

# FISCAL UPDATE

April 5, 2007

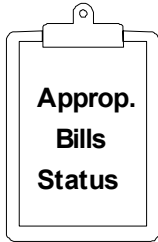
Legislative Services Agency

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## STATUS OF APPROPRIATIONS BILLS

As of March 29, 2007



Appropriations Subcommittee Bills			
Appropriations Subcommittee		LSB/ File #	Status
Administration and Regulation Appropriations Bill		HF 874	Passed House on March 28.
Agriculture and Natural Resources Appropriations Bill		SF 551	Passed Senate Appropriations Committee on March 13.
Economic Development Appropriations Bill		SF 562	Passed Senate Appropriations on March 20.
Education Appropriations Bill		SSB 1332	Passed Joint Subcommittee on March 7.
Health and Human Services Appropriations Bill		LSB 1130JA	Passed Joint Subcommittee on March 29.
Judicial Branch Appropriations Bill		SF 563	Passed Senate on March 26.
Justice System Appropriations Bill		SSB 1338	Passed Senate Appropriations on March 28.
Transportation Appropriations Bill		HF 752	Passed House on March 20.
Other Appropriations Bills			
Allowable Growth Rate Act		SF 109	Signed by Governor on February 22.
Advanced Placement Examination Fee Bill		HF 47	Passed House Education Committee on March 7.
Comprehensive and Affordable Health Care Bill		SF 367	Passed Senate Appropriations Committee on March 28.
Energy Utility Assessment and Resolution Program Bill		HF 347	Passed House Commerce Committee on February 8.
Federal Block Grant Bill		HF 787	Passed House on March 20.
Greenhouse Gas Emissions Bill		SF 494	Passed Senate Appropriations Committee on March 28.

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<b>Other Appropriations Bills (cont.)</b>			
Greenhouse Gas Emissions Bill		SF 494	Passed Senate Appropriations Committee on March 28.
George Washington Carver Endowed Chair Bill		HF 518	Passed House Appropriations Committee on March 27.
School District Reorganization and Sharing Incentives Bill		HF 534	Passed House Appropriations Committee on March 28.
School District Reorganization and Sharing Incentives Bill		SF 447	Passed Senate on March 26.
Sensitivity Training Bill		HF 876	Passed House Appropriations Committee on March 20.
Statewide Preschool Program for Four-Year-Olds Bill		HF 877	Passed House Education Committee on February 22.
Statewide Preschool Program for Four-Year-Olds Bill		SF 350	Passed House on March 28.
Student Achievement and Teacher Quality Bill		SF 277	Passed House Education on March 26.
FY 2007 Supplemental Appropriations Bill		SF 403	Passed House Appropriations Committee on March 29.
Supplemental Appropriations for Veterans Programs Act		SF 95	Signed by Governor on February 14.
Targeted Small Business Task Force Recommendations Bill		HF 361	Passed House Appropriations Committee on March 28.
Waste Tire Management Fund Bill		HF 511	Passed House Environmental Protection Committee on February 23.

**HOUSE PASSES FY 2007 SUPPLEMENTAL APPROPRIATIONS BILL – SF 403**

**Supplemental Bill**

The House amended and passed SF 403 (FY 2007 Supplemental Appropriations Bill) on March 29. The Bill appropriates \$13.5 million from the General Fund and \$17.4 million from Other Funds.

**Administrative Services**

The Bill appropriates \$1.0 million to the Department of Administrative Services for utility cost increases.

**Iowa Public Television**

The Bill appropriates \$1.0 million for a mobile television and production unit and digital equipment for the Iowa Public Television.

**Human Services**

The Bill appropriates \$10.0 million from the IowaCare Account for reimbursement to the University of Iowa Hospitals and Clinics.

**Corrections**

The Bill appropriates \$5.3 million to the Department of Corrections as follows:

- \$1.2 million for food, fuel, and pharmacy cost increases.



- \$3.4 million to open the 178-bed Special Needs Unit.
- \$600,000 to fund salaries and reimburse the counties for holding alleged violators.

**Public Safety**

The Bill appropriates \$1.0 million to the Department of Public Safety. Significant funding includes:

- \$467,000 for gaming enforcement and supplies for the All Felons DNA Database.
- \$150,000 to the Iowa State Patrol for overtime expenses.

**Real Estate**

The Bill requires approval from the General Assembly and the Governor prior to disposal of certain property that has a fair market value of \$5.0 million or more.

**More Information**

The NOBA (Notes on Bills and Amendments) for SF 403 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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

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## HOUSE PASSES ADMINISTRATION AND REGULATION APPROPRIATIONS BILL – HF 874

**Appropriations Bill**

The House passed HF 874 (FY 2008 Administration and Regulation Appropriations Bill) on March 28.

The Bill appropriates a total of \$94.2 million from the General Fund and 1,885.8 FTE positions. This is an increase of \$8.3 million and 16.9 FTE positions compared to estimated FY 2007. This Bill also appropriates a total of \$20.1 million from Other Funds, an increase of \$211,000 compared to estimated FY 2007.

**House Amendments**

The House amended the Bill by adding 4.0 FTE positions to the Department of Commerce, Utilities Division, and adding 4.0 FTE positions to the General Office of the Governor. The amendment also requires the Governor's Office of Drug Control Policy to transfer an equal amount of the General Fund appropriation to the General Fund if federal funding received for the multijurisdictional drug enforcement programs exceeds \$1,560,000.

**More Information**

The NOBA (Notes on Bills and Amendments) for HF 874 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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## HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE PASSES APPROPRIATIONS BILL – LSB 1130JA

**Approps. Bill**

The Health and Human Services Appropriations Subcommittee passed LSB 1130JA (FY 2008 Health and Human Services Appropriations Bill) on March 29. The Bill appropriates a total of \$1.272 billion, which includes \$1.145 billion from the General Fund and \$127.6 million from the Health Care Trust Fund (HCTF) and 6,849.3 FTE positions. This is a total increase of \$109.1 million and 168.7 FTE positions compared to estimated FY 2007.

**Other Funds**



The Bill also appropriates \$335.3 million in Other Funds, a net increase of \$13.9 million compared to estimated FY 2007. This includes:

- \$6.0 million from the Gambling Treatment Fund, which is no change compared to estimated FY 2007.
- \$143.3 million from the Temporary Assistance to Needy Families (TANF) Fund, an increase of \$4.3 million compared to estimated FY 2007.
- \$74.9 million from the Senior Living Trust Fund (SLTF), an increase of \$60,000 compared to estimated FY 2007.
- \$1.3 million from the Pharmaceutical Settlement Account, an increase of \$945,000 compared to estimated FY 2007.
- \$103.2 million from the IowaCare Account, an increase of \$10.0 million compared to estimated FY 2007.
- \$4.0 million from the Health Care Transformation Account, a decrease of \$564,000 compared to estimated FY 2007.
- \$2.5 million from the Veterans Trust Fund for new appropriations in FY 2008.

**Dept. Elder Affairs**

The Bill includes an increase of \$295,000 from the General Fund for the Department of Elder Affairs for an Alzheimer's disease task force, two additional long-term care ombudsmen, and to implement an Office of Substitute Decision Maker. The Bill also includes an increase of \$60,000 from the SLTF for dementia-specific education for direct care workers.

**Dept. of Public Health**

The Bill includes a net increase of \$9.2 million for the Department of Public Health from the General Fund and the HCTF. The major changes include:



- Addictive Disorders – An increase of \$9.3 million for tobacco use prevention and treatment and substance abuse treatment.
- Healthy Children and Families – An increase of \$380,000 for childhood obesity prevention and the Assuring Better Child Health and Development (ABCDII) Program.
- Chronic Conditions – An increase of \$1.4 million for child health specialty clinics, the Iowa Consortium for Comprehensive Cancer Control, and cervical and colon cancer screening.
- Community Capacity – An increase of \$3.1 million for the mental health professional workforce shortage, local public health redesign, and various health care collaborative efforts.
- Environmental Hazards – An increase of \$121,000 for child blood lead testing.
- Infectious Diseases – An increase of \$360,000 for a Bureau Chief position in the Center for Acute Disease Epidemiology (CADE) and to cover inflationary costs for vaccines.
- Public Protection – A net decrease of \$5.6 million, with increases for child sex abuse prevention and management of the anti-viral stockpile. The decrease (\$5.9 million) is due to the retention of fees by the public health boards.
- Resource Management – An increase of \$150,000 for administration of tobacco-related programs.

**Dept. of Human Services**



The Bill includes a net increase of \$102.6 million for the Department of Human Services (DHS) from the General Fund and the HCTF. The major changes are summarized as follows:

- \$63.5 million net increase for the Medical Assistance (Medicaid) Program, including funding to increase the income disregard for parents from 50.0% to 58.0%; funding to reduce the Children's Mental Health Waiver waiting list; funding for increased enrollment in the Medicaid for Independent Young Adults Program; funding to expand enrollment for Medicaid-eligible children; funding to provide State match for the federal Money Follows the Person grant; and funding for habilitation services.
- \$3.5 million increase for the State Children's Health Insurance Program for caseload growth and outreach efforts.
- \$1.3 million increase for Child Support Recoveries for service costs and changes related to the federal Deficit Reduction Act of 2005.
- \$250,000 increase for Medical Contracts for expanded monitoring of the Medicaid home and community-based waivers.
- \$1.5 million decrease for State Supplementary Assistance due to decreased costs and utilization.
- \$16.4 million net increase for the Child Care Assistance Program to maintain current caseload previously covered by federal carryforward funds; caseload growth; annualize provider rates; and for additional provider participation under the Quality Rating System (QRS). A decrease of \$1.0 million is included, which is replaced with FY 2007 carryforward funds from TANF.
- \$242,000 increase for the Toledo Juvenile Home for mental health and behavioral services staff and inflation.
- \$287,000 increase for the Eldora Training School for mental health and behavioral services staff and inflation.
- \$7.8 million net increase for Child and Family Services for a 3.0% provider rate increase; replacement of carryforward funds used in FY 2007; an increase for group care; an increase for the Preparation for Adult Living Services Program; changes in the federal match rate; an increase for child sex abuse prevention; an increase for the Elevate foster care support group; an increase for foster care children sibling visitation; and an increase for foster care maintenance and independent living rates. A decrease of \$1.2 million is included to transfer the State match for the Children's Mental Health Waiver to Medicaid.
- \$527,000 increase for the Adoption Subsidy Program for changes in the federal match rate and an increase for adoption subsidy maintenance rates.
- \$767,000 increase for the four Mental Health Institutes for fuel, utility, and staffing costs.
- \$1.3 million increase for the Sexual Predator Commitment Program for fuel, utility, and staffing costs.
- \$5.6 million increase for the Mental Health Allowed Growth appropriation.
- \$275,000 net increase for the two State Resource Centers for fuel, utility, and staffing costs.
- \$4.5 million increase for General Administration and Field Operations for increased staffing for various programs. Of this, \$350,000 is for development of a Mental Health Policy Plan.



**Veterans**



The Bill includes a net decrease of \$2.9 million from the General Fund for the Department of Veterans Affairs. This includes:

- \$331,000 increase for department staff and cemetery costs.
- \$250,000 decrease for the Veterans County Grant Program.
- \$3.0 million decrease for the Veterans Trust Fund, of which \$2.0 million is replaced by a transfer.

The Veterans Trust Fund receives a total of \$3.5 million, which includes a \$1.5 million appropriation from the General Fund and \$2.0 million in FY 2007 carryforward funds from the Veterans Home. Of the \$3.5 million, \$2.0 million is appropriated to the Veterans Housing Assistance Program under the Iowa Finance Authority, and \$500,000 is appropriated for a Vietnam Veterans Bonus, if enacted.

**More Information**

The NOBA (Notes on Bills and Amendments) for LSB 1130JA will be available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Lisa Burk (Ext. 17942) Jess Benson (Ext. 14611) Sue Lerdal (Ext. 17794)

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**HOUSE PASSES STATEWIDE VOLUNTARY PRESCHOOL PROGRAM FOR FOUR-YEAR-OLDS BILL – HF 877**

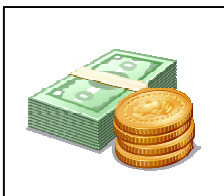
**Preschool Bill**



The House passed HF 877 (Statewide Voluntary Preschool Program for Four-Year-Olds Bill) on March 28. The Bill provides for the following:

- Establishes the goal of providing an opportunity for all children in the State to enter school ready to learn by expanding voluntary access to quality preschool curricula for all children who are four years old.
- Requires collaboration among schools and other agencies and organizations within the community in providing services and meeting the diverse needs of children, families, and communities.
- Provides for ten hours of preschool instruction per week. The Program teacher is required to possess a bachelor's or graduate degree in early childhood or a related major, be appropriately licensed, and be employed by, or through, a 28E Agreement contract with the school district.
- Requires the Department of Education to adopt administrative rules for the teacher requirements, program requirements, and school district responsibilities.

**Program Funding**



The Program funding is calculated as follows:

- Four-year-old students are eligible unless they are participating in a preschool program already funded by State or federal funds.
- Appropriations are made for FY 2010 - FY 2012 for the initial start-up of community programs. The FY 2009 start-up appropriation for this Program will be made in the Education Appropriations Subcommittee Bill.
- The Program's funding for the second and subsequent years is driven by the prior year's preschool budget enrollment in a manner similar to the School Foundation Formula, but the preschool pupils are not counted in the school districts' regular budget enrollments. The Program's funding is accounted for separately from School Foundation Aid by the school districts, even though

payments are made through the School Foundation standing unlimited appropriations. The Program does not include a property tax component.

- The Program formula uses the State cost per pupil from the School Foundation Formula under Chapter 257, Code of Iowa, in calculating preschool program funding. Since the State cost per pupil comes from the School Foundation Formula, it grows each year by the allowable growth rate for K-12 schools approved by the General Assembly.
- The “preschool foundation aid” is the product of 60.0% of the actual enrollment of eligible preschool students from the previous October 1 count multiplied by the State cost per pupil from the School Foundation Formula.
- The Department of Education may fund up to 3.0 FTE positions from these appropriations for administration and oversight of the Program.

**Projected Costs**

The table below provides the projected Program costs.

**Four-Year-Old Preschool Program Funding**

(Dollars in Millions)



	General Fund <u>Appropriation</u>	Preschool Foundation <u>Aid</u>	Total State <u>Funding</u>
FY 2008	\$ 15.0	\$ 0.0	\$ 15.0
FY 2009	15.0	15.3	30.3
FY 2010	15.0	31.1	46.1
FY 2011	16.2	47.6	63.8
FY 2012	0.0	67.1	67.1
FY 2013	0.0	87.3	87.3
FY 2014	0.0	108.9	108.9

**More Information**

The NOBA (Notes on Bills and Amendments) for HF 877 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

**SENATE PASSES SCHOOL DISTRICT REORGANIZATION AND SHARING INCENTIVES BILL – SF 447**

**School District Reorg.**



The Senate passed SF 447 (School District Reorganization and Sharing Incentives Bill) on March 26. The House Appropriations Committee amended and passed HF 534 to conform to SF 447 on March 28. The Bills provide for the following:

- Extends the reduction in the Uniform Levy for school districts that reorganize beginning in FY 2009 through FY 2014. School districts receive a \$1.00 property tax rate reduction the first year after the reorganization, \$0.50 rate reduction in the second year, and \$0.25 in the third year. The annual cost is projected to be \$343,000.
- Extends the supplementary weighting for shared students and teachers in a Whole Grade Sharing agreement beginning in FY 2009 through FY 2014. School districts receive a weighting of 0.10 times the percentage of the student’s

day that is shared for up to a maximum of three years. This supplementary weighting is estimated to cost \$514,000 annually in State Foundation Aid and \$73,000 in property tax.

- Eliminates the supplementary weighting for regional academies at the end of FY 2008 for an annual savings of \$224,000 for the General Fund in State Foundation Aid and \$32,000 in property taxes.
- Creates a Shared Operational Weighting beginning in FY 2009 for school districts that share operational functions with other school districts, townships, cities, counties, community colleges, Area Education Agencies (AEAs), Regents institutions, or other governmental subdivisions. The weighting is 0.02 times the budget enrollment, and participating districts receive a minimum weight of 10.0 students and a maximum of 40.0 students for up to five years. The AEAs that share operational functions will receive a minimum of \$50,000 and a maximum of \$200,000 annually for up to five years. The additional weighting is to be assigned for each discrete operational function that is shared. The weighting is reduced by 20.0% of the original amount for each subsequent budget year the supplemental is received.

The FY 2009 cost for school districts will likely be at least \$6.3 million in State Foundation Aid and \$897,000 in property taxes. The AEAs' costs will be between \$435,000 and \$1.7 million in State Foundation Aid and between \$115,000 and \$462,000 in property taxes.



- Extends the incentive weighting for districts that reorganized after Whole Grade Sharing beginning in FY 2009 through FY 2014. The district receives an incentive weighting equal to the weighting received in the year prior to its reorganization for the three years following the reorganization. The annual costs are projected to be \$266,000 in State Foundation Aid and \$38,000 in property taxes.
- Appropriates \$400,000 in FY 2008 to the Department of Education to assist school districts in implementing shared operational functions. The Department is required to develop a process to promote shared operational functions and cost savings, to employ staff and locate them at the AEAs to facilitate the process, and to compile the AEAs' plans for expanding opportunities for operational sharing and report to the General Assembly.

**More Information**

The NOBAs (Notes on Bills and Amendments) for these bills are available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

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**HOUSE APPROPRIATIONS COMMITTEE PASSES  
TARGETED SMALL BUSINESS TASK FORCE  
RECOMMENDATIONS BILL – HF 361**

**Small Business**

The House Appropriations Committee passed HF 361 (Targeted Small Business Task Force Recommendations Bill) on March 28. The Bill makes FY 2007 supplemental General Fund appropriations totaling \$4.0 million to support the Targeted Small Business Task Force recommendations.

**More Information**

The NOBA (Notes on Bills and Amendments) for HF 361 will be available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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## SENATE APPROPRIATIONS COMMITTEE PASSES JUSTICE SYSTEM APPROPRIATIONS BILL – SSB 1338

### Appropriations Bill



The Senate Appropriations Committee passed SSB 1338 (FY 2008 Justice System Appropriations Bill) on March 28. The Bill appropriates a total of \$499.0 million from the General Fund and 6,308.9 FTE positions, an increase of \$36.9 million and 329.7 FTE positions compared to estimated FY 2007.

### Attorney General

The Bill includes an increase of \$300,000 to fill authorized, vacant unfunded FTE positions.

### Department of Corrections

The Bill includes a total increase of \$26.3 million and 289.4 FTE positions.

### State Public Defender

The Bill includes a total increase of \$3.6 million to fund the projected increase in claims and fund currently authorized positions in the Office of the State Public Defender.

### Department of Public Safety

The Bill includes a total increase of \$5.0 million and 30.0 FTE positions.

### More Information

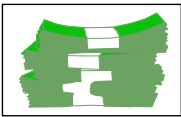
The NOBA (Notes on Bills and Amendments) for SSB 1338 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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## SENATE PASSES JUDICIAL BRANCH APPROPRIATIONS BILL – SF 563

### Senate Action



The Senate passed SF 563 (FY 2008 Judicial Branch Appropriations Bill) on March 26. The Bill appropriates \$127.4 million from the General Fund and 1,985.5 FTE positions that are not limited in the Bill. This is an increase of \$2.1 million and 11.5 FTE positions compared to estimated FY 2007. The Bill also appropriates \$2.0 million from the Jury Witness Fee Revolving Fund to the Judicial Retirement Fund.

### More Information

The NOBA (Notes on Bills and Amendments) for SF 563 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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## HOUSE APPROPRIATIONS COMMITTEE PASSES GEORGE WASHINGTON CARVER ENDOWED CHAIR BILL – HF 518

### Appropriations Bill

The House Appropriations Committee approved HF 518 (George Washington Carver Endowed Chair Bill) on March 27.

### Chair Established

The Bill establishes a George Washington Carver Endowed Chair at Iowa State University (ISU).

### Funding

The Bill appropriates \$250,000 from the General Fund each year for FY 2008 and FY 2009 to fund the endowment for the Chair. The Bill also requires the State funds to be matched on a two-for-one basis by ISU. If all appropriated funds are matched by private contributions, the total endowment at the end of FY 2009 will be \$1.5 million.

**More Information**

The NOBA (Notes on Bills and Amendments) for HF 518 is available on the LSA web site at: <http://www3.legis.state.ia.us/noba/>.

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**FINAL ACTION ON FOSTER CARE SIBLING VISITATION BILL – SF 480**

**Sibling Visitation Bill**



The General Assembly passed SF 480 (Foster Care Sibling Visitation Bill) on March 27. The Bill provides for sibling visitation for children who are subject to a court order and out-of-home placement, and allows Courts to suspend or terminate visitation if it is determined to be detrimental to the child.

The Bill also allows for the petitioning of the Court to request visitation, if an individual wishes to assert a sibling relationship, and requires that sibling placement and visitation efforts be reflected in case permanency plans. If parental rights are terminated, the Bill requires steps be taken to preserve sibling relationships, and that Courts review determinations when permanency hearings are held if sibling visitation has been terminated.

**Fiscal Impact**

It is estimated that the Bill will increase General Fund expenditures ranging from \$317,000 to \$623,000 annually for the Department of Human Services (DHS) beginning in FY 2008 as summarized in the table below.



	<u>2,616 Visits</u>	<u>5,232 Visits</u>
Visit Facilitation	\$ 262,000	\$ 523,000
Mileage	44,000	89,000
DHS Administration	11,000	11,000
<b>Total</b>	<u>\$ 317,000</u>	<u>\$ 623,000</u>

The range in cost depends on potential improved efforts by the DHS to place siblings in the same foster home and in engaging foster parents and relatives in regular sibling visits that may reduce the need for departmental facilitation.

**More Information**

The Fiscal Note for SF 480 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes/>.

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**HOUSE WAYS AND MEANS COMMITTEE PASSES WILD AND DANGEROUS ANIMAL REGULATION BILL – HF 712**

**Wild Animals**



The House Ways and Means Committee passed HF 712 (Wild and Dangerous Animal Regulation Bill) on March 27. The Bill creates a new section in the Code of Iowa for the regulation of wild animals. The Program will be administered by the Department of Agriculture and Land Stewardship in coordination with local governments. The Bill provides for the following:

- Specifies when a person can or cannot own a wild animal.
- Specifies when an owner must register the animal with the Department, pay a registration fee, and have a microchip implanted.
- Details registration fees that vary depending on the type of animal registered.

Any person that owns a wild animal and is in violation is subject to a civil penalty of at least \$200 and up to \$2,000 for each day of occurrence considered as a separate offense. A person who intentionally causes a wild animal to escape is guilty of an aggravated misdemeanor.

**Fiscal Impact**

The fiscal impact of HF 712 is an estimated increase in General Fund expenditures of \$155,000 and 2.0 FTE positions in FY 2008 and \$123,000 in FY 2009. The number of wild animals in possession is unknown, and additional staff may be required to implement the program.

**More Information**

The Fiscal Note for HF 712 is available on the LSA web site at: <http://www3.legis.state.ia.us/fiscalnotes/>.

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## SENATE APPROPRIATIONS COMMITTEE PASSES GREENHOUSE GAS EMISSIONS BILL – SF 494

**Greenhouse Gas**

The Senate Appropriations Committee passed SF 494 (Greenhouse Gas Emissions Bill) on March 28. The Bill requires the Department of Natural Resources (DNR) to establish a voluntary greenhouse gas registry system with the purpose of cooperating with other states to reduce the overall generation of greenhouse gasses. The Bill provides for the following:

- Creates an Iowa Climate Change Advisory Council and specifies membership. Includes four non-voting members from the General Assembly and specifies the Governor will appoint the Chairperson.
- Specifies the Council will develop scenarios to reduce greenhouse gas emissions.
- Specifies the DNR will provide staff to assist the Council.

**Definition**

Greenhouse gases are components of the atmosphere that contribute to the Greenhouse effect. Natural greenhouse gases include water vapor, carbon dioxide, methane, nitrous oxide, and ozone. Examples of other activities that have increased greenhouse gases include burning fossil fuel, agricultural activities, and the use of chlorofluorocarbons (CFCs) and halons in refrigeration systems and manufacturing.

**Fiscal Impact**

The fiscal impact of SF 494 is an estimated increase in General Fund expenditures of \$100,000 and 1.0 FTE position in FY 2008 and each year after.

**More Information**

The NOBA (Notes on Bills and Amendments) for SF 494 will be available on the LSA web site at: <http://www3legis.state.ia.us/noba/>

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## DEPARTMENT OF REVENUE REPORT ON CORPORATE INCOME TAX

**Corporate Income Tax**

The Department of Revenue released *Combined Reporting: An Option for Apportioning Iowa Corporate Income Tax*. The Report provides a description and analysis of Iowa's current corporate income tax structure, an explanation of combined reporting (not currently used in Iowa), methodology and limitations in estimating the amount of corporate income tax revenue under

combined reporting, and estimates of the impact of combined reporting based on tax years 2002 and 2003.

**Revenue Estimate**

Based on the analysis in the Report, the Department estimates that implementation of combined reporting would have generated an additional \$99.5 million in corporate income tax revenue in tax year 2002 and an additional \$61.7 million in tax year 2003.

**More Information**

The Report may be accessed on the web site at:  
<http://www.state.ia.us/tax/taxlaw/taxlaw.html>. Additional information is available from the LSA upon request.

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This document can be found on the LSA web site:  
<http://www.legis.state.ia.us/Fiscal/fiscupdt/>