

NOVEMBER MEDICAID FORECAST

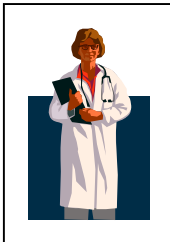
Medicaid Forecast

Staff members from the Department of Management, the Department of Human Services (DHS), and the Fiscal Services Division of the Legislative Services Agency (LSA) met on November 27 to discuss estimated Medical Assistance (Medicaid) expenditures for FY 2008 and FY 2009. The three staffs meet monthly to discuss estimated expenditures and to agree on a range for expenditures for the current and upcoming fiscal years.

FY 2008

House File 909 (FY 2008 Health and Human Services Appropriations Act) included total State funding of \$833.9 million. For FY 2008, the three staffs agreed to an estimated supplemental need of \$15.0 million to a surplus of \$15.0 million, with a midpoint of zero. The increased expenditures in HF 909 include:

- \$9.3 million to increase parental income disregard from 50% to 58%.
- \$2.2 million to eliminate the Home and Community-Based Waiver waiting list for the Children's Mental Health Waiver.
- \$132,000 due to federally required changes in the calculation of medical income trusts.
- \$1.1 million to fund the new Money Follows the Person Program.
- \$250,000 for the Iowa Health Collaborative.
- \$14.0 million for a 1.6% enrollment increase.
- \$7.7 million for 1.0% medical inflation.
- \$11.4 million to fund additional costs due to the Federal Medical Assistance Percentage (FMAP) decreasing from 61.98% to a projected 61.79%.
- \$10.6 million to complete the transition to the Remedial Services Program (RSP).
- \$500,000 to replace funds carried forward for Field Operations in FY 2007.
- \$860,000 to fund increased enrollment in the Medicaid for Independent Young Adults (MIYA) Program.
- \$4.4 million to expand enrollment for Medicaid-eligible children.



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- \$1.0 million to fund the new Habilitation Services Program.
- \$10.4 million to rebase nursing facilities.
- \$6.8 million for increased Medicaid buy-in premiums.
- \$6.0 million in savings related to the Iowa Medicaid Enterprise.
- \$650,000 for federally-required Payment Error Rate Measurement (PERM) audits.

FY 2009

For FY 2009, the three staffs agreed to a range of \$28.0 to \$50.0 million, with a midpoint of \$39.0 million over the original FY 2008 appropriation. This includes the \$15.9 million for IowaCare due to the phase-out of federal funding for the Mental Health Institutes that was agreed to in the creation of the IowaCare Program.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jess Benson (Ext. 14611)

NOVEMBER COUNCIL ON HUMAN SERVICES MEETING

Council Meeting

The Council on Human Services met on November 14.

Administrative Rules

The Council approved several Administrative Rules for insurance data matching; nursing facility reimbursement for fire safety modifications or transition to home and community-based waiver services; adoption and guardian subsidy legal expenses; and a new definition for dependent adult abuse registration. Notice for future action on Administrative Rules included additional Medicaid coverage for certain dental sealants and implants and a budget neutral fee structure for home health agencies.

Income Maint. Call Center

The Council received an update regarding the new Income Maintenance Call Center that will be located in Council Bluffs. The Department is recruiting for a Center Manager and an Office Manager.

Legislative Proposals

The Council adopted 26 proposed legislative changes. Six are classified as technical. The remaining 20 include:

- Reduction in the Family Support Program subsidy to families with more than one eligible child.
- Changes to the record check process for certain employees of licensed hospitals.
- Changes for the use of information from a child care provider application when a criminal or child abuse history is discovered.
- Requiring a child development home to be the residence of the child care provider.
- Include children 16 and older within the Subsidized Guardianship Program to be eligible for the All Iowa Opportunity Foster Care Grant Program (higher education financial aid).
- Changes to foster care transition efforts and reports.





- Changes to eligibility for the Preparation for Adult Living Services (PALS) Program.
- Changes to the penalty for sexual misconduct with offenders and juveniles.
- Changes to the transfer of child support to the State for certain families eligible for the Family Investment Program (FIP). Permits the DHS to obtain a parent's cell phone number as part of the computer match process. Limits disclosure of information to certain consumer reporting agencies. Expands the sources the Department can garnish for delinquent child support. Requires certain individuals delinquent on child support to have a bank account for autopayments of child support. Eliminates the Social Security Number on certain child support forms. Delays beyond the March 1, 2008, effective date, Iowa legislation permitting court orders for medical support of certain children.
- Increases the penalty for an escape from the Sexual Predator Commitment Program from a simple misdemeanor to a Class D felony.
- Reflects the 2007 legislative change for the transfer of the Family Development and Self-Sufficiency (FaDSS) Program from the Department of Human Services (DHS) to the Department of Human Rights.
- Permits the DHS to determine a possible six-month period of ineligibility for a limited benefit plan within the Family Investment Program (FIP) in lieu of the requirement to do so.
- Permits the use of FY 2008 Temporary Assistance for Needy Families (TANF) Program funds for the Child Care Assistance Program.
- Limits the Electronic Benefits Transfer (EBT) Program to only the Food Assistance (Food Stamps) Program, and eliminates the EBT retailer fee.
- Changes due to the federal Deficit Reduction Act (DRA) regarding health care coverage information from third parties.
- Development of emergency mental health crisis and children's mental health services.

***hawk-i* Update**

The Council received an update regarding federal action for the State Children's Health Insurance Program. The DHS plans to move children from the Healthy and Well Kids in Iowa (***hawk-i***) Program to the Medicaid Expansion Program if a federal agreement is not received.

Woodward Resource Center

The Council received an update regarding the recent federal Department of Justice (DOJ) review at the Woodward State Resource Center.

Roads Plan

The Council approved the Five-Year Roads Plan that the DHS submitted to the Department of Transportation. Of the \$2.2 million, \$1.2 million is expected to be expended in FY 2008 at four of the DHS institutions.

Director's Report

Deputy Director Titus indicated that the shortage of psychiatrists in the State continues to be a concern for needed services at the institutions.

More Information

The next meeting is scheduled for December 12. Additional information is available from the LSA upon request.

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

LEGISLATIVE HOME-BASED CHILD CARE INTERIM STUDY COMMITTEE MEETING

Study Committee

The Legislative Home-Based Child Care Interim Study Committee held its final meeting on November 21. The Committee was authorized to meet three times during the Interim to consider options for increasing the number of registered home-based child care providers.

Policy Brief

Alicia Lewis, Children and Families of Iowa, provided a policy brief from Early Childhood Iowa, which promotes Iowa systems in the areas of early care, health, and education.

Child Care Regulations

Robin Clark-Bennett, AFSCME Council 61, and child care providers representing both registered and non-registered providers discussed current child care regulations and suggested changes.

Healthy Child Care

Sally Clausen, Department of Public Health, provided information on the Healthy Child Care Iowa Program.

Follow-Up

Jeff Anderson, Department of Human Services, and Lisa Burk, LSA, provided follow-up on various policy and fiscal information items that were requested at the previous meeting.

Recommendations

The Committee made the following summarized recommendations that will be drafted into a bill for the 2008 Legislative Session:



- Eliminate corporal punishment in non-registered child care homes.
- Require all provider homes to post whether they are registered or not and to post that corporal punishment is not allowed in non-registered homes.
- Prevent registered sex offenders from interacting with children in registered or non-registered child care facilities.
- Create a workgroup with various goals, including the eventual establishment of a mandatory registration system as resources become available.

More Information

Materials distributed at the meetings may be accessed on the web site at: http://www.legis.state.ia.us/scripts/docmgr/docmgr_comdocs.dll/showtypeinterim?id=true&type=ih&com=218. Additional information is available from the LSA upon request.

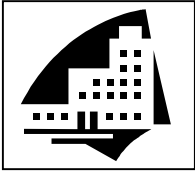
STAFF CONTACT: Lisa Burk (Ext. 17942) John Pollak (Ext. 13818)

CAPITOL PLANNING COMMISSION – SPECIAL MEETING

Commission Meeting

The Capitol Planning Commission met on November 16 for a special meeting to hear updates on construction projects currently in progress, as well as monument and memorial projects being planned.

IACCT Facility



The Commission approved the revised site plan for the Iowa Association of Community College Trustees (IACCT) facility that will be located on a parcel of property currently owned by the State on the Capitol Complex. The revised plan was a result of negotiations between the Iowa Motor Truck Association (IMTA) and IACCT, because the IMTA thought the new facility would degrade IMTA's property near the Capitol and its line of sight to the Capitol. The IMTA expressed disapproval of the plans, saying it was not what had been agreed to by the parties. The IACCT is planning to make the building a green building in accordance with LEED certification by the U.S. Green Building Council.

Capitol Complex Monument

Representatives from the Workers' Monument presented the revised plaques that will have the names of contributors. The Commission discussed the options of how and where to display the plaques around the Monument. Other discussion included the size of the plaques, text size, location of the plaques, and whether to designate specific contribution levels.

Mercy Capitol Acquisition

Director Mollie Anderson, Department of Administrative Services, reported on the agreement between the State and the owners of Mercy Capitol Hospital that was announced earlier in the week. The State is purchasing approximately 4.7 acres for \$4.5 million. The first phase of the property transfer will be completed by May 1, 2008, and includes an exchange of parking lots that will provide a staging area for construction of the new State office building.

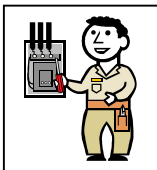
More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Marcia Tannian (Ext. 52062)

BOARD OF ELECTRICAL EXAMINERS MEETING

Board Action



The Board of Electrical Examiners met on November 28. The Board reviewed three drafts of legislation for the 2008 Legislative Session. The Board also discussed emergency Administrative Rules that will address program organization and operation; administrative procedures; licensure requirements; license applications, fees, and renewals; licensing examinations; reciprocity; continuing education; complaints, investigations, hearings, and appeals; disciplinary action, suspension, revocations, and reprimands; and actions against unlicensed persons.

Licensure Requirement

Effective January 1, 2008, anyone practicing as an Electrician in Iowa will be required to be licensed by the Board. License applications and additional information are available on the web site at: www.dps.state.ia.us/fm/electrician. Information may also be requested by calling 1-866-923-1082. Questions may also be sent to the e-mail address at: elecinfo@dps.state.ia.us.

More Information

The next meetings are scheduled for December 13 and January 17. Beginning in 2008, meeting times have been set for the third Thursday of the month. Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

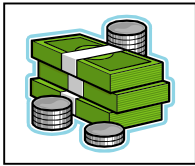
INTEROPERABILITY BOARD MEETING

Board Meeting

The Interoperability Board met on November 19-20. House File 353 (Public Safety Interoperability Act) created the 15-member Board. The Board is to establish, monitor, and maintain appropriate policies to ensure the following:

- Interoperable communications systems function properly in the State.
- To allocate and oversee State appropriations and other funding.
- To expand, maintain, and fund consistent, periodic training programs.
- Development of a statewide integrated public safety communications interoperability system.

Federal Funding



Iowa is receiving \$10.9 million through the Public Safety Interoperable Communications (PSIC) Grant Program. The Program will assist public safety agencies in planning and coordination, acquisition of, deployment of, or training for the use of interoperable communications equipment, software, and systems. Approximately \$845,000 is to be set aside for the creation of a Strategic Technology Reserve (STR). The STR is capable of re-establishing communications when existing critical infrastructure is damaged or destroyed in an emergency or major disaster. The justification package to the federal government is due on December 3, 2007.

More Information

The next meeting is scheduled for December 11. Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

LIVESTOCK ODOR STUDY COMMITTEE MEETING

Committee Meeting

The Livestock Odor Study Committee met on November 28.

Panel Discussion

A panel discussed strategies to mitigate livestock odor. This included Wendy Wintersteen, Iowa State University (ISU); Bill Northey, Secretary of Agriculture; and Richard Leopold, Department of Natural Resources. The panel identified a five-year plan to reduce livestock odor with a total cost of \$22.8 million. The following table provides a summary of the plan.



Odor Reduction Five-Year Plan
 (000's omitted)

<u>Description</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Project Management	\$ 1,105	\$ 1,122	\$ 1,150	\$ 1,180	\$ 1,210	\$ 5,767
Equipment & Maintenance	679	31	32	32	33	807
Tier 1 Projects	1,507	3,300	2,345	630	165	7,947
Tier 2 Projects	692	957	1,065	1,286	1,182	5,182
Emerging Tech. Projects	514	470	382	946	785	3,097
Total	\$ 1,105	\$ 1,122	\$ 1,150	\$ 1,180	\$ 1,210	\$ 22,800

Tier 1 projects have been previously used.
 Tier 2 projects may not have as much research and application.
 Emerging technology projects include new research such as ultraviolet treatment of air.

ISU Panel

An ISU panel discussed the transmission of various animal diseases. This included aerosol transmission of the Porcine Reproductive and Respiratory

Syndrome (PRRS) virus, the transmission of the influenza virus, and other pig diseases.

New Feed Formula

Dean Kleckner, Agra-Scent Gold Company, discussed a new feed formula that reduces nitrogen ammonia and other harmful gases produced in an animal's digestive tract.

Odor Reduction

Robert Burns, ISU, discussed farm processes to reduce livestock odor that included anaerobic manure digestion and biogas production.

Recommendations



The Committee voted to make the following recommendations to the General Assembly:

- To recommend the five-year plan for \$22.8 million.
- To recommend that swine producers requiring a construction permit must complete a Community Air Modeling Study with assistance from ISU. The recommendation included funding to ISU for up to \$1,000 per study.

More Information

For more information, access the web site at: <http://www.legis.state.ia.us/Current/Interim/>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767) Doug Adkisson (Ext. 13884)

STATE SOIL CONSERVATION COMMITTEE MEETING

Committee Meeting

The State Soil Conservation Committee met on November 27.

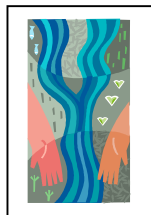
Water Quality Problems



The Committee approved the following:

- Designate stormwater runoff as a water quality problem in Johnson and Polk Counties and the Little Sioux Watershed.
- Designate the Wapello Soil and Water Conservation District as having a priority watershed for the cities of Agency and Ottumwa.
- Designate the Ida Soil and Water Conservation District as having a priority watershed for the cities of Garfield, Crawford Creek, and Pleasant Valley.

Hypoxia Update



Dean Lemke, Department of Agriculture and Land Stewardship (DALs), provided an update on the hypoxia problem in the Gulf of Mexico:

- Hypoxia refers to oxygen depletion in a waterbody that leads to the death of aquatic organisms. Nutrients applied for agriculture production can make their way into the tributaries leading to the Mississippi River that flow into the Gulf. The high nutrient loads can cause hypoxic conditions.
- The Mississippi River/Gulf of Mexico Watershed Nutrient Task Force was established in 1997 to develop strategies for decreasing the hypoxia to the Gulf of Mexico.
- The draft copy of the 2008 Hypoxia Action Plan is available for review on the federal Environmental Protection Agency web site at: http://www.epa.gov/msbasin/taskforce/pdf/2008draft_actionplan.pdf.
- The draft report suggests that nitrogen and phosphorus applications be reduced by 45.0%.

FARMS

Jim Gillespie, DALs, provided an update on the Financial and Reports Management System (FARMS) that maintains the funding from the Soil Conservation Cost Share Fund. The System was implemented for FY 2008, with 96 of the Soil and Water Conservation Districts participating.

More Information

The next meeting was not scheduled. For more information about the State Soil Conservation Committee, access the web site at: <http://www.agriculture.state.ia.us/sccommittee.htm>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

WATERSHED QUALITY PLANNING TASK FORCE MEETING

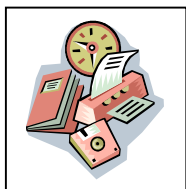
Task Force Meeting

The Watershed Quality Planning Task Force met on November 15.

Final Report

The Task Force discussed a draft copy and made the following recommendations for the final report:

- Creation of a Water Resource Coordinating Council under the direction of the Governor with a common goal to develop an integrated approach to water resource management.
- Conduct a water quality research and marketing campaign by public agencies and other organizations to rekindle the conservation ethic in all Iowans. The funding recommendation is \$1.0 million for year one of development.
- Regional watershed assessment, planning, and prioritization. The State should support creating, publishing, and periodically updating a Regional Watershed Assessment Program at a larger watershed scale. The funding recommendation is \$5.0 million annually.
- Community-based watershed assessment, planning, prioritization, and implementation. Once a regional watershed assessment is completed, smaller projects can be implemented and priority sub-watersheds can be identified. The funding recommendation is \$5.0 million annually.
- Support for community-based watershed monitoring and measurement. The State should provide technical and financial support for locally-based watershed monitoring and measurement. This monitoring would be designed to provide information on essential water resource questions facing the local community. The funding recommendation is \$ 2.5 million annually.
- Development of wastewater and stormwater treatment infrastructure. Impacts to water quality come from a variety of sources, including both rural and urban, nonpoint, and point sources. Aging wastewater and combined sewer/stormwater infrastructure issues are having negative impacts on water quality. Also, compliance with current and future water quality standards may be cost-prohibitive for many communities. Additional funding mechanisms should be identified and funding should be prioritized for communities that present the greatest water quality and health risks within the watershed.



More Information

The final report will be distributed to the General Assembly. For more information, access the web site at: <http://www.iowadnr.com/>. Additional information is available from the LSA upon request.

STAFF CONTACT: Debra Kozel (Ext. 16767)

INJURED VETERANS GRANT PROGRAM REPORT

October Report

The October Injured Veterans Grant Program Report has been received from the Department of Veterans Affairs. No additional payments have been made since the September Report.

The Program balance remains at an estimated \$1.8 million, which includes all cancelled warrants and the FY 2007 and FY 2008 appropriations.

More Information

Additional information is available from the LSA upon request.

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

VIETNAM VETERAN BONUS UPDATE

Vietnam Veteran Bonus



The October Vietnam Veteran Bonus Program Report has been received from the Department of Veterans Affairs. Additional payments total \$34,670 since the September Report for 191 claims. There have been 559 approved claims.

The average total received has been \$180 with total expenditures of \$100,819. Additional claims of \$8,320 for 41 veterans are pending. Claims for 247 veterans have been denied due to the veteran already receiving the bonus, serving prior to the specified time period, or not being an Iowa resident at the time of enlistment.

With the \$500,000 appropriation provided in SF 578 (Vietnam Veteran Bonus Program and Appropriations Act), available funding for future claims is \$390,861.

Additional Information

Additional information is available from the LSA upon request.

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

STATE APPEALS BOARD ACTION

State Appeals Board

The State Appeals Board approved settlement and judgment actions from October on November 5. The settlement funds are provided from the General Fund. These included:

- University of Iowa Hospitals and Clinics:
 - \$77,000 for attorney fees and a wrongful death settlement. The University of Iowa Physicians agreed to pay 85.0% of the \$500,000 settlement and 50.0% of the \$4,100 mediation fees.
 - \$76,000 for medical malpractice and mediation costs settlement.
 - \$13,250 for attorney fees and personal injury as a result of a physics lab experiment accident.
- Department of Human Services - \$25,000 for attorney fees and wrongful death of a minor child while in foster care.
- Secretary of State - \$11,000 to the American Civil Liberties Union for a constitutional challenge to the Voter Registration System.
- Iowa Lottery - \$388,000 for a TouchPlay and attorney fees settlement.



Year-To-Date Total

Year-to-date Appeals Board expenditures are \$1.8 million.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

TIME-21 TRANSPORTATION FUNDING INTERIM STUDY COMMITTEE MEETING

Committee Meeting

The Transportation Investment Moves the Economy in the 21st Century (TIME-21) Interim Study Committee met on November 19. It was the second of three meetings to discuss revenue options for the TIME-21 Fund created in HF 932 (TIME-21 Fund Act). The Committee is to report its findings and recommendations to the General Assembly by January 15, 2008.

Presentations

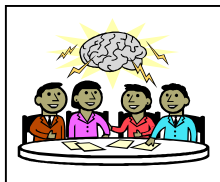


The following speakers presented to the Committee:

- Stuart Anderson, Department of Transportation (DOT), provided a chart showing annual comparisons of Iowa's gas prices and gas taxes with statewide vehicle miles of travel. He also provided a summary of road funding in surrounding states and additional mechanisms for generating revenue through vehicle registration fees.
- Dave Casey, Department of Revenue (DOR), provided information on the constitutional protection of motor vehicle registration fees and excise taxes on motor fuel relating to the Road Use Tax Fund, conditions associated with increasing the sales tax and motor vehicle use tax, and recommendations for preventing motor vehicle use tax fraud in Iowa.

Committee Discussion

The Committee discussed the possibility of changing the motor vehicle use tax to a registration fee, since motor vehicle registration fees are constitutionally protected to be spent on the construction and maintenance of roads, and the use tax is not. In addition, the Committee discussed the following three funding proposals for generating additional revenue for the TIME-21 Fund:



• **Core Proposal**

- Vehicle Registration Fees – Establish a minimum vehicle registration fee of \$50, increase the registration fees for certain non-special and special trucks, and establish separate fees for pickup trucks used for commercial or agricultural purposes and pickup trucks not used for such purposes. For vehicles registered based on weight and value, reduce the total fee by 5.0% in the first year and 10.0% in the second year, and extend the value percentage by two years. The estimated revenue generated from the vehicle registration fee changes is \$26.0 million in FY 2009, \$47.0 million FY 2010, and \$66.0 million in FY 2011.
- Trailer Fees – Increase the annual fee by \$10 for trailers weighing less than 2,000 pounds, and by \$20 for trailers weighing more than 2,000 pounds. The estimated revenue generated is \$7.5 million annually.
- Title and Salvage Title Fees – Increase the annual fee by \$10 for title fees and by \$3 for salvage title fees. The estimated revenue generated is \$10.1 million annually.
- Fuel Tax – For ethanol-blended, unblended, and diesel fuels, increase the per-gallon fuel tax by 2.0 cents on May 15, 2008, and an additional 2.0

cents on January 1, 2009. The estimated revenue generated is \$22.0 million annually for each 1.0 cent increase.

- Driver's License Fees – Increase the annual fee for a driver's license by \$2 and institute the current \$3 surcharge fee into the license fee. The estimated revenue generated is \$7.4 million annually.

- **Optional Proposal 1**

- Vehicle Registration Fees – Establish a minimum vehicle registration fee of \$65, register pickup trucks based on weight and value, and increase the registration fees for certain non-special trucks. For vehicles registered based on weight and value, extend the value percentage by two years. The estimated revenue generated is \$4.2 million in FY 2009, \$42.0 million FY 2010, and \$82.0 million in FY 2011.
- Driver's License Fees – Institute the current \$3 surcharge fee into the license fee. The estimated revenue generated is \$1.5 million annually.



- **Optional Proposal 2**

- Vehicle Registration Fees – Identical to Optional Proposal 1, with the exception of establishing a minimum vehicle registration fee of \$125 instead of \$65. The estimated revenue generated is \$14.0 million in FY 2009, \$52.0 million FY 2010, and \$91.0 million in FY 2011.
- Driver's License Fees – Identical to Optional Proposal 1.

More Information

The next meeting is scheduled for December 19. Additional information is available from the LSA upon request.

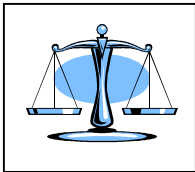
STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

DEPARTMENT OF CULTURAL AFFAIRS – FY 2007 LEGISLATIVE INTENT LANGUAGE

Legislative Intent

The Department of Cultural Affairs is in the process of complying with a section of legislative intent language contained in HF 2782 (FY 2007 Infrastructure Appropriations Act).

Great Places Program



Section 16.4 of the Act appropriated \$3.0 million from the Endowment for Iowa's Health Restricted Capitals Fund to the Department for the Iowa Great Places Program. Intent language allocated \$1.0 million to each Iowa Great Place community identified through the Iowa Great Places Program in FY 2006. The language also specified that the funds remain available for expenditure through the end of FY 2008.

The funds are being disbursed to each of the communities as expenses are incurred. As of October 30, 2007, a total of \$891,000 had been disbursed to Coon Rapids and several organizations in the Sioux City area. Of the \$3.0 million appropriated, \$2.1 million has yet to be allocated.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: David Reynolds (Ext. 16934)

DEPARTMENT OF REVENUE – FY 2007 LEGISLATIVE INTENT LANGUAGE

Legislative Intent

The Department of Revenue is in the process of complying with two sections of legislative intent language in HF 2521 (FY 2007 Administration and Regulation Appropriations Act).

State Appraisal Manual

One section required the Director of the Department of Revenue to prepare and issue a State Appraisal Manual at no cost to cities and counties. The Department is in the process of completing revisions and plans to distribute the completed manual in the early part of 2008.

Collections System



The second section of legislative intent language directs the Department of Revenue to upgrade the current computer assisted collections system using additional monies collected. The project began in October of FY 2007 and continued through the first two months of FY 2008. The FY 2007 cost was \$2.9 million and the FY 2008 cost was \$0.4 million. The project was on-time and on-budget. Total collections for FY 2007 increased from \$116.2 to \$148.7 million. The Department credited an estimated \$6.6 to \$8.0 million of this increase to the upgraded collections system.

More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Deborah Helsen (Ext. 16764)

AUDIT REPORT – DEPARTMENT OF COMMERCE

Audit Report

The LSA received a copy of the FY 2006 Audit Report for the Department of Commerce.

Audit Results

Audits were performed for all six of the Department's divisions. The Credit Union Division understated receivables reported to the Iowa Department of Administrative Services on the Generally Accepted Accounting Principles (GAAP) package by \$724,518. The Division will correct this error in their 2007 GAAP Package reporting.



The State Auditor was concerned with the Insurance Division's timeliness in depositing receipts collected by its various bureaus. Some checks were identified as being held for over 90 days. The Division reported that it has been working with the accounting liaison to increase the efficiency of the process.

More Information

A copy of the report is available for review on the State Auditor's web site at: <http://auditor.iowa.gov/reports/reports.htm>.

STAFF CONTACT: Deborah Helsen (Ext. 16764)

ISSUE REVIEW – FUTURE GENERAL FUND IMPACT OF ENACTED LEGISLATION

Issue Review

The Fiscal Services Division of the LSA recently published an *Issue Review* providing information regarding current estimates of the fiscal impact of enacted legislation on future General Fund revenue.

Background

The General Assembly may enact legislation during a legislative session that is projected to increase or decrease General Fund revenue in future years.



The LSA reviewed previous estimates for legislative changes with a projected fiscal impact on General Fund revenue over the next ten fiscal years (FY 2008 through FY 2017). In certain instances, updated estimates were available and those estimates are reported here. To be included in this **Issue Review**, a statutory change must have had an estimated fiscal impact of at least \$0.5 million in one fiscal year and/or \$1.0 million over five fiscal years. Legislative changes that have the same future year estimated impacts as the impact estimated for FY 2007 are not included.

Fiscal Impact

The net sum of the 37 enacted changes meeting the above criteria is estimated to be negative \$594.6 million over ten fiscal years.

More Information

Copies of the **Issue Review** may be accessed on the LSA website at: <http://www.legis.state.ia.us/lsadocs/IssReview/2008/IRJWR000.PDF>. Additional information is available from the LSA upon request.

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