

FISCAL UPDATE

July 27, 2006

Legislative Services Agency

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DISTRIBUTION OF 2006 FISCAL UPDATE

Change in Distribution



The Fiscal Update is regularly distributed each Legislative Interim. In order to achieve savings in mailing and printing costs, the Fiscal Update will primarily be distributed by electronic mail and Internet posting beginning August 15, 2006. A PDF version of the publication may be accessed on the web site at: <http://staffweb.legis.state.ia.us/lfb/fupdate/fupdate.htm>.

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More Information

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

STAFF CONTACT: Holly Lyons (Ext. 17845)

SPECIAL SESSION – LEGISLATURE OVERRIDES GOVERNOR'S VETO OF EMINENT DOMAIN ACT

Veto Override



Governor's Veto

The Legislature overrode the Governor's veto of HF 2351 (Eminent Domain Act) during a Special Session on July 14. The Act related to government authority, including eminent domain authority and condemnation procedures, and other related matters, and included effective and applicability provisions.

The Governor vetoed the legislation on June 2, stating that the restrictions in the legislation went too far and that the State's economy would be negatively impacted if the legislation was enacted.

Fiscal Impact

The Act does not have a fiscal impact on the State General Fund.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Holly Lyons (Ext. 17845) Ron Robinson (Ext. 16256)

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UPDATE ON THE OAKDALE CONSTRUCTION PROJECT

Construction Update

The 178-bed Special Needs Unit at the Iowa Medical Classification Center at Oakdale is expected to be open on January 1, 2007. The facility is adding 92 general population beds for inmates with mental illness and 86 beds for inmates in need of acute, intermediate, and geriatric medical care.

Supplemental Need



The Department of Corrections (DOC) will be requesting a supplemental appropriation for FY 2007, in addition to the \$2.3 million and 31.0 FTE positions appropriated for FY 2007. The estimated FY 2008 built-in expenditure need is \$18.0 million to annualize costs associated with opening and operating the facility.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

IOWA RAILWAY FINANCE AUTHORITY – FY 2006 PROJECT FUNDING

Loan and Grant Fund

The Iowa Railway Finance Authority approved \$3.6 million in funding for 14 rail improvement projects in FY 2006 as part of the Railroad Revolving Loan and Grant Fund. According to the Department of Transportation (DOT), the rail projects are expected to support the creation of 430 new jobs, leverage \$240.0 million in new capital investment, and reduce transportation costs by \$73.0 million.

Background



The 1998 General Assembly created the Railroad Revolving Loan Fund to provide loans for railroad-related purposes. The Fund included moneys obtained from the transfer of Iowa Railway Finance Authority (IRFA) and State Rail Assistance loan repayments. The 2005 General Assembly expanded the scope of the Fund and created the Railroad Revolving Loan and Grant Fund to allow for the awarding of grants in addition to loans. The loans and grants may be issued for rail economic development projects, in addition to conservation and construction of railroads.

Projects Awarded

The following table shows projects awarded funding from the Railroad Revolving Loan and Grant Fund in FY 2006.

Railroad Revolving Loan and Grant Program
Projects Awarded in FY 2006

Project Type and Applicant	Project Location		Grant	Loan	Total
	City	County			
Branchline Assistance					
CRANDIC Smith-Dow	Cedar Rapids	Linn	\$ 0	\$ 360,000	\$ 360,000
Total			\$ 0	\$ 360,000	\$ 360,000
Industrial Service					
Cascade Lumber	Pleasantville	Marion	\$ 214,000	\$ 320,000	\$ 534,000
Marco Group	Davenport	Scott	22,500	0	22,500
Iowa Cold Storage	Altoona	Polk	120,000	259,500	379,500
Ajinomoto Heartland	Eddyville	Monroe	18,000	0	18,000
Metzler Automotive	Keokuk	Lee	60,000	0	60,000
Ryerson & Son, Inc.	Marshalltown	Marshall	30,000	0	30,000
Burlington Junction Railroad	Mt. Pleasant	Henry	18,000	0	18,000
Dunkerton Co-Op	Dunkerton	Blackhawk	18,000	0	18,000
Total			\$ 500,500	\$ 579,500	\$ 1,080,000
Bio-Energy					
Absolute Energy	St. Ansgar	Mitchell	\$ 246,000	\$ 254,000	\$ 500,000
Iowa Renewable Energy	Washington	Washington	168,000	132,000	300,000
Green Plains Renewable Energy	Shenandoah	Page	126,000	154,000	280,000
Total			\$ 540,000	\$ 540,000	\$ 1,080,000
Industrial Park/ Economic Development					
Eastern Iowa Industrial Center	Davenport	Scott	\$ 450,000	\$ 310,791	\$ 760,791
Lincoln Way Railport	Clinton	Clinton	90,000	229,209	319,209
Total			\$ 540,000	\$ 540,000	\$ 1,080,000
Grand Total			\$ 1,580,500	\$ 2,019,500	\$ 3,600,000

Source: Office of Rail Transportation, Department of Transportation (DOT)



More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

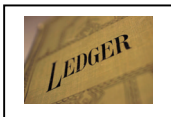
GOVERNMENT OVERSIGHT COMMITTEE MEETING

Oversight Meetings

The Government Oversight Committee met on July 18 and 19.

CIETC

At the July 18 meeting, David Vaudt, State Auditor, and Grant Dugdale, Assistant State Attorney General, provided information regarding the Central Iowa Employment and Training Consortium (CIETC). Bill Boyd, Nyemaster Law Firm, also provided information regarding non-profit and 28E entities.



At the July 19 meeting, Alan Kincheloe, CPA, Sherry Howard, Secretary-Treasurer, CIETC Board, and Mary Gottschalk, Financial Consultant to the CIETC Board testified. The Committee asked questions relating to the current financial status of the CIETC, as well as the procedures used to conduct annual audits and approve expenses.

More Information



The next meeting is tentatively scheduled for July 31. Committee meetings involving the CIETC are recorded and may be accessed on the web site at: http://www4.legis.state.ia.us/lfb/SubCom/related_links/Oversight_Recordings.html. Additional information is available from the LSA upon request.

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

ENVIRONMENTAL PROTECTION COMMISSION MEETING

Commission Meeting

The Environmental Protection Commission met on July 17 in Des Moines.

Contracts Approved

The Commission approved the following contracts:



- \$96,000 contract with Quality Consulting, Inc., to manage all data related to private wells. This includes construction permits, water tests, and other information.
- Agreements with Linn, Johnson, Cerro Gordo, Black Hawk, and Scott Counties to provide sanitary inspections and technical assistance to public water supply systems. The total cost is \$241,000 and businesses subject to the inspections include convenience stores, restaurants, and motels.
- Agreement with the Nebraska Department of Environmental Quality to develop a web site that allows Nebraska, Iowa, Missouri, and Kansas to share environmental data related to Homeland Security. Nebraska is paying the Iowa Department of Natural Resources (DNR) \$25,000 for development of the information exchange system.
- \$78,000 contract with Kirkwood Community College for development and implementation of an educational program related to efficient use of industrial energy.

The Commission also approved contracts with the University Hygienic Laboratory:



- \$338,000 contract to provide water quality monitoring and assessment of eight lakes and 10 stream segments.
- \$108,000 contract to document water quality trends from a cooperative groundwater network that includes chemical analysis from 90 wells that have been monitored for the past 10 years.

Public Drinking Water

The Commission received information on the 2005 State of Iowa Public Drinking Water Program Compliance Report. The violations of health-based standards decreased slightly compared to 2004, with coli form bacteria producing the largest number of violations.

Attorney General Referrals

The Commission referred Rose Bowl, Inc., to the Attorney General for public water violations. The Commission delayed the referral of Dyersville Implement, Inc., until information requested is reviewed.

Lake Nutrient Standards

The Commission received a presentation on developing nutrient standards for Iowa lakes. The federal Environmental Protection Agency (EPA) has asked all states to develop nutrient adoption plans. An advisory committee will assist the Department with the plan development.

Meeting Day Changed

The Commission voted to change the meeting date from the third Monday to the third Tuesday of the month.

More Information

The next meeting is scheduled for August 15. For review of Commission agendas, minutes, and other related information, access the DNR web site at: <http://www.iowadnr.com/>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

NATURAL RESOURCE COMMISSION MEETING

Commission Meeting

The Natural Resource Commission met via teleconference on July 12.

Construction Projects

The following construction projects were approved:



- Resurfacing of a cabin road at Trumbull Lake in Clay County for a cost of \$312,000. Funding is from the Parks and Institutional Roads Fund.
- Paving of a parking lot at the Hattie Elston Wildlife Area in Dickinson County for a cost of \$106,000. Funding is from the Marine Fuel Tax Fund.
- Construction of 22 stabilization structures at Viking Lake in Montgomery County for a cost of \$209,000. Funding is from federal funds and Lake Restoration Funds.
- Removal and placement of an outlet control structure at Riverton Wildlife Management Area in Fremont County for \$91,000. Funding is from federal funds and the Fish and Wildlife Trust Fund.
- Construction of a water patrol building at Red Rock Lake in Marion County for a cost of \$238,000. Funding is from the Marine Fuel Tax Fund.

Land Donation

The Commission approved the donation of two acres located in Louisa County adjacent to Lake Odessa. The land will be used as a bird sanctuary for song birds and games species.

Honey Creek Approval



The Commission approved two items related to the Honey Creek Destination Park:

- Approval of the Rathbun Lake Resort, Inc., the local non-profit group that will raise funds for the Honey Creek Destination Park.
- Allowing the use of naming rights at Honey Creek Destination Park for organizations making substantial donations.

Contract Agreements

The Commission approved two contracts for the following:

- \$500,000 contract with the City of Storm Lake to continue lake dredging operations at Storm Lake.
- \$81,000 contract with Iowa State University to assess the costs, benefits, and economic impacts of water quality improvements at 35 Iowa lakes.

More Information

The next meeting is scheduled for August 10. For review of Commission agendas, minutes, and other related information, access the DNR web site at: <http://www.iowadnr.com/>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

IOWA EMPOWERMENT BOARD MEETING

Board Meeting

The Iowa Empowerment Board met on July 14 at the Blank Park Zoo in Des Moines. The Board elected Judy McCoy-Davis to serve as Vice Chairperson and Chairperson-Elect.

Admin. Update



Shanell Wagler, Empowerment Facilitator, updated the Board on plans for the 2006 Early Care, Health, and Education Congress, scheduled for November 14-15 in Ames. Board members agreed to conduct the regular November meeting on November 14 at the Gateway Center in Ames. Ms. Wagler also reported on the activities of the three local boards that are currently working on improvement plans under one-year conditional redesignations. The Board also received information on plans for the September meeting in Cedar Falls.

IPTV Ready to Learn

Ms. Wagler noted that HF 2527 (FY 2007 Education Appropriations Act) allocated \$100,000 of the FY 2007 Empowerment appropriation to support the Iowa Public Television (IPTV) Ready to Learn Coordinator. She reported that the Empowerment Team met with IPTV staff recently and will assist in outreach activities for the Ready to Learn Program. More information will be made available as plans develop.

Family Support Coordinator

Ms. Wagler noted that HF 2769 (Community Empowerment Initiative Act) allocated \$100,000 of the FY 2007 Quality Improvement appropriation for technical assistance. The Technical Assistance Team has determined the best use of these funds will be to support a statewide family support coordinator. The Department of Management is developing a job description for the position.

Workforce Development

A provision in HF 2769 added the Director of the Department of Workforce Development to the Iowa Empowerment Board. Ms. Wagler reported on her discussions with the Department's Interim Director regarding the involvement of Workforce Development in the Empowerment Program.

Preschool Tuition Support

The Board adopted revised guidelines for local boards in regard to preschool tuition support. The guidelines were revised to comply with the provisions of HF 2769, which provided increased funding for preschool tuition assistance for low-income families.

Family Support Guidelines



The Board adopted revised guidelines for local boards in regard to family support and parent education. The guidelines were revised to reflect provisions of HF 2769, which targeted funding to families expecting a child or with newborn and infant children through age three and which required that programs include a home visitation component. The Act also required local boards to commit 60.0% of their State funding, not already designated for a particular purpose, to family support services and parent education programs targeted to families with children through age five.

Professional Development

The Board received a report regarding the development of plans for professional development programming. A total of \$2.2 million in State funding was allocated for this purpose in FY 2007. A Professional Development Planning Committee was convened on July 7, with representatives from a number of State agencies, Iowa State University Extension, the Community College Alliance, the Area Education Agencies,

Head Start, local Empowerment Boards, and several early childhood organizations. The Committee submitted a total of 29 proposals for programming that their organizations were prepared to provide. The Committee recommended funding for 16 proposals, leaving \$200,000 available for system building activities.

Board members shared concerns about the process followed in developing the recommendations, duplications of existing efforts, and the location and timing of training opportunities. The Board directed staff to address the concerns and present a revised recommendation at the next meeting.

Quality Improvement



The Board discussed options for distributing \$3.4 million in Quality Improvement funding to the local boards. After a lengthy discussion, with input from local board representatives, the Board agreed to allocate \$30,000 to each of the 58 local boards and to allocate the remainder (\$1.7 million) through the Empowerment formula. Local boards will be required to submit a plan for use of the funds, and the plans must be approved before the funding will be made available.

Other Action

The Board discussed the final phase of its strategic planning process and received a report on the voluntary Child Care Quality Rating System.

More Information

The next meeting is scheduled for September 21-22. Additional information is available from the LSA upon request.

STAFF CONTACT: Robin Madison (Ext. 15270)

COLLEGE STUDENT AID COMMISSION MEETING

Commission Meeting

The College Student Aid Commission met on July 17-18 in Des Moines.

Registration Approvals

The Commission approved the postsecondary registration renewal for Hannibal LaGrange College. The Commission also approved the addition of a new program for a Bachelor of Science in Human Services/ Management to the existing approval for the University of Phoenix.

LEAP Allocations



The Commission approved use of the federal Leveraging Educational Assistance Partnership (LEAP) funds for the Iowa Grant Program and approved the individual institution allocations. The LEAP Program provides approximately \$323,000 to supplement the Iowa Grant Program. Iowa Grant Program funds are distributed to all three Iowa higher education sectors, including the Regents universities, private colleges, and community colleges. The FY 2007 General Fund appropriation for the Iowa Grant Program is \$1.0 million.

USDE Audit

Commission staff participated in an audit entrance interview for the U.S. Department of Education. The Commission will undergo the scheduled audit from July 17-28.

Strategic Planning

The Commission spent July 18 on development and strategic planning.

More Information

The next meeting is scheduled for September 21. Additional information regarding the meeting, including the full text of meeting materials, may be accessed on the Commission's web site at: <http://www.iowacollegeaid.org/about.html>. Additional information is available from the LSA upon request.

STAFF CONTACT: Mary Shipman (Ext. 14617)

STATE BOARD OF HEALTH MEETING

Board Meeting

The State Board of Health met on July 12.

Dept. Reports

Janet Zwick, Department of Public Health (DPH), provided the following information:



- Federal Budget and Special Projects - The marked-up version of the federal budget bill is scheduled to be available on July 18. Board members were encouraged to contact members of the House Appropriations Committee to request funding at status quo levels.
- State Budget Process - The Department is currently working on the departmental budget request for FY 2008, which will be due to the Governor's Office prior to October 1. The Department will submit budget offers; however, Budget Teams will not be utilized.
- DeAnn Decker was introduced as the new Chief of Substance Abuse Prevention and Treatment. Ms. Decker began her duties with the DPH on March 1.

Mumps/West Nile

Meghan Harris, DPH, provided an update on Mumps cases, as well as West Nile Virus activity. To date, there have been 1,938 cases of Mumps reported in 86 counties. Twenty-five percent of the cases involved college students. In addition, birds have tested positive for the West Nile Virus in 10 counties and one human case has been reported in Marion County to date this season.

DPH Adopted Rules

The Board approved the adoption of three administrative rules for the DPH relating to Emergency Medical Services and the Center for Congenital and Inherited Disorders (filed emergency after notice).

DPH Noticed Rules

The Board also approved three administrative rules for the DPH for adoption at a future meeting relating to early hearing detection and intervention, radon testing and analysis, and radon mitigation.

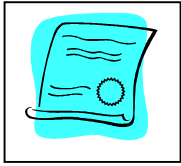
DIA Noticed Rules

The Board approved several administrative rules for the Department of Inspections and Appeals (DIA) for adoption at a future meeting relating to simplifying the notification process regarding the death of a resident at various health care facilities.

Sub. Abuse Licensure

The Board approved the following licensure recommendations for substance abuse programs as recommended by the Department of Inspections and Appeals:

- Three-Year Comprehensive Licensure Programs - Substance Abuse Treatment Unit of Central Iowa, Marshalltown; and New Life Outpatient Center, Inc., Davenport.



- Assessment and Evaluation Programs - Sixth Judicial District, Department of Correctional Services - Substance Abuse Evaluation Program, Cedar Rapids; Horizons, Cedar Rapids; and Substance Abuse Services for Clayton County, Elkader.
- One-Year Comprehensive Program - Family Recovery Center, Ottumwa.
- 270-Day Programs - Advance Therapy Recovery Services, Sioux City.

More Information

The next meeting is scheduled for September 13. Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

JULY COUNCIL ON HUMAN SERVICES MEETING

Council Meeting

The Council on Human Services met on July 12.

Public Hearing

Various organizations provided testimony on the FY 2008 budget. Public hearing materials will be available on the LSA web site at a later date.

Child Care

Mark Adams, Becky Elson, and Bob Welsh discussed concerns and timeframes relating to Child Care subsidy improvements.

Adm. Rules



The Council approved the following administrative rules for adoption:

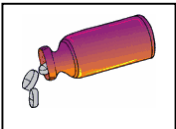
- Updates to Medicaid resource policies to conform to the federal Deficit Reduction Act of 2005.
- Transfer of administration of the State Payment Program for services to adults with mental illness, mental retardation, and developmental disabilities to county Central Points of Coordination.
- Changes related to IowaCare eligibility, as well as changes that allow premium payment at Broadlawns Medical Center, and requirements for a written statement for hardship declaration.

Officer Election

The Council reelected Ruth Mosher and Jim Miller to serve as the Chairperson and Vice Chairperson, respectively.

Director's Report

Director Kevin Concannon provided the following information:



- The Department will begin a national search the week of July 10 for the new Mental Health Division Director, with the closing date for applications set for mid-September.
- A small number of pharmacies have been adversely impacted by Medicare Part D, experiencing cash flow issues due to the current payment cycle of twice per month. The Department plans to launch a weekly payroll cycle on August 7.
- The federal Centers for Medicare and Medicaid (CMS) has approved several of the State's Medicaid Waivers for the Consumer Choices Initiative. Limited implementation of this option is anticipated to begin in October 2006.
- Deb Hanus has been appointed as the new Superintendent at the Toledo Juvenile Home.



- Director Tom Deiker, Cherokee Mental Health Institute, will retire at the end of July 2006. Dr. Dan Gillette, the current Medical Director, will also serve as the Interim Director until a replacement is found. The search for a new director at the Mt. Pleasant Mental Health Institute continues as well.
- The Department submitted a \$27.0 million application to the federal CMS on June 30 for funding that will allow for Medicaid eligibility for 1,000 inmates scheduled to be discharged from the Corrections System as part of a federal study to determine if providing temporary health coverage will decrease those applying for SSI disability.
- The Child Support Call Center has moved to Marshalltown.
- The Department will receive a national award from the federal Department of Agriculture for the Farmers Market Program, which includes 167 devices that accept Food Assistance EBT cards in 25 markets across the State.
- The Department anticipates some potential difficulties with the new federal Medicaid Citizenship Authentication requirement, particularly for new applicants.
- Director Concannon will leave for China on July 21 to provide consultation regarding Western health care systems.

Better Results for Kids

The update on Better Results for Kids was delayed until a future meeting.

More Information

The next meeting is scheduled for August 9. Additional information is available from the LSA upon request.

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

**CHILDREN'S MENTAL HEALTH WAIVER REVIEW
COMMITTEE MEETING**

CMH Waiver Meeting

The Children's Mental Health (CMH) Waiver Review Committee met on July 10.

Statistics Update



Lin Christensen, Iowa Medicaid Enterprise (IME), proposed and the Committee discussed developing a year-in-review report on the CMH Waiver. Currently, 237 children are receiving services under the Waiver, 60 applications are in process, and 3 cases are experiencing a 60-day hold. There are 285 children on the waiting list for the Waiver. The number of Waiver slots is capped at 300.

CINA/Delinquency Letter

Ms. Christensen proposed approval of a letter intended to clarify for Department of Human Services (DHS) workers the relationship between CMH Waiver services and Child in Need of Assistance (CINA) adjudications. The letter was not approved, and it was decided that action on the CMH Waiver rules may be needed to address the issue.


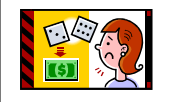
Quality Workgroup

Lin Christensen and Anne Volker, Iowa State University Child Welfare and Research Training Project, reviewed the most recent meeting of the Waiver Quality stakeholder workgroup.

- Focus Group Subcommittee** Ms. Volker, Representative Lisa Heddens, and Oscar Fewins, DHS, reviewed the progress of the Focus Group Subcommittee and asked for volunteers to help facilitate focus groups in six locations statewide.
- Level of Care Assessments** Beginning August 1, case managers will fill out level of care assessments with waiver participants, and the IME will process the assessments. Formerly, IME workers performed the assessments directly.
- More Information** The next meeting is scheduled for August 7. Additional information is available from the LSA upon request.

STAFF CONTACT: Kerri Johannsen (Ext. 14611)

GAMBLING TREATMENT PROGRAM ADVISORY COMMITTEE MEETING

- Advisory Committee** The Gambling Treatment Program Advisory Committee met on July 7.
- Licensure Standards** Legislation enacted during the 2005 Legislative Session required that gambling treatment programs be licensed by the State. A proposed draft of licensure standards will be distributed to providers at the end of August 2006. The administrative rules are not anticipated to be finalized until July 2007.
-  Strategic Planning The strategic plan is a work in progress. A delegation of those working on the plan traveled to Minnesota and studied other states' plans. An increasing concern in all states is Internet and youth gambling.
- Budget Update** The gambling treatment budget is estimated to be \$5.2 million for FY 2007, which includes an estimated \$600,000 in carryover funds. The carryover amount may be greater; however, the actual amount will not be known until the official close of FY 2006 at the end of September. If additional carryover funds are available, provider contracts will be increased.
- UNI Contract** The State has a contract with the University of Northern Iowa (UNI) for outcome work related to gambling treatment. In the past, there have been concerns related to provider compliance with consent forms, which UNI data is showing has improved. The UNI is required to submit an annual report, which is due in mid-August.
- Gambling Hotline** Monthly statistics for the 1-800-Bets-Off Iowa Hotline are now available on the Department of Public Health web site at: <http://www.1800betsoff.org>. Television and radio advertisements for gambling treatment also continue and are designed with input from providers.
-  Awareness/Conferences Responsible Gaming Activities Week is August 7-11, and a regional conference on problem gambling will be held August 16-18 in Kansas City.
- New Staff** Mark Vander Linden has been hired to staff the position formerly held by Frank Biaggioli, beginning August 1, and will work with providers, including providing technical assistance.

More Information

The next meeting is scheduled for October 6. Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942) Douglas Wulf (Ext. 13250)

STATE PAYMENT RESIDENCY TEAM MEETING

Residency Team Meeting

The State Payment Residency Team met on July 12. House File 2780 (Mental Health Redesign Act) requires the Department of Human Services (DHS) to transfer responsibility for State Payment Program (SPP) participants to the counties beginning on October 1. The Residency Team is responsible for determining county of residency for each SPP participant. This information will be used to determine State funding for each county to provide services for the SPP population.

Implementation

The Team discussed the necessity of informing both SPP patients and providers of the changes that will take place in services on October 1. The Team suggested that a Notice of Decision be issued to all SPP participants. It was also suggested that physicians consult their county's plan and inform SPP patients at appointments of upcoming changes in services.



Of special concern were SPP participants who had mistakenly received pharmaceuticals through the SPP that will no longer receive them under their County Plan. Counties also wish to obtain the files of SPP patients for which they will now have responsibility. It was agreed that a legal process for ensuring records transfers would be pursued.

Administrative Rules

The administrative rules governing the mental health redesign were noticed and filed emergency on July 14. The Team discussed changes necessary to allow the DHS to reimburse hospitals for actual SPP expenditures from October 1, 2006, through July 1, 2007, rather than including funding in the quarterly prospective payments. Team members believed this change was necessary because there is great uncertainty in how SPP hospital expenses will be divided among counties. The lack of historical data makes determining estimates difficult. The Team decided that members would submit comments about the rules to the DHS.

More Information

The next meeting is scheduled for August 15. Additional information is available from the LSA upon request.

STAFF CONTACT: Kerri Johannsen (Ext. 14611)

DEPARTMENT OF CORRECTIONS BOARD MEETING

July Meeting



The Board of Corrections met on July 7 at the North Central Correctional Facility in Rockwell City. Director Gary Maynard, Department of Corrections (DOC), provided a summary of current DOC activities and statistics. The Request for Proposal (RFP) for the \$500,000 needs study has been issued and the deadline is mid-August. There are currently 38,000 offenders under supervision in the community and in prison. Challenges that continue to face the DOC include an aging prison population, increased medical costs, mentally ill offenders, and the need for adequate staffing for the institutions and community corrections.

Population Growth

The current prison population is approximately 8,600 offenders and is projected to increase to 10,400 by 2015. Female offenders are increasing at a faster rate than male offenders, with an overall population projection of 10,800 by 2015, including those in prison and under community supervision. The growth in sex offenders over the next 10 years is estimated to fill a 750-bed prison. The projected growth is due to the 1996 Violent Crime Initiative, the 1996 Sexually Violent Predator Law, and changes in HF 619 (Sex Offender Act) in 2005, which created a new Class A felony, increased other penalties, and provided for a loss of earned time for refusing treatment in prison. The cumulative effect of the 1996 legislation is 655 additional offenders by 2015. The cumulative effect of the 2005 legislation mandating special sentences is 2,526 additional offenders by 2013.

Staffing - Prisons



Staff recruitment and training continues to be a key issue. The DOC will be hosting the National Institute of Corrections (NIC) for correctional staff analysis training July 17-20 at the Iowa Medical and Classification Center at Oakdale. In FY 2003, there were 1,693 correctional officers, compared to the June 1, 2006, count of 1,617. For FY 2007, there are 2,921.6 FTEs budgeted for correctional officers at Iowa's nine institutions. The current offender-to-staff ratio is 5.3 to 1.

Staffing – CBCs

For Community-Based Corrections (CBCs), the current workload formula shows a need for 78.5 FTEs statewide to effectively manage the risk presented by the 30,000 offenders under community supervision. Statewide, there are 22 Residential Correctional Facilities with a total capacity of 1,440 beds. The current population at these facilities is 1,501 or 104.2% of capacity. There are currently 503 offenders waiting for a residential bed, including 243 waiting in prison and 260 in local and county jails.

More Information

Additional information is available from the LSA upon request.

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

AUDIT REPORT – DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Audit Report

The LSA received a copy of the State Auditor's FY 2005 Audit Report for the Department of Agriculture and Land Stewardship.

Statutory Findings



Findings related to statutory requirements included:

- State Apiarist — Chapter 160.1, Code of Iowa, requires the Secretary of Agriculture to appoint a State Apiarist. This position was eliminated in December 2001.
- Soil Conservation Loans — Chapter 161A.71, Code of Iowa, allows the Department to make no-interest loans for permanent soil conservation practices. The Department is not charging interest on loans that are delinquent.
- Board of Veterinary Medicine Report — Chapter 169.5 (7), Code of Iowa, requires the Board of Veterinary Medicine to submit an annual report to the Governor. The Report has not been submitted.
- Examinations — Chapter 200A.10, Code of Iowa, requires the Department to examine bulk dry animal nutrient products distributed in the State. The Department does not conduct these examinations.

- Licensed Grain Dealers — Chapter 203.9, Code of Iowa, requires the Department to inspect every licensed grain dealer and warehouse every eighteen months. Thirty-four of the 211 licensed grain dealers and 25 of 221 licensed warehouses were not inspected.
- Department Tests — Chapter 214A.6, Code of Iowa, states the Department will test samples of motor vehicle fuel or oxygenate octane enhancer for a fee of \$2.00. The Department does not complete these tests.
- Report on Iowa Communication Network (ICN) Savings — Chapter 8D.10, Code of Iowa, requires a State agency to provide an annual report to the General Assembly regarding savings from holding meetings on the ICN. No report was prepared.
- Office of Renewable Fuels — Chapter 15E.111(8), Code of Iowa, requires the Department of Economic Development and the Office of Renewable Fuels to prepare a report every six months detailing the progress made in value-added agricultural processes and products. The Report has not been prepared.
- Board Member Attendance — Chapter 69.15, Code of Iowa, specifies a person appointed to a board that has not attended three or more consecutive meetings resigns from office. The State Soil Conservation Committee had one member that did not comply with attendance requirements.



Capital Assets

The Department is required to maintain a detailed, up-to-date inventory of real and personal property owned by the State. There were four instances where the Department varied from the Code of Iowa.

Surety Bonds

Persons filing a coal mining application with the Department must file a surety bond. The surety bond database had not been updated to reflect the most recent activity.

More Information

A copy of the Audit Report is available from the LSA upon request or on the State Auditor's web site at: <http://auditor.iowa.gov/reports/reports.htm>.

STAFF CONTACT: Debra Kozel (Ext. 16767)

AUDIT REPORT – DEPARTMENT OF PUBLIC HEALTH

Audit Report

The LSA received a copy of the State Auditor's FY 2005 report on the Department of Public Health. The report cited two findings related to internal controls for initial receipt listings prepared by the Bureau of Radiological Health and the Professional Licensure Division.

Receipt Listings



Payments by cash and check are received at various locations in the Department. Initial receipt listings should be prepared when the cash or check is received and later compared to the deposit by an independent person.

In the Bureau of Radiological Health, the initial receipt listings were created by the mail opener; however, the listings were not compared to the deposits. In the Professional Licensure Division, the listings were not prepared.

Audit Responses

In the Bureau of Radiological Health, staff are now compiling and photocopying a list of checks received before sending them up to the Cashier's Office in the Bureau of Finance. The Bureau of Finance returns a

copy of the Cash Receipt Document and the processed paperwork to the Bureau of Radiological Health, which utilizes the information for reconciliation.

The Professional Licensure Division attributed this finding to insufficient FTE positions and an inadequate computer system. The Division anticipates the finding can be corrected, beginning in FY 2008, when the Division will retain 100.0% of fees that will provide additional resources to address the finding. In the meantime, the Auditor recommends the Division consider performing random checks of receipts to deposits to ensure receipts are properly deposited.

More Information

A copy of the Audit Report is available from the LSA upon request or on the State Auditor's web site at: <http://auditor.iowa.gov/reports/reports.htm>.

STAFF CONTACT: Lisa Burk (Ext. 17942)

CAPITAL PROJECTS COMMITTEE MEETING

Capital Projects Meeting

The Capital Projects Committee met on July 19 and heard presentations from the Department of Administrative Services (DAS) on capital complex parking issues and projects being implemented and planned on the Complex.

Capital Complex Parking



The Department uses the top two stories of the Capitol Complex parking garage as temporary space for State vehicles. The Department is currently working with a real estate consultant to locate property in close proximity to the Capitol Complex that can be used as a permanent location for the fleet. The Department is also looking into the possibility of co-locating the fleet with the City of Des Moines.

West Capitol Terrace

The Department provided an update on the status of the West Capitol Terrace Project. The Project consists of redesigning the area west of the Capitol Building from parking lots into a plaza and park-like area. Grading for the project is in progress, and the Department is considering purchasing property located on East Locust that could be incorporated into the Project.

Mercy Hospital Property

The Department has been in discussion with Mercy Hospital concerning a land swap consisting of trading the State parking lot located at East 12th Street and north of Grand Avenue with a parking lot owned by Mercy located north of Des Moines Street. Mercy has also expressed interest in selling all of their property located north of Des Moines Street.

More Information

The next meeting is scheduled for August 17. Additional information is available from the LSA upon request.

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