

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

**July 24, 2001 – State Capitol Building, Des Moines  
August 29, 2001 – State Capitol Building, Des Moines  
September 26, 2001 – University of Northern Iowa, Cedar Falls  
October 24, 2001 – State Capitol Building, Des Moines  
November 27, 2001 – State Capitol Building, Des Moines**

The Fiscal Committee has met five times since the June 20, 2001, Legislative Council meeting and is scheduled to meet on December 17.

**The Committee took the following action:**

- At the July 24 meeting, the Fiscal Committee passed a motion directing the Legislative Fiscal Bureau to develop a format for agencies/departments to report various Code violations to the Committee periodically, but at least quarterly, to the Fiscal Committee. Chapter 2.46, Code of Iowa, requires State agencies to notify the Fiscal Committee if any State facilities are cited for violations of any federal, state, or federal law regulations.

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

- Dennis Prouty, Director of the Legislative Fiscal Bureau, provided regular revenue updates at all the meetings.
- The Committee received notices of appropriations transfers and lease purchases. The following FY 2001 appropriations transfers were discussed:

<b>Dollars Transferred</b>	<b>Department/Div. Transferred To</b>	<b>Amount</b>	<b>Department/Division Transferred From</b>
\$ 175,000	Revenue & Finance, Compliance Division	\$ 200,000	Dept. of Revenue & Finance – Resource Management Division
25,000	Revenue & Finance, Management division		
50,000	Dept. of Corrections, Fort Madison	50,000	Dept. of Corrections, CBC – Fifth Judicial District
25,000	Public Employment Relations Board	25,000	Dept. of Economic Development
9,700	Revenue & Finance, Cigarette Stamp Printing	9,700	Dept. of Revenue & Finance – Internal Resource Management

Dollars Transferred	Department/Div. Transferred To	Amount	Department/Division Transferred From
20,000	Governor's Office, General Office	22,800	Governor's Office, State-Federal Relations
2,800	Governor's Office, National Governor's Assoc. Dues		
2,793,300	Dept. of Human Services, Medical Assistance (original request was for \$4.0 million from the General Fund and \$15.0 million from the Nursing Facility Conversion appropriation in the Senior Living Trust Fund).	2,793,300	Dept. of Human Services, Field Operations, General Administration, FIP, Child Support Recovery
		10,000	
\$341,071	Department of Natural Resources: Parks Division and Environmental Protection Division (original request was for \$386,071 and \$150,000 respectively)		Department of Natural Resources: Administrative Division Forestry Division Energy & Geological Resources Division Dept. of Education, General Administration
		\$150,000	
		30,000	
		75,000	
		86,071	
31,000	Dept. of General Services, Utilities	31,000	Dept. of General Services, Operations
475,000	Inspections & Appeals, Indigent Defense	475,000	Dept. of Corrections, Fort Dodge Institution
13,900	Public Employment Relations Board		Dept. of Economic Development, Business Development Tourism Operations International Trade
		3,200	
		7,500	
		3,200	
<b>FY 2002 Transfers:</b>			
\$500,000	Dept. of General Services: Lucas Building Restoration	\$921,000	Dept. of General Services, Executive Hills and Capitol Annex Demolition
334,000	Capitol Building Rest.		
87,000	Major Renovation of State Buildings		
80,000	Dept. of Natural Resources, Parks Division	80,000	Dept. of Natural Resources, Environmental Division

- The following lease-purchase acquisitions were discussed:

Lease-Purchase Dollars	Department	Explanation
\$ 325,500	Dept. of General Services	Lighting and other electrical upgrades to the Historical Building and the Grimes Building
\$592,000	Dept. of Human Services	Purchase a freezer addition to the Central Distribution Center at the Woodward Resource Center.
269,508	Iowa State University	Two lease purchase agreements for laptop computers in the College of Design.
\$238,600	Information Technology Dept.	Purchase of routing and switching equipment for the computer network on the Capitol Complex

- The Committee received periodic updates on the activities of the Tobacco Securitization, the Vision Iowa Program, the Community Action and Tourism Program (CAT), and the Workforce Attrition Program. Phil Buchan, Director of the State/Federal Office in Washington, D.C., also provided an update on federal budget action at the October meeting.

**The following topics/issues were addressed at the meetings. More information on any of these topics is available from the Legislative Fiscal Bureau and materials distributed to the Committee related to these topics are maintained at the LFB office and are available upon request.**

**July 24 Meeting:**

- Reviewed the Fiscal Committee Statutory Charge.
- George Howe, Fire Marshal, – brief presentation on how often State facilities are examined.
- Byron Orton, Labor Commissioner, - OSHA inspections in relation to State facilities.
- Infrastructure Planning Program – Dean Ibsen, Department of General Services.
- Vision Iowa School Infrastructure Grant Awards – Milt Wilson, Department of Education.
- An update on rulemaking process for Teacher Compensation, Ann McCarthy & Milt Wilson, Department of Education.
- Iowa State University (ISU) Extension Office, Stan Johnson, Vice Provost for ISU Extension.

- A summary provided by the Department of Revenue and Finance of the major provisions of the federal Economic Growth and Tax Relief Reconciliation Act of 2001.

**August 29 Meeting:**

- Additional information on Medical Assistance, Jessie Rasmussen, Director, and Jan Clausen, Fiscal Management, Department of Human Services (DHS).
- FY 2002 Spending Reduction Plans and Layoff Plans.
- Department of Revenue and Finance, impact of Federal Tax Relief Act and a Report on Tax Expenditures.
- *Issue Review* – Senior Living Trust Fund, Lisa Burk and Sam Leto, LFB.
- Information on Community College tuition increases.

**September 26 Meeting:**

- Tour of selected buildings on UNI campus:
  - Lang Hall
  - Physics Building
  - East Gym
  - Gallagher-Bluedorn Performing Arts Center.
- *Issue Review* – Community College Funding, Robin Madison, LFB.
- Community Colleges – Discussion concerning enrollments, tuition increases, and funding issues.
- *Issue Review* – Budget Guarantee, Shawn Snyder, LFB.
- Board of Regents – Historical funding review, discussion of tuition rate increases, enrollment, budget reductions/revised spending plans, fire and environmental safety, deferred maintenance, budget and budget ceiling adjustments.
- *Issue Review* – Iowa Braille and Sight Saving School, Mary Shipman, LFB.

**October 24 Meeting:**

- Discussion of FY 2001 Ending Balance and FY 2002 budget including early retirement retiree attrition and the Medicaid shortfall.
- Governor's Government Redesign Effort update, Christina Schaefer, LFB.
- How other states are handling the economic downturn and post-September 11 economy, Holly Lyons, LFB.
- Pending litigation against the State under the Fair Labor Standards Act. Suit filed by employees of the following departments: Public Safety, Transportation, Corrections, and Natural Resources for back pay - Tom Miller and Julie Pottorff, Attorney General's Office.

- *Issue Review* – Iowa’s Tobacco Settlement, Beth Lenstra and Dave Reynolds, LFB.
- Destination State Park, Status Report, Al Farris, Interim Division Administrator of the Parks and Preserves Division, Department of Natural Resources.
- Department of Education, supplanting State funds with federal funds, Ann McCarthy, Department of Education.
- Community College Funding, historical information, Janice Friedel, Administrator, Division of Community Colleges and Workforce Preparation.
- Telecare Pilot Project update, Cathy Anderson, Department of Human Services.

**November 27 Meeting**

- FY 2003 Built-in increases.
- FY 2002 General Fund Budget Update.
- Review of criminal justice population trends for last 10 years, Lettie Prell, Criminal Juvenile Justice Planning Division, and Jennifer Dean and Beth Lenstra, LFB.
- *Issue Review* – Crime Bills from the 2001 Legislative Session, Beth Lenstra and Jennifer Dean, LFB.
- Judicial Branch, Deputy State Court Administrator David Boyd, and Second Judicial District CBC Director Linda Murken discussed the potential impact of re-drawing the boundaries of the eight judicial districts.
- *Issue Review* – Overview: Iowa Judicial Branch, Jennifer Dean.
- Department of Public Safety Commissioner, E. A. “Penny” Westfall, presented details of the FY 2002 Budget Reductions, and provided a federal funding update.
- Department of Corrections Director, Kip Kautzky, reviewed the impact of FY 2002 budget reductions, including number and type of FTE positions eliminated at each Institution and CBC District Department. He also presented information on county confinement, capital projects and federal funds, and gave a federal funding update.
- Telemedicine System Update for the Department of Corrections and University Hospitals and Clinics was given by Dr. Michael G. Kienzle.

Respectfully submitted,

Senator Jeff Lamberti  
Co-chairperson

Representative Dave Millage  
Co-chairperson