

# FISCAL UPDATE

April 4, 2006

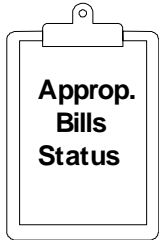
Legislative Services Agency

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

## STATUS OF APPROPRIATIONS BILLS

As of March 30, 2006



Appropriations Subcommittee Bills		
Appropriations Subcommittee	LSB/File#	Status
Administration and Regulation	HF 2521	Passed Senate Appropriations Committee on March 23.
Agriculture and Natural Resources	HF 2540	Passed Senate Appropriations Committee on March 23.
Economic Development	HF 2459	Passed Senate Appropriations Committee on March 23.
Education	HF 2527	Passed Senate Appropriations Committee on March 28.
Health and Human Services	HF 2734	Passed House on March 15.
Judicial Branch	HF 2557	Passed Senate Appropriations Committee on March 28.
Justice System	HF 2558	Passed Senate Appropriations Committee on March 28.
Transportation	SF 2232	Signed by Governor on March 21.
Infrastructure	HF 2782	Passed House Appropriations Committee on March 29.
Other Appropriations Bills		
Honey Creek Destination Park Bond Program Act	SF 2056	Signed by Governor on March 9.
FY 2006 Supplemental Appropriations Act	SF 2273	Signed by Governor on March 29.
Injured Veterans Grant Program Bill	SF 2312	Passed Senate on March 21.
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 Committee on February 8.
FFY 2007 Federal Block Grant Act		HF 2238	Signed by Governor on March 9.
Community Empowerment Initiative Bill		HF 2320	Passed House Appropriations Committee on March 22.
Health Care Transformation Account Act		HF 2347	Signed by Governor on March 9.
Real Estate Education Bill		HF 2514	Passed House Appropriations Committee on March 22.
Iowa Communications Network Bill		HF 2686	Passed House Appropriations Committee on March 15.
Judicial Branch Fees and Costs Bill		HF 2689	Passed House Ways and Means Committee on March 29.
Healthy Iowans Tobacco Trust Appropriations Bill		HF 2743	Passed House on March 15.
Renewable Fuel Infrastructure Bill		HF 2759	Passed House on March 28.
Minimum Teacher Salaries and Shortage Supplement Bill		HF 2760	Passed House Appropriations Committee on March 20.
Advanced Placement Examination Fee Bill		HF 2761	Passed House Appropriations Committee on March 20.
Brain Injury Services Program Bill		HF 2772	Passed House Appropriations Committee on March 22.
Mental Health Redesign Bill		HF 2780	Passed House Appropriations Committee on March 28.

**SENATE APPROPRIATIONS COMMITTEE PASSES  
EDUCATION APPROPRIATIONS BILL – HF 2527**

**Education Approps. Bill**



**Bill Passage**

The Senate Appropriations Committee passed HF 2527 (FY 2007 Education Appropriations Bill) on March 28. The Bill appropriates a total of \$948.4 million from the General Fund, an increase of \$17.2 million and 2.5 FTE positions compared to estimated FY 2006.

The Committee passed the Bill without recommendation and without amendment.

**More Information**

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

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

## SENATE APPROPRIATIONS COMMITTEE PASSES JUSTICE SYSTEM APPROPRIATIONS BILLS – HF 2557 AND HF 2558

**Judicial/Justice Approps. Bill** The Senate Appropriations Committee passed HF 2557 (FY 2007 Judicial Branch Appropriations Bill) and HF 2558 (FY 2007 Justice System Appropriations Bill) on March 28.

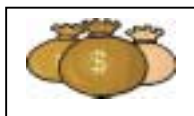
**Bill Passage** The Committee passed both Bills without recommendation and without amendment.

**More Information** The Notes on Bills and Amendments (NOBAs) for HF 2557 and HF 2558 are available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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

## HOUSE APPROPRIATIONS COMMITTEE PASSES FY 2007 INFRASTRUCTURE APPROPRIATIONS BILL – HF 2782

### Infrastructure Bill



The House Appropriations Committee passed HF 2782 (FY 2007 Infrastructure Appropriations Bill) on March 29. The Bill appropriates a total of \$269.7 million for FY 2007, \$35.7 million for FY 2008, \$29.0 million for FY 2009, and \$6.7 million for FY 2010. The table below provides the total appropriations by funding source.

**Infrastructure Appropriations Bill**  
(Dollars in Millions)

	FY 2007	FY 2008	FY 2009	FY 2010
Rebuild Iowa Infrastructure Fund	\$ 65.9	\$ 29.7	\$ 28.0	\$ 6.7
Environment First Fund	35.0	0.0	0.0	0.0
Restricted Capital Fund	22.1	0.0	0.0	0.0
Vertical Infrastructure Fund	5.0	0.0	0.0	0.0
Endw for Iowa's Health Restricted Capitals Fund	101.6	1.0	1.0	0.0
Technology Reinvestment Fund	17.5	0.0	0.0	0.0
Endowment for Iowa's Health Account	13.6	5.0	0.0	0.0
<b>Total</b>	<b>\$ 260.7</b>	<b>\$ 35.7</b>	<b>\$ 29.0</b>	<b>\$ 6.7</b>

### Dept. of Admin. Services

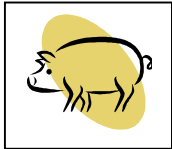


The Bill appropriates a total of \$116.4 million to the Department of Administrative Services. Significant appropriations include:

- A total of \$77.1 million over three fiscal years for construction of a new 350,000 square foot State Office Building.
- \$1.8 million for facility leases and employee relocation costs.
- \$2.8 million for routine maintenance of State facilities.
- \$6.8 million for interior restoration of the Capitol Building.
- \$3.5 million for upgrades to the electrical distribution system serving the Capitol Complex.
- \$2.3 million for development and construction of Phase I of the West Capitol Terrace Project.
- \$1.5 million for repairs and improvements to parking lots on the Capitol Complex.

- \$2.4 million for wastewater treatment improvements at the Resource Center at Woodward.
- \$8.1 million for construction of a new school/infirmiry building at the Iowa Juvenile Home, including renovation of an existing school building, and for the demolition of an old infirmiry building and Wilson Cottage.
- \$3.4 million for technology projects.

**Dept. of Ag. & Land Stwshp.**



The Bill appropriates a total of \$14.0 million to the Department of Agriculture and Land Stewardship. Significant appropriations include:

- \$1.5 million for the Conservation Reserve Enhancement Program (CREP).
- \$2.7 million for the Watershed Protection Program.
- \$5.5 million for the Soil Conservation Cost Share Program.
- \$2.0 million for the Conservation Reserve Program (CRP).

**Dept. for the Blind**

The Bill appropriates \$4.0 million for the renovation of the building that houses the Department for the Blind.

**Dept. of Corrections**

The Bill appropriates a total of \$11.7 million to the Department of Corrections, which includes \$3.4 million for one-time costs associated with the new addition to the Iowa Medical Classification Center at Oakdale.

**Dept. of Cultural Affairs**

The Bill appropriates a total of \$5.0 million to the Department of Cultural Affairs, which includes \$1.0 million per year for three years for the Iowa Great Places Initiative.

**Dept. of Economic Dev.**

The Bill appropriates a total of \$6.0 million to the Department of Economic Development, which includes \$5.5 million for the Accelerated Career Education (ACE) Program.

**Dept. of Education**



The Bill appropriates a total of \$9.3 million to the Department of Education. Significant appropriations include:

- \$2.7 million to pay the costs of maintenance and leases associated with the build-out of Part III of the Iowa Communications Network (ICN).
- \$1.4 million for the replacement of analog transmitters that support Iowa Public Television's transmission.

**Dept. of Human Rights**

The Bill appropriates \$2.6 million to the Department of Human Rights for continued development and implementation of the Criminal Justice Information System.

**Iowa Finance Authority**

The Bill appropriates \$1.4 million to the Iowa Finance Authority for the Transitional Housing Revolving Loan Fund.

**Tele. & Tech. Comm.**

The Bill appropriates \$2.0 million to the Iowa Telecommunications and Technology Commission for the replacement of equipment for the ICN.

**Dept. of Natural Resources**



The Bill appropriates a total of \$31.7 million to the Department of Natural Resources (DNR). Significant appropriations include:

- \$11.0 million for the Resource Enhancement and Protection (REAP) Program.
- \$2.5 million for projects that meet criteria related to the use of funds from the Marine Fuel Tax receipts.
- \$2.0 million for the operation and maintenance of State parks.
- \$3.0 million for the establishment of water quality monitoring stations.
- \$1.5 million for the acquisition or permanent protection of natural areas.
- \$1.0 million for renovation of State park infrastructure.
- \$8.6 million for lake restoration. These funds are allocated as follows: \$4.0 million to Clear Lake, \$500,000 to Storm Lake, and \$1.4 million to Crystal Lake.

**Dept. of Public Defense**



The Bill appropriates a total of \$24.2 million to the Department of Public Defense. Significant appropriations include:

- A total of \$18.0 million over three fiscal years to the Homeland Security and Emergency Management Division for construction of regional multi-jurisdictional facilities for governmental, first responder, communications, and training operations, and for regional and mobile fire training centers.
- \$1.5 million for maintenance of National Guard armories and facilities.
- \$1.4 million for the Iowa City Readiness Center.
- \$1.6 million to construct an addition to the National Guard Aviation Readiness Center in Waterloo.

**Dept. of Public Safety**

The Bill appropriates a total of \$3.9 million to the Department of Public Safety, which includes \$2.4 million for the construction a new patrol post near Mason City.

**Board of Regents**



The Bill appropriates a total of \$76.5 million to the Board of Regents. Significant appropriations include:

- \$20.0 million for implementation of recommendations to support biosciences and the commercialization of related research.
- \$35.7 million for construction of a new Hygienic Laboratory at the University of Iowa.
- \$10.3 million for tuition replacement.
- \$10.0 million for infrastructure projects at the three Regents universities.

**Veterans Affairs**

The Bill appropriates \$6.2 million to the Department of Veterans Affairs for renovation and additions to facilities at the Veterans Home.

**Treasurer of State**

The Bill appropriates a total of \$11.5 million to the Treasurer of State, which includes:

- A total of \$10.0 million for FY 2007 and FY 2008 for the Watershed Improvement Fund.
- \$1.1 million for infrastructure improvements at county fairs.
- \$5.4 million for the FY 2007 debt service payments on prison infrastructure bonds.

**Statutory Changes**



Significant statutory changes include:

- Establishment of a Technology Reinvestment Fund and a standing appropriation of \$17.5 million from the General Fund to this Fund. The Fund is to be used for the acquisition of computer hardware and software, software development, telecommunications equipment, maintenance and lease agreements associated with technology components, and the purchase of equipment intended to provide an uninterrupted power supply.
- Establishment of a process that requires the DNR to annually develop a lake restoration plan that includes recommendations for lake restoration projects based on specified criteria and goals and requires the DNR to submit the plan to the Transportation, Capitals, and Infrastructure Appropriations Subcommittee by January 1 of each year.

**More Information**

The Notes on Bills and Amendments (NOBA) for HF 2782 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/index.jsp>.

STAFF CONTACT: David Reynolds (Ext. 16934)

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**GOVERNOR SIGNS FY 2006 SUPPLEMENTAL  
APPROPRIATIONS ACT – SF 2273**

**Supplemental Appropriations** The Governor signed SF 2273 (FY 2006 Supplemental Appropriations Act) on March 29. The Act 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 Act 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 Act 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 Act 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 Act appropriates \$4.0 million from the General Fund for indigent defense claims.

**Dept. of Public Safety**



The Act 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 Act 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 Act 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: Beth Lenstra (Ext. 16301) Sue Lerdal (Ext. 17794)

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**HOUSE WAYS AND MEANS COMMITTEE PASSES  
JUDICIAL BRANCH FEES AND COSTS BILL – HF 2689**

**Judicial Branch Fees Bill**

The House Ways and Means Committee passed HF 2689 (Judicial Branch Fees and Costs Bill) on March 29.

**Speeding < 55 mph**



The Committee passed an amendment to HF 2689 that increases speeding fines in speed zones under 55 miles per hour (mph) as follows:

- Increases from \$10 to \$20 for speeding fines 1 to 5 miles over.
- Increases from \$20 to \$80 for speeding fines 6 to 10 miles over.
- Increases from \$40 to \$120 for speeding fines 11 to 15 miles over.
- Increases from \$60 to \$160 for speeding fines 16 to 20 miles over.
- Increases from \$60 to \$180 for speeding fines in excess of 20 miles over, plus \$2 for each mile per hour of excessive speed.

**Speeding > 55 mph**

The Amendment also increases speeding fines in speeding zones over 55 mph as follows:

- Increases from \$20 to \$40 for speeding fines 1 to 5 miles over.
- Increases from \$40 to \$80 for speeding fines 6 to 10 miles over.
- Increases from \$60 to \$120 for speeding fines 11 to 15 miles over.
- Increases from \$80 to \$160 for speeding fines 16 to 20 miles over.
- Increases from \$90 to \$180 for speeding fines in excess of 20 miles over, plus \$5 for each mile per hour of excessive speed.

**Court Fees**

The Amendment also increases the fee charged by the clerk of the district court for filing and docketing a criminal case from \$30 to \$100 and the court costs for a scheduled violation from \$30 to \$35.



**Revenue Impact**



The following table outlines the estimated revenue impact of increasing speeding fines for both over and under 55 mph and the increase in simple misdemeanor court costs/filing fees and indictable misdemeanor filing fees.

	FY 2007		
	General Fund	County/Local Government	Victim Compensation Fund
Speeding Fine Revenue	\$ 4,531,470	\$ 1,526,644	\$ 0
32.0% Criminal Surcharge Revenue	1,528,583	96,930	313,083
Increase in Simple Misdemeanor Court Costs/Filing Fees	2,205,340	0	0
Increase in Indictable Misdemeanor Filing Fees	594,565	0	0
	<u>\$ 8,859,958</u>	<u>\$ 1,623,574</u>	<u>\$ 313,083</u>

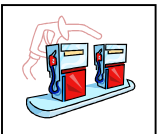
**More Information**

The NOBA (Notes on Bills and Amendments) for HF 2689 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

**HOUSE PASSES RENEWABLE FUEL INFRASTRUCTURE BILL – HF 2759**

**Renewable Fuel Bill**

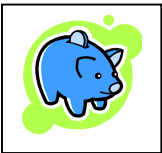


The House passed HF 2759 (Renewable Fuel Infrastructure Bill) on March 28. The Bill makes an appropriation to the Department of Economic Development (DED) to support renewable fuel infrastructure. The Bill is contingent upon enactment of HF 2754 (Renewable Fuel Incentive Bill). House File 2754 creates two Renewable Fuel Infrastructure Programs under the Renewable Fuel Infrastructure Board established in HF 2754.

**Infrastructure Programs**

House File 2759 provides an annual appropriation of \$35.0 million from the Grow Iowa Values Fund to the Department of Economic Development (DED) for FY 2007 through FY 2015. For FY 2007 through FY 2009, \$33.0 million is provided for business start-up, expansion, and retention activities, and \$2.0 million is for support of the Renewable Fuel Infrastructure Programs created in HF 2754. For the period of FY 2010 through FY 2015, the full \$35.0 million is provided for business activities.

**Allocations**



Of the \$2.0 million appropriation, 65.0% will be allocated to support the Renewable Fuel Infrastructure Program for Retail Motor Fuel Sites in HF 2754, and the remaining amount will be allocated to support both Renewable Fuel Infrastructure Programs in HF 2754. The Renewable Fuel Infrastructure Board may adjust this allocation, however, if the Board determines that the number of persons eligible to be awarded monies is insufficient.

**Administrative Costs**

House File 2759 annually allocates up to \$50,000 of the \$2.0 million appropriation to the DED for FY 2007 through FY 2009 for costs associated with administering the Renewable Fuel Infrastructure Programs established in HF 2754.

**More Information**

The NOBA (Notes on Bills and Amendments) for HF 2759 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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## HOUSE APPROPRIATIONS COMMITTEE PASSES MENTAL HEALTH REDESIGN BILL – HF 2780

### Mental Health Redesign



The House Appropriations Committee passed HF 2780 (Mental Health Redesign Bill) on March 28. The Bill provides for the following:

- Establishes various duties for the Department of Human Services and the Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury (MH/MR/DD/BI) Commission.
- Requires various items within county management plans for MH/MR/DD/BI services.
- Establishes a 150.0% Federal Poverty Level (FPL) for financial eligibility for county MH/MR/DD/BI services. This impacts 11 counties that are below this FPL.
- Provides a two-year implementation for counties to assume responsibility and the cost for those individuals served by the State Cases Program (legal settlement). These individuals will be provided the same services as those with legal settlement, and the provider will be paid the same reimbursement rate as the county pays.

### Fiscal Impact

The fiscal impact of HF 2780 is estimated to be \$3.5 million, which may be offset by the termination of the annual \$1.0 million existing contract with a managed care provider of the State Cases Program.

### More Information

The NOBA (Notes on Bills and Amendments) for HF 2780 will be available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

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## GOVERNOR SIGNS ENTERPRISE ZONES, LOCATION OF PROJECTS BILL – SF 2147

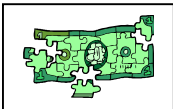
### Extended Zones

The Governor signed SF 2147 (Enterprise Zones, Location of Projects Bill) on March 22. The Act 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. A project in Adams County for an ethanol plant currently 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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**HOUSE PASSES DISTRIBUTION CENTER ENTERPRISE ZONES BILL – SF 2183**

**Amended and Passed**

The House amended and passed SF 2183 (Distribution Center Enterprise Zones Bill) on March 28. The Bill makes changes to requirements for enterprise zones and creates a new type of transportation enterprise zone.

**Fiscal Impact**



Senate File 2183, as amended, is estimated to reduce State General Fund revenue as follows:

- \$17.5 million in FY 2008
- \$21.6 million in FY 2009
- \$25.8 million in FY 2010
- \$29.9 million in FY 2011
- \$29.9 million in FY 2012

**More Information**

The Fiscal Note for SF 2183 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 SICK LEAVE INCENTIVE PLAN BILL – SF 2231**

**Bill Passes**

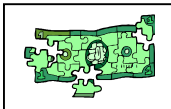
The General Assembly passed SF 2231 (Sick Leave Incentive Plan Bill) on March 29.

**Incentive Program**



The Bill extends the Sick Leave Incentive Program provided to the American Federation of State, County, and Municipal Employees (AFSCME) members under the collective bargaining agreement and to certain non-Regent employees in the Executive Branch not covered by a collective bargaining agreement. Peace Officers employed by the Departments of Public Safety and Natural Resources who are not covered by a collective bargaining agreement will have the same program provided under the contract with the State Peace Officers' Council.

**Fiscal Impact**



Senate File 2231 will increase State expenses for the payment of retirees' health insurance by \$474,000 from the General Fund and \$891,000 from all funds in FY 2007 compared to estimated FY 2006. State expenses will increase for the payment of retirees' health insurance by a maximum of \$860,000 from the General Fund and \$1.6 million from all funds in FY 2008 compared to estimated FY 2006 expenses, and will increase each year due to salary wage increases, the increased cost of health insurance, and as the total number of retirees impacted increases over the next five years.

**More Information**

The Fiscal Note for SF 2231 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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## DEER DONATION PROGRAMS

### HUSH Program



The Department of Natural Resources (DNR) released the following information related to the Help Us Stop Hunger (HUSH) Program:

- \$379,000 has been collected from the \$1.00 fee on deer licenses.
- Hunters have donated 5,600 deer, equivalent to 255,000 pounds of venison.
- The DNR reported administrative costs of \$17,000. This included posters, brochures, freezer bags, hunter registration cards, postage, and other related expenditures.
- There were 97 lockers that participated in the Program, but only 88 actually received deer donations. The processing cost for each deer is \$60 plus a \$5 per deer payment to the Food Bank of Iowa for distribution of the deer meat. The total processing costs were \$365,000.

### Prison Venison Program

The DNR also reported that 736 deer were donated to the Prison Venison Program (PVP), with total processing costs of \$40,000.

### More Information

Additional information may be accessed on the DNR web site at:  
<http://www.iowadnr.com>.

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