

**REPORT OF THE FISCAL COMMITTEE TO THE  
LEGISLATIVE COUNCIL**

**July 15, 1998  
August 26, 1998  
September 30, 1998  
November 12, 1998**

The Fiscal Committee has met four times since the June 23, 1998, Legislative Council meeting. The meeting on August 26 was held at the Correctional Release Center in Newton, Iowa, and the meeting on September 30 was held at the University of Northern Iowa.

The Committee makes no recommendations to the Council.

At each meeting the Committee received revenue updates from Dennis Prouty, Director of the Legislative Fiscal Bureau, and also received notices of appropriations transfers or lease purchases. **The following FY 1998 appropriations transfers were discussed:**

- FY 1998 Year-to-date summary of Section 8.39 Appropriations Transfers. (August meeting)
- \$310,000 transfer to the Motor Vehicle Licenses Road Use Tax appropriation from the motor Vehicle Division Road Use Tax Appropriation. (July meeting)
- \$500,000 transfer to the State Supplementary Assistance and \$600,000 transfer to the MI/MR State Cases from the Family Investment program in the Department of Human Services (for a total transfer out of \$1,100,000). (July meeting)
- \$305,000 transfer to Operations from the Program Delivery Services (\$188,000) and Program Administration and Development (\$117,000) in the Department of Personnel. (July meeting)
- \$200,000 transfer to the Fifth Judicial District from the Fort Dodge Correctional Facility in the Department of Corrections. (July meeting)
- \$250,000 transfer to the Department of Human Services, MI/MR State Cases from the Department of Human Services, Medical Assistance. (August meeting)
- \$200,000 appropriations transfer to the Department of Natural Resources, Environmental Protection from the Administrative Division. (August meeting)

**The following lease-purchase acquisitions were discussed:**

- University of Northern Iowa - Upgrade the University's IBM central processing unit. Total cost is \$562,000.
- Iowa State University - construction of an anaerobic digester facility that will be used to demonstrate the conversion of agricultural residue into natural gas and electricity. Total cost of the project is \$592,799.

The Committee also heard periodic updates from Representative Jacobs, co-chairperson of the Oversight and Communications Committee concerning the Committee's meetings during the interim.

The following topics/issues were addressed at the meetings. More information on any of these topics is available from the Legislative Fiscal Bureau.

**July 15 Meeting:**

- Storm damage update by Tim Faller, LFB, and Ellen Gordon, Director, Emergency Management Division of the Department of Public Defense. Ms. Gordon presented a brief update on recent storm damage in Iowa, including the status of federal disaster aid funds.
- An Update on the Medical Assistance Provision of Viagra
- Managed Care Contract Update
  - *Issue Review* - "The Iowa Plan for Behavioral Health"
  - Candy Nardini, Chief of the Bureau of Health Care Purchasing and Quality Management was present to respond to questions.
  - Janet Zwick, Division Director, Substance Abuse and Health Promotion Division of the Iowa Department of Public Health, was present to respond to questions.
- Deferred and Major maintenance – David Ancell and other representatives from the Department of General Services.
  - Update of Infrastructure Assessment (General Services)
  - Maintenance Funding for State Facilities
  - Past appropriations for major maintenance
  - Accomplishments since receiving appropriations for major maintenance from RIIF
  - Address how routine maintenance is currently funded
  - General Services – Cost per square foot
  - Cost per square foot – Industry Standard
  - General Services funding for routine maintenance
- Building Renovation Updates – David Ancell and other representatives of the Department of General Services
  - Lucas Building
  - Lucas Tunnel
  - Old Historical Building
  - Judicial Building
- *Issue Review* - "Capitol Complex Parking Lot Improvements"
- Capitol Work Group Update
  - Summary of final report by Dave Reynolds, LFB.
  - Representative Pat Murphy, a member of the Capitol Work Group, responded to questions concerning the report.
- Breakdown of Rebuild Iowa Infrastructure Fund (RIIF) Appropriations
- Recreational Infrastructure Funding (Stadium Facilities)
- Study of Medical Examiner's Office as a follow-up to the June 23 Legislative Council Meeting in which the Council approved a recommendation from the Studies Committee that

the questions of a study of the State Medical Examiner's Office be referred to the Legislative Fiscal Committee for its consideration.

#### **August 26 Meeting:**

- Site visit to the Correctional Release Center in Newton, Iowa. Included a tour of the Correctional Release Center and the new medium security prison facility in Newton.
- A Department of Corrections presentation by Kip Kautzky, Director, including many operations issues facing the Department.
- *Issue Review* – “Prison Farms”.
- Glenwood Cattle Sale:
  - Dwayne Ferguson, LFB, reviewed a background memo on the intent language in the Justice System Appropriations Bill.
  - Warren Jenkins, Deputy State Auditor, and John Stineman, State Auditor's Office, provided the Auditor's Review.
  - Roger Baysden, Prison Industries Deputy Director, and Bill Gehl, Prison Industries Farm Manager, responded to questions.
- Storm Damage Update/Follow-up from the July meeting with Ellen Gordon, Director, Emergency Management Division of the Department of Public Defense, providing a brief update on recent storm damage in Iowa, including the status of federal disaster aid funds.

#### **September 30 Meeting:**

- Site visit to the University of Northern Iowa in Cedar Falls, Iowa.
- Presentations on Regents Capital Priority Planning:
  - Frank Stork, Executive Director of the Board of Regents, and Owen Newlin, President of the Board of Regents, and representatives from four of the institutions made presentations discussing the Board Office recommendations for capitals for FY 2000 and FY 2001 as well as the five-year capital priority plan. Presentations included:
    - Doug True, SUI, Vice President, Finance and University Services
    - Warren Madden, ISU, Vice President for Business and Finance
    - Morris Mikkelsen, UNI, Director, Facilities Planning
    - Dr. William Johnson, Iowa School for the Deaf, Superintendent
  - Dermot Hayes, Leader for Trade and Agricultural Policy Development, Iowa State University Center for Agriculture and Rural Development, discussed the agricultural economy.
  - Sue Lerdal, LFB, reviewed the FY 1998 expenditures for deferred maintenance and renovation through the Treasurer's Temporary Investment (TTI) Funds.
  - Ms. Lerdal also reviewed the Regents' FY 1998 General University Building Repair Expenditures.
- The Committee then toured areas of the Campus including:
  - A walk past Lang Hall and the East Gym
  - A walk-through tour of the new Wellness Recreation Center

- A drive-by tour of the new Performing Arts Center, Biology Research Complex, and McCollum Science Hall
- A walk-through tour of the steam tunnel.
- Sue Lerdal, LFB, reviewed two *Issue Reviews*, "Extension Services at Iowa State University" and "Regents Graduate Study Centers".
- Mary Shipman, LFB, and Lee Tack, Department of Education, were available to respond to questions regarding the Department of Education federal entitlement and competitive grant programs, including discussion of "administrative costs" also referred to as "set aside".
- Discussion concerning the Cedar Falls foster family that had a foster child start a fire in their home last December.

### **November 12 Meeting:**

- Review of new estimated balance sheet, including "built-ins".
- Update on reversions and technology/training dollars.
- Agricultural Economy:
  - ♦ Dermot Hayes, Leader for Trade and Agricultural Policy Development, Iowa State University Center for Agriculture and Rural Development, discussed the agricultural economy.
  - ♦ Tom Grau, Executive Director of Farm Services Agency, also discussed the agricultural economy.
- State Medical Examiner:
  - ♦ *Issue Review* - "State Medical Examiner".
  - ♦ Paul Wieck, Commissioner of Public Safety; John Sarcone, Polk County Attorney; and Fred McCaw, Dubuque County Attorney; discussed the needs and requirements of the State Medical Examiner.
- *Issue Review* - "Renovation of Facilities on the Capitol Complex".
- Child Support Recovery Unit Update:
  - ♦ Deb Anderson, LFB, reviewed a memo on the Child Support Recovery Unit Update.
  - ♦ Jim Hennessey, Department of Human Services, was present to respond to questions.
- State Child Care Assistance Growth.
- Medicaid Reversions.
- *Issue Review* - "State Children's Health Insurance Program".
- *Issue Review* - "Community Mental Health Centers".
- Jan Clausen, Department of Human Services, reviewed the Department of Human Services Grants.
- An update of the Mental Health/Property Tax Relief Status.
- *Issue Review* - "Highway Funding of the Transportation Equity Act for the 21st Century".
- Nancy Payne, State/Federal Office in Washington, D.C., discussed via teleconference the Omnibus Appropriation bill and how Iowa will be effected. She will have answers to several questions for the next meeting.

The next meeting is tentatively scheduled for Tuesday, December 8, 1998, at the State Capitol.

Tentative agenda items include:

- Prison Farms Inventory
- Federal Budget Issues
- Gateway Sales Tax Issue
- Update on Tax Interim Committee
- Gambling Treatment Fund
- Substance Abuse Programs
- State vehicles
- School Finance
- Impact of changes to 260E program by Economic Development Appropriations Bill
- Reading Recovery Program
- Iowa Indebtedness Update
- Net Budgeting @ Institutions
- Local Option Sales Tax
- Tobacco Settlement \$

Respectfully submitted,

Senator Derryl McLaren  
Co-chairperson

Representative Dave Millage  
Co-chairperson