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**STATE OF IOWA  
LEGISLATIVE FISCAL BUREAU**

State Capitol  
Des Moines, Iowa  
50319

**MEMORANDUM**

To: Legislative Fiscal Committee

From: Jennifer Acton

Date: October 8, 2003

RE: National Highway Traffic Safety Administration Funding

Several issues have arisen regarding the National Highway Traffic Safety Administration's (NHTSA) federal incentive funding that the Department of Public Safety is scheduled to receive because the State lowered the statutory Operating While Intoxicated (OWI) Blood Alcohol Content level to .08. The plan for the use of these funds was submitted to the NHTSA Region Seven Administrator in Kansas City, Missouri, on September 23 and then forwarded to Washington D.C. The State's proposed use of these funds is dependent upon NHTSA's acceptance of the submitted plan.

At the end of August, officials from the regional NHTSA office informally reviewed SF 439 (FY 2004 Justice System Appropriations Act). The Administration expressed a concern that under federal guidelines, the use of .08 incentive funds to supplement the Iowa State Patrol budget could be viewed as supplanting, which is prohibited. In order to address this concern, the Department prepared a plan detailing the use of these funds for OWI enforcement in a manner that does not supplant existing funds. The Department of Public Safety is also exploring additional options for the application of NHTSA funding in case the original plan is rejected.

Originally, Iowa was expected to receive approximately \$2.0 million in federal OWI incentive funds with \$800,000 being allocated to local law enforcement and \$1.2 million to the Department of Public Safety. The incentive funds are distributed by a 60.0%/40.0% split with a minimum of 40.0% being passed through to local entities through grant applications.

With additional States adopting the .08 law and drawing on the NHTSA funding, the amount that Iowa is estimated to receive has decreased. States had until September 30 to file a claim for the funding. Since April 2003, there have been 12 additional States (including Iowa) that have enacted the .08 law and are eligible for the OWI incentive funds. As of September 2003, a total of 44 States in addition to the District of Columbia and Puerto Rico have enacted the .08 legislation.

The National Highway Traffic Safety Administration now estimates that the State of Iowa will receive approximately \$1.3 million with \$523,000 (40.0%) being allocated to local law enforcement and \$777,000 to the Department of Public Safety. For the Department, this represents a reduction of \$423,000 compared to the original estimate of \$1.2 million. This unanticipated reduction in federal receipts may result in the lay off of up to 6.0 FTE positions in order to remain within current budget.

Additional information on the status of these funds will be provided as it becomes available.

Source: Department of Public Safety

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