

# FISCAL UPDATE

March 4, 2008

Legislative Services Agency

(515)-281-5279 FAX 281-8027

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

## STATUS OF APPROPRIATIONS BILLS As of February 29, 2008

Appropriations Subcommittee Bills		
Subcommittee	LSB/File#	Status
Administration & Regulation	LSB 5000JB	Passed Joint Subcom – 2/28
Judicial Branch	LSB 5006JB	Passed Joint Subcom – 2/28
Justice System	LSB 5007JB	Passed Joint Subcom – 2/28
Transportation	LSB 5011JB	Passed Joint Subcom – 2/27
Other Appropriations Bills		
Federal Block Grant	SSB 3100	Passed Senate Approps - 2-28

STAFF CONTACT: Mary Shipman (Ext. 14617)

### ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE PASSES FY 2009 APPROPRIATIONS BILL – LSB 5000JB

#### Subcommittee Meeting

The Administration and Regulation Appropriations Subcommittee passed LSB 5000JB (FY 2009 Administration and Regulation Appropriations Bill) on February 28. The Bill appropriates a total of \$95.6 million from the General Fund and authorizes 1,959.8 FTE positions for FY 2009. This is a decrease of \$695,000 compared to the estimated FY 2008 appropriation. The Bill also appropriates \$20.6 million from non-General Fund sources for FY 2009, an increase of \$28,000 compared to estimated FY 2008. Significant changes are listed below.

#### Administrative Services

A decrease of \$320,000 to the Department of Administrative Services (DAS). This includes decreases of \$80,000 to the DAS operating budget, \$120,000 for utility costs, and \$120,000 for the Capitol Complex shuttle service.

#### Commerce

A decrease of \$40,000 for the Credit Union Division to reflect a one-time FY 2008 appropriation increase for the procurement of a document imaging system. The funds are not needed in FY 2009.

#### Governor's Office

A decrease of \$40,000 for the Terrace Hill Quarters.

#### Drug Control Policy

An increase of \$360,000 (from \$1.4 million to \$1.8 million) for the Drug Task Forces. The Bill also allows the Office to carry forward any unexpended funds from the FY 2008 appropriation. The carry forward amount is estimated to be \$359,000.

#### IN THIS ISSUE:

Status of Appropriations Bills, pg. 1  
Admin/Reg Approps Bill, pg. 1  
Justice/Judicial Branch Approps Bills, pg. 2  
Transportation Approps Bill, pg. 3

Tax Amnesty Report, pg. 4  
Governor's Energy Proposal, pg. 4  
Recent Publications, pg. 4  
Appropriations Subcommittee Meetings, pg. 5

---

<b>Human Rights</b>	A decrease of \$200,000 for the Department of Human Rights. This includes \$15,000 for the Administration Division and \$185,000 for the Status of African Americans.
<b>Management</b>	A decrease of \$300,000 for the Local Government Innovations Fund. The Fund currently has a balance of \$791,000 available to be used for projects.
<b>Revenue</b>	A decrease of \$150,000 for the Department of Revenue to reflect a one-time FY 2008 appropriation for the Tax Amnesty Program. The Department did not request continuation of the appropriation for FY 2009.
<b>More Information</b>	Copies of agendas and selected handouts distributed to the Subcommittee are available on the General Assembly web site at: <a href="http://www3.legis.state.ia.us/ga/committee.do?id=32">http://www3.legis.state.ia.us/ga/committee.do?id=32</a>

---

STAFF CONTACT: David Reynolds (Ext. 16934) Deborah Helsen (Ext. 16764)

---

**JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE  
PASSES FY 2009 JUDICIAL BRANCH AND JUSTICE  
SYSTEM APPROPRIATIONS BILLS – LSB 5007JB AND LSB  
5006JB**

<b>Appropriations Bills</b>	The Justice System Appropriations Subcommittee passed LSB 5007JB (FY 2009 Justice System Appropriations Bill) and LSB 5006JB (FY 2009 Judicial Branch Appropriations Bill) on February 28.
<b>Justice System</b>	The Justice System Appropriations Bill appropriates \$521.5 million from the General Fund, a decrease of \$749,000 compared to estimated FY 2008. The Bill also appropriates 6,292.1 FTE positions, an increase of 7.0 FTE positions compared to estimated FY 2008. Significant changes are listed below.
<b>Department of Justice</b>	A decrease of \$113,000 that includes: <ul style="list-style-type: none"><li>• A decrease of \$47,000 for the Attorney General's Office.</li><li>• A decrease of \$50,000 to eliminate a pilot project.</li><li>• A decrease of \$15,000 for the Consumer Advocate's Office.</li></ul> Language is included that directs the Department to spend at least \$600,000 from forfeited property receipts for Victim Assistance Grants.
<b>Department of Corrections</b>	An increase of \$446,000 that includes: <ul style="list-style-type: none"><li>• A decrease of \$587,000 to eliminate one-time costs and a pilot project.</li><li>• An increase of \$589,000 to provide operating funds for 9.5 months for 26 additional Community-Based Corrections (CBC) beds at Fort Dodge.</li><li>• An increase of \$444,000 to replace expired federal funds at the First CBC District Department and the Anamosa State Penitentiary.</li></ul> Language is included that directs the Department to spend at least \$300,000 from canteen receipts on Corrections Education.
<b>Public Defense</b>	A decrease of \$27,000 that includes: <ul style="list-style-type: none"><li>• An increase of \$93,000 to provide 25.0% State match for the Readiness Center Armory at Camp Dodge.</li><li>• A decrease of \$120,000 to eliminate State funding of the Civil Air Patrol.</li></ul>

---

<b>Public Safety</b>	A decrease of \$1.0 million that includes: <ul style="list-style-type: none"><li>• A decrease of \$425,000 for the closure of the Fort Madison riverboat.</li><li>• A decrease of \$617,000 to eliminate one-time costs.</li></ul>
<b>Judicial Branch</b>	The Judicial Branch Appropriations Bill appropriates \$148.2 million from the General Fund, a decrease of \$200,000 to eliminate FY 2008 one-time costs. The Bill authorizes 2,003.1 FTE positions. This is no change compared to estimated FY 2008.
<b>Judicial Retirement</b>	In addition to the General Fund appropriation of \$3.5 million, \$1.2 million was appropriated from the Jury and Witness Fee Revolving Fund and \$3.0 million was appropriated from the Court Technology and Modernization Fund for Judicial Retirement. This increases the State's contribution to \$7.6 million or 30.6%.
<b>More Information</b>	Copies of agendas and selected handouts distributed to the Subcommittee are available on the General Assembly web site at: <a href="http://www3.legis.state.ia.us/ga/committee.do?id=38">http://www3.legis.state.ia.us/ga/committee.do?id=38</a>

---

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

---

**TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS  
APPROPRIATIONS COMMITTEE PASSES FY 2009  
TRANSPORTATION APPROPRIATIONS BILL – LSB 5011JB**

<b>Appropriations Bill</b>	The Transportation, Infrastructure, and Capitals Appropriations Subcommittee passed LSB 5011JB (FY 2009 Transportation Appropriations Bill) on February 27. The Bill appropriates a total of \$328.1 million from the Primary Road and Road Use Tax Funds, an increase of \$1.3 million compared to estimated FY 2008. The Bill also appropriates 3,373.0 FTE positions, a decrease of 1.0 FTE position compared to estimated FY 2008.
<b>FY 2009 Changes</b>	Significant changes include: <ul style="list-style-type: none"><li>• A net increase of \$967,000 for the Highways budget unit. This includes an increase of \$797,000 for the purchase of salt and an increase of \$100,000 for support of additional lane miles.</li><li>• An increase of \$231,000 for workers' compensation costs.</li><li>• An increase of \$1.0 million for a permitting system designed to automate the process of issuing permits for oversize and overweight vehicles. The total cost of the new system is \$2.0 million. The Department plans to request the remaining \$1.0 million for FY 2010.</li><li>• An appropriation of \$2.5 million for construction of a new maintenance garage in Waukon.</li></ul>
<b>Supplemental Approp.</b>	The Bill includes an FY 2008 supplemental appropriation for the Highways budget unit totaling \$9.7 million for labor, fuel, and salt costs associated with winter road maintenance.
<b>More Information</b>	Copies of agendas and selected handouts distributed to the Subcommittee are available on the General Assembly web site at: <a href="http://www3.legis.state.ia.us/ga/committee.do?id=40">http://www3.legis.state.ia.us/ga/committee.do?id=40</a>

---

STAFF CONTACT: Mary Beth Mellick (Ext. 18223)

---

## **DEPARTMENT OF REVENUE TAX AMNESTY REPORT**

### **Tax Amnesty Act**

Senate File 580 (Tax Amnesty Act of 2007) allowed individuals and businesses the opportunity to pay qualified delinquent taxes without penalty and with only one-half of the normal interest charge. The amnesty period ran from September 4, 2007, to October 31, 2007.

### **Final Report**

The Department of Revenue issued a final report on February 25, 2007, summarizing the results of the amnesty program. The report concluded:

- A total of \$28.3 million from 7,467 delinquent tax payments was received through the amnesty program.
- Corporate and individual income taxes accounted for 66.4% of the amnesty payments and General Fund sales/use tax receipts accounted for 31.7% of amnesty payments.
- The Department of Revenue expended 79.1% of the authorized General Fund appropriation for administration, mostly on promotion and advertising.

### **More Information**

The full report is available at  
<http://www.state.ia.us/tax/educate/TaxAmnestyReport.pdf>

---

STAFF CONTACT: Jeff Robinson (Ext. 14614)

---

## **GOVERNOR'S ENERGY PROPOSAL**

### **Energy Proposal**

Governor Culver announced an energy proposal on February 25. The goal of the proposal is to reduce the State's dependence on imported oil and to implement practices that improve energy efficiency. The proposal includes:

- Creates a Commission on Energy Efficiency Standards with administrative assistance from the Department of Public Safety. The Commission will:
  - Evaluate energy efficiency standards for existing or newly-constructed buildings.
  - Propose energy efficiency improvements and enforce building code standards.
  - Recommend new energy efficiency standards.
  - Provide incentives for construction projects that improve energy efficiency.

- Implement an energy efficiency building labeling or rating system for residential, commercial, and industrial buildings.
- Creates a new renewable energy standard for Iowa that requires 25.0% of energy used be from renewable energy by 2025.
- Authorizes the Iowa Utilities Board to establish an energy efficiency goal for every utility to reach an overall goal of 1.5% Statewide annually.

**More Information**

For a complete copy of the Governor's press release, refer to the following web site: [http://www.governor.iowa.gov/news/2008/02/25\\_2.php](http://www.governor.iowa.gov/news/2008/02/25_2.php).

STAFF CONTACT: Debra Kozel (Ext. 1676)

**RECENT FISCAL SERVICES PUBLICATIONS****Recently Published**

The Fiscal Services Division has recently published the following documents:

**Fiscal Notes**

[HF 2406](#) – Commercial Driver License Compliance  
[SF 2178](#) – Endow Iowa Tax Credit Cap  
[HF 2417](#) – Federal Tax Rebates, Income Tax Exemption  
[HF 2212](#) – Smoking Ban in Public Places  
[SF 2220](#) – Unemployment Insurance Tax Changes  
[HF 2359](#) – Veterans Trust Fund Allocation from Lottery

STAFF CONTACT: Mary Shipman (Ext. 14617)

**APPROPRIATIONS SUBCOMMITTEE MEETINGS****Final Week**

This was the final scheduled week for appropriations subcommittee meetings. The Fiscal Services Division provides staff for these meetings and maintains a web site for each Subcommittee. The Subcommittee web sites provide the following information:

- Subcommittee members, minutes, agendas, and staff contacts.
- Materials distributed. Copies of all materials distributed are posted. This includes Fiscal Services documents, such as spreadsheets and materials handed out by presenters, as well as a variety of reports submitted by departments.

To access the Subcommittee web sites, go to the General Assembly web site (<http://www.legis.state.ia.us/>), click on Committees, and scroll down to Joint Appropriations Committees.

**Subcommittee Contacts**

The Fiscal Services Division staff contacts and web site location for each Subcommittee are as follows:

**Administration and Regulation:** Deborah Helsen (1-6764) and Dave Reynolds (1-6934)

<http://www3.legis.state.ia.us/ga/committee.do?id=32>

**Agriculture and Natural Resources:** Deb Kozel (1-6767)

<http://www3.legis.state.ia.us/ga/committee.do?id=33>

**Economic Development:** Ron Robinson (1-6256)

<http://www3.legis.state.ia.us/ga/committee.do?id=34>

**Education:** Robin Madison (1-5270) and Dwayne Ferguson (1-6561)  
<http://www3.legis.state.ia.us/ga/committee.do?id=35>

**Health and Human Services:** Jess Benson (1-4611), Sue Lerdal (1-7794),  
Mary Shipman (1-4617), and Phil Kauffman (5-2062)  
<http://www3.legis.state.ia.us/ga/committee.do?id=37>

**Justice System:** Jennifer Acton (1-7846) and Beth Lenstra (1-6301)  
<http://www3.legis.state.ia.us/ga/committee.do?id=38>

**Transportation and Infrastructure:** Mary Beth Mellick (1-8223) and Marcia  
Tannian (5-2062)  
<http://www3.legis.state.ia.us/ga/committee.do?id=40>

**Standing Committees**

Fiscal Services also has staff dedicated to the following:

**Education - School Foundation Aid:** Shawn Snyder (1-7799) and Dwayne  
Ferguson (1-6561)

**Oversight:** Marcia Tannian (5-2062) and Doug Wulf (1-3250)  
<http://www3.legis.state.ia.us/ga/committee.do?id=41>

**Ways and Means:** Jeff Robinson (1-4614), Shawn Snyder (1-7799), and  
Dwayne Ferguson (1-6561)

STAFF CONTACT: Mary Shipman (Ext. 14617)

---

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