research Analyst; David Brown, Iowa Defense Counsel Association; Jay Angoff, Iowa Trial Lawyers Association; and various other interest groups and private citizens.

More Information

The next meeting is scheduled for November 7. Copies of the handouts and additional information may be accessed on the web site at: <http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=72>. Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

ISSUE REVIEW - IOWA TAX REVENUE REPORTED TO THE U. S. CENSUS BUREAU

Issue Review



The Fiscal Services Division of the LSA recently published an *Issue Review* on the tax revenue reported by Iowa to the U.S. Census Bureau. The Bureau collects, compiles, and publishes information based on quarterly reports from every state regarding the tax revenues collected during the previous quarter. Public and private groups, the media, researchers, and private citizens utilize the information to compare the relative tax burden between states and to determine whether a particular state's burden is changing from year-to-year. The Department of Administrative Services prepares Iowa's report.

Tax Revenue Reports

The *Issue Review* examines the accuracy of tax revenue reports forwarded to the U.S. Census Bureau by Iowa. Since 1995, Iowa has under-reported the amount of taxes received each year, causing Iowa's rank among the states in per capita and "percent of personal income" to appear lower than is actually the case.

Accrued Revenues

Beginning in FY 1995, the State omitted all cash received in the first fiscal quarter (July through September) that is later accrued back to the previous fiscal year from the reports; therefore, accrued revenue is not reported to the Bureau as part of any quarterly report.

Iowa's Rankings

Using data currently available from the Bureau, Iowa's per capita tax burden ranked 31st highest in FY 2003 across all states in the combination of individual, corporate, insurance, cigarette/tobacco, and alcoholic beverage taxes. Calculating the adjusted numbers, Iowa's ranking would be 25th.

More Information

Copies of the *Issue Review* may be accessed on the LSA web site at: <http://staffweb.legis.state.ia.us/lfb>. Additional information is available from the LSA upon request.

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