



# BRIEFINGS

## INFORMATION REGARDING RECENT ACTIVITIES

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### FISCAL COMMITTEE OF THE LEGISLATIVE COUNCIL

November 27, 2001

**Cochairperson:** Senator Jeff Lamberti

**Cochairperson:** Representative Dave Millage

**Revenue Update.** Mr. Dennis Prouty, Director, Legislative Fiscal Bureau (LFB) updated State General Fund projections for fiscal years 2001-2002 and 2002-2003. These show that based upon the most recent revenue estimate as adjusted by action taken in the special legislative session in November, for fiscal year 2001-2002 there would be a projected \$26.1 million ending balance. However, he emphasized that these figures are likely to change after a new estimate is issued at the Revenue Estimating Conference's meeting at the beginning of December. The projected fiscal year 2002-2003 ending balance is \$57.5 million. Mr. Prouty said that the projected fiscal year 2002-2003 incremental built-in and anticipated expenditures is about \$560.3 million. This figure was developed by using as a base appropriation figure for the year the total amount appropriated after across-the-board cuts and the special session adjustments. Mr. Prouty stated that in these figures, adjustments were not made in projections for standing unlimited appropriations.

**Budget Update.** Ms. Holly Lyons (LFB) and Mr. Doug Wulf (LFB) provided an update on the fiscal year 2001-2002 State General Fund budget and the impact on federal funds. A "Notes on Bills and Amendments" was distributed and this described what was done to the budget as a result of action taken during the special session and listed the estimated net appropriations by the Committee on Appropriations subcommittees. Mr. Wulf stated that most departments reported that a reduction in federal funds is not expected during fiscal year 2001-2002. Those that expect a reduction include the Department of Human Services (\$34.3 million), Department of Agriculture and Land Stewardship (\$101,500), Foster Care Review Board (\$29,500), Division of Vocation Rehabilitation Services (\$838,000), and the Employment Appeal Board (\$2,600).

**Prison Population Trends.** Ms. Lettie Prell of the Criminal Juvenile Justice Planning Division and Ms. Jenifer Dean and Ms. Beth Lenstra (LFB) presented data on the caseload of the court system, summary of past correctional impact statements due to legislative changes, forecast of prison population trends, and historical State General Fund expenditures. It was pointed out that with a prison cap in place, the community-based corrections (CBC) populations increased 42 percent from 1981 through 1987. There was an increase of 74 percent from 1987 through 2001. The state prison inmate population increased by 110 percent from fiscal year 1989-1990 to fiscal year 2000-2001, while staffing increased by only 55.3 percent. It is estimated that by fiscal year 2010-2011, five new prisons with populations of 1,000 each will be needed. Ms. Lenstra stated that the increase from fiscal year 1990-1991 to fiscal year 2000-2001 expenditures and full-time equivalent positions (FTEs) for the Department of Corrections was 127.5 percent and 63.6 percent, respectively; for the Judicial Branch was 56.4 percent and 14.3 percent, respectively; and for the Department of Public Safety was 257.9 percent and 16.4 percent, respectively.

**Judicial Restructuring.** Deputy State Court Administrator David Boyd and Second Judicial District CBC Director Linda Murken discussed the proposed restructuring of Iowa's court system and its impact. Mr. Boyd emphasized that the present restructuring plan is a proposal waiting for public input. It consists of breaking the present eight judicial districts into five districts that would rely on more technology to assist in providing public access. Mr. Boyd pointed out that the reduction would not affect the rights of any person to timely access to the courts. Ms. Murken gave a brief overview of community-based corrections and then expressed her concern in the ability of the proposed restructuring plan to adequately provide the same community based services because of the larger area and populations incorporated in the five districts than the present eight districts.

**Department of Public Safety.** Commissioner A. E. "Penny" Westphal of the Department of Public Safety provided data on the fiscal year 2001-2002 budget reductions and an update on federal funding for that fiscal year. Ms. Westphal stated that 47 full-time State General Fund funded positions and nearly all temporary positions have been eliminated from the department's table of organization. She also identified specific programs that have been eliminated or reduced. These include elimination of crime scene technicians in the Crime Laboratory, elimination of the Iowa State Patrol motorist assist vans, and reduction of aircraft operations. She stated that the department's federal funding should not be greatly affected. There are about 43 grants totaling about \$7.16 million available.

**Department of Corrections.** Mr. Kip Kautsky, Director of Department of Corrections, addressed the Committee on the department's reduced budgeting, county confinement costs, federal funding, and construction time frames. Mr. Kautsky discussed the material that listed by institution or entity the enacted budget restorations by program and those programs that will lose because of the Governor's across-the-board cuts. The total for the department is 46.04 full-time



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equivalent positions and \$3 million restored and 167 full-time equivalent positions and \$7.9 million reduced. He pointed out that the reduction in positions and dollars would be through attrition and early retirement. Mr. Kautsky expressed the department's position of reimbursing local jurisdictions for the confinement of state prisoners at a uniform \$50 per day. He said the reimbursement rate should be uniform throughout the state and this is done in almost all other states. He determined the rate by taking a survey of all the counties. He told the Committee that the department would lose some federal funding but not as a result of any failure of the state to provide a match. The loss is due to the federal government's eliminating funds for the state prison grant funding program. The loss to the state will be close to \$14 million. Also lost for the same reason will be the federal reimbursement for housing "criminal aliens" in Iowa's system.

**Telemedicine System Update.** Dr. Michael Kienzle, M. D., Chief Technology Officer at University of Iowa Health Care, discussed the system used to interface a patient with health care personnel under the telemedicine system that involves prison inmates and indigents. The statistics have indicated an increase in usage of the system with a corresponding decrease in the use of clinic visits and hospital admissions, resulting in decreased costs.

**Next Meeting.** The next meeting is scheduled for December 17, 2001, at the State Capitol Building in Des Moines.

**LSB Monitor:** Mike Goedert (515) 281-3922

### CHILD ABUSE REPORTING STUDY COMMITTEE

November 28, 2001

**Cochairperson:** Senator Ken Veenstra

**Cochairperson:** Representative Dan Boddicker

**Overview.** This final meeting of the Committee was focused wholly on potential recommendations. Members decided in light of the state's tight budget situation to distinguish between recommendations that could be accomplished the long term and in the near term. In follow-up to the previous meeting, the members received information from the Department of Human Services concerning qualifications used by other states for intake staff and a breakdown of a total of approximately \$230,000 in technology improvements that may be made to enhance intake. A staff member of the American Red Cross Central Iowa Chapter, representing the Iowa Alliance of Information and Referral Services, discussed plans to nationally implement a "211" telephone number for accessing information and referral services and options as to how this number may be used as part of Iowa's child abuse reporting system.

**Recommendations.** The Committee's recommendations are summarized as follows:

1. Over the next few years as funding is made available, the State of Iowa should move into implementation of a centralized intake system for child abuse reporting that involves a highly trained, professional staff to receive calls seven days per week, 24 hours per day.
2. In the near term, the state should provide the necessary resources for the Department of Human Services to develop, review, and implement standards of training for the staff who receive child abuse reports or who perform other intake functions, and the training should include on-the-job training activities.
3. In the near term, a full-time person should be made available to serve as a resource to the staff who receive child abuse reports during evenings and weekends or who perform other intake functions during those times.
4. In the near term, the Department of Human Services should act as soon as possible to coordinate centralization of reporting and intake changes with implementation of the 211 telephone number system under development by the Iowa Association of Information and Referral Services (Iowa AIRS) in order to allow for the public to make a child abuse report by dialing the 211 telephone number, subject to the availability of public and private funding.
5. The centralized intake system should be implemented in a manner so that child abuse reporters may continue to make reports directly to staff based in the department's local offices and the local staff may consult with the centralized intake staff while making the intake decisions at the local level.

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### MEDICAID WORK GROUP

December 3, 2001

**Background.** Director Cynthia Eisenhauer, Department of Management, on behalf of Governor Vilsack and the Executive Branch, organized a joint Legislative/Executive Branch Work Group on Medicaid to discuss cost-containment strat-



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egies. The Work Group consisted of Senator Ken Veenstra, Senator Pat Harper, Representative Dave Heaton, Representative Andra Atteberry, Director of Human Services Jessie Rasmussen, and Director Eisenhower. Staff of the General Assembly and the Department of Human Services were invited to attend, as were interested members of the public. The Work Group met on November 15 and 16, 2001, and on December 3, 2001.

**Overview.** Director Eisenhower presented a letter describing the conclusions and suggestions of the group gleaned from the meetings on November 15 and 16, 2001. The letter also included a listing of options for the Work Group to consider in attaining the Governor's 4.3 percent across-the-board cut (\$18.6 million) and the projected shortfall in the FY 2002 Medicaid budget of \$25 million.

**Discussion.** The legislative Work Group members discussed the options and concluded that they would continue discussions with their respective leaders regarding the possibility of passing legislation to provide for loans from the Senior Living Trust fund and the Tobacco Settlement Fund (possibly \$5 million from each trust fund) to meet the shortfall in Medicaid. The Work Group did not agree to recommend that the Department of Human Services proceed with administrative actions to eliminate the Medically Needy Program and to reduce provider rates. However, the members did discuss with Director Rasmussen the need for the department to proceed with rulemaking to realize the necessary reductions and to implement the rules by January 1, 2002. The Work Group also supported the department in continuing conversations with the nursing home industry relating to occupancy rates and acuity-based reimbursement.

**Future Activity.** The legislative Work Group members determined that if approved by their respective leaders, the Work Group would continue to meet. Director Eisenhower will compose a letter summarizing the conclusions and suggestions of the Work Group to date.

*LSB Staff: Patty Funaro (515) 281-3040*



# Iowa Legislative Interim Calendar and Briefing

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