

# FISCAL UPDATE

March 21, 2006

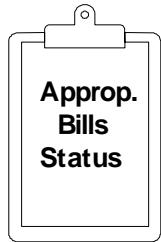
Legislative Services Agency

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## STATUS OF APPROPRIATIONS BILLS

As of March 16, 2006



Appropriations Subcommittee Bills		
Appropriations Subcommittee	LSB/File#	Status
Administration and Regulation	HF 2521	Passed House on March 7.
Agriculture and Natural Resources	HF 2540	Passed House on March 6.
Economic Development	HF 2459	Passed House on March 6.
Education	HF 2527	Passed House on March 15.
Health and Human Services	HF 2734	Passed House on March 15.
Judicial Branch	HF 2557	Passed House on March 6.
Justice System	HF 2558	Passed House on March 7.
Transportation	SF 2232	Final action on March 7.
Other Appropriations Bills		
Honey Creek Destination Park Bond Program Act	SF 2056	Signed by Governor on March 9.
FY 2006 Supplemental Appropriations Bill	SF 2273	Final Action on March 13.
Injured Veterans Grant Program Bill	SF 2312	Passed Senate Appropriations Committee on March 15.
Sale of Rhodes Research Farm Bill	SF 2315	Passed Senate Appropriations Committee on March 15.
State Housing Trust Fund Appropriations Bill	SF 2387	Passed Senate on March 14.
Senior Living Trust Fund Repayment Bill	HF 2002	Passed House on January 30.
FY 2006 Veterans Supplemental Appropriations Act	HF 2080	Signed by Governor on January 23.

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<b>Other Appropriations Bills, Cont.</b>			
FY 2008 School Foundation Allowable Growth Rate Bill		HF 2095	Passed Senate Education on February 8
FFY 2007 Federal Block Grant Act		HF 2238	Signed by Governor on March 9.
Health Care Transformation Account Act		HF 2347	Signed by Governor on March 9.
Iowa Communications Network Bill		HF 2686	Passed House Appropriations on March 15.
Judicial Branch Fees and Costs Bill		HF 2689	Passed House Appropriations on March 6.
Healthy Iowans Tobacco Trust Appropriations Bill		HF 2743	Passed House on March 15.

**HOUSE PASSES EDUCATION APPROPRIATIONS BILL – HF 2527**

**Education Approps. Bill**

The House passed HF 2527 (FY 2007 Education Appropriations Bill) on March 15. The Bill appropriates a total of \$948.4 million from the General Fund, an increase of \$17.2 million and 2.0 FTE positions compared to estimated FY 2006. This includes:



- \$2.0 million for the Department for the Blind, which is no change compared to estimated FY 2006.
- \$60.5 million for the College Student Aid Commission, an increase of \$2.4 million compared to estimated FY 2006.
- \$5.8 million for the Department of Cultural Affairs, a decrease of \$25,000 compared to estimated FY 2006.
- \$282.4 million for the Department of Education, an increase of \$8.8 million compared to estimated FY 2006.
- \$597.8 million for the Board of Regents and Regents' institutions, an increase of \$6.0 million compared to estimated FY 2006.

**House Action**

The House added the following:

- Language that prohibits the Board of Regents from circumventing statutory requirements related to any plan to close or merge the Iowa Braille and Sight Saving School. Also, requires the Board to report monthly to the Government Oversight Committee during the Legislative Interim.
- Statutory language changing the definition of “eligible borrower” as it relates to the federal Guaranteed Student Loan Program administered by the College Student Aid Commission. This change will allow the Commission to acquire, service, and collect loan portfolios of other states.

**More Information**

The NOBA (Notes on Bills and Amendments) for HF 2527 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>

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

## HOUSE PASSES HEALTH AND HUMAN SERVICES APPROPRIATIONS BILL – HF 2734

**HHS Approps. Bill**

The House passed HF 2734 (FY 2007 Health and Human Services Appropriations Bill) on March 15. The Bill appropriates a total of \$1,194.9 million from the General Fund, a net increase of \$167.1 million compared to estimated FY 2006. This includes:

- \$3.6 million for the Department of Elder Affairs, an increase of \$799,000 compared to estimated FY 2006.
- \$27.6 million for the Department of Public Health (DPH), an increase of \$1.7 million compared to estimated FY 2006.
- \$1,149.5 million for the Department of Human Services (DHS), an increase of \$169.2 million compared to estimated FY 2006.
- \$14.1 million for the Commission on Veterans Affairs and the Iowa Veterans Home, a decrease of \$4.7 million compared to estimated FY 2006.

The Bill also appropriates \$299.0 million from non-General Fund sources, a net decrease of \$54.2 million compared to estimated FY 2006. This includes:

- \$6.0 million from the Gambling Treatment Fund, which is no change compared to estimated FY 2006.
- \$146.3 million from the Temporary Assistance to Needy Families (TANF) Fund, an increase of \$3.5 million compared to estimated FY 2006.
- \$49.8 million from the Senior Living Trust Fund, a decrease of \$60.0 million compared to estimated FY 2006.
- \$379,000 from the Pharmaceutical Settlement Account, an increase of \$294,000 compared to estimated FY 2006.
- \$90.2 million from the IowaCare Account, a decrease of \$3.0 million compared to estimated FY 2006.
- \$9.4 million from the Health Care Transformation Account, an increase of \$2.2 million compared to estimated FY 2006.

**House Action**

The House added the following:

- \$1.1 million in General Funds for the DPH for child dental health, child mental health development, the AIDS Drug Assistance Program, the Prescription Drug Donation Repository Program, and expansion and improvements for the mental health treatment and services workforce.
- Allocation language for the use of the additional \$200,000 provided to the DPH for childhood lead poisoning prevention and remediation activities.
- Language requiring the DPH to post all county biological emergency response plans on pandemic influenza preparedness on the Department's web site.



- Allocation language for the use of the additional \$1.0 million provided to the DHS for juvenile drug courts.
- Language requiring the DHS to continue funding one or more child welfare diversion and mediation pilot projects and requirements for the continuation of the projects selected.
- A decrease of \$2.2 million in the TANF appropriation for the Family Investment Program (FIP).
- An increase of \$4.4 million for the PROMISE JOBS appropriation.
- Elimination of the \$1.2 million one-time appropriation from the TANF Account for the Family Development and Self-Sufficiency (FaDSS) Program.
- An increase of \$775,000 to the TANF appropriation for Field Operations for 12 clinical consultants for Child Welfare. Also, added 12.0 FTE positions to DHS Field Operations.
- An increase of \$1.2 million from the TANF Account for the Child Care Assistance Program for provider rate increases.
- Language requiring \$500,000 in remaining Medicaid funds carry forward at the end of FY 2006 and be used for Field Operations associated with Medicare Part D.
- Decreased the FY 2007 Glenwood State Resource Center appropriation by \$500,000 and permitted carryforward of the same from FY 2006 to FY 2007.
- Increased the carryforward amount for Adoption Subsidy Program by \$300,000 and decreased the FY 2007 appropriation by like amount.
- Decreased the FY 2007 State Cases Program appropriation by \$200,000 and permitted the carryforward of the same from FY 2006 to FY 2007.
- Transfers \$2.0 million from the FY 2007 Mental Health Allowed Growth Risk Pool to the Per Capita Expenditure Target Pool. Formerly, these funds were transferred to the Medicaid.
- Decreased the FY 2007 Medicaid appropriation by \$550,000.
- Increased the FY 2007 appropriation for the Mount Pleasant Mental Health Center by \$325,000 for a 20-bed substance abuse unit starting October 1, 2006.
- Additional requirements for Health Risk Assessments for IowaCare enrollees.
- Language requesting the Legislative Council to establish an Interim study committee to make recommendations for establishing a single point of entry long-term living system.
- Language permitting the carryforward of all remaining FY 2006 funds from the Field Operations budget unit.
- Language depositing the first \$500,000 in federal funds received for the Iowa Veterans Cemetery start-up costs into the Veterans Trust Fund to replace State funds.



**More Information**

The NOBA (Notes on Bills and Amendments) for HF 2734 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Lisa Burk (Ext. 17942) Kerri Johannsen (Ext. 14611)  
Sue Lerdal (Ext. 17794)

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**GOVERNOR SIGNS HONEY CREEK DESTINATION PARK  
BOND PROGRAM ACT – SF 2056**
**Destination Park**

The Governor signed SF 2056 (Honey Creek Destination Park Bond Program Act) on March 9. House File 875 (FY 2005 Infrastructure Appropriations Act) created the Honey Creek Premier Destination Park Authority and the Honey Creek Premier Destination Park Bond Fund. The Authority was authorized to issue up to \$28.0 million in bonds for the development and expansion of the Honey Creek Destination Park located near Lake Rathbun. The bonds will be repaid from the revenue generated by operations at the Destination Park.

**Technical Change**

The Act makes a technical correction that allows the Authority to issue bonds that have net proceeds of \$28.0 million. The original legislation allowed the issuance of bonds with gross proceeds of \$28.0 million. The Department of Natural Resources estimates \$36.7 million will be issued to obtain the net proceeds of \$28.0 million.

**More Information**

The NOBA (Notes on Bills and Amendments) for SF 2056 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/index.jsp>

STAFF CONTACT: Debra Kozel (Ext. 16767)

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**FINAL ACTION ON FY 2006 SUPPLEMENTAL  
APPROPRIATIONS BILL – SF 2273**
**Supplemental Approps.**

The General Assembly passed SF 2273 (FY 2006 Supplemental Appropriations Bill) on March 13. The Bill appropriates \$8.9 million and 29.0 FTE positions from the General Fund and \$2.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2006.

**Gilchrist Hall**

The Bill appropriates \$2.0 million from the RIIF to the Board of Regents for repair from fire at Gilchrist Hall at the University of Northern Iowa.

**Clarinda MHI**

The Bill appropriates \$250,000 from the General Fund for staffing and prescription drug costs at the Mental Health Institute (MHI) at Clarinda.

**Dept. of Corrections**

The Bill appropriates \$3.3 million from the General Fund for the following:

- \$1.2 million for natural gas costs at correctional facilities.
- \$1.3 million for security tower staffing at the Fort Madison Correctional Facility.
- \$125,000 for county confinement expenses.
- \$625,000 for administrative costs of the Department of Corrections.

**State Public Defender**

The Bill appropriates \$4.0 million from the General Fund for indigent defense claims.

**Dept. of Public Safety**

The Bill appropriates \$1.4 million from the General Fund for the following:

- \$400,000 for Department of Administrative Services billings.
- \$1.0 million and 29.0 FTE positions for additional gaming enforcement officers.

**Statutory Changes**

The Bill permits the Executive Council to expend funds for repairs to State property on an emergency basis. This authority is repealed effective June 30, 2008.

The Bill also extends the deadline for project completion for an entity that has been awarded a tax credit for a wind energy conversion facility.

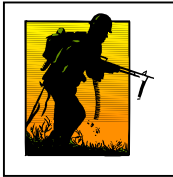
**More Information**

The NOBA (Notes on Bills and Amendments) for SF 2273 is available at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Sue Lerdal (Ext. 17794) Beth Lenstra (Ext. 16301)

**SENATE APPROPRIATIONS COMMITTEE PASSES  
INJURED VETERANS GRANT PROGRAM BILL – SF 2312**

**Injured Vets Grant Bill**



The Senate Appropriations Committee passed SF 2312 (Injured Veterans Grant Program Bill) on March 15. An appropriation of \$1.0 million for FY 2006 was enacted in HF 2080 (FY 2006 Veterans Supplemental Appropriations Bill).

Senate File 2312 requires military service of at least 90 days after September 11, 2001, to be eligible for one-time grants of up to \$10,000 for a combat-related injury. The Department of Veterans Affairs is required to adopt administrative rules to implement the Program.

**Fiscal Impact**

The Bill exempts the grants from Iowa Income Tax; however, the Bill has minimal impact on tax revenue and the Department of Veterans Affairs.

**Effective Date**

The Bill takes effect upon enactment, and the tax exemption is retroactive to January 2006.

**More Information**

The NOBA (Notes on Bills and Amendments) for SF 2312 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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

**SENATE APPROPRIATIONS COMMITTEE PASSES SALE  
OF RHODES RESEARCH FARM BILL – SF 2315**

**ISU Research Farm Bill**

The Senate Appropriations Committee passed SF 2315 (Sale of Rhodes Research Farm) on March 15.

**Sale of Research Farm**



The Bill requires Iowa State University (ISU) to develop a plan to sell the property known as the Rhodes Research Farm located in Marshall County to the Department of Natural Resources for the Clear Creek Lake Project. The Farm consists of 2,008 acres. Prior to implementing the plan, it must be submitted to the Board of Regents for review and approval.

Proceeds from the sale of the Farm are to be appropriated to Iowa State University for use by the College of Agriculture.

#### Reports Required

Until the property is sold, ISU is required to submit an annual report by December 15 regarding activities and costs related to the sale to the General Assembly and the Legislative Services Agency (LSA). A final report is to be submitted once the property sale is completed and the proceeds have been expended.

#### More Information

The NOBA (Notes on Bills and Amendments) for SF 2315 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Mary Shipman (Ext. 14617)

### SENATE PASSES STATE HOUSING TRUST FUND APPROPRIATIONS BILL – SF 2387

#### Housing Trust Fund Bill

The Senate passed SF 2387 (State Housing Trust Fund Appropriations Bill) on March 14. The Bill requires the transfer of assets held and any funds received by the Housing Improvement Fund to the State Housing Trust Fund.

#### Transfer Amounts

There is approximately \$2.2 million currently in the Fund that will be transferred. An additional \$2.5 million will be available for transfer when outstanding loans are repaid.

#### Fund Purposes



The Housing Improvement Fund was to be used to assist low-income families, elderly, and disabled with home purchases, maintenance, and repairs. The Fund could also be used for the rehabilitation of properties rented to low-income citizens.

The State Housing Trust Fund is to be used for the development and preservation of affordable housing for low-income people in the State. The Fund provides grants to Local Housing Trust Funds.

#### Appropriations

The Bill creates standing limited General Fund appropriations to the Iowa Finance Authority (IFA) for deposit into the State Housing Trust Fund. The appropriations are as follows:

- \$1.3 million for FY 2008.
- \$2.5 million for FY 2009.
- \$5.0 million for FY 2010 and each year thereafter.

#### Required Report



The IFA is required to submit a report to the General Assembly by October 1, 2009, on the following:

- The history of the State Housing Trust Fund.
- State housing needs.
- Any recommendations for change.

**More Information**

The NOBA (Notes on Bills and Amendments) for SF 2387 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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**GOVERNOR SIGNS FFY 2007 FEDERAL BLOCK GRANT ACT – HF 2238**

**Block Grant Act**



The Governor signed HF 2238 (FFY 2007 Federal Block Grant Act) on March 9. The Act authorizes the receipt and expenditure of federal funds totaling \$4.5 billion for FFY 2007, an increase of \$432.7 million compared to estimated FFY 2006. This includes:

- Federal Block Grant Funds totaling \$156.9 million for the Departments of Economic Development, Human Rights, Human Services, Justice, Public Health, and the Governor's Office of Drug Policy.
- Federal categorical grants totaling \$4.3 billion for various departments.

**More Information**

The NOBA (Notes on Bills and Amendments) for HF 2238 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/index.isp>.

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

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**GOVERNOR SIGNS HEALTH CARE TRANSFORMATION ACCOUNT ACT – HF 2347**

**Health Care Trans. Act**



The Governor signed HF 2347 (Health Care Transformation Account Act) on March 9. The Act makes corrections to HF 841 (IowaCare Medicaid Reform Act), which was enacted during the 2005 Legislative Session. House File 841 authorized the IowaCare Program and provided for a series of health care reforms.

The changes in HF 2347 were necessary to bring the State into compliance with the Centers for Medicaid and Medicare Services' (CMS) requirements regarding HF 841 and to draw down funds for the Health Care Transformation Account (HCTA). The funds in this Account are to be used to fund the health care reforms specified in HF 841.

**HCTA Provisions**

House File 2347 clarifies the revenue sources for the HCTA as follows:

- Specifies that a one-time payment adjustment of \$25.3 million is to be made to the University of Iowa Hospitals and Clinics to offset Medicaid reimbursements.
- Specifies that a one-time payment adjustment of \$34.4 million is to be made to the Carver College of Medicine at the University of Iowa to supplement physician services to Medicaid patients for FY 2004 and FY 2005.
- Requires the University of Iowa to transfer \$54.6 million to the General Fund upon receipt of medical payment adjustments. This payment is equal to the FY 2004 and FY 2005 General Fund appropriations to the University for the Indigent Patient Program (State Papers).
- Appropriates \$2.0 million to the Department of Human Services from the HCTA, intended to draw down a federal Medicaid match and cover additional expenses incurred by the University of Iowa for the IowaCare Program.



**Effective Dates** The Act takes effect upon enactment and contains retroactive applicability for some portions.

**More Information** The NOBA (Notes on Bills and Amendments) for HF 2347 is available on the LSA web site at <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Kerri Johannsen (Ext. 14611)

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### HOUSE APPROPRIATIONS COMMITTEE PASSES IOWA COMMUNICATIONS NETWORK BILL – HF 2686

**ICN Bill** The House Appropriations Committee passed HF 2686 (Iowa Communications Network Bill) on March 15. The Bill makes several technical and substantive changes regarding the operation of the Iowa Communications Network (ICN), such as the ability to abolish advisory Committees.

**ICN Fund** The Bill allows the ICN to keep the interest earned by the balance in the ICN Fund. Currently, the interest is deposited into the General Fund. The ICN Fund was established to support ongoing operational needs and to facilitate cash flow requirements. Revenues, which are derived from ICN customer payments, are used to pay for the expenses incurred by the ICN.



**Fiscal Impact** The average monthly balance in the Fund is \$2.8 million, which earns approximately \$75,000 in interest annually based on a FY 2005 interest rate of 2.63%.

**More Information** The NOBA (Notes on Bills and Amendments) for HF 2686 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/index.asp>.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

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### HOUSE PASSES FY 2007 HEALTHY IOWANS TOBACCO TRUST APPROPRIATIONS BILL – HF 2743

**HITT Appropriations** The House passed HF 2743 (FY 2007 Healthy Iowans Tobacco Trust Appropriations Bill) on March 15. The Bill appropriates a total of \$70.7 million and 13.0 FTE positions from the Trust, an increase of \$4.5 million and 1.0 FTE position compared to estimated FY 2006. This includes:



- \$39.9 million for the Department of Human Services (DHS), which is no change compared to estimated FY 2006.
- \$24.5 million for the Department of Public Health (DPH), an increase of \$3.6 million compared to estimated FY 2006.
- \$3.8 million for the Department of Corrections (DOC), an increase of \$642,000 compared to estimated FY 2006.
- \$130,000 for the Department for the Blind for the Newsline for the Blind, which maintains the current level of support.
- \$2.3 million for the Department of Education, an increase of \$150,000 for grants for before and after school programs.

- \$125,000 and 1.0 FTE position for the Department of Economic Development for the Iowa Promise and Mentoring Partnership Program within the Commission on Volunteer Services. This is a new appropriation for FY 2007.
- \$13.8 million transferred from the Endowment for Iowa's Health Account to the Healthy Iowans Tobacco Trust, an increase of \$7.1 million compared to the FY 2006 transfer.

**House Action**

The House added the following:

- \$60,000 to the Bill, including \$50,000 to the DPH appropriation for substance abuse prevention for children, and \$10,000 to the DOC appropriation for Judicial District II for substance abuse treatment.
- Language requiring the Department of Public Health to use the additional \$2.0 million appropriated for substance abuse treatment to fund existing programs.
- Language that required the Department of Public Health to use \$50,000 of the appropriation for substance abuse prevention for children on program evaluations.

**More Information**

The NOBA (Notes on Bills and Amendments) for HF 2743 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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

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**FINAL ACTION ON ENTERPRISE ZONES, LOCATION OF PROJECTS BILL – SF 2147**

**Extended Zones**

The General Assembly passed SF 2147 (Enterprise Zones, Location of Projects Bill) on March 13. The Bill extends enterprise zone benefits to a business that is located, in whole or in part, in a zone, if the part of the business that is not within the zone is located on land contiguous to the zone.

**New Jobs Program**

A project could qualify for the New Jobs and Income Program and other assistance even outside of an enterprise zone.

**Fiscal Impact**



The fiscal impact of SF 2147 cannot be determined because the number of projects that would qualify for enterprise zone assistance is unknown. An ethanol plant project in Adams County potentially qualifies for an estimated \$2.3 million in assistance and an additional \$4.8 million if the project was in an enterprise zone. This will reduce General Fund revenue by \$1.0 million annually for five years, beginning in FY 2008.

**More Information**

The fiscal note for SF 2147 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes>.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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**FINAL ACTION ON LOTTERY TOUCHPLAY MACHINE  
BILL – SF 2330****TouchPlay Machines**

The General Assembly passed SF 2330 (Lottery TouchPlay Machine Bill) on March 14. The Bill prohibits the Lottery from authorizing the use of monitor vending machines. The Bill also provides that any retailer that has acquired a monitor vending machine prior to the effective date of the Bill may only continue to offer the use of the machine for 45 days after enactment.

**Excise Tax**

In addition, the Bill provides that if any machines are still in operation 46 days after the effective date, the Department of Revenue is to administer and collect a monitor vending machine excise tax of 65.0% on the net monitor vending machine revenue receipts.

**Fiscal Impact**

The estimated generated revenue from the machines in FY 2006 will be \$30.0 to \$40.0 million, while forgone revenue to the General Fund from the prohibition of the machines is estimated to be up to \$10.0 million in FY 2006, depending on when the Bill becomes effective; \$60.0 million in FY 2007; and \$77.8 million in FY 2009.

**Effective Date**

The Bill takes effect upon enactment.

**More Information**

The fiscal note for SF 2330 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes>.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

**SENATE PASSES CRIME VICTIM COMPENSATION BILL –  
SF 2339****Victim Compensation Bill**

The Senate passed SF 2339 (Crime Victim Compensation Bill) on March 13. The Bill relates to victim eligibility for Victim Compensation Fund benefits and increases the payment limits for medical care, counseling services, bedding and clothing held as evidence, and loss of support for dependents of a murder victim or a victim disabled from work over 60 days. The Bill also clarifies that the lost wages benefit is \$1,000 per parent or caretaker, rather than \$1,000 per case.

**New Benefits**

Senate File 2339 also creates new benefits, including dependent care expenses incurred by the victim while attending criminal justice proceedings or medical and counseling services; replacement of locks, windows, and other security items; and transportation costs to medical, counseling, funeral, or criminal justice proceedings. The Bill allows compensation to be paid to victims of reckless boating, hit and run boating, and boating under the influence of drugs.

**Fund Balance**

Based on actuarial studies in other states, at least \$5.2 million should be held in reserve so the Fund remains actuarially sound. This amount provides a six-month reserve for victim claims and operations in case of a catastrophic event, such as the Oklahoma City bombing. The FY 2005 ending balance was \$3.8 million, which is less than the amount required to be considered actuarially sound.

**Victim Assistance Grants**

The Department of Justice is maintaining a three-month reserve in the Fund during FY 2006 so that funds may be transferred to Victim Assistance Grants. House File 811 (FY 2006 Justice System Appropriations Act) required \$2.5 million to be transferred from the Victim Compensation Fund to the Victim Assistance Grants Program, which awards funds to services providers for victims of rape, sexual assault, and domestic abuse.

**Federal Reimbursement**



Federal law permits up to 60.0% of the costs to be reimbursed by the federal Victims of Crime Act (VOCA) funds. However, the federal payment is not received until the following fiscal year, which may cause cash flow problems. Additionally, federal reimbursement rates are dependent on several items, including, but not limited to, the amount of money available in the federal VOCA Fund and the amount of claims pending at the federal level.

**Fiscal Impact**

Senate File 2339 is estimated to increase expenditures from the Victim Compensation Fund by approximately \$611,000 annually. These expenditures will reduce the year-end Fund balance. Any federal reimbursement will be received in the next fiscal year.

**More Information**

The fiscal note for SF 2339 is available on the LSA web site at:  
<http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

**SENATE PASSES CIVIL COMMITMENT BILL – SF 2362**

**Civil Commitment Bill**



The Senate passed SF 2362 (Civil Commitment Bill) on March 13. The Bill permits Courts to waive, for good cause, the presence of the physician or professional at the hearing for a respondent under Chapter 125, Code of Iowa (Chemical Substance Abuse Civil Commitment Proceedings). The Bill also requires the physician or professional to be present at the hearing for the respondent under Chapter 229, Code of Iowa (Hospitalization of Persons with Mental Illness). The Bill provides a waiver of this requirement and permits a Court to allow the physician to testify by telephone for either type of civil commitment proceeding.

**Fiscal Impact**

There may be savings to counties and the Department of Human Services (DHS) under the amendment to Chapter 125, Code of Iowa; however, any potential savings cannot be estimated due to a lack of data.

**Impact on Counties**

The amendment to Chapter 229, Code of Iowa, carries a potential cost increase to counties and the DHS. Currently, doctors are not required to testify at the hospitalization proceeding, either in person or by telephone. The fiscal impact on the counties ranges from zero, if waivers are granted at every hearing, to \$1.5 million, if doctors are required at every hearing.

**Impact on the DHS**

The General Fund impact for the DHS ranges from zero, if waivers are granted at every hearing, to \$300,000, if a physician is required to be in attendance.

**More Information**

The fiscal note for SF 2362 is available on the LSA web site at:  
<http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

## HOUSE PASSES LOTTERY TOUCHPLAY MACHINE EXTENSION BILL – HF 2747

### TouchPlay Extension

The House passed HF 2747 (Lottery TouchPlay Machine Extension Bill) on March 14. The Bill amends SF 2330 (TouchPlay Machine Bill), if enacted, by extending to August 31, 2006, the time that monitor vending machines, acquired by the enactment date of HF 2747, can be offered to the public. The excise tax established in SF 2330 will not go into effect until September 1, 2006.

### Fiscal Impact

If HF 2747 is enacted, the State will receive an estimated \$40.0 million for FY 2006 and \$10.0 to \$12.0 million for the first two months of FY 2007. The private sector will receive an estimated \$127.0 million for FY 2006 and \$23.3 to \$30.0 million for the first two months of FY 2007.

### More Information

The fiscal note for HF 2747 is available on the LSA web site at:  
<http://www3.legis.state.ia.us/fiscalnotes>.

STAFF CONTACT: Douglas Wulf (Ext. 13250)

## BOARD OF CORRECTIONS MEETING

### Corrections Board



The Board of Corrections met on March 10 at the Central Office in Des Moines. The Board received testimony regarding substance treatment and intervention with offenders from the following:

- Director Gary Maynard and Deputy Director Jeanette Bucklew, Department of Corrections (DOC).
- Director Marvin Van Haften, Governor's Office of Drug Control Policy.
- Julie Shepherd, Executive Director, Iowa Substance Abuse Program Directors Association.
- Katerina Carter-Larson, Barb Usher, Carla Evans, and Judith Edwards, DOC, who provide direct services to offenders.

### Transformation Project



Business Manager Doug Williams led the presentation regarding the transformation of accounting and finance projects in the Institutions. This process is the outcome of the Kaizen process, which focused on transforming the business management process, including budgeting and reporting, offender identification system, offender banking system, offender canteen order process, and offender telephone expenditures. The use of tokens in the Institutions will be eliminated through this transformation process.

### More Information

The next meeting is scheduled for April 7 at the Iowa Medical Classification Center at Oakdale. Additional information is available from the LSA upon request.

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