



STATE OF IOWA

KIM REYNOLDS, GOVERNOR
ADAM GREGG, LT. GOVERNOR

DEPARTMENT OF MANAGEMENT
David Roederer, Director

January 31, 2019

MEMORANDUM

TO: Governor Kim Reynolds, Members of the Iowa General Assembly

FR: David Roederer, Director, Iowa Department of Management

RE: Biennial State Mandates Report

Pursuant to Iowa Code Chapter 25B.4, attached is the Biennial State Mandates report. Please contact Joel Lunde at joel.lunde@iowa.gov with any questions or comments.

Biennial State Mandates Report (Legislative Sessions 2017 and 2018)

Iowa Code 25 B.4 requires a report at least biennially from the Director of the Department of Management to the Governor and the General Assembly regarding the administration of Iowa Code 25B including any proposed changes.

For the 2017 legislative session, the Legislative Services Agency identified one bill that may contain a State Mandate. HF296 – Synthetic Drugs for which the fiscal note filed with the bill is considered sufficient in estimating the cost of the state mandate in the bill, so no further estimate was filed with the Secretary of State and no notation of the filing of the estimate was required in the official Acts of the General Assembly. No specific estimate was made as to the cost of the bill to local entities.

For the 2018 legislative session, the Legislative Services Agency identified one bill that may contain a State Mandate. HF 2235 – Statewide Assessment Act for which the fiscal note file with the bill is considered sufficient in estimating the cost of the state mandate in the bill, so no further estimate was filed with the Secretary of State and no notation of the filing of the estimate was required in the official Acts of the General Assembly. The Legislature appropriated \$3,000,000 for the purpose of the bill



LEGISLATIVE
SERVICES AGENCY

Serving the Iowa Legislature

Glen Dickinson, Director

Holly M. Lyons
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State Capitol
Des Moines, IA 50319

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Memorandum

Date: June 15, 2018
To: Roger Karns
From: Holly Lyons
Re: State Mandates

Chapter 25B, Iowa Code, defines a "state mandate" as a statutory change or appropriation that would require the political subdivisions of the State to establish, expand, or modify their activities in a manner that would increase statewide annual expenditures of local revenue by \$100,000, or increase local expenditures by \$500,000 within five years. An order issued by a court of this State is not considered a State mandate.

The Legislative Services Agency is required to provide a cost estimate Fiscal Note for a bill or joint resolution that is enacted and contains a State mandate, unless a sufficient estimate is already on file with the originating house. The estimate is to be filed with the Secretary of State for inclusion with the official copy of the bill or resolution. A notation of the filing of the estimate is to be made in the Acts of the General Assembly.

The Legislative Services Agency has identified one bill that passed the General Assembly during the 2018 legislative session that may contain a State Mandate.

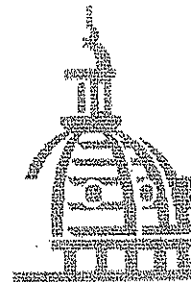
HF 2235 - (Statewide Assessment Act) - Pursuant to Iowa Code chapter 25B.5(3), the fiscal note filed with the bill in the Senate and House chambers is sufficient in estimating the cost of the state mandate in the bill, so no further estimate will be filed with the Secretary of State for inclusion with the official copy of the bill. Therefore no notation of the filing of the estimate is required in the official Acts of the General Assembly.

If you have any questions, please contact me.



Fiscal Note

Fiscal Services Division



HF 2235 – Statewide School Student Assessments (LSB5731HV.1)
Analyst: Jocelyn Gerrietts (515.238.2833) josie.gerrietts@legis.iowa.gov
Fiscal Note Version – As Amended by Senate Amendment H-8262

Description

House File 2235 as amended by the Senate Amendment requires the Department of Education to adopt administrative rules setting the statewide assessment for students as the assessment created by the Iowa Testing Program and administered by the Iowa Testing Program's designee. The Iowa Testing Program is housed in the University of Iowa's College of Education and commonly known as the Iowa Assessment. The Amendment sets out the requirements for the statewide assessment, including:

- Grade and content areas assessed.
- Alignment to the Iowa Core Academic Standards.
- Peer review by a third-party evaluator to ensure alignment.
- Availability of both online and paper/pencil versions of the assessment.
- Providing measures of student growth and proficiency.
- Meeting summative assessment requirements of the federal Every Student Succeeds Act (ESSA).

The Bill takes effect upon enactment.

Background

Senate File 240 (FY 2017 Statewide Assessment Act) required the Department of Education to create a request for proposal (RFP) through which a new statewide assessment would be selected. Senate File 240 laid out the following considerations that were allowed to be taken into account in the RFP:

- Feasibility of implementation by school districts.
- Cost to the State and school districts.
- Alignment with the Iowa Core academic standards.
- Compliance with federal law (ESSA).

The RFP process was completed in the fall of 2017; based on the results of the RFP, the Department selected the American Institutes for Research's College and Career Readiness Solution assessment. At that time, NCS Pearson, Inc. and the University of Iowa, which authored one of the competing proposals, launched an appeal through an Administrative Law Judge. Final briefs in the appeal process were submitted in early January 2018. A decision by the judge has not been filed as of February 6, 2018.

Currently, students in Iowa are administered an older version of the Iowa Assessment.

Assumptions

Assumptions include:

- The Iowa Testing Program will partner with Pearson and will offer the assessment at the cost generated in the RFP process. The Bill as amended does not require the Iowa Testing Program to partner with Pearson for the purpose of offering the assessment.
- Students in grades three through eleven will take assessments in reading and math.
- Students in grades five, eight, and ten will take an assessment in science.

- An estimated 360,971 assessments will be taken each year. Over five years, this will generate an estimated 1,805,855 assessments.
- The current cost of the Iowa Assessment is \$4.50 per student.
- The cost of the Assessment will be evenly distributed over the five years of the contract. There may be variance in the per year cost to complete start-up work in year one.

Fiscal Impact

According to documentation from the RFP process, the Iowa Assessment will cost an estimated \$21.7 million for five years of assessment. This is an estimated \$4.4 million per year. Table 1 below provides more information.

If no appropriation is made at the State level, school districts will be required to purchase the assessment.

Table 1: Estimated Per Year Costs

	Assessments Per Year	RFP Bid Cost (Five Year Total)	Estimated Cost (Per Year)	Estimated Cost Per Student, Per Year
Current Iowa Assessment*	360,971	\$ 8,121,847.50	\$ 1,624,369.50	\$ 4.50
AIIR College and Career Readiness Assessment Proposal	360,971	31,004,151.06	6,200,830.21	17.18
NCS Pearson, Iowa Assessment Proposal	360,971	21,749,839.00	4,349,967.80	12.05

*The current Iowa Assessment was not submitted for the bid process and is only included for purposes of comparison to current practice.

Sources

University of Iowa, Iowa Assessments
 Department of Education
 LSA analysis and calculations

/s/ Holly M. Lyons

March 14, 2018

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



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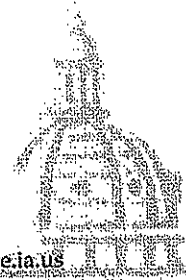
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Memorandum

Date: July 28, 2017
To: Roger Karns
From: Holly Lyons
Re: State Mandates

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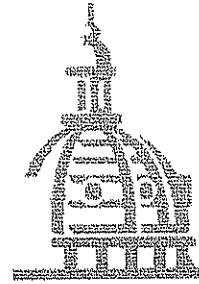
HF 296 (Synthetic Drugs) - Pursuant to Iowa Code chapter 25B.5(3), the fiscal note filed with the bill in the Senate and House chambers is sufficient in estimating the cost of the state mandate in the bill, so no further estimate will be filed with the Secretary of State for inclusion with the official copy of the bill. Therefore no notation of the filing of the estimate is required in the official Acts of the General Assembly.

If you have any questions, please contact me.



Fiscal Note

Fiscal Services Division



HF 296 – Synthetic Drugs (LSB1759HV)
Analyst: Alice Wisner (Phone: (515)281-6764) (alice.wisner@legis.iowa.gov)
Fiscal Note Version – As Amended and Passed by the House
Requested by Senator Tony Bisignano

Description

House File 296, as amended by H-1105, modifies procedures relating to the temporary designation of substances as controlled substances and modifies the penalties for imitation controlled substances and other certain controlled substance. This Bill modifies and broadens the criteria for determining if a substance found in a synthetic drug makes it an illegal compound.

Background

This Bill allows the Board of Pharmacy to designate, by administrative rule, a new substance as a controlled substance temporarily for up to two years without legislation. If the Legislature does not amend Code chapter 124 to enact a temporary designation within two years, it would automatically be repealed. Current law allows 60 days for this temporary designation.

Imitation controlled substances are defined as a substance that is not a controlled substance, but appears to be or resembles a controlled substance. Imitation controlled substances are currently regulated in Iowa Code chapter 124A. This Bill repeals that Iowa Code chapter and transfers the regulation of imitation controlled substances to Iowa Code chapter 124, which currently regulates controlled substances.

Current law for imitation controlled substances provides the following:

- If a person unlawfully manufactures, delivers, or possesses with intent to deliver, it is an aggravated misdemeanor.
- If a person delivers to a minor that is at least three years younger than the violator, it is a Class D felony.
- If a person unlawfully and knowingly publishes an advertisement or distributes in a public place a promotion for an imitation controlled substance, it is a serious misdemeanor.

Under this Bill, with the transfer of regulation to Iowa Code chapter 124, imitation controlled substances are amended into the penalties that are applicable to the manufacture, delivery, possession with intent to deliver, or possession of controlled substances. These penalties are more serious than those in Iowa Code chapter 124A and range from serious misdemeanor to Super Class B felony offenses depending on the amount of the substance, number of previous offenses, and location of the offense arrest.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Bill to the date of first entry of affected offenders into the correctional system.

- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$15 per day.
- Expansion of the definition of synthetic drugs would likely result in some charges that are currently dismissed or acquitted becoming convictions. It is assumed that 50.0% of current dismissed or acquitted charges would become convictions.
- It is not known if increased penalties for imitation controlled substances will result in greater prosecutions and convictions of these cases in the future.

Impacts

Correctional Impact

In FY 2016, there were two dismissed or acquitted charges for Iowa Code section 124A.4(1) offenses; therefore, it is assumed that there would be one additional conviction yearly. It is unknown what crime classification this conviction would be. **Table 1** below shows estimates for sentencing to State prison, parole, probation, or CBC residential facilities; LOS under those supervisions; and supervision marginal costs per day for convictions of serious and aggravated misdemeanors, and Class B, C, and D felonies. Refer to the LSA memo addressed to the General Assembly, Correctional Impact Memo, dated January 30, 2017, for information related to the correctional system.

Table 1 – Marginal Costs and LOS

	Percent to Prison	Avg LOS Prison (months)	FY 16 Marginal Cost/Day Prison	Avg LOS Parole (months)	Percent to Probation	Avg LOS Probation (months)	FY 16 Avg Cost/Day Parole & Probation	Percent to CBC	FY 16 Marginal Cost/Day CBC	Percent to County Jail	Avg LOS County Jail (days)	Marginal Cost/Day Jail
Class B Felony	86.0%	33.5	\$18.51	33.4	29.0%	34.2	\$4.59	6.0%	\$10.28	56.0%	N/A	\$15.00
Class C Felony	75.0%	19.5	\$18.51	19.4	29.0%	34.9	\$4.59	12.0%	\$10.28	25.0%	N/A	\$15.00
Class D Felony	74.0%	11.7	\$18.51	13	67.0%	31.6	\$4.59	11.0%	\$10.28	27.0%	N/A	\$15.00
Aggravated Misdemeanor	20.0%	7.0	\$18.51	6.2	33.0%	19.8	\$4.59	2.0%	\$10.28	39.0%	27	\$15.00
Serious Misdemeanor	2.0%	5.9	\$18.51	N/A	60.0%	16.1	\$4.59	1.0%	\$10.28	72.0%	14	\$15.00

Minority Impact

This Bill would have an unknown minority impact to the African-American community. In FY 2016, there were six convictions related to imitation controlled substances. Four of these were Caucasian, one was identified as Other, and one was unknown. The U.S. Census estimate as of July 1, 2015, states that the Iowa population was 3.5% African American. Refer to the LSA memo addressed to the General Assembly, Minority Impact Memo, dated January 30, 2017, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of this Bill is difficult to determine, and estimated to be minimal. Based upon past occurrences, there would be one additional conviction annually for imitation controlled substances. The estimated cost for one additional conviction would range between:

- \$250 and \$4,200 for a serious misdemeanor.
- \$3,100 and \$7,000 for an aggravated misdemeanor.
- \$6,300 and \$12,300 for a Class D felony.
- \$7,500 and \$18,600 for a Class C felony.
- \$9,500 and \$33,700 for a Class B felony.

The prison population could increase over time depending on the conviction classification and LOS. The marginal cost for one additional prison inmate per year based upon current costs is \$6,750.

Sources

Department of Human Rights, Division of Criminal and Juvenile Justice Planning
Department of Corrections
Office of the State Court Administrator
Office of the State Public Defender

/s/ Holly M. Lyons

April 3, 2017

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
