

# FISCAL UPDATE

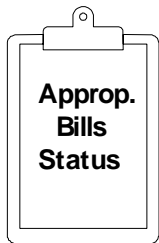
January 24, 2006

Legislative Services Agency

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

## STATUS OF APPROPRIATIONS BILLS



Appropriations Bills			
Health Care Transformation Account Bill		SF 2051	Passed Senate Appropriations Committee on January 18.
Senior Living Trust Fund Repayment Bill		HF 2002	Passed House Appropriations Committee on January 10.
FY 2006 Veterans Supplemental Appropriations Bill		HF 2080	Final passage by Senate and House on January 18.
FY 2008 School Foundation Allowable Growth Rate Bill		HF 2095	Passed House Education Committee on January 18.

### SENATE APPROPRIATIONS COMMITTEE PASSES HEALTH CARE TRANSFORMATION ACCOUNT BILL – SF 2051

#### HCTA Bill Passage

The Senate Appropriations Committee passed SF 2051 (Health Care Transformation Account Bill) on January 18. The Bill clarifies funding for the Health Care Transformation Account (HCTA).

#### Federal Compliance



The transfers in the Bill were originally laid out in HF 841 (IowaCare Medicaid Reform Act); however, a Code change is necessary to come into compliance with the final agreement between the Department of Human Services (DHS) and the federal Centers for Medicare and Medicaid Services (CMS). The Bill will allow a transfer from the University of Iowa to be used as federal match, part of which will be used to fund the HCTA.

#### Other Bill Highlights

In addition, the Bill does the following:

- Requires the DHS to adjust hospital payments and provide a payment of \$25.2 million to the University of Iowa Hospitals and Clinics.

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- Provides for a supplemental payment adjustment of \$34.4 million to the Carver College of Medicine at the University of Iowa.
- Requires the University of Iowa to transfer \$54.6 million to the General Fund upon receipt of the transfers mentioned above. This total is equal to the FY 2004 and FY 2005 General Fund appropriations to the University of Iowa for the Indigent Patient (State Papers) Program.
- Appropriates \$21.2 million, from the funds transferred by the University of Iowa, to the Medical Assistance account and \$33.5 million to the HCTA.

**More Information**

The Notes on Bills and Amendments (NOBA) for SF 2051 will be available at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Kerri Johannsen (Ext. 14611)

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**FINAL ACTION ON FY 2006 VETERANS SUPPLEMENTAL APPROPRIATIONS BILL – HF 2080**

**Veterans Supp. Bill**

The Senate and House passed HF 2080 (FY 2006 Veterans Supplemental Appropriations Bill) on January 18.

**Vet. Appreciation Program**



The Bill deappropriates \$3.0 million from the FY 2006 General Fund appropriation to the Iowa Veterans Home due to additional Medical Assistance (Medicaid) revenues that are the result of federal changes. The Bill then appropriates \$1.0 million from the General Fund for the Veteran Appreciation Program for FY 2006 to be used by veterans seriously injured in combat zones since September 11, 2001.

**Home Ownership Asst.**

The Bill also appropriates \$2.0 million to the Veterans Affairs Commission, which is then transferred to the Iowa Finance Authority to continue the Home Ownership Assistance Program for FY 2006. The Program assists Iowa National Guardsmen and Reservists with up to \$5,000 in down payment and closing costs for the purchase of a new home.

**More Information**

The Notes on Bills and Amendments (NOBA) for HF 2080 is available on the Legislative Services Agency (LSA) web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Jennifer Acton (Ext. 17846) Sue Lerdal (Ext. 17794)

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**HOUSE EDUCATION COMMITTEE PASSES FY 2008 SCHOOL FOUNDATION ALLOWABLE GROWTH RATE BILL – HF 2095**

**Allowable Growth Rate**

The House Education Committee passed the FY 2008 School Foundation Allowable Growth Rate Bill (HF 2095) on Wednesday, January 18. The Bill sets the FY 2008 school foundation allowable growth rate at 4.0%. This will increase the school district cost per pupil by \$205 compared to the FY 2006 amount, bringing the FY 2008 State cost per pupil to \$5,333.

**Fiscal Impact**

With 4.0% allowable growth:

- State Aid will total \$2,151.9 million, an increase of \$103.2 million (5.0%) compared to the current estimate for FY 2007.



- Foundation Property Tax would total \$1,111.6 million, an increase of \$21.5 million (2.0%) compared to the current estimate for FY 2007.
- The budget guarantee would total \$8.7 million (this amount is included in the total Foundation Property Tax amount), and 107 school districts would be eligible to receive the budget guarantee. Of these school districts, 20 would receive the 101.0% budget adjustment and 87 would receive the scaled-down budget adjustment.

#### More Information

The Notes on Bills and Amendments (NOBA) for HF 2095 will be available on the Legislative Services Agency (LSA) web site at:  
<http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

### ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE MEETINGS

#### Subcommittee Meetings

The Administration and Regulation Appropriations Subcommittee met the week of January 16.

#### DOM Budget Review

On January 18, Director Michael Tramontina, Department of Management (DOM), presented the Department's request and the Governor's recommendations for FY 2007.

#### Budget Offer Process

Director Tramontina also discussed the budget offer process used by the Governor, the DOM, and the departments to develop the FY 2007 budget recommendations. Information on the process and the offers can be accessed on the web site at: [www.purchasingresults.iowa.gov](http://www.purchasingresults.iowa.gov).

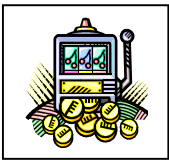
#### Iowa Lottery

On January 19, Edward Stanek, Iowa Lottery, presented an overview of Lottery operations and budgets for FY 2006 and FY 2007. Mr. Stanek provided a history of the development of the Touch Play games. He noted the estimated net increase in revenues to the State from the games for FY 2006 was approximately \$30.0 million, and the estimated increase for FY 2007 is \$45.0 million.

#### Committee Discussion

The Committee also discussed the following:

- The current number of Touch Play machines is approximately 5,000.
- The percent of profits from the machines that the Lottery will receive is 24.0% for FY 2006 and 27.0% for FY 2007. The remainder is divided between the manufacturer, the operator or retailer of the machine, and the establishment where the machine is located, based on an agreement between them. Currently, there are four certified manufacturers, 75 active operators or retailers of the machines, and approximately 2,500 establishments with machines.
- The moratorium on the expansion of placing the machines adopted by the Lottery Commission allows those contracts in existence prior to January 6, 2006, to be executed, which will provide approximately 5,500 additional machines to various establishments.
- Mr. Stanek stated that to date no individuals contacting the Gambler's Treatment Helpline (1-800-BETSOFF) have identified Touch Play machines as the reason for contacting the Helpline.



**Tentative Schedule**



The tentative schedule for the week of January 23 is as follows:

- Tuesday, January 24 – Department of Revenue
- Wednesday, January 25 – Department of Administrative Services
- Thursday, January 26 – Secretary of State

**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: Douglas Wulf (Ext. 13250) Jess Benson (Ext. 14613)  
Sam Leto (Ext. 16764)

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**AGRICULTURE AND NATURAL RESOURCES  
APPROPRIATIONS SUBCOMMITTEE MEETINGS**

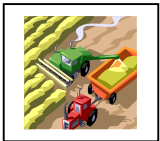
**Subcommittee Meetings**

The Agriculture and Natural Resources Appropriations Subcommittee met the week of January 16.

**Purchasing Results**

On January 18, Liz Christiansen, Department of Natural Resources (DNR), discussed the Purchasing Results process that was used by the Department. This included a discussion on the strategies used for developing buying offers.

**Review of Gov.'s Recs.**



Also on January 18, Deb Kozel, LSA, discussed the Governor's recommendations for FY 2007. The Governor is recommending \$37.6 million from the General Fund for FY 2007 for agencies funded by the Agriculture and Natural Resources Appropriations Subcommittee. This is an increase of \$850,000 compared to estimated FY 2006.

**Soil and Water Conserv.**

On January 19, Deb Ryun, Conservation Districts of Iowa, provided an overview of the responsibilities of the Iowa Soil and Water Conservation District Commissioners.

**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)

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**ECONOMIC DEVELOPMENT APPROPRIATIONS  
SUBCOMMITTEE MEETINGS**

**Subcommittee Meetings**

The Economic Development Appropriations Subcommittee met the week of January 16.

**Budget Offer Process**

On January 18, Tina Hoffman, Deputy Director, Department of Economic Development, presented information on Purchasing Results and the Transforming the Economy Buying Team.

**PERB**

On January 19, Chairperson Jim Riordan, Public Employment Relations Board, provided an overview of the Board's operations. Mr. Riordan agreed

to provide the Subcommittee with a breakdown, by the type of employer, of the amount of resources expended by the Board.

**DED**

Mary Lawyer, Director for the Department of Economic Development, presented an overview of the Department's operations.

**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: Ron Robinson (Ext. 16256)

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## EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETINGS

**Subcommittee Meetings**

The Education Appropriations Subcommittee met the week of January 16.

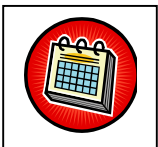
**Vocational Rehabilitation**

Steve Wooderson and Matt Coulter, Iowa Vocational Rehabilitation Services (IVRS), presented information regarding past and projected shortages in local match funding to draw down available federal funds. The IVRS is projecting a shortage of \$208,000 in required match in the current federal fiscal year (FFY 2006), resulting in the loss of \$730,000 in available federal funding. For FFY 2007, the IVRS is projecting a shortage of \$336,000 and the loss of \$1.2 million in federal funds without an increase in the General Fund appropriation in FY 2007. The Governor has recommended flat funding for the IVRS in FY 2007.

Mr. Coulter noted that a significant portion of the local match comes from third-party contracts with counties, school districts, and other entities. In the past, the IVRS has worked to increase this funding source but is reluctant to continue doing so because of the burden of administering the contracts.

**Review of Gov.'s Recs.**

Mary Shipman and Robin Madison, Fiscal Services Division of the LSA, reviewed the Governor's recommendations for the FY 2007 education budget.

**Tentative Schedule**

The tentative schedule for the week of January 23 includes:

- Tuesday, January 24 – Mike Tramontina, Department of Management
- Wednesday, January 25 – Michael Gartner, President, Board of Regents
- Thursday, January 26 – College Student Aid Commission

**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: Robin Madison (Ext. 15270) Mary Shipman (Ext. 14617)

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## HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE MEETINGS

**Subcommittee Meetings**

The Health and Human Services Appropriations Subcommittee met the week of January 16.

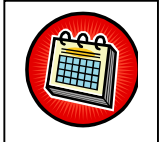
**Budget Offer Process**

On January 18, Jim Chrisinger, Department of Management (DOM), discussed the budget offer process used by the Governor, the DOM, and the departments to develop the FY 2007 budget recommendations.

**Review of Gov.'s Recs.**

On January 19, the LSA reviewed the FY 2007 Governor's recommendations for the Departments of Elder Affairs, Human Services, and Public Health, the Veterans Commission, and the Veterans Home.

**Tentative Schedule**



The tentative schedule for the week of January 23 includes:

- Tuesday, January 24 – No Subcommittee meeting due to the Medical Assistance Projection Advisory Council (MAPAC) meeting.
- Wednesday, January 25 – Overview of programs and budgets by the Department of Human Services, the Veterans Commission, and the Veterans Home.
- Thursday, January 26 – Overview of programs and budgets by the Departments of Elder Affairs and Public Health.

**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: Lisa Burk (Ext. 17942) Kerri Johannsen (Ext. 14611)  
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**JUSTICE SYSTEMS APPROPRIATIONS SUBCOMMITTEE MEETINGS**

**Subcommittee Meetings**

The Justice Systems Appropriations Subcommittee met the week of January 16.

**Budget Offer Process**

On January 18, Commissioner Kevin Techau, Department of Public Safety, discussed the budget offer process used by the Governor, the Department of Management, and the departments to develop the FY 2007 budget recommendations.

**Review of Gov.'s Recs.**



On January 19, the LSA reviewed the FY 2007 Governor's recommendations for the Departments of Justice, Corrections, Public Safety, and Public Defense; the Civil Rights Commission; the Board of Parole; the Iowa Law Enforcement Academy; the Judicial Branch; and the Department of Inspections and Appeals, Office of the State Public Defender.

**Tentative Schedule**

The tentative schedule for the week of January 23 includes:

- Tuesday, January 24, and Wednesday, January 25 – Department of Corrections presentation regarding security measures and the FY 2007 Governor's recommendation.

**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: Jennifer Acton (Ext. 17846) Beth Lenstra (Ext. 16301)

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## TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE MEETINGS

### Subcommittee Meetings

The Transportation, Infrastructure, and Capitals Appropriations Subcommittee met the week of January 16.

### Budget Offer Process



On January 18, Joel Lunde, Department of Management (DOM), discussed the budget offer process used by the Governor, the DOM, and the departments to develop the FY 2007 budget recommendations. In addition, the LSA presented an overview of the bills that will be considered by the Subcommittee, the sources from which the Subcommittee will likely be appropriating funds, and the FY 2007 Governor's recommendations for the Department of Transportation (DOT) and the State agencies requesting funding for infrastructure and capital projects. The Governor is recommending \$305.2 million for the DOT and \$222.3 million for infrastructure-related projects.

### Review of Gov.'s Recs.

On January 19, the DOT staff reviewed the FY 2007 Governor's recommendations for the Department. In addition, the staff provided information on the following items:

- County Issuance of Driver's License Study
- Federal REAL Identification Act
- Railroad Revolving Loan and Grant Fund
- Status of the Motor Vehicle Building in Ankeny

### 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 CONTACTS: Mary Beth Mellick (Ext. 18223)  
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## GOVERNMENT OVERSIGHT COMMITTEE MEETING

### Committee Meeting

The Government Oversight Committee met on January 19.

### Feasibility Study

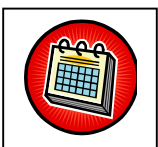


Regent Mary Ellen Becker and Associate Provost David Holger, Iowa State University, discussed the processes used to conduct a feasibility study regarding the need for graduate school courses for residents in western Iowa. Robert Marqusee, Director, Department of Rural Economic Development, Woodbury County, Iowa, reported the study did not meet the intent of the Legislature in HF 868 (Grow Iowa Values Fund).

### Visually Impaired Children

Regent Mary Ellen Becker discussed the status of task force recommendations regarding visually impaired children in Iowa and the future of the Iowa Braille and Sight Saving School in Vinton.

### Tentative Schedule



The tentative schedule for the week of January 23 includes:

- Tuesday, January 24 – Referral from the Ethics and Campaign Disclosure Board regarding the Dallas County Soil and Water Conservation District.
- Wednesday, January 25 – Discussions with the Executive Director of the Ethics and Campaign Disclosure Board regarding the Dallas County Soil and Water Conservation District discussion from the previous meeting.

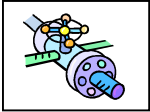
**More Information**

Copies of agendas, minutes, and selected handouts distributed to the Committee members are available on the General Assembly web site: <http://www3.legis.state.ia.us/ga/committee.do?id=41>.

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

**RENEWABLE MOTOR FUELS BRIEFING**

**Renewable Fuels**



The Board of Regents sponsored a presentation on ethanol in the House on January 12. Associates from Iowa State University, the University of Iowa, and the University of Northern Iowa compiled information. The following is a summary of the presentation.

**Iowa Ethanol Production**

Iowa's ethanol production for 2006 is estimated at 1.6 billion gallons. This includes existing and planned production. The following is a breakdown of other information:

	Sales (\$ in millions)	Income (\$ in millions)	Jobs
Current Dry-Milling Production	\$ 1,690	\$ 62	1,847
Current Wet-Milling Production	1,309	100	2,414
Planned Dry-Milling Production	1,599	50	1,594
<b>Total Current and Planned Production</b>	<b>\$ 4,598</b>	<b>\$ 221</b>	<b>5,855</b>

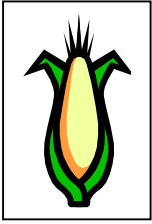
**Other Statistics**



Other information provided in the presentation included:

- Ethanol production consumes 19.5% of the natural gas usage in Iowa. This includes 3.5% usage for fertilizer to grow corn and 16.0% for processing heat used in the ethanol plants.
- Overall usage of natural gas in Iowa is declining. Usage included 254,000 million cubic feet in 1997 and 217,000 million cubic feet in 2004.
- Fuel blended with 10.0% ethanol, or E-10, had several problems when it was first introduced. Although these problems have been corrected, many consumers perceive ethanol as a lower-performing product.
- Flex-fuel vehicles are designed to burn any mixture of unleaded gas and ethanol; however, many consumers do not realize they are driving that type of vehicle. It is estimated there are over 100,000 of these vehicles in Iowa and over 5.0 million in the United States.
- There are several problems related to distribution of ethanol. As ethanol absorbs water, the fuel cannot be distributed through pipelines and must be distributed by truck or train. This adds to the price of the fuel.
- In terms of fuel performance, E-10 delivers 96.0% of the miles per gallon as gasoline and E-85 delivers 80.0% of the miles per gallon as gasoline.
- An additional \$3.00 per bushel is added to the economy for every bushel of corn used for ethanol production.





- Tax incentives have been focused on ethanol but recently were expanded to include biodiesel, other fuels, and feed stocks. The federal Renewable Fuels Standard supports all biofuels.
- Incentives are included for production, usage, application, emissions, and other incentives.
- Iowa has a comparative advantage with an abundance of feed stocks to compete with other states in producing biofuel.

### More Information

A copy of the presentation is available by accessing the web site at: <http://www2.iowaccess.org/regents/News/regentsrenewablefuelsjan2006.pdf>. Additional information is available from the LSA upon request.

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

## JANUARY STATE BOARD OF HEALTH MEETING

### Board Meeting

The State Board of Health met on January 11.

### Director's Report



Director Mary Hansen provided the following information:

- The federal Centers for Disease Control (CDC) plans to hold a pandemic flu summit in every state that will include a briefing on the State's pandemic plan. The date for Iowa's summit has not been set, but the Department is working on the agenda with health care providers and other partners.
- The Department has joined Healthy America that was begun by Arkansas Governor Huckabee as an initiative to raise awareness of the need for individuals of all ages to live healthier, more active lives. In addition, the 2006 Lighten Up Iowa Campaign will be held from January 18 to May 31.

### Legislative Package

Lynh Patterson, Department of Public Health (DPH), reviewed the Department's legislative priorities for the 2006 Session. In addition to the four bills the Department pre-filed for the Session, the DPH also supports the Governor's recommendation for a tobacco tax increase.

### Healthy Iowans 2010

Louise Lex, DPH, provided information on revisions to Healthy Iowans 2010, which sets goals for eliminating health disparities and extending the years of quality life for Iowans. The mid-course revision CD is available upon request and includes a progress report for each chapter, as well as two new chapters on vision health and emergency response.

### Substance Abuse Licensure



Jeff Gronstal and Cynthia Kelly, Department of Inspections and Appeals, provided the following licensure recommendations for substance abuse programs, which were approved by the Board:

- Three-Year Licensure - Iowa Correctional Institution for Women, Mitchellville; Iowa Residential Treatment Center, Mt. Pleasant; and Dr. Frank Gersh, Assessment and Evaluation Program, Iowa City.
- Two-Year Licensure - Boone County Community Services, Boone County Recovery Center, Boone.
- One-Year Licensure - Healing Spirit Halfway House, Native Family Resource Center, Sioux City.

- Deemed Status Program - Vista Counseling Center, Buena Vista Regional Medical Center, Storm Lake.

The Board went into a closed session to discuss the complaint investigation of Bridges of Iowa, Des Moines.

#### **DPH Adopted Rules**

The Board approved the adoption of the following Administrative Rules for the Department of Public Health:

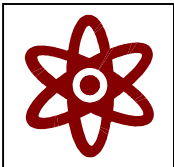
- Immunizations - Corrects an error in a date that establishes the number of Diphtheria, Tetanus, and Pertussis (DTaP) vaccine doses required for applicants enrolled or attempting to enroll in an elementary school. The intent was for the four-dose requirement to be effective for children entering kindergarten in the 2006-07 school year. No fiscal impact.
- Volunteer Health Care Provider Program - Changes that provide defense and indemnification to volunteer health care providers of free services at approved clinics and to eligible free clinics. The fiscal impact cannot be determined. The Program is currently staffed within the existing budget; however, the Department reports that without an increase in FTE positions, staff levels for other programs will be impacted.



#### **DPH Noticed Rules**

The Board approved the following Administrative Rules for the Department of Public Health for adoption at a future meeting:

- Substance Abuse Commission - Changes that transfer the duties of the Substance Abuse Commission to the State Board of Health. The Commission was dissolved by the 2005 General Assembly, and duties were transferred to the Board. No fiscal impact.
- Private Sector Drug-Free Workplace Testing - Adds the definition of "sample" from the human body to include "saliva" so the rule is consistent with the definition in the Code of Iowa. Also, updates the name of the federal agency (Centers for Medicare and Medicaid Services) responsible for laboratory proficiency testing. No fiscal impact.
- Private Well Sampling, Reconstruction, and Plugging - Provides for the distribution of grants to county boards of health for the purpose of sampling, reconstructing, and plugging private water wells. The Program is supported with revenues from the Agricultural Account established pursuant to Section 455.11(2)(b)(3), Code of Iowa, which averages an annual \$1.4 million annually.
- Radiation Machines and Radioactive Materials - Changes to correct errors, provide clarification, and meet federal compatibility requirements. Also, increases mammography fees to cover increased regulation costs. The additional revenues generated from the increased fee will be an estimated \$10,000.
- County Medical Examiners - Changes to clarify existing rules covering deaths that require autopsies. Also adds other categories of deaths that require autopsies performed by the State Medical Examiner or an approved representative. The fiscal impact is anticipated to be minimal due to a slight increase in the number of required autopsies.



#### **DIA Adopted Rules**

The Board approved the adoption of the following Administrative Rules for the Department of Inspections and Appeals:

- Hospitals - Updates rules to reflect the current edition of the federal Food and Drug Administration's Model Food Code, the American Institute of Architects

Guidelines for Construction and Equipment of Hospital and Medical Facilities, and the Code of Federal Regulations. Also makes technical changes to the designation of critical access hospitals by stipulating Iowa counties that are not considered rural. No fiscal impact.

**More Information**

The next meeting is scheduled for March 8. Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

**ANNUAL SENIOR LIVING COORDINATING UNIT REPORT****Required Report**

The 2005 Senior Living Coordinating Unit Annual Report was submitted, pursuant to Section 231.58, Code of Iowa, which requires the Unit to report its activities to the Governor and the General Assembly by January 15 of each year.

**Report Contents**

The Report also provides an overview of the Unit's ongoing activities, as well as updates on Senior Living Trust Fund (SLTF) projections; initiatives funded with appropriations from the SLTF; and legislative changes initiated or monitored by the Unit.

**More Information**

The Report is available on the Department of Elder Affairs web site at: <http://www.state.ia.us/elderaffairs/Documents/SLCU/SLCU-AnnualReport2005.pdf>.

STAFF CONTACT: Lisa Burk (Ext. 17942)

**JUDICIAL BRANCH RETIREMENT SYSTEM AUDIT REPORT****Audit Report**

The Judicial Retirement System was established to provide pension benefits to judges serving the Supreme Court, Court of Appeals, and District Courts. There are currently 191 members (including vested and non-vested members).

**Plan Net Assets**

Plan net assets held in trust for pension benefits increased by \$3.6 million during FY 2005. As of June 30, 2005, total plan assets were approximately \$86.3 million, and total liabilities were approximately \$2.0 million, resulting in plan net assets held in trust for pension benefits of \$81.6 million.

**Other Statistics**

Other highlights from the Report include:

- Covered payroll totaled \$20.7 million, a decrease of \$210,000 compared to FY 2004.
- Member contributions decreased by 0.1% or \$1,500.
- Pension benefits to members increased by \$112,000.
- Payments to members totaled approximately \$5.0 million in FY 2005.
- Net investment income, after all investment-related expenses, was \$5.5 million in FY 2005 compared to \$9.8 million in FY 2004. Investment management expenses decreased from \$544,000 in FY 2004 to \$385,000 in FY 2005.
- Administrative expenses totaled \$7,700, an increase of \$3,200 compared to FY 2004.



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**More Information**

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

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**E911 ANNUAL REQUIRED REPORT**

**E911**



The current statewide E911 wireless surcharge is \$0.65 per month per wireless telephone subscriber, which went into effect on July 1, 2004. The surcharge is collected from wireless providers and remitted to the State E911 Program on a quarterly basis. Prior to July 1, 2004, the revenue generated by the surcharge was insufficient to address all cost recovery obligations involved with Phase 1. The present debt totals \$262,000, with the final payment made in January. At that time, the money allocated to debt repayment will be reallocated to the Public Safety Answering Points (PSAPS) through a formula.

**Phase 2**

As of December 31, 2005, 75 PSAPS in 65 counties were accepting Phase 2 calls from at least one wireless service provider. All 123 PSAPS should be Phase 2 capable by July 1, 2006.

**VoIP**

In June 2005, the Federal Communications Commission (FCC) issued a ruling declaring that Voice over Internet Protocol (VoIP) companies are data service providers. Under current law, these companies are not required to collect an E911 surcharge. Legislation would be required for the surcharge to be collected.

**More Information**

A copy of the Report may be accessed on the web site at:  
[http://www4.legis.state.ia.us/scripts/lisa/docmgr/docmgr\\_comdocs.dll/showtypeFC?id=true&type=ih&fy=2005&com=38](http://www4.legis.state.ia.us/scripts/lisa/docmgr/docmgr_comdocs.dll/showtypeFC?id=true&type=ih&fy=2005&com=38). Additional information is available from the LSA upon request.

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