

**EIGHTY-SIXTH GENERAL ASSEMBLY  
2015 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

MARCH 24, 2015

SENATE FILE 232

S-3064

- 1 Amend Senate File 232 as follows:  
2 1. Page 1, by striking lines 1 and 2 and inserting:  
3 <Section 1. NEW SECTION. 136D.3A Minors' use of  
4 tanning devices prohibited.>  
5 2. Page 1, line 3, by striking <1.>  
6 3. Page 1, by striking lines 5 through 18.  
7 4. By renumbering as necessary.

**By WILLIAM A. DOTZLER, JR.**

S-3064 FILED MARCH 23, 2015

SENATE FILE 379

S-3063

- 1 Amend Senate File 379 as follows:  
2 1. Page 1, line 15, after <center> by inserting  
3 <unless the program is exempt from licensure under  
4 chapter 237A>  
5 2. Page 1, by striking lines 27 through 29 and  
6 inserting <~~department of human services shall be an~~  
7 ~~appropriately licensed teacher under chapter 272~~  
8 ~~or shall meet other standards adopted by the state~~  
9 ~~board of education collaborate with that board in the~~  
10 operation of that program.>  
11 3. By renumbering as necessary.

**By LIZ MATHIS**

S-3063 FILED MARCH 23, 2015

SENATE FILE 415

S-3065

1 Amend Senate File 415 as follows:

2 1. Page 1, by striking lines 17 through 27 and  
3 inserting:

4 <Sec. \_\_\_\_\_. Section 49.9, Code 2015, is amended to  
5 read as follows:

6 49.9 Proper place of voting.

7 Except as provided in section 49.11, subsection 3,  
8 paragraph "b", section 49.11A, or as otherwise provided  
9 by law, a person shall not vote in any precinct but  
10 that of the person's residence.

11 Sec. \_\_\_\_\_. NEW SECTION. 49.11A Combined polling  
12 places.

13 1. For any election, the commissioner may designate  
14 a combined polling place to serve more than one  
15 precinct upon determining that designating the combined  
16 polling place is cost-efficient, administratively  
17 feasible, and does not impose an undue burden on  
18 persons in the precincts served by the combined  
19 polling place. The commissioner may assign precincts  
20 to a combined polling place and a person who is an  
21 eligible elector of a precinct assigned to a combined  
22 polling place who wishes to vote in person on election  
23 day shall vote at the combined polling place. The  
24 commissioner shall post a notice on the day of the  
25 election at the entrance to each combined polling  
26 place indicating that it is a combined polling place  
27 and specifying the precincts that are assigned to the  
28 combined polling place.

29 2. a. If the commissioner assigns precincts to  
30 a combined polling place for a primary or general  
31 election, the commissioner shall ensure that the voting  
32 system utilized in the combined polling place reports  
33 election results by individual precinct.

34 b. For a primary or general election, the total  
35 number of voters in all precincts assigned to a  
36 combined polling place shall not exceed three thousand  
37 five hundred voters, as determined by the combined  
38 number of votes cast from each of the precincts at the  
39 last preceding general election that was a presidential  
40 election.

41 3. For a primary or general election, the  
42 commissioner shall publish notice of the commissioner's  
43 intent to designate a combined polling place no less  
44 than seventy days before the election. For any other  
45 election, the commissioner shall publish notice of the  
46 commissioner's intent to designate a combined polling  
47 place no less than thirty days before the election.

48 4. The commissioner shall not assign precincts to  
49 a combined polling place for an election if there is  
50 filed with the commissioner at least sixty days before

S-3065

S-3065

Page 2

1 a primary or general election, or at least twenty days  
2 before any other election, a petition signed by fifty  
3 or more eligible electors of a precinct to be assigned  
4 to a combined polling place requesting that the  
5 precinct not be assigned to a combined polling place.  
6 There shall be attached to the petition the affidavit  
7 of an eligible elector of the precinct that the  
8 signatures on the petition are genuine and that all of  
9 the signers are to the best of the affiant's knowledge  
10 and belief eligible electors of the precinct.>

11 2. By renumbering as necessary.

**By** THOMAS G. COURTNEY

S-3065 FILED MARCH 23, 2015

SENATE FILE 459

S-3066

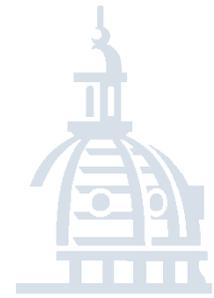
1 Amend Senate File 459 as follows:

2 1. Page 1, by striking lines 24 and 25 and  
3 inserting <board, the employee's appeal shall be  
4 heard by an administrative law judge employed by the  
5 administrative hearings division of the department  
6 of inspections and appeals in accordance with the  
7 provisions of section 10A.801, whose decision>

8 2. Page 2, by striking lines 11 and 12 and  
9 inserting <board, the employee's appeal shall be  
10 heard by an administrative law judge employed by the  
11 administrative hearings division of the department  
12 of inspections and appeals in accordance with the  
13 provisions of section 10A.801, whose decision>

**By** JANET PETERSEN

S-3066 FILED MARCH 23, 2015



---

**SF 344** – Apprenticeship Training Tax Credit (LSB1649SV)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

---

**Description**

**Senate File 344** creates an Apprenticeship Training Tax Credit for wages paid by employers to apprentices in the construction trades that are training under a qualified apprenticeship program at an Iowa work site. The credit is equal to \$2 per qualified hour worked by the apprentice. The credit maximum for each apprentice position is \$2,000 in one tax year. The tax credit is not refundable or transferable and cannot be carried forward or back to any other tax year. This Bill applies to tax year 2016 and the credit is available for qualified wages paid to apprentices hired on or after July 1, 2015.

**Assumptions**

- The new tax credit applies to construction trade apprentice positions hired on or after July 1, 2015, and to wages paid to those qualified apprentices on or after January 1, 2016.
- For calendar year 2015, the number of new construction trade apprentice positions in Iowa is estimated to be 1,254, and half of that number is assumed to be hired on or after July 1, 2015 (627).
- The number of new construction trade apprenticeship positions is projected to increase 15.0% per year through 2020 and then remain at the 2020 level.
- The average apprenticeship is assumed to last 36 months.
- The maximum tax credit for a position is \$2,000 per year. To account for occasional vacancies, an average annual tax credit per position of \$1,900 per year is used for the estimate.
- The tax credit is not refundable or transferable and the credit cannot be carried forward to future years. Based on historical redemption patterns for similar tax credits, it is assumed that 56.0% of all earned tax credits will be redeemed and the remainder will expire unredeemed.
- A total of 20.0% of the annual tax credit amount will impact the General Fund in the first half of the calendar year earned (reduced estimate payments), and 80.0% will impact the General Fund in the second half of the calendar year, or during the spring tax return period.
- A total of 75.0% of the tax credit amount will impact individual income tax returns and 25.0% will impact corporate income tax returns. As a nonrefundable credit, the portion that decreases individual income tax will also decrease any applicable local option income surtax for schools. That surtax equals approximately 3.0% of State individual income tax liability statewide.

**Fiscal Impact**

The Apprenticeship Training Tax Credit created in this Bill is projected to reduce net General Fund revenue and the local option income surtax for schools by the amounts in the following table. The number of apprentice positions benefiting from the tax credit for all or a portion of the year is also provided.

Apprentice Training Tax Credit Estimated Fiscal Impact			
Dollars in Millions			
	Number of Apprentice Positions	State General Fund Revenue Reduction	School Surtax Reduction
FY 2016	2,069	\$ 0.3	\$ 0.0
FY 2017	3,727	1.8	0.0
FY 2018	5,006	3.5	0.1
FY 2019	5,756	5.5	0.1
FY 2020	6,619	6.3	0.1
FY 2021	7,234	7.2	0.2
FY 2022	7,563	7.8	0.2
FY 2023	7,563	8.0	0.2

The fiscal impact is expected to continue in future years at the FY 2023 level.

**Sources**

- Iowa Department of Revenue
- U.S. Department of Labor, Office of Apprenticeship
- Iowa Office of Apprenticeship
- Legislative Services Agency analysis

---

March 23, 2015

---

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.

---



---

**SF 372** – Durable Medical Equipment Provider Licensing (LSB1109SV)  
Analyst: Kenneth Ohms (Phone: (515) 725-2200) ([kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov))  
Fiscal Note Version – New

---

### **Description**

**Senate File 372** establishes a licensing procedure, standards of practice, and board for durable medical equipment providers in the new Iowa Code chapter **154G**. The Iowa Department of Public Health (IDPH) will be responsible for administering the new Board of Durable Medical Equipment Providers. The Bill requires a person or business that provides durable medical equipment to the public to have a license issued by the Board. If a person or business has multiple locations, each location must have a license. The Bill provides that the initial establishment of the Board is effective on enactment and that the effective and implementation date of licensure is January 1, 2016.

### **Background**

Durable medical equipment (DME) is defined as any product reimbursed under **Medicare Part B DME Benefits** and any product as defined by the federal **Food, Drug, and Cosmetics Act**, or **reimbursed by Medicaid**. This generally includes hospital beds, oxygen, walkers, continuous positive airway pressure machines, customized wheelchairs, and related seating and positioning devices. This does not include prosthetics, orthotics, or any splints, braces, or aids custom-fitted or custom-fabricated by licensed health care practitioners or commercially available noncustomized splints, braces, or aids prescribed by a licensed health care practitioner.

Iowa Code section **3.20** requires the General Assembly to use the following principles in determining whether a procedure should be established and the type of procedure that should be established, for the state licensure of an occupation or profession:

- The state will engage in licensing procedures for professions and occupations where it believes it can assure an objective and measurable level of competence concerning the public health, safety, and well-being which other sources cannot effectively provide.
- The licensing board will pursue a meaningful examination and enforcement procedure that upholds the level of competency of the licensee to ensure public interest is protected.

Iowa Code section **147.25** deals with fees of licensing boards and requires fees to be sufficient to cover the expenditures of the board licensure and administration.

### **Assumptions**

- Staff in the IDPH Licensing Bureau is at capacity for the number of boards that can be administered. A Board Executive (Executive Officer 1) will provide administrative support functions of the board and conduct inspections of provider locations. A Licensure Specialist (Clerk Specialist) will manage license applications and process licensure fees and other issues. Minimal additional staff will also be utilized to oversee and support the Board. The IDPH will also have employee startup and indirect costs.
- The Board will require IT (information technology) services for updating the licensing system to track the new licenses.
- No revenue will be generated by fees until November 2015. Fee revenue will be distributed across two fiscal years.
- Initially, 138 persons and businesses will seek licensure.

## **Fiscal Impact**

The table below outlines the projected fee revenue and expenditures for the new Board. The net impact or need shown in the following table represents the total estimated General Fund impact or need for FY 2016 and FY 2017,

	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>
Revenue		
License Fee	\$ 20,700	\$ 20,700
Initial Inspection	27,600	27,600
Total Revenue	<b><u>\$ 48,300</u></b>	<b><u>\$ 48,300</u></b>
Expenses		
Board Executive	\$ 67,100	\$ 67,100
Licensure Specialist	45,300	45,300
Shared Staff, Support, Board Expense, Employee Startup & Indirect	47,870	45,770
IT Services	19,100	1,200
Total Expense	<b><u>\$ 179,370</u></b>	<b><u>\$ 159,370</u></b>
<b>NET IMPACT</b>	<b><u>\$ (131,070)</u></b>	<b><u>\$ (111,070)</u></b>

## **Sources**

Iowa Department of Public Health  
Iowa Workforce Development  
Criminal & Juvenile Justice Planning Division

/s/ Holly M. Lyons

March 23, 2015

---

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.

---



**LEGISLATIVE  
SERVICES AGENCY**

*Serving the Iowa Legislature*

# Fiscal Note

*Fiscal Services Division*



**SF 472** – English Language Learners, Expanded Weighting (LSB1740SZ)

Analyst: John Parker (Phone: (515) 725-2249) ([john.parker@legis.iowa.gov](mailto:john.parker@legis.iowa.gov))

Fiscal Note Version – New

## **Description**

**Senate File 472** increases the supplementary weighting for students identified as limited English proficient (LEP) from 0.22 to 0.30 per student. The Bill increases the number of years an LEP student is eligible to generate supplementary weighting from five to six years for students identified LEP beginning in FY 2016. The years of eligibility increases to seven years for students identified as LEP beginning in FY 2017.

## **Background**

Currently, students eligible for LEP instruction generate additional supplementary weighting through the school aid formula for a maximum of five years. Additionally, school districts may be granted supplemental aid or a modified supplemental amount from the School Budget Review Committee (SBRC) for costs associated with students that remain in the program after the supplementary weighting eligibility provision has been exhausted.

During the 2006 Legislative Session, **HF 2792** (Additional Education Funding Act) increased the LEP supplementary weighting student eligibility provision from three to four years beginning in FY 2007. In the 2013 Legislative Session, **SF 452** (Standings Appropriations Bill) increased the eligibility provision from four to five years beginning in FY 2015. The following table provides the LEP supplementary weighting school aid amounts and the amount of modified supplemental aid granted by the SBRC since FY 2007.

**Funding Levels for Limited English Proficient (LEP) Program Students FY 2007 – Estimated FY 2016**  
(Dollars in Millions)

	School Aid Funding Levels					Modified Supplemental Amount Granted by the SBRC	Number of Districts
	LEP Supplementary Weighting Amount	Total Funding	State Aid Portion	Local Property Tax Portion	Number of Districts		
Est. FY 2016	4,077.5	\$ 26.1	\$ 22.9	\$ 3.2	220	N.A.	N.A.
FY 2015	3,961.8	25.3	22.2	3.1	213	N.A.	N.A.
FY 2014	3,392.0	20.9	18.2	2.6	203	\$ 4.1	107
FY 2013	3,197.0	25.3	22.2	3.1	199	11.4	113
FY 2012	3,013.1	20.9	18.2	2.6	190	10.8	104
FY 2011	2,873.9	19.3	16.8	2.5	182	11.8	82
FY 2010	3,187.1	17.8	15.5	2.3	216	11.1	78
FY 2009	3,088.4	17.0	14.8	2.2	202	12.3	84
FY 2008	2,876.3	18.5	16.1	2.4	196	10.3	70
FY 2007	3,088.7	17.2	15.0	2.2	175	6.2	68

N.A. = not available

FY 2016 estimate assumes 0.0% State percent of growth.

## Assumptions

Assumptions include:

- A 0.0% State percent of growth is assumed for FY 2016 through FY 2023. Any State percent of growth above 0.0% will increase the estimated cost.
- Growth in current law LEP weightings of 7.0% each fiscal year.
- Proportional distribution of the supplementary weighting amounts for students eligible for a sixth and seventh year of LEP weighting.
- The amount of modified supplemental aid requested by school districts will decrease when the eligibility provision reaches seven years, but the specific amount is unknown. Reductions in modified supplemental aid will likely lead to reductions in local property taxes.
- It is unknown the number of students exiting the program before their eligibility period expires, but the reduction in students will reduce the estimated fiscal impact.

## Fiscal Impact

The following table includes the estimated impact of increasing the supplementary weighting for students identified as LEP from 0.22 to 0.30 per student and the State aid portion. The impact of the sixth and seventh year of eligibility do not have an impact until FY 2021 and FY 2023.

	<b>Impact of Weighting Increase</b>	<b>Impact of Sixth Year of Eligibility</b>	<b>Impact of Seventh Year of Eligibility</b>	<b>Total Impact</b>	<b>State Aid Portion – Impact</b>
FY 2016	\$ 9.4	N.A.	N.A.	\$ 9.4	\$ 8.3
FY 2017	10.1	N.A.	N.A.	10.1	8.9
FY 2018	10.8	N.A.	N.A.	10.8	9.5
FY 2019	11.6	N.A.	N.A.	11.6	10.2
FY 2020	12.4	N.A.	N.A.	12.4	10.9
FY 2021	13.2	\$ 7.1	N.A.	20.3	17.9
FY 2022	14.2	7.6	N.A.	21.7	19.2
FY 2023	15.2	8.1	\$ 11.4	34.6	30.6

## Sources

Iowa Department of Management, School Aid file  
Iowa Department of Education, SBRC Modified Supplemental Aid file  
LSA analysis and calculations

/s/ Holly M. Lyons

March 23, 2015

---

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.

---



**SF 473** – Preschool Expansion (LSB1517SZ)

Analyst: John Parker (Phone: (515-725-2249) ([john.parker@legis.iowa.gov](mailto:john.parker@legis.iowa.gov)))

Fiscal Note Version – New

**Description**

**Senate File 473** creates an expansion incentive to increase enrollment in the Statewide Voluntary Preschool Program (SWVPP) for four-year-olds. Districts that have an increase in Program enrollment above the base incentive enrollment (defined as the average actual enrollments for Fall 2012, Fall 2013, and Fall 2014) will receive incentive State aid equal to the increase in enrollment times 20.0% of the State cost per pupil for FY 2017, FY 2018, and FY 2019.

**Background**

The SWVPP was originally established in FY 2008. The Program was implemented with a phase-in that provided funding to approved school districts in the initial year of start-up through a State General Fund appropriation. Following the initial year of Program implementation, the school district program received funding through the preschool formula, based on the previous year's enrollment. The following table provides the funding and enrollment history. Program funding for the initial year of school district participation totaled \$57.6 million, while formula funding is estimated to total \$425.7 million through FY 2016.

Legislative Services Agency: Statewide Voluntary Preschool Program for Four-Year-Olds (SWVPP) Funding Levels (Dollars in Millions)						
	Appropriation Amount for Initial Year	Preschool Formula Funding	Total State Funding for Statewide Voluntary Preschool Program	Estimated Number of Preschool Students Enrolled in Program*	Preschool Formula Weighting	
FY 2008	\$ 15.0	N.A.	\$ 15.0	5,126	N.A.	
FY 2009	14.8	\$ 17.1	31.8	9,676	3,075.6	
FY 2010	11.5	33.3	44.9	13,666	5,805.6	
FY 2011	16.2	48.3	64.5	19,799	8,199.6	
FY 2012	N.A.	58.4	58.4	19,800	9,900.0	
FY 2013	N.A.	60.4	60.4	19,900	9,950.0	
FY 2014	N.A.	66.1	66.1	21,381	10,690.5	
FY 2015	N.A.	70.0	70.0	21,926	10,963.0	
Est. FY 2016	N.A.	72.2	72.2	22,690	11,345.0	
<b>Total</b>	<b>\$ 57.6</b>	<b>\$ 425.7</b>	<b>\$ 483.3</b>			

Notes:  
 FY 2011 appropriation amount for initial year includes \$12.2 million from the State General Fund and \$4.0 million from the Cash Reserve Fund.  
 Beginning in FY 2012, the preschool formula weighting was reduced from 0.6 to 0.5.  
 \*Enrollment amounts for FY 2008 - FY 2011 are based on the June 2014 SWVPP Fact Sheet released by the Department of Education. Enrollment amounts for FY 2012 - FY 2016 are calculated based on the preschool formula weighting amounts. Preschool formula weighting is the amount of weighting that was used to generate funding for the Estimated FY 2016 is based on the State cost per pupil of \$6,366. The amount will increase if the General Assembly enacts a State percent of growth for FY 2016.  
 Estimates as of February 20, 2015.

Sources:  
 Iowa Department of Management, School Aid files.  
 LSA Analysis and Calculations.

## **Assumptions**

Assumptions include:

- Current Legislative Services Agency (LSA) preschool formula funding estimates assume an increase of 2.5% to the preschool weightings for FY 2017, FY 2018, and FY 2019.
- There are an estimated 39,959<sup>1</sup> four-year-olds in Iowa.
- There are an estimated 42,809<sup>2</sup> three- and four-year-olds in Iowa not enrolled in school, and of this total, 21,508 are four-year-olds.
- There are an estimated 25,587<sup>2</sup> (65.5%) three- and four-year-olds in Iowa enrolled in public school and 13,496<sup>2</sup> (34.5%) enrolled in private school.
- Based on the proportion of four-year-olds in Iowa not enrolled in school and the proportion of three- and four-year-olds in Iowa enrolled in public school, approximately 14,100 new four-year-olds will enroll in the SWVPP.
- The 14,100 new four-year-olds enrolled in the SWVPP are adjusted to include the already assumed increase of 2.5% to the preschool weightings for FY 2017, FY 2018, and FY 2019.
- The new four-year-olds enrolled in the SWVPP will be evenly split and counted in the certified enrollment counts for FY 2017, FY 2018, and FY 2019.
- Full enrollment for the SWVPP is 36,790 and will remain static through FY 2019.
- The current estimated enrollment for other existing preschool programs noted in this Bill (Shared Visions, special education programs, School Ready Children Grant Program through the Early Childhood Iowa Initiative, Head Start, and Title I of the ESEA) is assumed to remain static and included in U.S. Census Bureau estimates. The fiscal impact noted in the following table does not include enrollment counts for these students. This Bill allows these students to be included in the SWVPP enrollment count if participation in the SWVPP enhances the existing Program. The inclusion of these students in SWVPP enrollment count will increase both incentive funding and total Program funding amounts.
- In addition to the projected growth, the incentive Program may increase enrollments above the current assumed growth levels. This impact will include both the incentive State aid portion and an increase in overall funding levels for the SWVPP.
- The State percent of growth will impact future cost per pupil levels. This estimate assumes a 0.0% State percent of growth for FY 2016 through FY 2019. Any State percent of growth above 0.0% will increase the total fiscal impact.

## **Fiscal Impact**

Based on current LSA school aid estimates and the SWVPP for four-year-old growth, the minimum State aid increase resulting from the incentive State aid provision will be at least \$1.6 million in FY 2017, \$2.3 million in FY 2018, and \$3.1 million in FY 2019.

There may be additional enrollments above current projected levels resulting from this Bill. Timing of the increased enrollments will factor into the overall impact, and the specific increased enrollments and designated fiscal year is unknown.

The following table includes the fiscal impact (in millions) of each provision and the total increase compared to current estimates.

---

<sup>1</sup> U.S. Census Bureau, Population Division, Annual Estimates of the Resident Population by Single Year of Age and Sex for Iowa, April 1, 2010, to July 1, 2013.

<sup>2</sup> U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table B14003 - sex by school enrollment by type of school by age for the population three years and over.

<b>Current Law Estimates (Dollars in Millions)</b>			
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<b>Current Law State Aid for Preschool</b>	<b>\$ 74.0</b>	<b>\$ 75.9</b>	<b>\$ 77.8</b>
<b>Incentive Period State Aid Payments (Current Law)</b>			
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
LSA Projected Enrollments	23,257	23,839	24,435
Incentive Enrollment	1,258	1,840	2,436
<b>Current Law Incentive State Aid</b>	<b>\$ 1.6</b>	<b>\$ 2.3</b>	<b>\$ 3.1</b>
<b>Incentive Period State Aid Payments (New Enrollments)</b>			
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Full Enrollment in FY 2019	27,390	32,090	36,790
Incentive Enrollment	4,133	8,251	12,355
<b>New Incentive State Aid</b>	<b>\$ 5.3</b>	<b>\$ 10.5</b>	<b>\$ 15.7</b>
<b>Preschool Foundation Aid Increase</b>			
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Full Enrollment in FY 2019	27,390	32,090	36,790
New Preschool Students	4,133	8,251	12,355
<b>Increase to Preschool Formula</b>	<b>\$ 13.2</b>	<b>\$ 26.3</b>	<b>\$ 39.3</b>
<b>Estimated Impact (Dollars in Millions)</b>			
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Current Law State Aid for Preschool	\$ 74.0	\$ 75.9	\$ 77.8
Current Law Incentive State Aid	1.6	2.3	3.1
New Incentive State Aid	5.3	10.5	15.7
Increase to Preschool Formula	13.2	26.3	39.3
<b>Total Preschool Funding with Bill</b>	<b>\$ 94.0</b>	<b>\$ 115.0</b>	<b>\$ 135.9</b>
<b>Estimated General Fund Increase</b>	<b>\$ 20.0</b>	<b>\$ 39.1</b>	<b>\$ 58.2</b>

### Sources

U.S. Census Bureau  
Iowa Department of Education  
Iowa Department of Management, School Aid file  
LSA analysis and calculations

/s/ Holly M. Lyons

March 23, 2015

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.



---

**SF 480** – Dilapidated Home Renovations, Property Taxes (LSB1492SZ)  
Analyst: Jeff Robinson (Phone: (515-281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

---

**Description**

**Senate File 480** allows a city council or county board of supervisors to exempt from property taxation the value added to residential property in certain situations. The value-added subject to tax exemption would be the value increase associated with the renovation and improvement of property that the council or board had “deemed” a public nuisance under a definition provided in this Bill. The exemption may be for up to 10 years. The new exemption is available beginning July 1, 2015. This Bill provides that Iowa Code section **25B.7**, related to State funding of new property tax credits and exemptions, does not apply to this new exemption.

**Background — Existing Urban Revitalization Residential Exemptions**

Iowa Code chapter **404** (Urban Revitalization Tax Exemptions) currently provides cities and counties with the authority to exempt value-added residential property value from property taxation. The power to do so under Iowa Code chapter 404 requires the city or county to first adopt an ordinance specifying the area within its jurisdiction that is subject to Urban Revitalization and property tax exemptions are only available within those specified Urban Revitalization Areas. The residential exemptions currently available include:

- **Iowa Code section 404.3(1)** – All Qualified Residential Real Estate Exemption – 115.0% of the added value, but not to exceed \$20,000.
- **Iowa Code section 404.3(2)** – All Qualified Residential Real Estate Exemption – Sliding scale, 10-year exemption, starting at 80.0% of the value added (year one) and ending at 20.0% of added value (year 10).
- **Iowa Code section 404.3B(3)** – All Qualified Residential Real Estate Exemption – 100.0% exemption for three years.
- **Iowa Code section 404.3B(4)** – All Qualified Residential Real Estate Exemption – 100.0% exemption for 10 years.
- **Iowa Code section 404.3A** – Residential Development Area Exemption – Up to \$75,000 of added value may be exempt for up to five years.
- **Iowa Code section 404.3B(2)** – Abandoned Real Property Exemption – Sliding scale, 15-year exemption, starting at 80.0% of the value added (year one) and ending at 20.0% of added value (year 15).
- **Iowa Code section 404.3B(3)** – Abandoned Real Property Exemption – 100.0% exemption for five years.

## **Background — Proposed New Residential Exemption**

This Bill creates a new residential property tax exemption that could be available anywhere and will not be limited to only properties located within a designated Urban Revitalization Area. Therefore, the pool of potentially benefited residential properties is much larger than under current law. To qualify for the value-added property tax exemption, the Council or Board must adopt an enabling ordinance and the specific property must be deemed by the Council or Board to exhibit one or more of the qualifications under the definition of a public nuisance. The Bill defines public nuisance to be:

“A building that is a menace to the public health, welfare, or safety, or that is structurally unsafe, unsanitary, or not provided with adequate safe egress, or that constitutes a fire hazard, or is otherwise dangerous to human life, or that in relation to the existing use constitutes a hazard to the public health, welfare, or safety by reason of inadequate maintenance, dilapidation, obsolescence, or abandonment.”

The Iowa Code uses this same definition of public nuisance in Iowa Code chapter [657A](#) (Abandoned or Unsafe Buildings). Under Iowa Code chapter 657A, the finding that a property is a public nuisance brings with it potentially onerous obligations on the property owner. This Bill does not require that the property also be a public nuisance under Iowa Code chapter [657A](#).

The new exemption created in this Bill does not require any minimum level of property value improvement and it does not require the property owner to remedy the issue that caused the property to qualify for the exemption as a public nuisance.

The Bill sets a maximum value-added exemption of 10 years and 100.0%, but it also allows the Council or Board to set a lower benefit level.

## **Background — State and Local Impact of Current Residential Exemptions**

Across all property classes and for assessment year 2014, a total of \$3.707 billion of property value is exempt from taxation due to Urban Revitalization and other property value exemption programs. Of that amount, \$0.970 billion is residential property value.

Property that is exempt from property taxation, but would otherwise be subject to property tax, reduces the revenue raised by local government property tax rates. Exemption of value that would otherwise be taxable also increases the State General Fund appropriation for school aid by \$5.40 per thousand dollars of exempt taxable value. **Table 1** provides the estimated reduction in local revenue and increase in State General Fund school aid associated with current residential property tax exemptions.

**Table 1**  
**Current Law Residential Exemptions**  
**Impact on Government Revenue**

Impacted Government	Tax Rate Per Thousand	Estimated Revenue Reduction
K-12 School	\$9.83	\$5,530,000
City	13.72	7,719,000
County	6.40	3,601,000
Other	2.38	1,339,000
Local Government Total	\$32.33	\$18,189,000
		Appropriation Increase
State General Fund	\$5.40	\$3,038,000
Total	\$37.73	\$21,227,000

Estimate based on \$0.970 billion in currently exempt residential value and average urban residential tax rates for FY 2015.

**Assumptions**

- The extent to which City Councils and Boards of Supervisors will be willing to offer this new exemption to residential property owners is not known.
- For the fiscal impact calculations used in this Fiscal Note, the increase in value-added property tax exemptions above the current \$0.970 billion level is assumed to equal 1.5% for Assessment Year (AY) 2016, and grow 1.5 percentage points per year from AY 2017 through AY 2025.
- The residential rollback is assumed to equal 58.0% for all years.
- The average urban residential tax rate is assumed to be \$37.73 per thousand dollars for all years. The \$37.73 average tax rate includes a statewide urban residential school rate of \$15.23 per thousand dollars, and that average school rate includes a \$5.40 basic school rate and \$9.83 in additional school tax rates. When property value that would otherwise be taxable is made exempt from taxation, the operation of the Iowa School Aid formula automatically increases the General Fund appropriation for school aid by \$5.40 per thousand dollars of exempted taxable value.
- All exemptions are assumed to last 10 years.
- Offering property tax exemptions has as a possible outcome that the statewide total of residential and multi-residential property value will be higher than would be the case without the new tax exemption. In instances where this is the case, the exemption has no direct property tax impact as the foregone property tax is tax that would not have been realized anyway. However, if the value exempted is value that would have been added to the specific building anyway, or if the value added in one location represents value that would have been added somewhere else in Iowa but for the available exemption, the new exemption has a negative impact on total statewide local revenue and increases the State appropriation for school finance.

**Fiscal Impact**

The fiscal impact of the new residential property tax exemption contained in [SF 480](#) depends on how willing City Councils and Boards of Supervisors are to extend the exemption to property within their city or county. Based on the above background and assumptions, the exemption is expected to increase the State General Fund school aid appropriation and decrease local government revenue by the levels indicated in **Table 2**.

Assesment Year	Fiscal Year	State GF Appropriation Increase	Local Revenue Reduction
2016	2018	\$ 50,000	\$ 270,000
2017	2019	90,000	550,000
2018	2020	140,000	820,000
2019	2021	180,000	1,090,000
2020	2022	230,000	1,360,000
2021	2023	270,000	1,640,000
2022	2024	320,000	1,910,000
2023	2025	360,000	2,180,000
2024	2026	410,000	2,460,000
2025*	2027	460,000	2,730,000

\* Impacts extend past AY 2025 at similar levels

Once the exemption period for a particular property ends, it is possible the impact of the exemption will be positive for both the State General Fund and local governments. But this positive impact will be case-by-case and will only occur if the exemption increases the total amount of taxed residential and multi-residential property value statewide to a level higher than it would have been without the new exemption.

**Sources**

Department of Management property value and tax database  
Department of Revenue exempt property value files  
Legislative Services Agency analysis

/s/ Holly M. Lyons

March 23, 2015

---

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.

---



**HF 3** – Invasion of Privacy (LSB1116YH.1)

Analyst: Beth Lenstra (Phone: (515) 281-6301) ([beth.lenstra@legis.iowa.gov](mailto:beth.lenstra@legis.iowa.gov))

Fiscal Note Version – As amended and passed by the House

Requested by Senator Steve Soddors

**Description**

**House File 3** as amended and passed by the House amends Iowa Code section **709.21**(1)(a) to broaden the criminal offense of invasion of privacy – nudity to eliminate the requirement that the victim have no knowledge of being viewed, photographed, or filmed. Additionally, the penalty for this sex offense is enhanced from a serious to an aggravated misdemeanor. **House File 3** as amended and passed by the House also creates a new serious misdemeanor offense of trespass in certain circumstances. This crime is not a sex offense.

**Background**

**Correctional and Fiscal Information**

- Under current law, the crime of trespass has a graduated system of penalties ranging from a simple misdemeanor to a Class D felony. Creating a new serious misdemeanor offense will increase the likelihood of convictions.
- There were five charges disposed in FY 2014 for trespass. Of these, two were dismissed or acquitted and three were convicted as charged. Additionally, one other defendant was charged with a different offense but pled to trespass. The current conviction rate for trespass is 60.0%.
- According to the Justice Data Warehouse ([JDW](#)), the Criminal and Juvenile Justice Planning Division ([CJJPD](#)) of the Department of Human Rights ([DHR](#)), and the Department of Corrections ([DOC](#)), the following are estimates for sentencing, length of stay under supervision, and costs for trespassers. Approximately 12.7% of convicted offenders receive a sentence other than correctional supervision, such as community service, a financial penalty, or both.

**Corrections Supervision Information for Trespassers**

	Percent Sentenced to State Prison	Avg Length of Stay in Prison	Marginal Cost per Day	Avg Length of Stay on Parole	Percent Sentenced to Probation	Avg Length of Stay on Probation	Percent Sentenced to CBC Res. Facility	Avg Length of Stay in CBC Res. Facility	Marginal Cost per Day	Percent Sentenced to County Jail	Avg Length of Stay in County Jail	Marginal Cost per Day
Ser. Misd.	1.7%	6.9 months	\$ 18.92	7.5 months	51.9%	12.0 months	0.8%	5.8 months	\$ 11.55	32.9%	102 days	\$ 15.00

- Under current law, the crime of invasion of privacy – nudity is a serious misdemeanor sex offense. Broadening the definition and enhancing the penalty will increase convictions for this offense.
- There were 29 charges disposed in FY 2014 for invasion of privacy – nudity. Of these, 16 were dismissed or acquitted, 13 were convicted, and 11 were convicted as charged. The current conviction rate for the serious misdemeanor offense is 44.8%. There were five offenders convicted under the provisions of Iowa Code section **709.21**; most of them were convicted of multiple charges.
- Offenders sentenced under Iowa Code chapter **709** are subject to sentencing enhancements because they are sex offenders. These offenders are subject to the

requirements of the Sex Offender Registry ([SOR](#)) for at least 10 years per Iowa Code chapter [692A](#). The SOR is administered by the Department of Public Safety ([DPS](#)). See the *Legislative Guide, Sex Offender Registry Law* published by the Legislative Services Agency (LSA) in November 2014 for additional information.

- Sex offenders are also subject to the Special Sentence under Iowa Code chapter [903B](#). Offenders on Special Sentence are supervised by the Community-Based Corrections (CBC) District Departments.
- Sex offenders can be revoked from probation, parole, or Special Sentence supervision for technical violations or new convictions. The average length of stay under supervision shown in the table below does not include time served for revocations.
- Sex offenders sentenced to prison are required to participate in a Sex Offender Treatment Program (SOTP). The following table does not include the average length of stay in treatment or the average daily cost of State prison-based SOTP.
- According to the Justice Data Warehouse (JDW), the Criminal and Juvenile Justice Planning Division (CJJPD) of the Department of Human Rights (DHR), and the Department of Corrections (DOC), the following are estimates for sentencing, length of stay under supervision, and costs for sex offenders.

**Corrections Supervision Information for Sex Offenders**

	Percent Sentenced to State Prison	Avg Length of Stay in Prison	Marginal Cost per Day	Avg Length of Stay on Parole Including Special Sentence	Percent Sentenced to Probation	Avg Length of Stay on Probation Including Special Sentence	Percent Sentenced to CBC Res. Facility	Avg Length of Stay in CBC Res. Facility	Marginal Cost per Day	Percent Sentenced to County Jail	Avg Length of Stay in County Jail	Marginal Cost per Day
Ser. Misd. - Sex	15.7%	6.9 months	\$ 18.92	26.8 months	61.8%	60.0 months	3.4%	5.8 months	\$ 11.55	25.8%	102 days	\$ 15.00
Agg. Misd. - Sex	31.5%	12.9 months	\$ 18.92	26.8 months	58.2%	76.3 months	9.6%	5.8 months	\$ 11.55	15.7%	79 days	\$ 15.00

- The percent sentenced to State prison, probation, CBC residential facility, or county jail is 106.7% for serious misdemeanants and 115.0% for aggravated misdemeanants. The disposition of sentences exceeds 100.0% because certain offenders are sentenced to county jail or a CBC residential facility, and then probation supervision.
- Generally, offenders convicted of a sex offense and supervised by a CBC District Department are placed on intensive supervision and gradually progress to normal supervision if they are successful. These offenders are usually placed on electronic monitoring for a period of their supervision as permitted in Iowa Code section [692A.124](#). Sex offenders are required to participate in an SOTP while under CBC supervision. The table below shows supervision lengths of stay and costs that are unique to sex offenders convicted of misdemeanors.

**Information on Sex Offender Supervision in CBC District Departments**

Avg Length of Stay on Special Sentence Only	Avg Length of Stay on Intensive Supervision While on Parole or Probation	Avg Daily Cost of Intensive Supervision for Sex Offenders	Avg Length of Stay on Normal Probation or Parole Supervision	Avg Daily Cost for Probation or Parole	Avg Length of Stay on Electronic Monitoring	Avg Daily Cost of Electronic Monitoring Device	Avg Length of Stay in SOTP CBC Only	Avg Daily Cost for SOTP CBC Only
54.9 months	42 months	\$12.80	34.3 months	\$4.26	26.4 months	\$3.15	38.8 months	\$5.08

- Some offenders receive a county jail sentence without a probation sentence. The Special Sentence starts once the county jail sentence is served. The offenders are then placed on CBC supervision.

- The [Fifth](#) CBC District Department's State General Fund appropriation includes funds for the statewide command center and electronic monitoring system. Electronic monitoring devices range in cost by type of device. Global Positioning System (GPS) Active devices are \$3.15 per day while GPS Passive devices are \$3.10 per day. Refer to the [Electronic Monitoring Report](#) issued by the DOC in October 2014 and published on the General Assembly's [website](#) for additional information.
- Approximately 81.2% of the marginal cost per day for CBC residential facilities is paid from local sources, such as offender rent.
- The cost per case for the [Indigent Defense Fund](#) is \$600 for a serious misdemeanor and \$1,200 for an aggravated misdemeanor.
- The average cost per case for the [Judicial Branch](#) is \$213 for a serious or aggravated misdemeanor. This estimate includes the average time spent on all cases of the given type regardless of how cases are disposed. Most cases are disposed by plea bargaining; only a small percentage is disposed by bench or jury trial. See the *Fiscal Topic*, [Jury Trials](#) published by the LSA in August 2013 for background information and statistics.

### **Minority Data Information**

Of the five offenders convicted under invasion of privacy – nudity in FY 2014, four were White and one was Hispanic. Two of the four trespassers convicted in FY 2014 were White, one was Black, and the race of one offender was not known. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 30, 2015, for information related to minorities in the criminal justice system.

### **Assumptions**

#### **Correctional and Fiscal Information**

- Charge, conviction, and sentencing patterns and trends will not change over the projection period.
- Prisoner length of stay under supervision, revocation rates, plea bargaining, and other criminal justice policies and practices will not change over the projection period.
- The law will become effective July 1, 2015. A lag effect of six months is assumed from the effective date of the Bill to the date of first entry of affected offenders into the correctional system.
- Offenders currently convicted of a serious misdemeanor sex offense will be convicted of the aggravated misdemeanor sex offense in this legislation. Some criminal cases that do not meet the definition of invasion of privacy – nudity under current law will result in convictions under [HF 3](#). Approximately 50.0% of the dismissed or acquitted charges under current law will become convictions under this legislation.
- Some criminal cases that do not meet the definition of trespass under current law will result in convictions under the Bill as amended and passed by the House. Approximately 50.0% of the dismissed or acquitted charges under current law will become convictions under this legislation.
- Approximately 50.0% of the defendants will be indigent.
- 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.

**Minority Data Information:** The impact on minorities will be consistent with current data.

## **Summary of Impacts**

### **Correctional Impact**

The correctional impact on the State prison system, CBC offender population, and county jails is expected to be minimal under the provisions of the Bill as amended and passed by the House.

There will be 20 additional defendants annually charged with invasion of privacy – nudity. Of these, eight will be convicted. Additionally, there will be five offenders currently convicted of a serious misdemeanor sex offense that will become aggravated misdemeanor sex offenders under this legislation. They will remain in the corrections system longer than under current law. This correctional impact is expected to occur in FY 2019 and thereafter, when serious misdemeanants would be expected to be discharged from Special Sentence but will remain under supervision for about 18 more months as aggravated misdemeanants.

The eight new aggravated misdemeanants are expected to be sentenced as follows: four to State prison for about 12 months, two to probation; and, two to a CBC residential facility for about six months and then probation.

**Minority Impact:** There is no minority impact anticipated under [HF 3](#) as amended and passed by the House.

### **Fiscal Impact**

The fiscal impact of [HF 3](#) as amended and passed by the House is estimated to be an additional cost of \$24,000 in FY 2016 and \$84,000 in FY 2017. State prison system costs are expected to stabilize in FY 2017 at \$28,000 annually. The costs for CBC supervision are expected to level off in FY 2020 at approximately \$69,000 annually. The table below shows the fiscal impact by funding source.

**Estimated Fiscal Impact by Funding Source**

	FY 2016			FY 2017		
	Local Funds	State General Fund	Total	Local Funds	State General Fund	Total
Judicial Branch	\$ 0	\$ 2,000	\$ 2,000	\$ 0	\$ 5,000	\$ 5,000
Indigent Defense	0	7,000	7,000	0	14,000	14,000
State Prison	0	7,000	7,000	0	28,000	28,000
CBC	0	8,000	8,000	3,300	33,800	37,100
Total	<u>\$ 0</u>	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 3,300</u>	<u>\$ 80,800</u>	<u>\$ 84,100</u>

The local funds are expected to be generated by offenders paying CBC residential rent.

### **Sources**

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

/s/ Holly M. Lyons

March 23, 2015

---

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.

---



---

**HF 6** – Sexual Exploitation by a School Employee (LSB1100HV.1)  
Analyst: Beth Lenstra (Phone: 515-281-6301) ([beth.lenstra@legis.iowa.gov](mailto:beth.lenstra@legis.iowa.gov))  
Fiscal Note Version – As amended and passed by the House  
Requested by Senator Steve Sodders

---

**Description**

**House File 6**, as amended and passed by the House, amends Iowa Code section **709.15**(1)(f) to broaden the criminal offense of sexual exploitation by a school employee to include all school district employees, including full-time, part-time, substitute, certain contract employees, and certain volunteers.

**Background**

**Correctional and Fiscal Information**

- Current law provides for a graduated system of penalties for sexual exploitation ranging from a serious misdemeanor to a Class D felony, depending on the circumstances of the offense.
- There were 19 charges disposed in FY 2014 for various levels of sexual exploitation by a counselor or school employee. Of these, 11 were either dismissed or acquitted while five charges resulted in a conviction. Several defendants had multiple charges. There were four charges that resulted in convictions as charged at the original level of sexual exploitation. All four convictions were for Class D felonies. The overall conviction rate for any type of sexual exploitation is 26.3%.
- There were two offenders convicted of Class D felonies in FY 2014.
- Offenders sentenced under the provisions of Iowa Code chapter **709** are subject to sentencing enhancements because they are sex offenders. These offenders are subject to the requirements of the Sex Offender Registry (**SOR**) for at least 10 years per Iowa Code chapter **692A**. The SOR is administered by the Department of Public Safety (**DPS**). See the **Legislative Guide, Sex Offender Registry Law** published by the Legislative Services Agency (LSA) in November 2014 for additional information.
- Sex offenders are also subject to the Special Sentence imposed under Iowa Code chapter **903B**. Offenders on Special Sentence are supervised by the Community-Based Corrections (CBC) District Departments.
- Sex offenders can be revoked from probation, parole, or Special Sentence supervision for technical violations or new convictions. The average length of stay shown in the table below does not include time served for revocations.
- Sex offenders sentenced to prison are required to participate in a Sex Offender Treatment Program (SOTP). The table below does not include the average length of stay in treatment or the average daily cost of State prison-based SOTP.
- According to the Justice Data Warehouse (**JDW**), the Criminal and Juvenile Justice Planning Division (**CJJPD**) of the Department of Human Rights (**DHR**), and the Department of Corrections (**DOC**), the following are estimates for sentencing, length of stay under supervision, and costs for sex offenders.

### Corrections Supervision Information for Sex Offenders

	Percent Sentenced to State Prison	Avg Length of Stay in Prison	Marginal Cost per Day	Avg Length of Stay on Parole Including Special Sentence	Percent Sentenced to Probation	Avg Length of Stay on Probation Including Special Sentence	Percent Sentenced to CBC Res. Facility	Avg Length of Stay in CBC Res. Facility	Marginal Cost per Day	Percent Sentenced to County Jail	Avg Length of Stay in County Jail	Marginal Cost per Day
Ser. Misd.	15.7%	6.9 months	\$ 18.92	26.8 months	61.8%	60.0 months	3.4%	5.8 months	\$ 11.55	25.8%	102 days	\$ 15.00
Agg. Misd.	31.5%	12.9 months	\$ 18.92	26.8 months	58.2%	76.3 months	9.6%	5.8 months	\$ 11.55	15.7%	79 days	\$ 15.00
Class D Felony	47.2%	32.0 months	\$ 18.92	26.8 months	51.6%	76.3 months	8.8%	5.8 months	\$ 11.55	0.0%	0	0.0%

- The percent sentenced to State prison, probation, CBC residential facility, or county jail is 106.7% for serious misdemeanants, 115.0% for aggravated misdemeanants, and 107.6% for Class D felons. The disposition of sentences exceeds 100.0% because certain offenders are sentenced to a CBC residential facility or county jail, and then probation supervision.
- Generally, offenders convicted of a sex offense and supervised by a CBC District Department are placed on intensive supervision and gradually progress to normal supervision if they are successful. These offenders are usually placed on electronic monitoring for a period of their supervision as permitted in Iowa Code section [692A.124](#). Sex offenders are required to participate in an SOTP while under CBC supervision. The table below shows supervision lengths of stay and costs that are unique to sex offenders convicted of misdemeanors and Class D felonies.

### Information on Sex Offender Supervision in CBC District Departments

Avg Length of Stay on Special Sentence Only	Avg Length of Stay on Intensive Supervision While on Parole or Probation	Avg Daily Cost of Intensive Supervision for Sex Offenders	Avg Length of Stay on Normal Parole Supervision	Avg Daily Cost for Probation or Parole	Avg Length of Stay on Electronic Monitoring	Avg Daily Cost of Electronic Monitoring Device	Avg Length of Stay in SOTP CBC Only	Avg Daily Cost for SOTP CBC Only
54.9 months	42 months	\$12.80	34.3 months	\$4.26	26.4 months	\$3.15	38.8 months	\$5.08

- Some offenders receive a county jail sentence without a probation sentence. The special sentence starts once the county jail sentence is served. They are then placed on CBC supervision.
- The [Fifth](#) CBC District Department's State General Fund appropriation includes funds for the statewide command center and electronic monitoring system. Electronic monitoring devices range in cost by type of device. Global Positioning System (GPS) Active devices are \$3.15 per day while GPS Passive devices are \$3.10 per day. Refer to the [Electronic Monitoring Report](#) issued by the DOC in October 2014 and published on the General Assembly's [website](#) for additional information.
- Approximately 81.2% of the marginal cost per day for CBC residential facilities is paid from local sources, such as offender rent.
- The cost per case for the [Indigent Defense Fund](#) is \$600 for a serious misdemeanor and \$1,200 for an aggravated misdemeanor or a Class D felony.
- The average cost per case for the [Judicial Branch](#) is \$213 for a serious or aggravated misdemeanor and \$436 for a Class D felony. These estimates include the average time spent on all cases of the given type regardless of how the cases are disposed. Most cases are disposed by plea bargaining; only a small percentage is disposed by bench or jury trials. See the *Fiscal Topic, Jury Trials* published by the LSA in August 2013 for background information and statistics.

**Minority Data Information:** The two offenders convicted of sexual exploitation in FY 2014 were white males.

**Assumptions**

**Correctional and Fiscal Information**

- Charge, conviction, and sentencing patterns and trends will not change over the projection period.
- Prisoner length of stay, revocation rates, plea bargaining, and other criminal justice policies and practices will not change over the projection period.
- The law will become effective July 1, 2015. A lag effect of six months is assumed from the effective date of [HF 6](#) to the date of first entry of affected offenders into the correctional system.
- Some criminal cases that do not meet the definition of sexual exploitation and are dismissed under current law will result in convictions under [HF 6](#). Approximately 50.0% of the dismissed/acquitted charges will result in convictions.
- Approximately 50.0% of the defendants will be indigent.
- 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 \$15.00 per day.

**Minority Data Information:** The impact on minorities will be consistent with current data.

**Summary of Impacts**

**Correctional Impact**

The correctional impact on the State prison system, CBC offender population, and county jails is expected to be minimal under the provisions of [HF 6](#). There will be an estimated 19 defendants annually charged with sexual exploitation. Of these, five will be convicted. On an annual basis, there will be two new Class D felons, two new aggravated misdemeanants, and one serious misdemeanant. The table below shows the annual sentences expected to be imposed by offense class for sexual exploitation. One aggravated misdemeanant is expected to receive a sentence to county jail and then probation supervision.

**Annual Sentences by Offense Class Conviction**

Offense Class	State		County	
	Prison	Probation	Jail	Total
Ser. Misd.	0	1	0	1
Agg. Misd.	0	2	1	3
Class D Felon	2	0	0	2
<b>Total</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>6</b>

The State prison population is expected to increase by one offender in FY 2016, two offenders in FY 2017, 3 offenders in FY 2018, and four annually thereafter. There will be one county jail admission annually, for about 79 days on average. The CBC offender population is expected to increase by two offenders in FY 2016, seven offenders in FY 2017, 12 offenders in FY 2018, 23 offenders in FY 2019, and 28 offenders in FY 2020. Probation caseloads are expected to stabilize at about 28 offenders annually after FY 2020 due to the increased length of stay under supervision for sex offenders (26.8 months to 76.3 months).

**Minority Impact:** There is no minority impact expected under [HF 6](#).

## Fiscal Impact

The fiscal impact of [HF 6](#) as amended and passed by the House, is estimated to be \$22,700 in FY 2016 and \$96,200 in FY 2017. The table below shows the fiscal impact by funding source. County jail operation costs are expected to be about \$1,200 annually. State prison system costs are expected to level off in FY 2019 at about \$28,000 per year. The costs for CBC are expected to level off in FY 2020 at approximately \$116,000 annually.

### Estimated Fiscal Impact by Funding Source

	FY 2016			FY 2017		
	County Budgets	State General	Total	County Budgets	State General	Total
		Fund			Fund	
Judicial Branch	\$ 0	\$ 3,000	\$ 3,000	\$ 0	\$ 6,000	\$ 6,000
Indigent Defense	0	10,000	10,000	0	21,000	21,000
Jail	1,200	0	1,200	1,200	0	1,200
State Prison	0	3,400	3,400	0	14,000	14,000
CBC	0	5,100	5,100	0	54,000	54,000
Total	<u>\$ 1,200</u>	<u>\$ 21,500</u>	<u>\$ 22,700</u>	<u>\$ 1,200</u>	<u>\$ 95,000</u>	<u>\$ 96,200</u>

## Sources

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

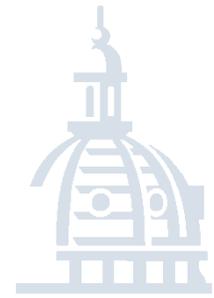
/s/ Holly M. Lyons

March 23, 2015

---

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.

---



---

**HF 549** – Teacher Collective Bargaining (LSB2589HV.1)  
Analyst: Ron Robinson (Phone: (515-281-6256) ([ron.robinson@legis.iowa.gov](mailto:ron.robinson@legis.iowa.gov))  
Fiscal Note Version – As amended and passed by the House

---

**Description**

**House File 549** changes the collective bargaining process for employees of a public school district or area education agency (AEA). This Bill eliminates the requirement that an arbitrator's award for each impasse item be restricted to the final offers submitted by the parties. The arbitrator must make an award that stays within the confines of the final offers for each impasse item.

The Bill requires an arbitrator to consider a comparison of wages, hours, and conditions of employment of public teachers with those of private sector employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.

The Bill also prohibits an arbitrator from considering the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services. The Bill also prohibits an arbitrator from considering the power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

The Bill applies to binding teacher contract arbitrations on or after the effective date of the Bill.

**Background**

Under current law, an arbitrator must choose between the final offers of the parties for each impasse item.

There are currently 338 school districts.

For the period of FY 2010 through FY 2014, a total of 26 public school district and AEA arbitrations took place as follows:

- FY 2010            11
- FY 2011            6
- FY 2012            1
- FY 2013            4
- FY 2014            4

A total of 43 items were considered in the 26 arbitrations. Of those, 20 were decided for management and 23 for labor. Of the 43 items, 25 involved wages and 11 were decided in favor of management and 14 for labor.

**Assumptions**

- The estimated total cost for an arbitrator is \$15,000, with each party paying half (\$7,500).
- The average cost of legal counsel for each party is an estimated \$5,500.

## **Fiscal Impact**

[House File 549](#) as amended and passed by the House, may increase administrative costs for school districts and AEAs if negotiations result in more arbitrations than the number experienced under current law. While it is anticipated that the number of arbitrations will increase, it is not possible to estimate the number. The estimated administrative cost for a school district will be \$13,000 per arbitration. The cost will be paid for from the school district's general aid specified in Iowa Code chapter [257](#). This includes State General Fund support and local property tax revenues.

An increase in the number of arbitrations will also cause a minor increase in the workload for the Public Employment Relations Board (PERB). The PERB is supported by the General Fund and the impact to the General Fund is estimated to be minimal.

It is unknown how the arbitrator will rule when making required comparisons with private sector employees and no longer considering the power of the public employer to levy taxes and appropriate funds for the conduct of its operations. It is also unknown how the parties will adjust their final offers compared to current law. Therefore, it is possible for this change to lead to lower or higher awards by the arbitrator.

## **Source**

Public Employment Relations Board

/s/ Holly M. Lyons

---

March 23, 2015

---

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.

---