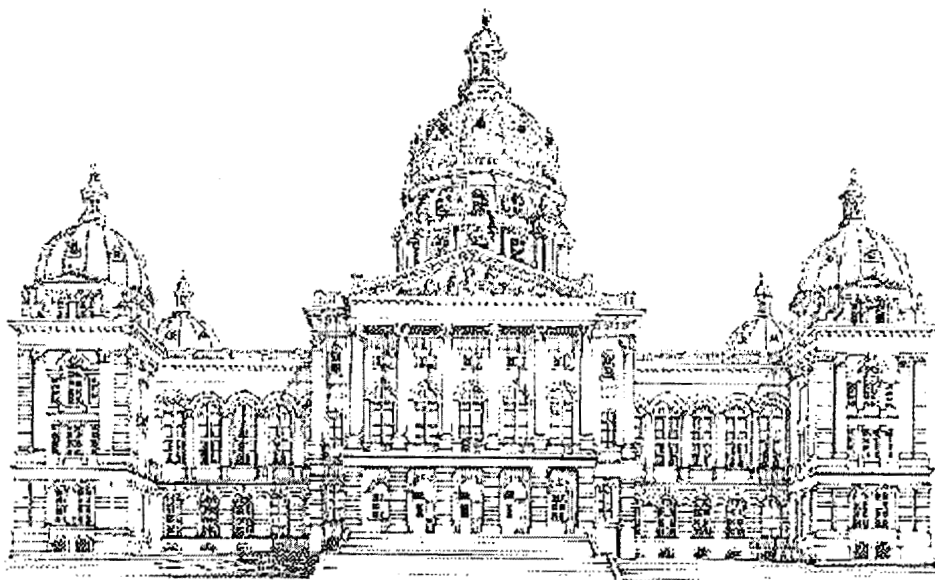


**STATE OF IOWA
SUMMARY OF FY 2001 BUDGET
AND
GOVERNOR'S RECOMMENDATIONS**



**Legislative Fiscal Bureau
January 2000**

FOREWORD



The purpose of this document is to provide the General Assembly with information concerning FY 2001 General Fund estimated receipts, department requests, and Governor's recommendations. This information provides an overall summary of the State budget and is intended to help the General Assembly take a proactive approach toward the budgetary process.

This document is intended to present an overview of the General Fund, including revenues, expenditures, and FTE positions to all members of the General Assembly. The Legislative Fiscal Bureau (LFB) will have detailed budget documents for each appropriation subcommittee containing an overview and analysis of departmental budgets and Governor's recommendations. The appropriations subcommittees can use the documents for consideration of the FY 2001 budget.

The LFB has developed a series of computer programs to allow legislators and legislative staff on-line access to several LFB products. The explanation and list of products are detailed in Appendix E, titled Electronic Publishing of Information. A logo has been designed to assist in locating products available electronically. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.



If you need additional information regarding a department request, Appendix F contains a list of LFB staff members. The individual analysts can provide detailed information concerning each request.



Questions concerning this document should be directed to Dennis Prouty, LFB Director, (515) 281-5279.

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DOCUMENT NOTES

When Reviewing This Document, Please Note The Following:

Section 8.35A (2) Code of Iowa, requires the Department of Management (DOM) to transmit the Governor's recommendation to the Legislative Fiscal Bureau (LFB) by January 1 or no later than the date the Governor's budget document is delivered to the printer. The information in this document is based upon the January 4, 2000, budget tape received by the LFB. In some instances a department request may have been changed from the time the Department Request Summary was published in December.

Other items worth noting when reviewing this document include:

- Any new concept, new funding not included in a department request, or significant modification to a department funding request that is made by the Governor's recommendation is preceded by this symbol, ❖.
- *Any new concept introduced by the Governor and discussed within departmental issues is indicated by italics.*
- Revenues and expenditures are estimated for FY 2000 and FY 2001.
- The FY 1999 data includes supplemental appropriations and salary adjustments, but not appropriation transfers or reversions. The FY 2000 and FY 2001 data does not include supplemental appropriations, salary adjustments, appropriation transfers, or reversions.

This document contains the following appendices:

- **Appendix A** is an appropriations tracking document showing General Fund, Other Fund, and FTE position appropriations by subcommittee.
- **Appendix B** is a listing of the projected FY 2001 built-in and anticipated expenditure increases and decreases compared to estimated FY 2000.
- **Appendix C** is a glossary of budget terms.
- **Appendix D** contains a listing of the *Issue Reviews* completed by the LFB during the 1999 Interim.

- **Appendix E** contains an explanation and list of products available through the LFB's Electronic Publishing of Information. A logo has been designed to assist in locating products available electronically. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.
- **Appendix F** contains the LFB staff listing and assignments.



2000 IOWA LEGISLATIVE SESSION TIMETABLE

(If Legislative Rules remain unchanged)

- **January 10** - First day of Session.
- **January 21** - Final day for individual requests for bill drafts to be submitted to the Legislative Service Bureau.
- **February 25** - Final day for House bills to be reported out of House committees and Senate bills out of Senate committees.
- **February 28 - March 3** - House considers only House bills and unfinished business and Senate considers only Senate bills and unfinished business.
- **March 6 - March 17** - Debate not limited by rule.
- **March 17** - Final day for Senate bills to be reported out of House committees and House bills to be reported out of Senate committees.
- **March 20 - March 24** - House considers only Senate bills and unfinished business and Senate considers only House bills and unfinished business.
- **March 27** - Amendments need not be filed on the day preceding floor debate.
- **March 27** - Only the following bills are eligible for consideration:
 - Appropriations bills
 - Ways and Means bills
 - Legalizing Acts
 - Co-sponsored by Majority and Minority Leaders
 - Companion bills sponsored by House and Senate Majority Leaders
 - Conference Committee Reports
 - Bills passed by both Houses in different forms
 - Concurrent or Simple Resolutions
 - Bills on the Veto Calendar
 - Administrative Rules Review Committee bills
 - Joint Resolutions nullifying Administrative Rules
 - Unfinished business
- **April 18** - 100th day of Session.



EXPENDITURE LIMITATION ACCOUNTS

Cash Reserve Fund (CRF)

- The Cash Reserve Fund Account requires a balance of 5.0% of the adjusted revenue estimate for the General Fund.
- The year-end General Fund surplus (ending balance) is appropriated to the Cash Reserve Fund.
- Interest on moneys deposited in the Fund is credited to the Rebuild Iowa Infrastructure Fund (RIIF).
- Moneys in the Cash Reserve Fund may be used for cash flow purposes, but shall be returned by the end of the fiscal year.
- Appropriations from the Fund are allowed if:
 - The appropriation is for a non-recurring emergency expenditure.
 - Funding is contained in a bill or resolution in which the appropriation is the only subject matter.
 - The appropriation is approved by a majority of the members of both chambers and the Governor if the Fund is not reduced to below 3.0%. Approval of 60.0% of the members of both chambers and the Governor is required if the Fund is to be reduced below 3.0% of the adjusted General Fund revenue estimate.



Generally Accepted Accounting Principles (GAAP) Deficit Reduction Account

- The Generally Accepted Accounting Principles (GAAP) Account receives the amount of Cash Reserve Fund moneys in excess of the required balance.
- The Department of Management must annually file with both houses of the General Assembly a schedule of the items for reducing the GAAP deficit.
- Moneys which exceed the amounts required to retire the GAAP deficit are appropriated to the Economic Emergency Fund.

Iowa Economic Emergency Fund (EEF)

- The maximum balance of the Economic Emergency Fund Account is 5.0% of the adjusted revenue estimate for the General Fund. Moneys in excess of the required 5.0% are transferred to the General Fund.
- Interest on moneys deposited in the Economic Emergency Fund is credited to the Rebuild Iowa Infrastructure Fund.
- Moneys in the Economic Emergency Fund may be used for cash flow purposes, but shall be returned by the end of the fiscal year.
- Appropriations from the Fund require approval of a majority of the members of both chambers and the Governor's signature for an emergency expenditure.
- The CRF and EEF funds are also known as the budget stabilization or Rainy Day Funds.

Rebuild Iowa Infrastructure Fund (RIIF)

- Funds in the Rebuild Iowa Infrastructure Fund Account shall be used for public infrastructure-related expenditures.
- All racing and gaming receipts in excess of \$60.0 million shall be credited to the Rebuild Iowa Infrastructure Fund.
- Interest on moneys deposited in the Cash Reserve Fund and the Economic Emergency Fund is credited to the Rebuild Iowa Infrastructure Fund. Interest generated from the Rebuild Iowa Infrastructure Fund remains in the Fund.
- The General Assembly may provide that all or part of the moneys deposited in the GAAP Account may be transferred to the Rebuild Iowa Infrastructure Fund Account instead of the Economic Emergency Fund Account.



Flow of General Fund Revenues After Expenditure Limitation

The following flowchart illustrates the flow of General Fund revenues after expenditure limitation.

STATE OF IOWA

Flow of General Fund Revenues After Expenditure Limitation

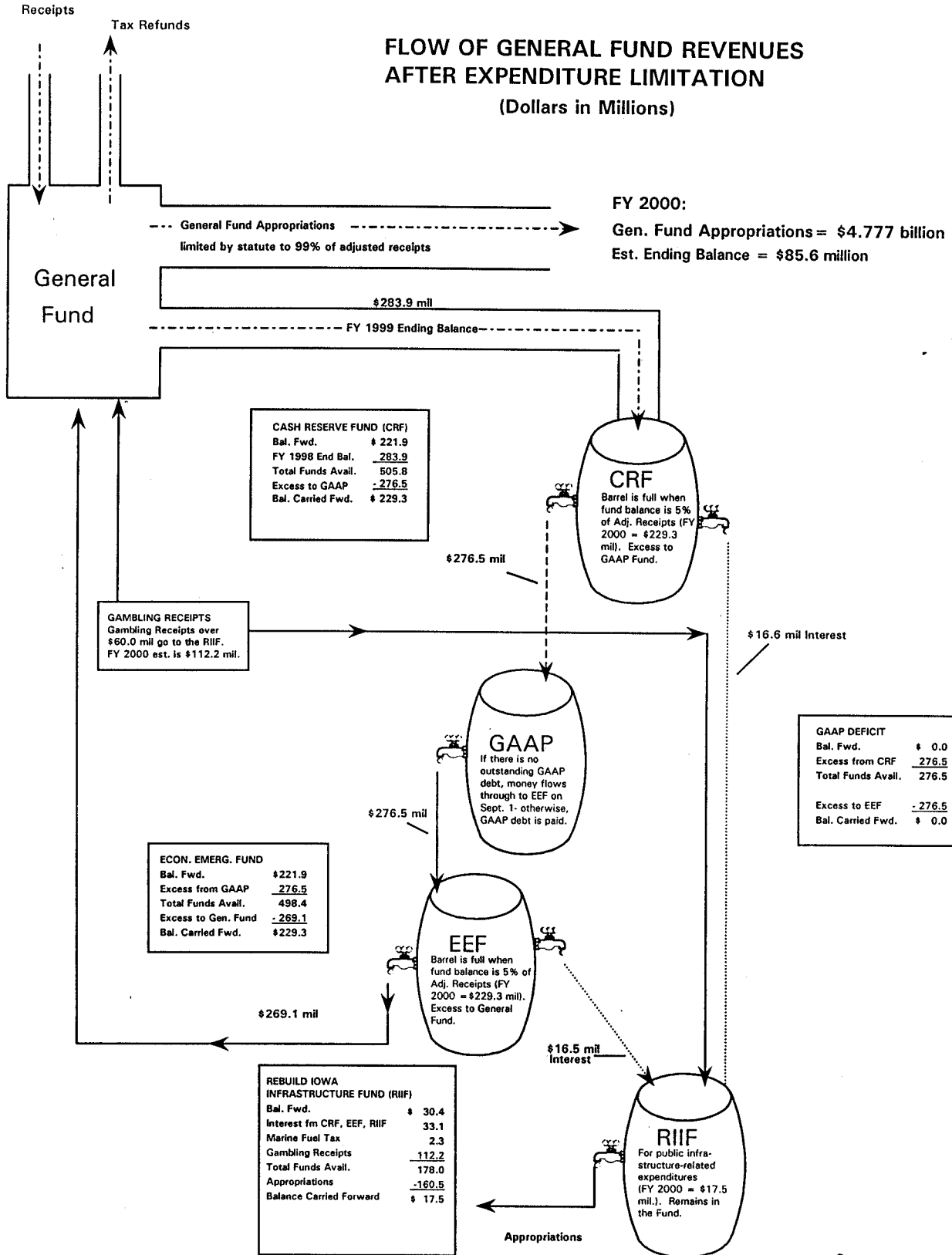
(Dollars in Millions)

CASH RESERVE FUND (CRF)	Actual FY 1998	Actual FY 1999	Estimated FY 2000	Estimated FY 2001	Gov. Rec. FY 2001
Balance Brought Forward	\$ 215.0	\$ 219.6	\$ 221.9	\$ 229.3	\$ 229.9
Estimated Revenues:					
General Fund Ending Balance	<u>348.7</u>	<u>415.1</u>	<u>283.9</u>	<u>81.8</u>	<u>113.9</u>
Total Funds Available	563.7	634.7	505.8	311.1	343.8
Excess Transferred to GAAP	<u>- 344.1</u>	<u>- 412.8</u>	<u>- 276.5</u>	<u>- 72.5</u>	<u>- 101.7</u>
Balance Carried Forward	<u>\$ 219.6</u>	<u>\$ 221.9</u>	<u>\$ 229.3</u>	<u>\$ 238.6</u>	<u>\$ 242.1</u>
GAAP DEFICIT REDUCTION ACCOUNT	Actual FY 1998	Actual FY 1999	Estimated FY 2000	Estimated FY 2001	Gov. Rec. FY 2001
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Estimated Revenues:					
Excess Transferred from CRF	<u>344.1</u>	<u>412.8</u>	<u>276.5</u>	<u>72.5</u>	<u>101.7</u>
Total Funds Available	344.1	412.8	276.5	72.5	101.7
Excess Transferred to EEF	<u>- 344.1</u>	<u>- 412.8</u>	<u>- 276.5</u>	<u>- 72.5</u>	<u>- 101.7</u>
Balance Carried Forward	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

(Dollars in Millions)

IOWA ECONOMIC EMERGENCY FUND (EEF)	Actual FY 1998	Actual FY 1999	Estimated FY 2000	Estimated FY 2001	Gov.Rec. FY 2001
Balance Brought Forward	\$ 215.0	\$ 219.6	\$ 221.9	\$ 229.3	\$ 229.9
Estimated Revenues:					
Excess from GAAP	344.1	412.8	276.5	72.5	101.7
Total Funds Available	559.1	632.4	498.4	301.8	331.6
Excess Transferred to Gen. Fund	- 339.5	- 410.5	- 269.1	- 63.2	- 89.3
Appeals Board Claims					- 7.5
Executive Council Performance of Duty					- 2.5
Balance Carried Forward	<u>\$ 219.6</u>	<u>\$ 221.9</u>	<u>\$ 229.3</u>	<u>\$ 238.6</u>	<u>\$ 232.3</u>
REBUILD IOWA INFRASTRUCTURE FUND (RIIF)	Actual FY 1997	Actual FY 1998	Actual FY 1999	Gov. Rec. FY 2000	Gov. Rec. FY 2001
Balance Brought Forward	\$ 71.7	\$ 34.4	\$ 28.1	\$ 30.4	\$ 17.5
Estimated Revenues:					
Interest from CRF, EEF, & RIIF	29.6	32.3	30.5	33.1	34.8
Gambling Revenue	69.6	85.1	103.4	112.2	127.1
Marine Fuel Tax	0.0	0.0	2.3	2.3	2.3
Refunds and Reimbursements - UTS Fund					10.0
Total Funds Available	<u>170.9</u>	<u>151.8</u>	<u>164.3</u>	<u>178.0</u>	<u>191.7</u>
Estimated Appropriations:					
Enacted Appropriations	136.7	124.7	134.9	170.3	85.5
Governor's Recommendation					129.5
Deappropriations				- 8.3	- 23.6
Reversions	- 0.2	- 1.0	- 1.0	- 1.5	0.0
Total Appropriations	<u>136.5</u>	<u>123.7</u>	<u>133.9</u>	<u>160.5</u>	<u>191.4</u>
Balance Carried Forward	<u>\$ 34.4</u>	<u>\$ 28.1</u>	<u>\$ 30.4</u>	<u>\$ 17.5</u>	<u>\$ 0.3</u>

FLOW OF GENERAL FUND REVENUES AFTER EXPENDITURE LIMITATION (Dollars in Millions)



FY 2001 REVENUE ESTIMATES

State General Fund revenues are estimated by a three-member Revenue Estimating Conference (REC) which meets quarterly. Members are the Director of the Legislative Fiscal Bureau, the Governor or the Governor's designee, and a third member agreed to by the other two members. The REC was created by statute in 1987 during government reorganization.

The December estimate is required to be used by the Governor in the preparation of the budget message and by the General Assembly in the budget process. If the April estimate reduces the December revenue estimate, the Governor must adjust the budget recommendations to account for the reduction in revenue. If the REC increases the April estimate above the December figure, the Governor and General Assembly shall continue to use the lower projection established in December.

On December 9, 1999, the REC estimated FY 2001 total State General Fund revenues at \$5.307 billion. This reflects growth in revenue of \$212.6 million (4.2%) compared to estimated FY 2000. The statutory limitation on expenditures is 99.0% of the adjusted revenue estimate plus excess balances from prior years.



STATE OF IOWA

Projected Condition of the General Fund

STATE OF IOWA GENERAL FUND BALANCE

(Dollars in Millions)

	Fiscal Year 2000		Fiscal Year 2001	
	Governor's Recomm.	Current Law	Governor's Recomm.	Current Law
Estimated Funds Available:				
Estimated Receipts				
Revenue Est. Conference	\$ 5,094.3	\$ 5,094.3	\$ 5,306.9	\$ 5,306.9
Excess from Economic Emergency Fund	268.0	269.1	89.3	63.2
Revenue Adjustments (Exh. 1)	5.3		58.9	
Transfers (Exh. 1):				
Regular	4.5	4.5	5.2	5.2
Special Budget Reductions	5.2		11.0	
Total Receipts	5,377.3	5,367.9	5,471.3	5,375.3
Tax Refunds	- 525.6	- 525.6	- 552.9	- 552.9
Accruals	13.4	13.4	13.6	13.6
Total Funds Available	4,865.1	4,855.7	4,932.0	4,836.0
Expenditure Limitation			\$ 4,879.6	\$ 4,788.3
Estimated Appropriations:				
General Fund	4,777.6	4,777.6	4,893.6	
Supplemental Appropriations (Exh. 2)	0.1			
Appropriations Adjustments (Exh. 2)	- 19.0			
Reversions:				
Regular	- 7.5	- 7.5	- 12.5	
Operations			- 2.5	
Net Appropriations	4,751.2	4,770.1	4,878.6	
Ending Balance prior to Cash Reserve Transfer	\$ 113.9	\$ 85.6	\$ 53.4	

STATE OF IOWA GENERAL FUND BALANCE

(Dollars in Millions)

Exhibit 1

	<u>Fiscal Year 2000</u>		<u>Fiscal Year 2001</u>	
	<u>Governor's Recomm.</u>	<u>Current Law</u>	<u>Governor's Recomm.</u>	<u>Legislative Action</u>
Revenue Adjustments				
Tax Simplification Initiative	\$	\$	\$ - 1.3	\$
Pension Tax Exemption			- 6.5	
Engineers and Teachers Tax Credit			- 0.6	
Tobacco Settlement to General Fund			64.6	
Human Services - Federal Fund Diversion			- 21.4	
Corrections - Federal Prisoners Reimb.	1.2		4.7	
Medicaid Recoupment - Univ. Hospitals	4.0		8.0	
Workforce Development Fund to General Fund			10.0	
Public Health - Bd. Of Medical Examiners	0.1		0.4	
Commerce:				
Professional Licensing			0.7	
Reimbursement Fee Increases			0.3	
Total Revenue Adjustments	<u>\$ 5.3</u>	<u>\$ 0.0</u>	<u>\$ 58.9</u>	<u>\$ 0.0</u>
Transfers				
Marine Fuel Tax	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
Indirect Cost:				
Department Funds	2.3	2.3	2.5	2.5
Reserve and Infrastructure Funds			0.5	0.5
Prison Infrastructure Funds	0.8	0.8	0.8	0.8
Miscellaneous	1.0	1.0	1.0	1.0
Budget Reduction Transfer:				
No Further Action Fund			11.0	
Redirect Disproportionate Share	3.7			
Prison Infrastructure Fund	0.2			
Innovations Fund	0.3			
Highway Patrol Fund	1.0			
Total Cash Transfers	<u>\$ 9.7</u>	<u>\$ 4.5</u>	<u>\$ 16.2</u>	<u>\$ 5.2</u>

**STATE OF IOWA
GENERAL FUND BALANCE**

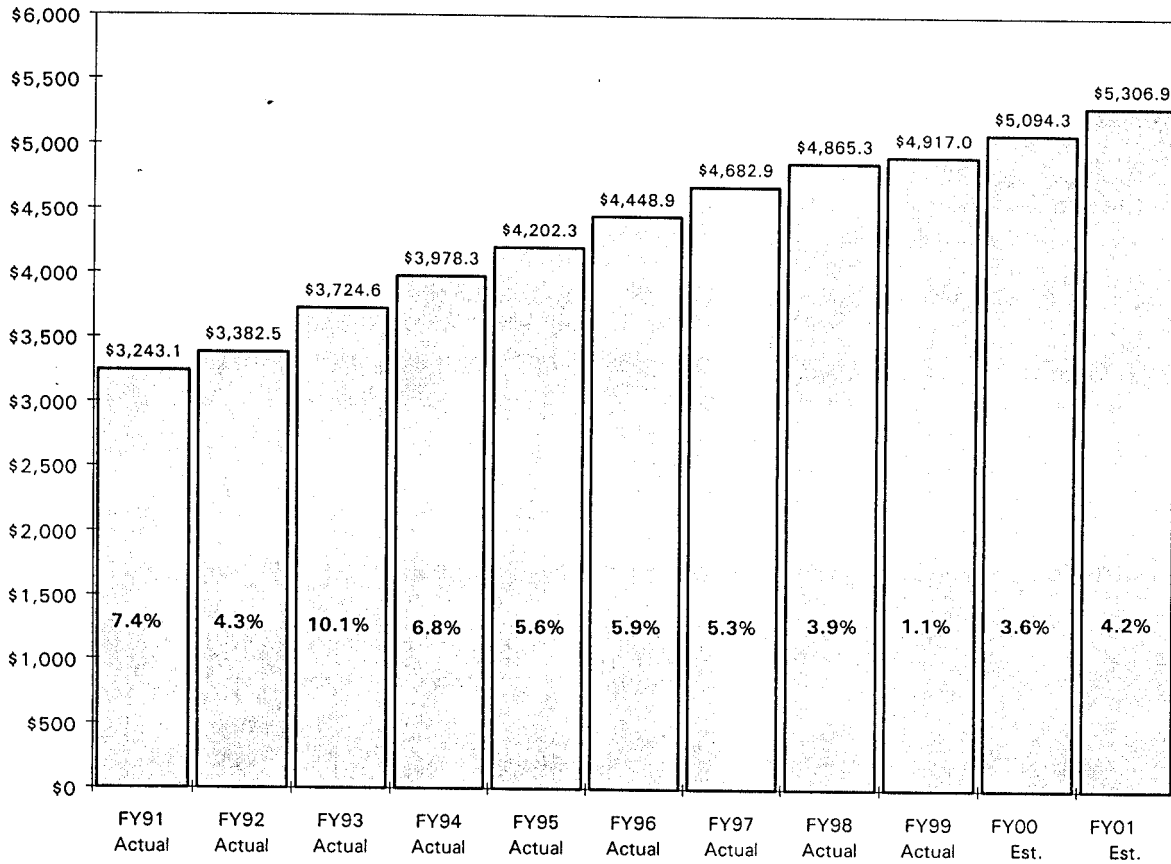
(Dollars in Millions)

Exhibit 2

Appropriations:	Fiscal Year 2000	
	Governor's Recomm.	Legislative Action
FY 2000 Supplemental:		
Inspections and Appeals:		
Federal Nursing Home Complaint Investigations Mandate	\$	76,000
FY 2000 Reductions:		
All Departments - Salary Adjustment Reductions		- 4,299,244
All Departments - 25% Reduction in Out-Of-State Travel		- 364,021
College Aid - Administration		- 17,220
Corrections:		
Reduction in Out-Of-State Female Offenders		- 1,440,000
Education Budget Savings		- 584,000
Increased Offender Fees in Community-Based Corrections		- 281,500
Rockwill City - Salary Savings		- 178,500
Economic Dev. - Strategic Investment Fund Excess Earnings		- 1,121,000
Education:		
General Administration		- 50,000
Census Contract		- 50,000
Extended School Year Grants		- 418,943
Educational Excellence		- 425,000
Public Television Operations		- 78,847
General Services - Utilities and Other Savings		- 300,000
Governor's Office - Projected Savings		- 12,771
Health - Other Funds for Child and Adult Wellness		- 160,000
Human Services:		
State Supplementation and Food Stamp Surpluses		- 479,000
Eldora - Construction Delays		- 400,000
Subsidized Guardianship Implementation Delay		- 187,840
Field Operations - Increased Federal Funds		- 2,000,000
Oakdale - Delayed Implementation		- 266,530
Information Technology - Projected Operational Savings		- 400,986
Management - Other Funds for Budget Redesign		- 100,000
Natural Resources - Equipment Purchases		- 100,000
Personnel - Worker's Compensation Excess Fund Balance		- 1,500,000
Public Safety - Peace Officer Retirement Savings		- 1,161,207
Regents Institutions - Reductions in Operating Budgets		- 1,800,000
Revenue and Finance - Technology Projects		- 300,000
Transportation - Aviation Administration		- 212,009
Workforce Development:		
Workforce Recruitment Fund		- 250,000
Labor Services Operations		- 35,000
Total Appropriations	\$ - 18,897,618	

STATE GENERAL FUND RECEIPTS AND PERCENT OF GROWTH FY 1991 - FY 2001

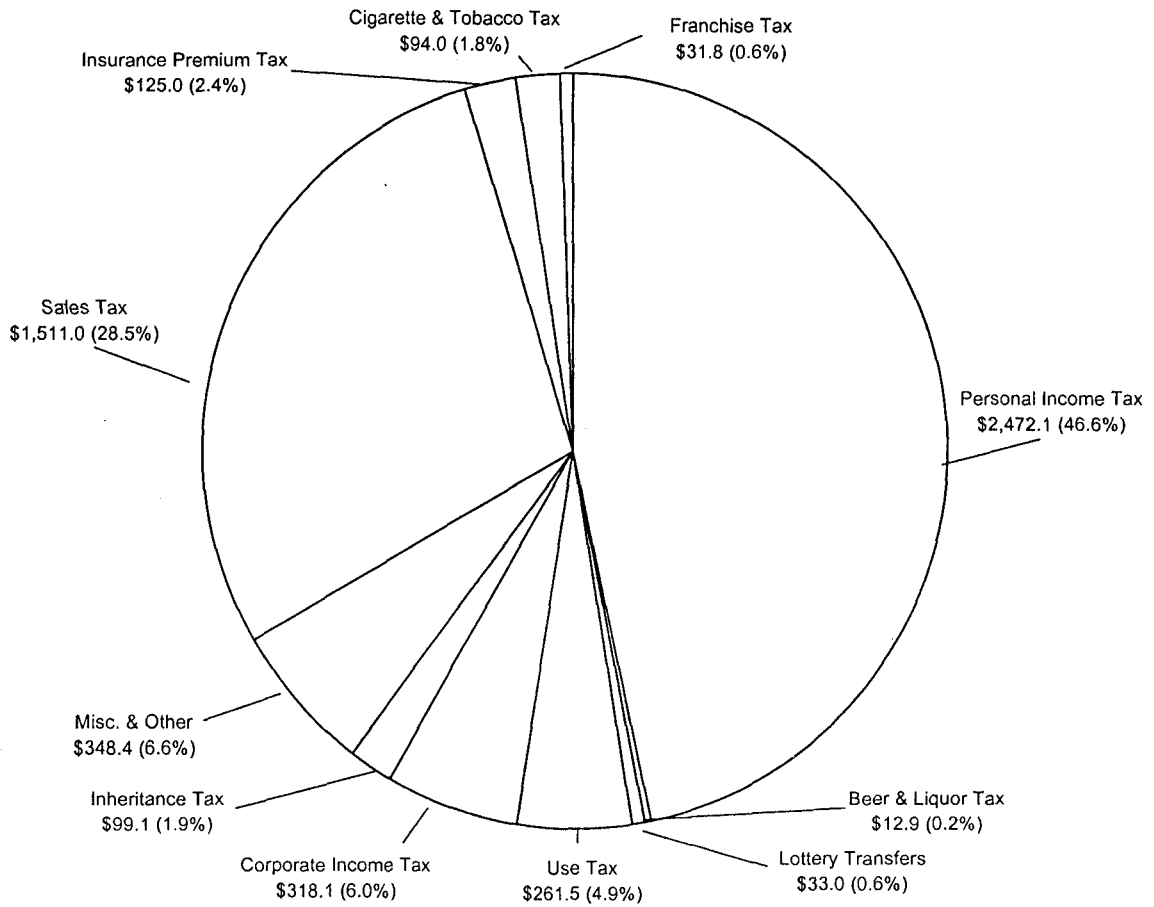
(Dollars in Millions)



Note: FY 2000 and FY 2001 figures are as estimated by the December 9, 1999, Revenue Estimating Conference.

FY 2001 ESTIMATED GENERAL FUND RECEIPTS

(Dollars in Millions)



Total Estimated General Fund Receipts: \$5,306.9 million

Note: As estimated by the December 9, 1999, Revenue Estimating Conference.

Totals may not add due to rounding.

FY 2000 - FY 2001 REVENUE PROJECTION FOR THE GENERAL FUND

(Dollars in Millions)

	% Change FY 1999 vs. FY 1998		% Change FY2000 Est. vs. FY 1999		% Change FY 2001 Est. vs. FY 2000	
	FY 1999 Actual	FY 1998 Actual	FY 2000 Estimate	FY 1999 Actual	FY 2001 Estimate	FY 2000 Estimate
Tax Receipts						
Personal Income Tax	\$2,233.7	-2.4%	\$2,331.7	4.4%	\$2,472.1	6.0%
Sales Tax	1,377.5	8.3%	1,436.4	4.3%	1,511.0	5.2%
Use Tax	242.7	-0.1%	249.0	2.6%	261.5	5.0%
Corporate Income Tax	321.8	10.7%	316.1	-1.8%	318.1	0.6%
Inheritance Tax	90.1	-17.9%	118.3	31.3%	99.1	-16.2%
Insurance Premium Tax	114.3	5.0%	119.0	4.1%	125.0	5.0%
Cigarette Tax	92.3	-2.4%	89.0	-3.6%	87.2	-2.0%
Tobacco Tax	6.5	6.6%	6.8	4.6%	6.8	0.0%
Beer Tax	13.1	3.1%	13.1	0.0%	12.9	-1.5%
Franchise Tax	33.8	-7.1%	32.9	-2.7%	31.8	-3.3%
Miscellaneous Tax	1.1	-15.4%	1.1	0.0%	1.1	0.0%
Total Tax Receipts	<u>\$4,526.9</u>	1.4%	<u>\$4,713.4</u>	4.1%	<u>\$4,926.6</u>	4.5%
Other Receipts						
Institutional Payments	49.7	-29.2%	46.6	-6.2%	47.8	2.6%
Liquor Transfers						
A. Profits	32.3	4.2%	34.5	6.8%	34.5	0.0%
B. 7% Gross Revenues	9.0	0.0%	9.0	0.0%	9.0	0.0%
Interest	34.1	11.4%	25.5	-25.2%	20.0	-21.6%
Fees	58.3	-10.9%	65.0	11.5%	62.4	-4.0%
Judicial Revenue	48.3	12.6%	53.3	10.4%	57.3	7.5%
Miscellaneous Receipts	61.3	5.5%	53.0	-13.5%	56.3	6.2%
Racing and Gaming	60.0	0.0%	60.0	0.0%	60.0	0.0%
Lottery	37.1	7.8%	34.0	-8.4%	33.0	-2.9%
Total Other Receipts	<u>390.1</u>	-2.9%	<u>380.9</u>	-2.4%	<u>380.3</u>	-0.2%
Total Receipts	<u>\$4,917.0</u>	1.1%	<u>\$5,094.3</u>	3.6%	<u>\$5,306.9</u>	4.2%

Note: FY 2000 and FY 2001 were estimated by the Revenue Estimating Conference on December 9, 1999.
The revenues do not reflect refunds, transfers, or accruals.

GOVERNOR'S FY 2001 GENERAL FUND RECOMMENDATION

The Governor's FY 2001 General Fund appropriation recommendation is \$4,893.6 billion, an increase of \$116.0 million (2.4%) compared to estimated FY 2000 (prior to any FY 2000 appropriation adjustments).

FY 2000

- The Governor is recommending \$19.0 million in FY 2000 General Fund appropriation reductions, \$700,000 in standing appropriation reductions, and \$10.5 million in revenue transfers. This results in a FY 2000 projected ending General Fund balance of \$113.9 million.
- The Cash Reserve Fund and the Economic Emergency Fund is at the maximum balance of 5.0% of the General Fund revenue estimate or \$229.9 million in each Fund. An excess of \$268.0 million is to be transferred from the Economic Emergency Fund to the General Fund in FY 2000.

FY 2001

- The Governor's FY 2001 General Fund budget recommendation proposes revenue changes resulting in a net revenue increase of \$58.9 million and increases spending by \$116.0 million (2.4%). The largest revenue increase is moving \$64.6 million of tobacco settlement recoveries to the General Fund.
- The Governor's FY 2001 General Fund budget uses an estimated \$15.0 million of General Fund reversions to meet the expenditure limitation requirement.
- The Governor's FY 2001 General Fund budget recommendation moves \$59.3 million of FY 2000 General Fund appropriations from the General Fund. They are listed below:
 - The Governor is recommending funding the Regent tuition replacement (\$27.9 million) from the RIIF account. In FY 2000, this appropriation came from the General Fund.
 - The Governor is recommending funding Appeals Board Claims and Executive Council Performance of Duty (\$10.0 million) from the Economic Emergency Fund. In FY 2000, these standing appropriations came from the General Fund.
 - The Governor is recommending the federal Medical Assistance appropriation, obtained through State match, be retained by the Department rather than

deposited into the General Fund. This results in a \$21.4 million offset reducing the required General Fund appropriation.

- The Governor's projected ending balance for FY 2001 is \$53.4 million compared to \$113.9 in FY 2000, a decrease of \$60.5 million. The Governor's recommendation projects that an excess of \$89.3 million will be transferred from the Economic Emergency Fund to the General Fund in FY 2001. This is a decrease of \$178.7 million compared to the FY 2000 transfer.

Table 1 lists the General Fund increases and decreases of \$2.0 million or more recommended by the Governor for FY 2001.

Table 1 - Governor's Major General Fund Decreases/Increases Recommendations

Department	Appropriation	Estimated FY 2000	Gov. Rec. FY 2001	Diff. Gov. Rec. v. FY 2000	% Change Gov. v. FY00
Regents	Tuition Replacement	\$ 27,927,851	\$ 0	\$ -27,927,851	-100.0%
Human Services	Medical Assistance	415,455,590	401,155,080	-14,300,510	-3.4%
Management	Appeal Board	6,000,000	0	-6,000,000	-100.0%
Executive Council	Performance Of Duty	5,500,000	0	-5,500,000	-100.0%
Human Services	State Children's Health Ins.	10,250,000	5,051,979	-5,198,021	-50.7%
Education	School Aid - On Time Funding	4,000,000	0	-4,000,000	-100.0%
Corrections	Corrections Expansion	3,180,815	796,940	-2,383,875	-74.9%
Corrections	Central Office Corrections	4,623,211	2,433,211	-2,190,000	-47.4%
Education	Educational Excellence	82,891,336	80,891,336	-2,000,000	-2.4%
	<i>Total Decreases > \$2.0 Million</i>	<u>\$ 559,828,803</u>	<u>\$ 490,328,546</u>	<u>\$ -69,500,257</u>	
Education	School Foundation Aid	1,698,459,679	1,743,600,000	45,140,321	2.7%
Management	Salary Adjustment	415,167	42,173,997	41,758,830	10058.3%
Revenue & Finance	Machinery/Equip Prop. Tax	22,459,525	43,700,000	21,240,475	94.6%
Education	Early Intervention Block Grant	10,000,000	20,000,000	10,000,000	100.0%
Education	Alternative School Funding	0	9,800,000	9,800,000	100.0%
Education	Community College General Aid	141,577,403	149,986,190	8,408,787	5.9%
Education	Empowerment Bd. - Early Child	10,400,000	15,600,000	5,200,000	50.0%
Judicial Branch	Judicial Branch	108,206,211	113,061,216	4,855,005	4.5%
Human Services	MI/MR State Cases	10,090,000	13,800,000	3,710,000	36.8%
Human Services	MH/DD Growth Factor	18,126,362	21,773,602	3,647,240	20.1%
Corrections	Ft. Dodge Inst.	22,076,131	24,994,480	2,918,349	13.2%
Corrections	Ft. Madison Inst.	29,013,288	31,569,809	2,556,521	8.8%
Regents	Center Excel In Plant Science	2,200,000	4,670,000	2,470,000	112.3%
	<i>Total Increases > \$2.0 Million</i>	<u>\$ 2,073,023,766</u>	<u>\$ 2,234,729,294</u>	<u>\$ 161,705,528</u>	
	Total Other Changes	<u>\$ 2,144,758,194</u>	<u>\$ 2,168,572,690</u>	<u>\$ 24,814,496</u>	1.1%
	Grand Total	<u><u>\$ 4,777,610,763</u></u>	<u><u>\$ 4,893,630,530</u></u>	<u><u>\$ 116,019,767</u></u>	2.4%



The Governor's FY 2001 General Fund recommendations are listed in **Table 2** by Appropriations Subcommittee. Details of the recommendations are included in the FY 2001 Budgets and Subcommittee Issues Section of this document, and a tracking document of all the Governor's appropriations recommendations is in Appendix A.

Table 2
Governor's FY 2001 General Fund Recommendations

(Dollars in Millions)

<u>Subcommittee</u>	<u>Est.</u> <u>FY 2000</u>	<u>Gov.</u> <u>Rec.</u> <u>FY 2001</u>	<u>FY 2001</u> <u>vs.</u> <u>FY 2000</u>	<u>%</u> <u>Change</u>
Administration & Regulation	\$ 91.4	\$ 134.0	\$ 42.6	46.6%
Agriculture & Natural Resources	44.3	44.6	0.3	0.7%
Economic Development	43.1	42.8	-0.3	-0.7%
Education	950.7	953.8	3.1	0.3%
Health & Human Rights	95.5	97.3	1.8	1.9%
Human Services	792.6	781.9	-10.7	-1.3%
Justice System	472.9	485.9	13.0	2.7%
Trans., Infrastructure, & Capitals	4.1	3.9	-0.2	-4.9%
Oversight & Communications	23.6	23.5	-0.1	-0.8%
Unassigned Standings	2,259.4	2,326.0	66.6	2.9%
TOTAL	<u>\$ 4,777.6</u>	<u>\$ 4,893.6</u>	<u>\$ 116.0</u>	<u>2.4%</u>

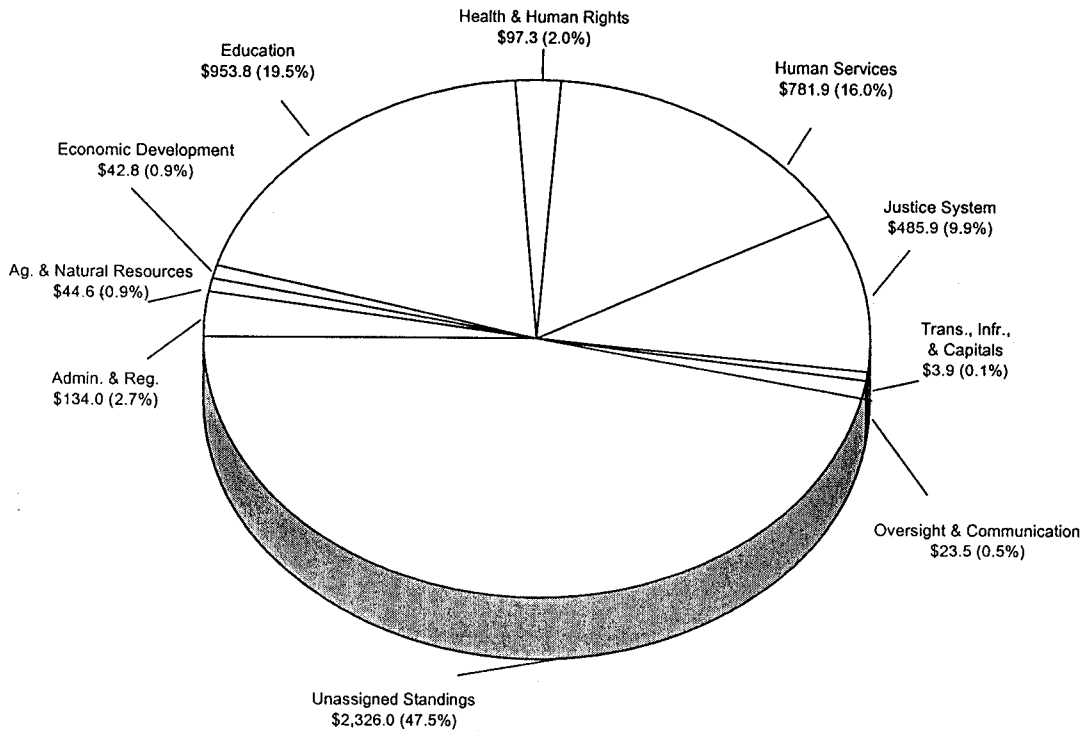
Note: The dollar amounts may not add due to rounding.

FY 2000 Supplemental

For FY 2000, the Governor recommends one General Fund supplemental of \$76,000 to the Department of Inspections and Appeals. This supplemental is for the federal nursing home complaint investigations mandate.

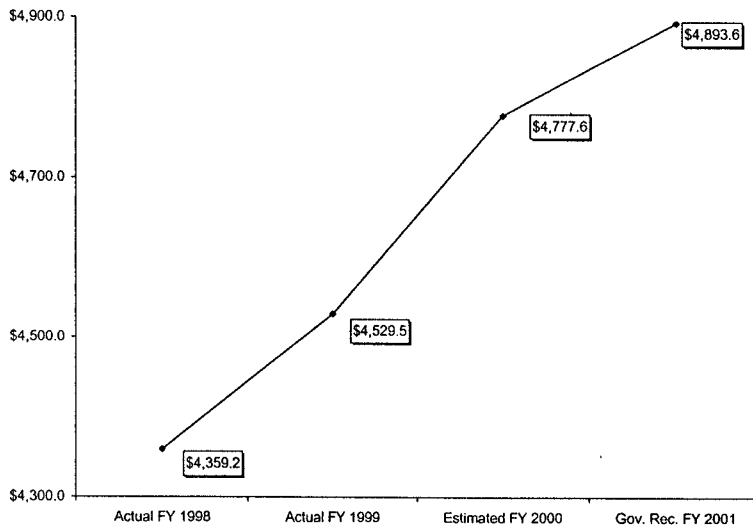
FY 2001 GENERAL FUND GOVERNOR'S RECOMMENDATIONS

Total FY 2001 Governor's Recommendations: \$4,893.6 million
(Dollars in Millions)



Totals may not add due to rounding.

Appropriations and Governor's Recommendations FY 1998 - FY 2001 (Dollars in Millions)



FY 2000 BUDGET REDUCTION RECOMMENDATIONS

In October 1999, Governor Vilsack required that each State department identify General Fund reductions from their FY 2000 budgets and spending plans. The Governor requested that each department:

- Identify specific General Fund cuts that would total 1%, 3%, and 5% of the department's General Fund appropriations in the aggregate.
- Identify impacts to services from these reductions.

From the list submitted by departments, the Governor assembled a package of \$29.4 million in budget cuts for Fiscal Year 2000. The package consists of projected savings on program activities, alternative-funding sources, and recommended cuts.

The following table outlines the Governor's recommended decreases:

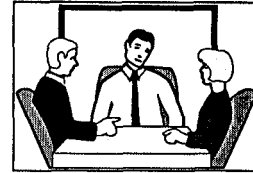
Department	Reduction Amount	Cumulative Amount	Ongoing Reduction Amount	Legislative Action Required?
Human Services Redirect disproportionate share moneys; Food Stamp surpluses and new COLA; delay in opening Eldora cottage; delay implementing subsidized guardianship; increased federal revenues for Field Operations	\$6,983,370	\$6,983,370	\$2,400,000	Yes/Revert
Salary Adjustment Recoupment Includes a small portion of department savings from normal employee turnover, and savings because non-contract pay plans will not be aligned until a performance pay plan is in place	4,299,214	11,282,584	Policy Choice	No
University Hospital Medicaid Enhanced Medicaid recoupment at University of Iowa Hospitals and Clinics	4,000,000	15,282,584	4,000,000	Yes
Corrections County jail prisoners in state facilities, reduce inmate services, increase CBC supervision fees and direct increase to General Fund	2,284,000	17,566,584		Yes
Worker's Compensation Fund Balance exceeds need	1,500,000	19,066,584		Yes
Board of Regents 1/2 of 1% cut (when combined with Regents share of salary adjustment recoupment)	1,800,000	20,866,584	1,800,000	Yes/Revert
Corrections Return women prisoners from Virginia	1,400,000	22,266,584	1,400,000	No
Public Safety Peace officer's retirement savings	1,161,207	23,427,791		Yes

Department	Reduction Amount	Cumulative Amount	Ongoing Reduction Amount	Legislative Action Required?
Education Reduce DOE general administration \$59,573; Census 2000 contract \$50,000; school violence \$35,000; extended school year grants \$418,943; educational excellence \$425,000; IPTV \$78,847; internet filter \$50,000	\$1,117,363	\$24,545,154	\$1,117,363	Yes/Revert
Economic Development Reduce strategic investment fund contribution because of asset growth	1,071,000	25,616,154		Yes
Performance of Duty Disaster assistance loan repayment	750,000	26,366,154		No
Out-of-State Travel Reduction One quarter reduction of annual expense for departments	364,021	26,730,175	Policy Choice	Yes/Revert
Revenue and Finance Reduce technology enhancements	300,000	27,030,175		Yes/Revert
General Services Utility savings and other internal savings	300,000	27,330,175		No
Innovation Fund Balance exceeds need	300,000	27,630,175		Yes
Workforce Development Reduce labor services \$35,000 and workforce recruitment fund \$250,000	285,000	27,915,175		Yes
Personnel Recover Workers Comp administration costs from non-General Fund moneys	250,000	28,165,175		Yes
Information Technology - Y2K Projected savings on program activities	250,000	28,415,175		No
Transportation General Fund operations replaced with other funding streams	203,085	28,618,260	212,009	Yes
Prison Infrastructure Fund Balance exceeds need	200,000	28,818,260		Yes/Revert
Public Health Alternate funding streams, print less reports, use HAWK-I for child wellness	160,000	28,978,260	160,000	Yes
Commerce Defer equipment purchases with technology and training funds	150,986	29,129,246		No
Natural Resources Reduce equipment purchases	100,000	29,229,246	Policy Choice	Yes/Revert
Management Alternate sources for budget redesign	100,000	29,329,246		No
College Student Aid Reduce general administration	17,220	29,346,466	17,220	Yes/Revert
Governor's Office Out of state travel reduced 25%; balance from salary adjustment reduction	12,771	29,359,237	Policy Choice	No
Total	<u>\$29,359,237</u>		<u>\$11,106,592</u>	

SALARIES AND COLLECTIVE BARGAINING

The State of Iowa completed negotiations with the eight unions representing State employees for the salaries and benefits during the Spring of 1999 for FY 2000 and FY 2001. Chapter 20, Code of Iowa, establishes the framework and timeline for the bargaining process. The basic deadlines are:

- September through December - Unions and the State present initial proposals.
- January through March - Subsequent bargaining sessions occur, which may include the appointment of a mediator, fact finding, and binding arbitration.
- March 15-- Deadline for completion of the agreement.



❖ **FY 2001 Governor's Recommendations** – The Governor has recommended a General Fund appropriation of \$42.2 million for FY 2001 salary adjustment funding. The cost of salary adjustment funding was initially estimated by the Department of Management to be \$61.3 million. By changing past funding practices, that cost was reduced by \$19.1 million.

Gov. Rec. FY 01 Salary Adj. (Dollars in Millions)	Rationale for Adjustment
\$ 61.3	Base
(4.2)	Extend the FY 2000 salary adjustment deappropriation
(3.1)	Additional reduction for vacancy factor and turnover
(3.3)	Regent health insurance cost estimates reduced to reflect the central state level
(8.5)	Fund only General Fund supported positions at Regent institutions
\$ 42.2	FY 2001 Recommendation

The following table is a summary of the agreements between the State and the eight collective bargaining units. The table contains only a summary of the major points. Copies of the agreements are available from the Legislative Fiscal Bureau upon request. Because collective bargaining agreements cover two years, there will be no collective bargaining negotiations during the 2000 Legislative Session.

COLLECTIVE BARGAINING UNIT AGREEMENTS

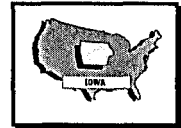
Bargaining Unit	FY 2000		FY 2001	
	Wages	Benefits	Wages	Benefits
American Federation of State, County, and Municipal Employees (AFSCME)	<ul style="list-style-type: none"> • 3.0% across-the-board increase. • Steps for eligible employees. 	<ul style="list-style-type: none"> • Employer pays 70.0% of family health plan and pays 70.0% of any premium increase during the contract. 	<ul style="list-style-type: none"> • 2.6% across-the-board increase. • Additional two steps added to pay plans, with step 6 employees eligible January 1, 2001. 	<ul style="list-style-type: none"> • Employer matches 50.0% of employee contribution to deferred compensation program up to \$300 per year effective April 1, 2001.
Judicial AFSCME	<ul style="list-style-type: none"> • 3.0% across-the-board increase. • Steps for eligible employees. 	<ul style="list-style-type: none"> • Employer pays 70.0% of family health plan and pays 70.0% of any premium increase during the contract. 	<ul style="list-style-type: none"> • Same as FY 2000. 	<ul style="list-style-type: none"> • Employer matches 50.0% of employee contribution to deferred compensation program up to \$180 per year effective August 1, 2000.
State Police Officers Council (SPOC)	<ul style="list-style-type: none"> • 2.65% across-the-board increase. • No step increases. 	<ul style="list-style-type: none"> • Status quo benefits. 	<ul style="list-style-type: none"> • 3.0% across-the-board increase. • Creates an 11 step pay plan, with range maximum increasing by 16.0%. • Step increases for eligible employees. 	<ul style="list-style-type: none"> • Same as FY 2000.
Iowa United Professionals (IUP)	<ul style="list-style-type: none"> • 3.0% across-the-board increase. • Step increases for eligible employees. 	<ul style="list-style-type: none"> • Employer pays 70.0% of family health plan and pays 50.0% of any premium increase during the contract. 	<ul style="list-style-type: none"> • Same as FY 2000. 	<ul style="list-style-type: none"> • Same as FY 2000.
United Faculty of Iowa (UFI)	<ul style="list-style-type: none"> • 4.0% average pay increase. 	<ul style="list-style-type: none"> • Increased amount of salary covered by long-term disability. • Status quo health insurance. 	<ul style="list-style-type: none"> • Same as FY 2000. 	<ul style="list-style-type: none"> • Same as FY 2000.
Public Professional Maintenance Employees (PPME)	<ul style="list-style-type: none"> • 3.0% across-the-board increase. • Step increases for eligible employees. 	<ul style="list-style-type: none"> • Status quo benefits. 	<ul style="list-style-type: none"> • Same as FY 2000. 	<ul style="list-style-type: none"> • Same as FY 2000.
Committee to Organize Graduate Students (COGS) – University of Iowa	<ul style="list-style-type: none"> • 3.0% across-the-board increase. 	<ul style="list-style-type: none"> • Increase employer share of family health insurance coverage from 50.0% to 70.0%. 	<ul style="list-style-type: none"> • Same as FY 2000. 	<ul style="list-style-type: none"> • Implement dental insurance coverage in FY 2001.
Service Employees International Union (SEIU) – University of Iowa	<ul style="list-style-type: none"> • 4.1% average pay increase. 	<ul style="list-style-type: none"> • Status quo benefits. 	<ul style="list-style-type: none"> • Same as FY 2000. 	<ul style="list-style-type: none"> • Same as FY 2000.

CRITERIA FOR EVALUATION OF TAX POLICIES

Several policy options relating to various taxes have been proposed by members of the General Assembly. The following are eight criteria that can help shape and explain any plan that may be under consideration. Although most of the provided examples relate to the individual income tax, the criteria can be utilized in the development of any proposed change to the State and local tax system.

SIMPLIFICATION

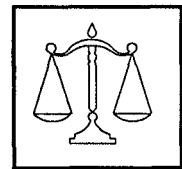
The simplification concept applies to both the State and the taxpayers; that is, initiating changes that ease administrative burdens on the State and also ease compliance efforts on the part of taxpayers. Options relating to the individual income tax include:



- Coupling the federal tax code, which could be done either in the form of piggy-backing (taxpayers pay a percentage of their federal tax); or coupling federal taxable income (the State would use the federal definition of "taxable income" and apply new rates and brackets).
- Initiating a flat tax, which may involve starting with federal adjusted gross income (AGI). Typically, complexity relating to the definition of "taxable income" is substantially more difficult to comply with and administer than complexity relating to rates and brackets. Thus, the General Assembly may wish to utilize a simple definition of taxable income (such as AGI) and apply a new set of brackets and rates.
- Virtually anything the State does to increase the extent to which Iowa tax law couples federal tax law will render the system simpler, although doing so may have undesirable consequences relating to the other criteria.

EQUITY

The concept of equity implies that "equals" should be treated similarly and "unequals" may need to be treated dissimilarly. This concept relates more specifically to how similar individuals in different income classes are taxed; and how dissimilar individuals within the same income class are taxed. The General Assembly may wish to consider specific tax policy related to this issue. Income tax examples that might fall into this area of consideration include: the standard deduction, earned income tax credit, rate structure, dependent exemption, pension taxation, and the



tuition/textbook credit. However, almost any change to current income tax law will have equity ramifications.

COMPETITIVENESS

It is not known to what extent, if any, the Iowa individual income tax encourages individuals and businesses to migrate into or out of the State. A cross-state comparison analysis has shown that the variance in actual income tax liability is probably too small to have a significant impact. However, if the top rate (rather than actual tax) is resulting in the perception that the Iowa individual income tax is out of line with other states, the General Assembly may wish to consider lowering the rate. The rate could be lowered either in a manner that is revenue neutral or in a manner that results in revenue loss. The options under the simplification section would all have the effect of reducing the top marginal rate.

REVENUE STABILITY/RESPONSIVENESS

The General Assembly may wish to consider actions that could be taken to maintain or improve the stability or responsiveness of individual income tax revenues. An example includes reviewing the effects of the deduction for federal income taxes paid. Specifically, when the federal government increases taxes, federal deductibility results in a decrease in Iowa tax revenues. Conversely, when the federal government decreases taxes, Iowa taxpayers receive a smaller reduction than taxpayers in states without federal deductibility since State income taxes increase.



Stability and responsiveness, however, are often mutually exclusive. A stable tax system is one that maintains consistent revenue streams throughout the business cycle, so that recessions do not result in shortfalls, and expansions do not result in unnecessary surpluses. Responsiveness to the business cycle can be beneficial when strong economic expansion increases government revenues so that increased demand for government services is satisfied. Thus highly responsive systems tend to be unstable, and highly stable systems tend to be unresponsive. The purpose of a broad-based multi-tax system is to help balance these two competing goals, such that economic expansions provide sufficient growth in revenues, but contractions do not result in budgetary shortfalls. However, such a system may add complexity.

NEUTRALITY

Neutrality relates to economic efficiency. Changes in tax policy should not cause undue interference in the economic decisions of individuals and businesses. In other words, the administration of the tax should not inadvertently affect the decisions that individuals make with respect to buying or producing a given mix of goods and services.

Exceptions arise when markets function poorly. The State can either tax or regulate an industry so that the true costs of the product are reflected in the price. A good example is taxing (or regulating) emissions from a smokestack. This will result in an increase in price and a decrease in sales of the item being produced. However, in this case, the tax adds efficiency because neighbors of the smokestack no longer are required to bear the cost of the pollution.

In general, however, neutral tax policy will maximize the output of the State economy and produce the most goods and services at the least price.

EXPORTABILITY

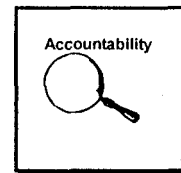
Exportability relates to shifting the tax burden to other states. All things being equal, any state would prefer to export the tax burden to residents of other states. However, this often results in competitiveness problems. In some ways, state tax deductibility affects exportability. When Iowa increases income taxes, the burden is shifted to the federal government, because State taxes are an itemized deduction. When Iowa decreases income taxes, the State revenue loss exceeds taxpayer gains for the same reason (tax burden is imported).

REVENUE ADEQUACY

Revenue adequacy of the tax system relates more to the tax system as a whole, but the income tax is the largest contributor. This criteria emphasizes the importance of overall State fiscal policy so that tax reductions are viewed within the context of the appropriations process.

ACCOUNTABILITY

Accountability relates to the extent to which a tax system is transparent, so that tax increases and tax decreases are the result of direct government action rather than an automatic process. Accountability also refers to the portions of the tax system that are formula driven and thus subject to little or no legislative oversight, such as open-ended exemptions or deductions that may have the effect of eroding the tax base.



For example, during the 1996 Legislative Session, the General Assembly improved the accountability (transparency) of the individual income tax by approving full indexation of the tax brackets. Prior to indexing, an individual's tax liability could increase with wage inflation, even though the purchasing power of the individual's wages did not change. This process is often referred to as "bracket creep."

FY 2001 TAX ISSUES

Deductibility of Federal Income Taxes

Iowa is one of nine states that allow either full or partial deductibility of federal income taxes on the State personal income tax return. This is the primary reason for the comparatively high top marginal rate of 8.98%. Since 100.0% of federal income taxes paid in a year are deductible in calculations of taxable income (both for those taxpayers itemizing their deductions or taking the standard deduction), the marginal rates are significantly higher than would be the case without federal deductibility. In Iowa, the average federal deduction in tax year 1997 was \$6,424. Without federal deductibility, average taxable income would be higher by that amount or 20.4%.



There has been significant discussion regarding the elimination of federal deductibility. It has been advanced that the higher apparent (versus effective) tax rates hurts Iowa's ability to attract and retain higher income individuals. Several national comparisons of tax burden have characterized Iowa's rates as one of the nation's highest, even though adjusting for federal deductibility places Iowa somewhere between 20th and 30th nationally depending on the year in question.

The elimination of federal deductibility without reducing tax rates would result in significant revenue gains for the State. In one way or another, nearly all of the proposals would take the additional revenue generated and reduce rates so that the elimination of federal deductibility would not adversely affect taxpayers. It is possible to reduce rates so that individual income classes of taxpayers (e.g., the \$50,000 to \$75,000 income class) is, as a whole, not adversely affected. However, it is nearly impossible (and expensive) to insure that no taxpayer pays more than would be the case if federal deductibility was not eliminated. For example, there are a number of taxpayers in a given year that will have an abnormally high federal income tax deduction for a variety of reasons. Sales of significant assets or realization of one-time income which results in a large federal tax liability also result in a large federal tax deduction on the Iowa income tax return. Past reviews of federal deductibility have shown that to hold nearly all taxpayers harmless would require an additional \$200.0 to \$250.0 million each year.



Even though in any single year a number of taxpayers would have increased tax liability, it does not mean that over their lifetime they would have an increased State tax liability. This is due to significant one-time events which have raised

their federal tax liability (and hence their federal income tax deduction on their State return) which will likely not occur in future years. This is not to say that in the following year there will not be an entirely different group of taxpayers who will be adversely affected, even though over their lifetime they would have a net benefit due to the elimination of federal deductibility.

Four questions should be asked of any proposal to eliminate federal deductibility. First, what is the revenue impact to the State? Second, is there a shift in tax burden between income classes? Third, are all taxpayers held harmless or just the taxpayers as an overall income class held harmless? Fourth, if the answer to the third question is the income class is not adversely affected, then what is the impact for those individual taxpayers adversely affected in a single year over their lifetimes? Unfortunately, it is very difficult to determine with any certainty the answer to the fourth question. Iowa does not maintain a long-term sample of taxpayers which is necessary to determine the answer to this question.

❖ The Governor is proposing to eliminate federal tax deduction on personal income taxes. Currently, in arriving at taxable income, all individuals are able to deduct federal income taxes paid. The current nine brackets would be reduced to four. The top marginal rate, currently at 8.98% would be reduced to 6.60%. The General Fund impact is estimated at \$5.8 million over two years. While the proposal is roughly revenue neutral within income brackets (e.g., \$50,000 to \$75,000 income level), some taxpayers would see tax increases while others would see tax decreases.

❖ The Governor is proposing a referendum to approve any increases of the sales or income taxes. The referendum would be held within 90 days of the adjournment of the legislative session. If a majority of those voting in the referendum reject the increase, the increase would be nullified.

❖ The Governor is proposing two targeted occupational tax credits:

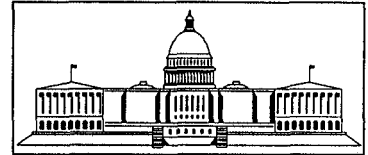
- ❖ The Governor's proposal would provide a maximum \$1,250 per year refundable tax credit for teachers who are new to a teaching assignment in an occupational shortage area. Shortage areas are to be identified annually by the Department of Education. The tax credit could be taken for up to three years if the teacher remains eligible for the credit.
- ❖ The Governor's proposal would provide a maximum \$2,000 per year refundable tax credit to engineers who have most recently worked for an out of state employer or engineers who have graduated from college in the last five years. Companies will apply to the Department of Economic Development for tax credits to award to individuals.



- ❖ The estimated General Fund impact of these two tax credits is a decrease of \$600,000 in FY 2001, growing to \$1.8 million by FY 2003. If the fiscal effect is split evenly between the teachers and engineers, the tax credits are estimated to provide full credit for 240 teachers and 150 engineers in the first year of the proposal.
- ❖ The Governor is proposing to increase the pension income exclusion from \$5,000 / \$10,000 (single / joint filers) to \$6,000 / \$12,000. The General Fund impact is estimated at \$6.5 million in FY 2001.

Federal Legislation

Congress passed a large omnibus tax legislation package in 1999. The bill contained many specific items including a phased in reduction of the so-called federal marriage penalty, the bill was vetoed. While a number of tax provisions may be ultimately passed by Congress, at this time it does not appear that any of these will have a significant impact on Iowa. The broadening and extension of the loss carrybacks for farmers from three to five years and the impact of the federal farm payments legislation has already been taken into account by the Revenue Estimating Conference.



Personal Income Tax Simplification

Simplification of the tax code can be done in various ways. As the term is most often used, simplification can be the revision of the forms used by the public to file their personal income taxes. In Iowa, a number of differences between Iowa and federal treatment of income, preferences, and credits result in a significant difference in the calculation of tax liability. The result is that Iowa's 1040 tax form contains 75 lines while the federal 1040 form contains 59 comparable lines. Simplification can also mean simply reducing the number of credits, exemptions, and preferences contained in the Iowa tax form.

There are three main ways to simplify the Iowa income tax form. All of these options will be achieved by fully coupling Iowa's definitions with federal definitions. The three options include:

- Coupling with the federal definition of Adjusted Gross Income (AGI)
- Coupling with the federal definition of Taxable Income
- Coupling with the federal definition of Tax Liability

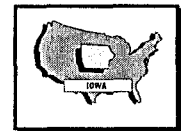
On the federal level there has been significant discussion concerning moving to a single tax bracket, also known as the flat tax. In Iowa's case, unless there are changes in how tax liability is calculated, a single bracket will not result in any simplification of the Iowa tax code. Because virtually all individuals either use a computer program or tax tables at the back of the tax booklet in determining tax liability, changing the number of brackets makes no difference in the complexity of the calculation. Whether there is one tax bracket, nine, or 100, only one tax table is created. In the broadest sense, complexity is a function of defining taxable income, not multiple rates.

One aspect of the Iowa system which results in significant complexity for the average taxpayer is Filing Status 3 (Married Filing Separately on a Combined Return). From the taxpayer's perspective this adds to the complexity of filing because many taxpayers must figure their taxes two ways, separate on a combined



return and married joint, to figure their minimum tax liability. Couples must also apportion their income and deductions to take advantage of Filing Status 3, which differs from the federal level (unless couples choose to file Married Separate on the federal level). Filing Status 3 provides for reduced tax burden for many individuals because each taxpayer is able to take advantage of the lower rates in the brackets. For couples where one spouse earns most of the income, Filing Status 3 may not be beneficial because the standard deduction on the individual level is \$1,440 for each filer versus \$3,550, resulting in a lower total standard deduction and hence higher tax liability. Eliminating Filing Status 3 would ease computation of State tax liability, but would result in increased tax liability for some taxpayers.

Iowa is one of nine states that permits either full or partial deductibility of federal income tax liability in computing State tax liability. Coupling with the federal adjusted gross income would not affect federal deductibility, but coupling with federal taxable income or federal tax liability (if no other changes were made to the structure of the forms) would eliminate federal deductibility. It would be feasible to couple with one of the two federal definitions and make an adjustment which would in effect allow for continued federal deductibility.



Internet Tax Freedom Act

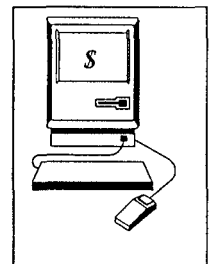
In 1998, Congress passed the Internet Tax Freedom Act. The major provisions of the Act relating to taxation include:

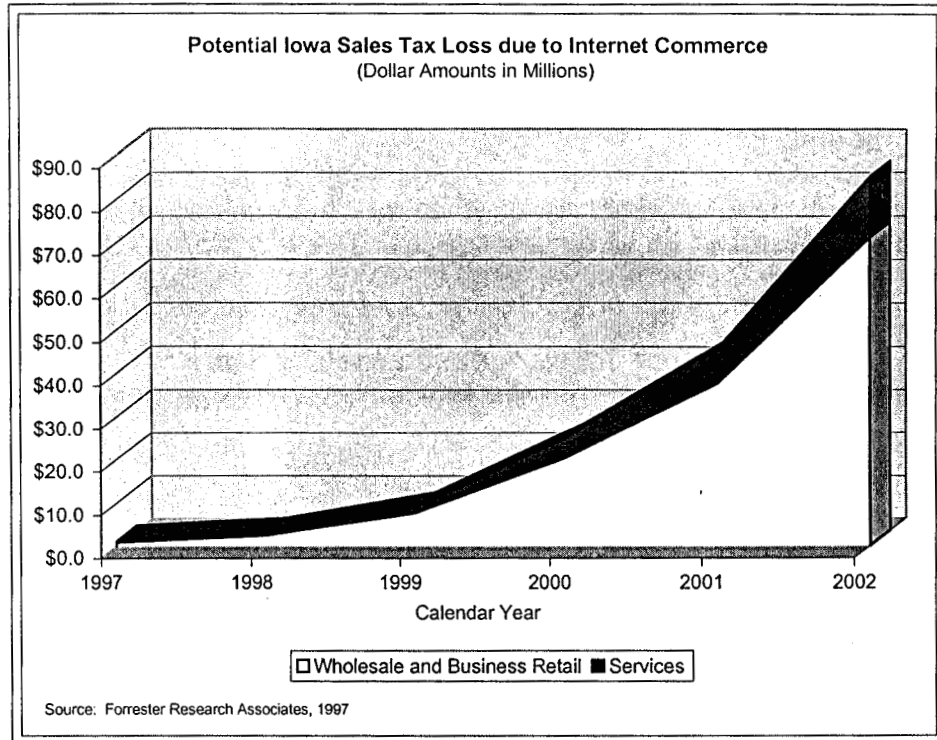
- A three-year moratorium on taxes on internet access, unless the tax was generally imposed on or before October 1, 1998.
- Prohibition of multiple or discriminatory taxes on electronic commerce.
- Provisions that do not impair or supersede any State or local law pertaining to taxation otherwise permissible under the Constitution of the United States or other federal law.

The 1998 General Assembly passed HF 748, Internet Access Sales Tax Exemption, which exempted internet access charges from the sales tax. The estimated fiscal impact of HF 748 is between \$4.0 and \$6.0 million annually.

Internet Commerce

- A larger issue facing Iowa and all other states with a general sales tax is the issue of internet commerce (i.e., the buying and selling of goods via the internet). Internet commerce is a high growth area. Industry projections provide a measure of the potential impact internet commerce will have in the coming years. This should be viewed as a maximum, or worst case scenario. First, due to the large number of exemptions currently in the Code of Iowa, not all products or services purchased through the internet would be taxable if they were purchased through conventional means. Second, it is very likely the impact will be reduced to some extent from the substitution effect occurring between catalog sales and internet sales. Products formerly purchased through catalogs are now easily purchased through the internet. In this case, sales tax not previously collected from catalogs will continue to remain uncollected when sellers change their medium.
- The following graph depicts the potential lost sales tax revenue from internet commerce and is based upon national projections of total internet commerce.

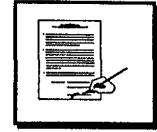




- Under current law, assuming a company does not have nexus (physical presence) in Iowa, the seller of an item is not required to remit sales tax. However, the purchaser of the item is required to remit use tax on such a purchase. While ensuring that sellers with nexus remit sales tax is a relatively easy process because of the sale tax permit process, enforcing the consumer's use tax requirement is very difficult. This is the same issue that has affected collection of sales tax on catalog orders for many years. The fiscal impact from the uncollection of use tax on catalog sales has been estimated at between \$20.0 and \$30.0 million annually. With the growth of internet commerce and the wide range of products and services available, in a very few years, it is possible that the impact of lost sales tax from internet commerce could reach a similar or greater figure.
- In the absence of federal action in the area, there is little that Iowa can do. Iowa is prohibited due to a U.S. Supreme Court ruling (Quill, 1987) from taxing firms which have no nexus in the State.

PROPERTY TAX ISSUES

Property Tax Relief



Major property tax relief programs have been created since FY 1996. **Figure 1** summarizes the property tax relief expenditures and projects the cost of each program through FY 2002. Full funding of the homestead, elderly, and military property tax credits is not included because the amount of funding for property tax relief can not be determined. A discussion of the credits follows this section. Below is a description of each program.

Figure 1
Projected State Funded Property Tax Relief
(Dollars in Millions)

	<u>Actual FY 1996</u>	<u>Actual FY 1997</u>	<u>Actual FY 1998</u>	<u>Actual FY 1999</u>	<u>Estimated FY 2000</u>	<u>Estimated FY 2001</u>	<u>Estimated FY 2002</u>
Machinery and Equipment	\$ 0.0	\$ 6.9	\$ 11.3	\$ 17.1	\$ 22.6	\$ 43.7	\$ 26.3
Property Tax Relief Fund	61.0	78.0	95.0	95.0	95.0	95.0	95.0
School Foundation Level	0.0	84.8	88.0	91.9	135.4	140.5	145.2
Total	<u>\$ 61.0</u>	<u>\$ 169.7</u>	<u>\$ 194.3</u>	<u>\$ 204.0</u>	<u>\$ 253.0</u>	<u>\$ 279.2</u>	<u>\$ 266.5</u>

Machinery and Equipment (M&E)

- The property tax on new M&E was repealed during the 1995 Legislative Session (SF 69, Property and Income Tax Reduction Act), retroactive to all M&E purchases made since January 1, 1994.
- The taxable value of M&E purchased prior to January 1, 1994, is being phased out over a four-year period beginning in FY 2001, such that the taxable value on all M&E will be zero beginning in FY 2004.
- Local governments receive reimbursement for the difference between the base year (FY 1996) M&E valuation and actual valuation for each year through FY 2001. For FY 2002 through FY 2006, the State reimbursement will be reduced to the extent that commercial and industrial valuations have grown since FY 1996. There will be no State reimbursement in FY 2007 and subsequent fiscal years. Reimbursements will be paid from a standing unlimited

appropriation to the M&E Property Tax Replacement Fund. Payments for FY 2001 are estimated to total \$43.7 million, which is an increase of \$21.2 million from FY 2000.

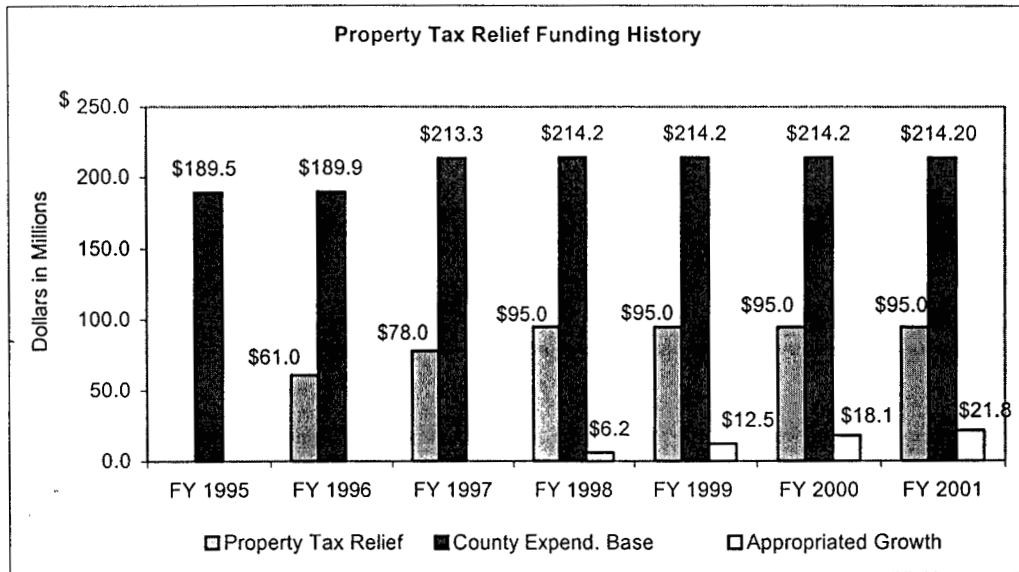
The theory behind the original legislation was elimination of the tax on M&E would spur additional commercial and industrial growth which over time would offset the revenue loss to local governments from the M&E exemption. While it is true that statewide over a 10-year period the growth in commercial and industrial classes of property will offset the loss of value from exempting M & E, this is not necessarily the case for an individual taxing authority (i.e., cities, school district, etc.) or an individual taxing district (the lowest geographic entity with a common consolidated tax levy rate).

The 1999 General Assembly in Section 87 of SF 136, Tax Administration and Related Matters Act, directed the Department of Economic Development (DED) to review the impact of the M & E legislation on various taxing authorities and report in January 2000, to the 2000 General Assembly.

Property Tax Relief Fund (Mental Health)

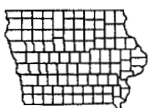
- The Property Tax Relief Fund was created by SF 69 (Property and Income Tax Reduction Act) during the 1995 Legislative Session.
- A standing limited appropriation was established, including a three-year phased-in approach to complete the State share. The following chart details annual appropriations from FY 1996 through FY 2001. The State share includes \$6.6 million annually for services for mentally retarded children which is transferred from the Property Tax Relief Fund to the Department of Human Services.

Figure 2



Note: The FY 2001 Appropriations for Property Tax Relief and the County Expenditure Base are assumed at the FY 1999 rate. House File 782 (FY 2000 Standings Appropriations Act) appropriated \$21.8 million for FY 2001 growth, which is a growth rate of 1.57% and includes a \$3.6 million increase in property tax relief. The growth rate for FY 2002 is scheduled to be appropriated during the 2000 Legislative Session.

- Mental health funding in each county is limited to a base year amount. The appropriation of \$95.0 million was originally set as 50.0% of the FY 1996 county base expenditures of \$189.9 million. In FY 1997, counties were allowed to choose a base year from among the fiscal years 1994 through 1996. The adjustment added \$23.4 million to gross county spending within the county Mental Health/Mental Retardation/Developmental Disabilities (MH/MR/DD) Services Fund compared to the base of \$189.9 million. In FY 1998, counties were allowed to make corrections to the base year expenditures for items previously funded with county general funds and not included in the Mental Health/Mental Retardation/Developmental Disabilities (MH/MR/DD) Services Fund. Total adjustments of \$1.1 million were made by three counties for a total adjusted county base of \$214.4 million.


- The first \$6.6 million of Property Tax Relief for mental health is annually transferred to the Department of Human Services for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) costs for children. An additional \$6.5 million was appropriated for these same costs to the Department of Human Services in FY 2000.

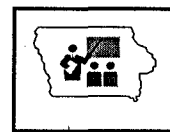
- The Property Tax Relief and appropriated growth will be distributed to counties in FY 2001 based on the following formula:

Figure 3
FY 2000 Distribution Formula

<u>Property Tax Relief</u>	<u>Allowed Growth</u>
<ul style="list-style-type: none"> • 1/3 on the county's share of State population • 1/3 on the county's share of all counties' base year expenditures • 1/3 on the county's share of State's total taxable property valuation assessed for taxes payable in FY 1998 	<ul style="list-style-type: none"> • \$12.0 million for inflation distributed as follows: <ul style="list-style-type: none"> • 75.0% based upon the county's share of State population. • 25.0% based upon each county's previous fiscal year expenditures for MH/MR/DD services. • \$5.8 million for a target pool. Counties having maximum mental health levies and below the 75th percentile of per capita expenditures are eligible. • \$2.0 million for an incentive and efficiency pool. • \$2.0 million for a risk pool.

- *The Governor's budget reflects a \$3.7 million increase in property tax relief associated with county services provided to individuals eligible for State assistance.*
- The General Assembly may wish to consider the following during the 2000 Legislative Session:
 - Review county expenditures since the beginning of property tax relief funding, the amounts of the individual county levies for the Mental Health/Mental Retardation/Developmental Disabilities Services Fund, and the balances for the counties' Services Fund. The LFB has written an **Issue Review** entitled "Mental Health Expenditures" discussing mental health funding.
 - Review local services provided in the State in lieu of a mandated minimum service level.
 - Review proposals for the FY 2002 allowable growth appropriation and other proposed State funding changes.

School Foundation Level



- In the 1996 Legislative Session, the regular program foundation level was raised from 83.0% to 87.5%. Raising the foundation level, increased State aid and reduced property taxes for local school districts by \$84.8 million

in FY 1997. In general, school districts with the lowest taxable valuation received the biggest tax rate decrease.

- Additional property tax relief was provided by the 1999 General Assembly by raising the foundation level for the special education portion of regular program costs from 79.0% to 87.5%. In addition, funding for talented and gifted was shifted from being covered 100.0% by property taxes to being funded under the foundation formula. This has resulted in 87.5% of talented and gifted program funding now being covered by State aid. *The Governor's budget recognizes that shifting funding responsibility for talented and gifted programs will result in an additional \$2.2 million in property tax relief for FY 2001.*
- The foundation level can be raised for future property tax decreases. Increasing the regular program foundation level by 1.0% would increase State aid and reduce property taxes by \$21.6 million. Increasing the regular program special education foundation level by 1.0% would increase State aid and reduce property taxes by \$2.7 million.

Property Tax Credits

The major property tax credits include the homestead tax credit, agricultural land tax credit, family farm tax credit, military service tax exemption, and various low-income elderly credits. **Figure 4** shows the amounts claimed by taxpayers and the amounts paid by the State, based on FY 1999 payments. For the homestead, military, and elderly credits, local governments pay the difference between the amount claimed and the State payment. For the agricultural credits, taxpayers receive pro-rated shares of the State payment.



Figure 4

Local Government Claims and Payments

(Dollars in Millions)

FY 1999	Amount Claimed	Amount Paid by State	Additional Cost of Full State Funding
Homestead Credits	\$ 113.07	\$ 113.07	\$ 0.00
Agriculture Land Credits	95.83	29.10	66.73
Family Farm Credits	41.97	10.00	31.97
Military Service Tax Exemption	13.30	2.75	10.55
Elderly Credits			
Rent Reimbursement	7.06	7.06	0.00
Property tax	3.42	3.42	0.00

Local Government Claims and Payments (continued)

(Dollars in Millions)

FY 1999	Amount Claimed	Amount Paid by State	Additional Cost of Full State Funding
Mobile homes	\$ 0.08	\$ 0.08	\$ 0.00
Special Assessments	0.01	0.01	0.00
Elderly Credit Total	<u>10.57</u>	<u>10.57</u>	<u>0.00</u>
Total	<u>\$ 274.74</u>	<u>\$ 165.49</u>	<u>\$ 109.25</u>

Homestead, Elderly, and Military Service Property Tax Credits

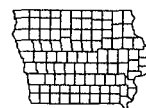
During the 1997 Session, the Legislature passed HF 726 (Tax Credits and Exemptions – Local Budget Practices – Property Tax Statements Act) which requires new property tax credits or exemptions to be fully funded by the State. If the new credit or exemption is not fully funded by the State, the credit or exemptions will be prorated to the taxpayer. These requirements also apply to the homestead, elderly and disabled, and military service property tax credits. The Act also removed the appropriation freeze on the homestead, elderly and disabled, and military service property tax credits. Removing the appropriation freeze reinstated the standing unlimited appropriations for these credits. *The Governor's budget recognizes an increase of \$2.2 million in credit reimbursements to cover this obligation.*

State responsibility for the military service property tax credit is limited to \$6.92 per \$1,000 of assessed valuation. The credit exempts the first \$1,852 of assessed valuation from taxation. The total cost of the credit is equal to \$1,852 times the consolidated levy rate. Overall, the value of the credit is equal to approximately \$13.3 million, of which \$2.8 million is reimbursed by the State. The remainder is absorbed by counties.

In FY 1998 through FY 2002, cities, counties, and school districts must use excess State reimbursement as follows:

- Cities must use at least 50.0% for property tax relief with the remaining amount for infrastructure.
- Counties must use at least 50.0% for property tax relief with the remaining amount used for infrastructure or for paying the expenses incurred in providing tax statements.
- School districts must use 100.0% for property tax relief through the reduction in the additional levy.

Property Tax Equalization



Equalization under Section 441.47, Code of Iowa, is a process used to maintain equity for property assessments between counties. The Department of Revenue and Finance (DRF) collects sales data, and based on that data makes a determination for equalization of specific classes of property in each county. The Department determines by county if residential and commercial property is generally assessed too high, too low, or within an appropriate range based on county sales data.

This process is used for equalization of commercial and residential classes of property in each county every two years (odd numbered years). Equalization is also done for the class of agricultural property, but agricultural property is assessed on a productivity basis, rather than market value, so another equalization method is used.

Equalization orders are given to the assessor. Although the assessor has some discretion in allocating increases and decreases within the classification of property, in most cases, the assessor will apply the percentage increase or decrease across the board.

Figure 5 displays the statewide changes in 1999 property tax valuations due to assessor revaluation, equalization order, and the net impact on valuations by class of property. The January 1, 1999, valuations are used to generate property tax revenues in FY 2001. Residential includes urban and rural residential and agricultural dwellings. The next equalization cycle will begin with valuations effective January 1, 2001, and will conclude with the DRF equalization order in the fall of 2001.

Figure 5

1999 Assessor Revaluation Actions and Equalization Orders

	<u>Assessor Revaluation</u>	<u>Equalization</u>	<u>Net Impact</u>
Agricultural	+1.6%	+6.7%	+8.3%
Residential	+4.5%	+2.5%	+7.0%
Commercial	+2.6%	+2.7%	+5.3%

Assessed Valuation Limitation (Rollback)

Assessment limitations provide for the reduction of property tax valuations to cushion the impact of inflation. The assessment limitations are applied according to a class of property as follows:

- For agricultural, residential, commercial, and industrial classes of real estate, the taxable valuation for each class is limited to four percent annual statewide growth from revaluation. In addition, the percent of growth from revaluation is to be the same for agricultural and residential property.
- For utility property, the taxable valuation is limited to eight percent annual statewide growth from revaluation.
- For railroad property, the assessed valuation is adjusted by the lowest of the assessment limitation percentages for commercial, industrial, and utility property to determine the taxable valuation.

An assessment limitation percentage is applied uniformly to each assessed value in the State for a class of property. Even though the State's total taxable value will increase by only the allowed percent of growth, the taxable values for individual properties will change by different percents. **Figure 6** has historical rollback adjustments due to the assessment limitation.

Figure 6

Percent of Property Valuation after Rollback Adjustment

Assessment Year	Agricultural	Residential	Commercial	Industrial	Utilities	Railroad
1992	100.0000%	72.6985%	100.0000%	100.0000%	100.0000%	100.0000%
1993	100.0000%	68.0404%	100.0000%	100.0000%	100.0000%	100.0000%
1994	100.0000%	67.5074%	100.0000%	100.0000%	97.2090%	97.2090%
1995	100.0000%	59.3180%	97.2824%	100.0000%	100.0000%	97.2824%
1996	100.0000%	58.8284%	100.0000%	100.0000%	100.0000%	100.0000%
1997	96.4206%	54.0909%	97.3606%	100.0000%	100.0000%	97.3606%
1998	100.0000%	56.4789%	100.0000%	100.0000%	100.0000%	100.0000%
1999	96.3381%	54.8525%	98.7732%	100.0000%	100.0000%	98.7732%

Tax Increment Financing (TIF)



A Tax Increment Finance (TIF) area is established when a city or county adopts a resolution establishing an urban renewal project or a community college adopts a jobs training project. The taxable value of the TIF area in the year prior to the establishment of the TIF becomes the base value.

The property tax revenue from the base value is distributed to all taxing entities. Any growth above the base is called the incremental value. The property tax revenue on the incremental value goes to the TIF project.

As directed by the General Assembly in HF 776, Urban Renewal Act, a comprehensive review of the use of Tax Increment Financing (TIF) is in progress. The legislation required that the Department of Management (DOM) collect a number of data items regarding the level and use of TIF by cities and counties. The DOM is then required to provide the data to the Legislative Fiscal Bureau for analysis and report to the General Assembly. The statutory deadline for the submittal of the information to the DOM was September 30, 1999. However, due to a number of technical issues, this date was not met.

In FY 1997, there were 1,453 TIF areas statewide with 896 having increased valuation. The total incremental value was \$2.4 billion of net taxable valuation. This generated approximately \$71.2 million for TIF projects. This is an increase of \$41.1 million (136.5%) since FY 1992. The incremental value also generated an additional \$8.1 million for bonded indebtedness levies.

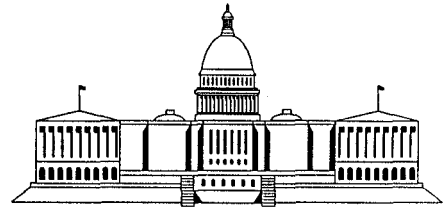
The impact of TIF areas' incremental value being excluded caused the State to increase General Fund appropriations for School Aid by \$12.8 million in FY 1997, for revenue not generated by the uniform levy rate.

An *Issue Review*, "Tax Increment Financing (TIF)," issued July 31, 1997, provides additional details on TIFs and the impact on the State, local governments, and taxpayers.

FEDERAL FUNDING ISSUES

Since 1990, the federal budget process has focused on avoiding increases in the annual deficit by imposing targets for various types of discretionary spending and limiting statutory changes that would increase entitlement spending. While unable to pass a balanced budget amendment, the 105th Congress did achieve the first budget surplus since 1969. The surplus of \$70.0 billion for Federal Fiscal Year (FFY) 1998 was applied against the \$5.5 trillion national debt. The 106th Congress continued to hold spending in check and another surplus of \$107 billion for FFY 1999 was also applied against the national debt. Both the White House's Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) project that surpluses will grow steadily into the next century.

Current estimates are that in State FY 2000, the State of Iowa will receive approximately \$2.761 billion in federal funding. This is an increase of \$245.2 million (9.7%) compared to actual FY 1999 receipts. Over \$1.329 billion (48.1%) of this amount will be received by the Department of Human Services, primarily for the Medical Assistance, Food Stamps, Children's Health Insurance, and Family Investment Programs. Other departments receiving large amounts of federal funds include:



- \$295.8 million for the Department of Transportation.
- \$294.7 million for the Department of Education.
- \$256.2 million for the Department of Workforce Development.
- \$247.9 million for the Board of Regents Institutions.

For State FY 2001, the State of Iowa anticipates receiving \$2.773 billion in federal funding. This would be an increase of \$12.2 million (0.4%) compared to estimated State FY 2000. Over \$1.435 billion (52.0%) of this amount will be received by the Department of Human Services. Other departments receiving large amounts of federal funds include:

- \$274.3 million for the Department of Transportation.
- \$281.9 million for the Department of Education.
- \$253.9 million for the Department of Workforce Development.
- \$253.7 million for the Board of Regents Institutions.

The estimated State FY 2000 and FY 2001 figures for federal funds are likely to be revised for a number of reasons including:

- Some departments historically underestimate the amount of federal funds they are likely to receive to ensure a conservative approach to planning expenditures.
- A number of adjustments are made each time the books are closed on a federal fiscal year. This could result in reversion of unexpended federal funds and the carry-forward, where federal law allows, of federal funds into the next fiscal year.
- Rule changes in many federal programs take time to be finalized and published, and those changes could impact the amount of funds states will receive and the distribution of the available funds.

In November 1999, the Federal Funds Information Service (FFIS) provided an analysis of major federal grant programs and provided estimates for each state. The table below presents the information provided by FFIS for Iowa.

Federal Grant Programs – Iowa
(Dollars in Millions)

Program	FFY 1999 Estimate	FFY 2000 Enacted	Difference
Medicaid Administration	\$ 42.2	\$ 42.1	\$ -
Medicaid Vendor Payments	889.4	921.7	32.3
Food Stamp Administration	9.6	10.8	1.2
Food Stamp Benefits	113.8	111.4	-2.4
Unemployment Insurance Admin.	18.2	18.5	0.3
Temporary Assist. for Needy Families	131.5	131.5	0.0
Title I – Local Education Agencies	51.9	53.7	1.8
Pell Grants	83.9	87.4	3.5
Special Education Basic Grants	49.3	57.1	7.8
Head Start	35.9	39.6	3.7
School Lunch	46.7	47.9	1.2
Social Services Block Grant	20.4	19.0	-1.4
Foster Care	18.5	21.1	2.6
Child Support Enforcement Admin.	34.5	37.8	3.3

<u>Program</u>	<u>FFY 1999 Estimate</u>	<u>FFY 2000 Enacted</u>	<u>Difference</u>
Child Care Entitlement	17.9	19.8	1.9
Rehabilitation Services	26.6	27.0	0.4
Women, Infant, and Children	33.2	34.2	1.0
Children's Health Insurance Program	32.3	32.3	0.0
Community Development Block Grant	16.9	17.3	0.4
Low Income Housing	1.6	1.8	0.2

In the second term of the 106th Congress, the President and Congress will likely continue to identify ways to reduce the national debt or minimize growth in spending. However, some of the urgency appears to have dissipated due to increasing levels of revenues and the spending reductions the 104th and 105th Congresses and the President agreed to enact. According to articles in the **Congressional Quarterly Weekly Report**, Congress is likely to continue to take a moderate approach to change. It is likely that:

- The projected budget surpluses and uses of them, estimated at \$1.6 trillion over the next 10 years, will be a key challenge to both Congress and the President.
- Some effort will be made by Congress to reduce taxes, although the President will likely focus efforts on protecting Social Security and Medicaid.
- Telecommunications and technology issues, including the need for federal standards for electronic commerce and taxation of Internet-based sales, will continue to be investigated.
- Congress is likely to increase the budgets of regulatory agencies that oversee industries from airlines to telecommunications and financial services, all of which are seeing record-sized mergers. Oversight may include tougher criminal penalties for violations of the country's anti-trust laws.

The General Assembly may wish to review:

- Options for the use of tobacco settlement funds. It is estimated the State will receive \$1.704 billion over the next 25 years (between \$55.0 and \$70.0 million annually.) Iowa received payments of \$40.2 million in December 1999. Additional estimated payments of \$38.0 million and \$51.8 million are anticipated in early 2000 and 2001, respectively. Thus, the State will have approximately \$130.0 million available for expenditure in FY 2001. *The Governor is recommending that \$64.6 million of the tobacco settlement funds be transferred to the General Fund in FY 2001, leaving approximately \$55.0 million available for expenditure. The Governor has recommended five State departments be appropriated tobacco settlement funds totaling \$55.0 million in FY 2001.* For more information on this issue, please see the following section on Tobacco Settlement or contact Deb Anderson (515-281-6764).

- The impact of the 0.38% across-the-board reduction in appropriations authorized in the final federal appropriations bill. The reduction included language that would allow a department to select programs where cuts would be made within the department, as long as the total cut for the department equaled 0.38%. This could impact some programs more severely than others. The Iowa State Federal Relations Office will closely monitor how cuts are made and provide updates on potential impacts to the Legislative Fiscal Bureau as soon as information is available.
- The impact of transfer restrictions relating to the federal Social Services Block Grant. Transfers of Temporary Assistance for Needy Families (TANF) funds for replacement of decreased Social Services Block Grant (SSBG) funding will continue to be limited to 10.0% of the annual TANF grant. For more information on this issue, please contact Deb Anderson (515-281-6764) or Sue Lerdal (515-281-7794).
- The impact of the new federal transportation funding legislation, the Transportation Equity Act for the 21st Century (TEA-21), on the Iowa Department of Transportation's Five-Year Iowa Transportation Improvement Program. The Act provides an increase of \$565.3 million (42.7%) in Highway Program funds over the six-year authorization period compared to the six-year apportionments made in the Intermodal Surface Transportation Act of 1991 (ISTEA). Additionally, Iowa was apportioned \$24.2 million for FFY 2000 for public transit assistance. These funds are apportioned annually. The funds will be used for capital projects, operations, and planning purposes. For more information on this issue, please contact Dave Reynolds (515-281-6934).
- The impact of the federal class size reduction appropriation for education. For FY 2000, Iowa received \$9.4 million with the funding available July 1, 1999. The funding was distributed to school districts using a formula based on 80.0% poverty and 20.0% student enrollment. For FY 2001, Iowa is expected to receive from \$9.4 to \$10.3 million in federal class size reduction funding. The money will be distributed according to the same formula as in FY 2000, but 25.0% of the funds may be used for teacher training compared to 15.0% in FY 2000. School districts may also apply for a waiver to spend the class size money for professional development if class sizes are already 20 students to one teacher. There is no state matching fund requirement. For more information on this issue, please contact Paige Piper/Bach (515-281-7942).

Some Executive Branch departments have not yet provided the amount of federal funds anticipated for FY 2000. Others will likely be revising estimates prior to release of the Governor's recommendations, based on the final appropriations bills recently passed by Congress, new federal administrative rules that impact funding formulas, or access to discretionary funds. If departmental estimates are revised prior to the beginning of the Legislative Session, the LFB will provide the departments' updated estimates in the budget documents to be distributed to the respective Appropriations Subcommittees.

TOBACCO SETTLEMENT

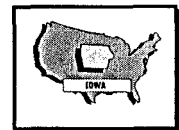
On November 20, 1998, 46 states approved a settlement agreement with the four major tobacco industry manufacturers comprising 99.4% of the United States cigarette market. The manufacturers agreed to a settlement valued at \$206.38 billion to be paid over 25 years to settle tobacco-related lawsuits filed by the states. The settlement covers 39 states which filed lawsuits and seven states that had yet to sue. The settlement does not apply to the four states that previously settled their state lawsuits.

Industry Payments - The funding provisions of the settlement include:

- Annual industry payments in perpetuity to the 46 settling states plus \$12.7 million for "up-front" payments. Up-front payments were scheduled to be distributed beginning in December 1998 and are to continue through January 2003. Annual payments will total \$195.92 billion through the year 2025 and will be adjusted annually for inflation and sales volume. Iowa's share will be approximately \$1.70 billion.
- \$8.61 billion for a strategic contribution fund, to be paid to states over the ten year period beginning April 2008, and to be allocated based upon efforts expended to resolve the state lawsuits against tobacco companies. Iowa's share will be approximately \$234.0 million.
- \$50.0 million for an enforcement fund available to states to prosecute settlement violations. Payments will be made to a national escrow agent and made available to states as needed for prosecution.
- \$1.45 billion for a sustained advertising program to counter youth tobacco use and educate consumers about tobacco related diseases. Payments will be made to a foundation which will use the funds to administer a national campaign.
- \$250.0 million to develop programs to reduce teen smoking and substance abuse and to prevent diseases associated with tobacco use. Payments will be made to a foundation which will administer a national campaign.



Iowa will receive approximately 0.87% (\$1.70 billion) of the total funds allocated for distribution to the states. Annual payments to Iowa will initially increase on a yearly basis, beginning with \$55.8 million in April 2000 and increasing to \$73.0 million in April 2003. Iowa will then receive \$60.9 million annually for the years 2004 – 2007, \$62.1 million annually for the years 2008 – 2017, and \$69.6 million annually for the years 2018 – 2025.



Estimated settlement payment amounts, however, may change significantly once volume and inflation adjustments are computed. An inflation adjustment equal to the greater of the Consumer Price Index or three percent is applied to each year's annual payment amount. A volume adjustment is also applied to each year's payment amount to reduce payments if cigarette sales decrease compared to the 1997 sales volume. Numerous analysts have prepared estimates of the volume decline, with estimates ranging from 6.0% to 12.0% in early years and from 1.5% to 2.0% in later years.



An initial payment of \$21.5 million was released from escrow and paid to Iowa in early December 1999, and an additional payment of \$18.7 million was received on December 31, 1999. An estimated payment of \$38.0 million is scheduled for April 2000, and additional payments of approximately \$51.8 million are scheduled for early 2001. Thus, the State will have approximately \$130.0 million available for expenditure in FY 2001. *The Governor is recommending that \$64.6 million of the tobacco settlement funds be transferred to the General Fund in FY 2001, leaving approximately \$55.0 million available for expenditure.*

FY 2001 Governor's Recommendations – The Governor has recommended five State departments be appropriated tobacco settlement funds totaling \$55.0 million in FY 2001. A summary of the intended use of funds and the amounts recommended is provided below:

<u>Department</u>	<u>Amount Recommended</u>	<u>Intended Use of Funds</u>
Commerce	\$ 101,500	Fund 0.5 FTE position and printing costs associated with the Patient Protection Act.
Corrections	610,179	Operate a community-based correctional substance abuse treatment facility beginning 4/1/01.
Human Services	650,000	Expand the School-Based Supervision Program.
Human Services	15,386,294	Expand Medicaid eligibility and services.
Human Services	11,250,000	Increase Medicaid provider reimbursements.
Human Services	575,000	Provide Medicaid coverage for smoking cessation products.
Human Services	1,614,596	Increase Children's Health Insurance Program (CHIP) eligibility to 200.0% of the federal poverty level and provide presumptive and continuous eligibility.
Personnel	79,606	Fund 1.0 FTE position to develop a smoking cessation program for State employees.
Public Health	3,491,515	Fund 7.0 FTE positions and operational costs to implement Healthy Iowans 2010 recommendations.
Public Health	11,888,946	Expand substance abuse treatment.
Public Health	9,345,394	Fund 5.0 FTE positions and operational costs to promote tobacco prevention and smoking cessation.
Total	<u>\$ 54,993,030</u>	

Attorney Fees – Attorney fees are to be set by an arbitration panel and paid from a separate fund which will not impact the amount of each state’s recovery. The arbitration panel ruled in November 1999 that the five firms with whom Iowa contracted should be paid \$85.0 million over 20 years. One law firm accepted its share of the arbitration award. The remaining law firms and the Iowa Attorney General, however, entered into an agreement to accelerate the payment schedule for the remainder of the arbitration award. The Iowa Executive Council approved the agreement on December 7.



Under the agreement, Iowa will pay the law firms a total of \$44.0 million over five years. In return, the attorneys will assign to the State all rights to receive tobacco industry payments. The tobacco industry is scheduled to pay Iowa attorney fees of \$61.4 million over 20 years, beginning January 2000. Accounting for the time value of money, the Iowa Auditor of State estimates Iowa’s payments to the four law firms will exceed Iowa’s attorney fee recoveries by \$700,000.

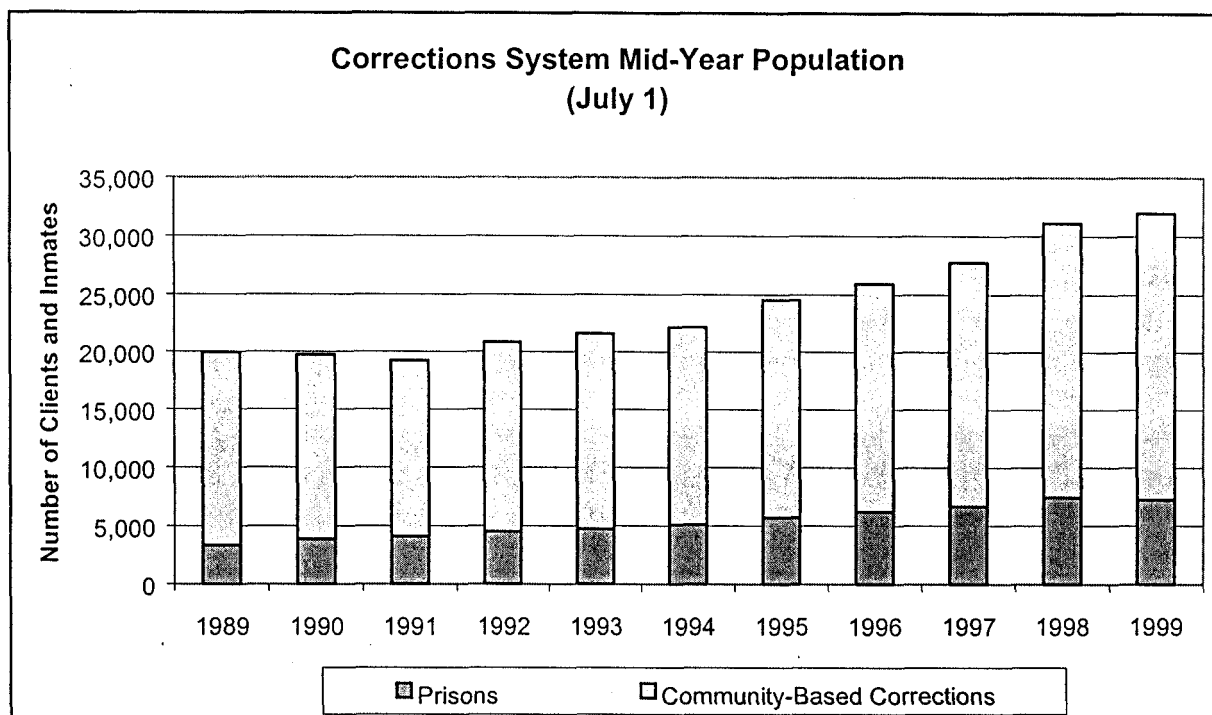
The agreed upon payment schedule is provided below:

Date	Industry Payments to State	State Payments to Attorneys	Cumulative Net State Recovery
12/07/99		\$ 3,000,000	\$ -3,000,000
1/15/00	\$ 3,000,000		0
4/15/00	769,000		769,000
7/01/00		4,000,000	-3,231,000
7/15/00	769,000		-2,462,000
10/15/00	769,000		-1,693,000
1/15/01	769,000		-924,000
4/15/01	769,000		-155,000
7/15/01	769,000		614,000
10/15/01	769,000		1,383,000
1/15/02	769,000		2,152,000
4/15/02	769,000		2,921,000
4/15/02		16,000,000	-13,079,000
7/15/02	769,000		-12,310,000
10/15/02	769,000		-11,541,000
1/15/03	769,000		-10,772,000
4/15/03	769,000		-10,003,000
4/15/03		18,000,000	-27,600,000
7/15/03	769,000		-26,800,000
10/15/03	769,000		-26,000,000
1/15/04	769,000		-28,003,000
4/15/04	769,000		-24,400,000
4/15/04		3,000,000	-27,234,000
7/15/04 - 1/15/19	45,371,000		18,137,000
Total	\$ 61,444,000	\$ 44,000,000	\$ 18,137,000

IOWA CORRECTIONS SYSTEM

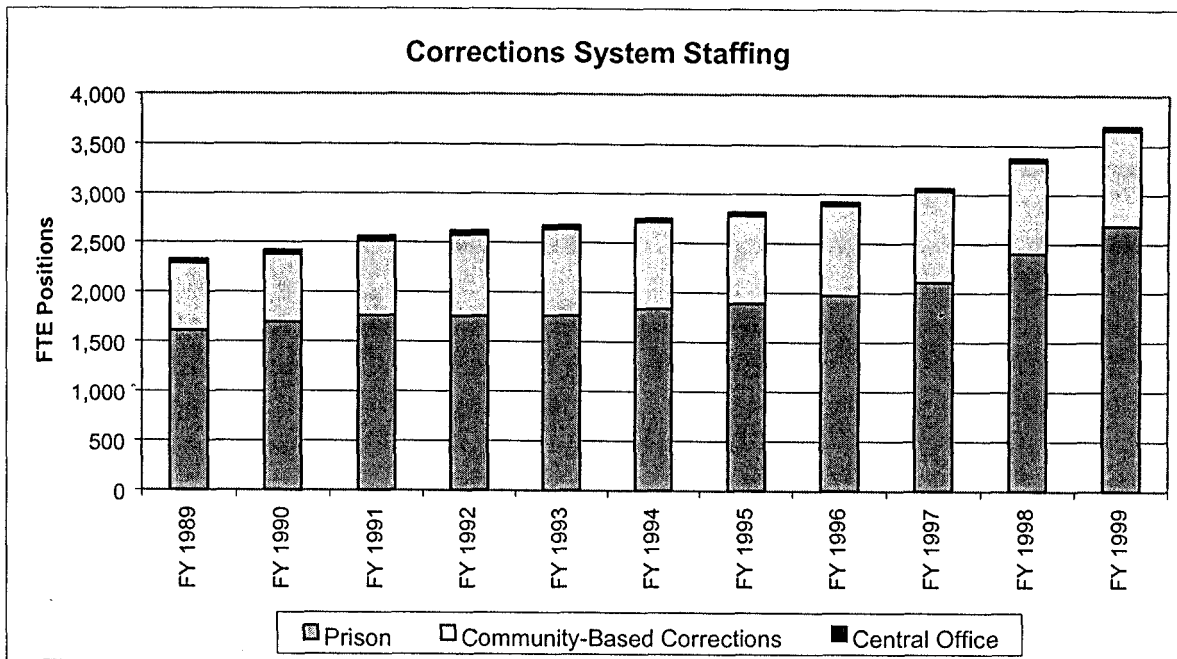
Present Corrections System

The Iowa corrections system has three parts – administration, prisons, and community-based corrections. The Central Office is located in Des Moines and has responsibilities for administration, planning, policy development, program monitoring, and budgeting. Some staff who perform systemwide administrative functions (for example, the medical services director and staff) are located at one of the institutions or Community-Based Corrections District Departments. The prisons are responsible for incarcerating individuals and separating the offenders from the general public. Community-Based Corrections (CBC) provides supervision for probationers, work release clients, and parolees within a community setting. The following chart shows the distribution of inmates and CBC clients between 1989 and 1999. The second chart shows corrections system staffing over the same period.



The CBC District Departments have responsibility for more than three fourths of the offenders under correctional supervision. In 1989, the CBCs supervised 83.3% of the offenders, but by 1999, the percentage had declined to 77.1%. Between 1989 and 1999, the prison population increased from 3,322 to 7,332 inmates, an increase of 4,010 (120.7%) inmates. Over the same time period the CBC

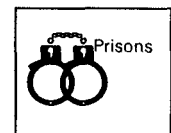
population grew from 16,618 to 24,744 clients, which is an increase of 8,126 (48.9%).



Historically, between two thirds and three fourths of the corrections system staff have been employed by the prison system. In FY 1989, 69.5% of the correctional system staff were employed by the prisons. By FY 1999, the percentage had increased to 72.5% of the correctional system staff. In FY 1989, the prisons employed 1,614.5 FTE positions. By FY 1999, the number of prison employees had increased by 1,026.8 (65.9%) FTE positions. Over the same time period, CBC staffing had increased from 667.8 FTE positions to 974.2 FTE positions, an increase of 306.4 (45.9%) FTE positions. The Central Office had 41.4 FTE positions in FY 1989, and in FY 1999, it had 41.3 FTE positions, a decrease of 0.1 (0.2%) FTE position.

Prison System

The Iowa corrections system operates a continuum of sanctions, ranging from probation with minimal supervision to incarceration. The prisons provide the most severe level of sanction, incarcerating those offenders who cannot be safely managed in community settings. In addition to security, prisons provide for housing, dietary services, medical treatment, education and job skills training, behavioral and psychological treatment, and recreational activities.



Facilities. The prison system has nine major prison facilities with a total of 6,262 general population beds and 463 medical and segregation beds. The following table describes the nine prisons and distribution of the general population beds.

**Iowa Prison System
(as of July 1, 1999)**

Prison	Current Capacity	Security Type	Population	No. Over Capacity	Emphasis
Ft. Madison	881	Max. 549	547	-2	General-Male
		Med. 152	143	-9	
		Min. 180	157	-23	
Anamosa	1,015	Med. 944	1,094	150	General/Education-Male
		Min. 71	63	-8	
Mitchellville	259	Min. 259	425	166	General-Female
Newton	928	Min. 166	315	149	Pre-Release-Male
		Med. 762	768	6	General Male
Oakdale	547	Med. 547	862	315	Reception/Evaluation/ General/Psychiatric
Mt. Pleasant	875	Med. 875	905	30	Substance Abuse/ Sex Offender-Male
Ft. Dodge	762	Med. 762	715	-47	General Male/Youthful Offender
Clarinda	750	Med. 750	937	187	Special Learning-Male
Rockwell City	245	Med. 245	401	156	General-Male
Total	6,262		7,332	1,070	

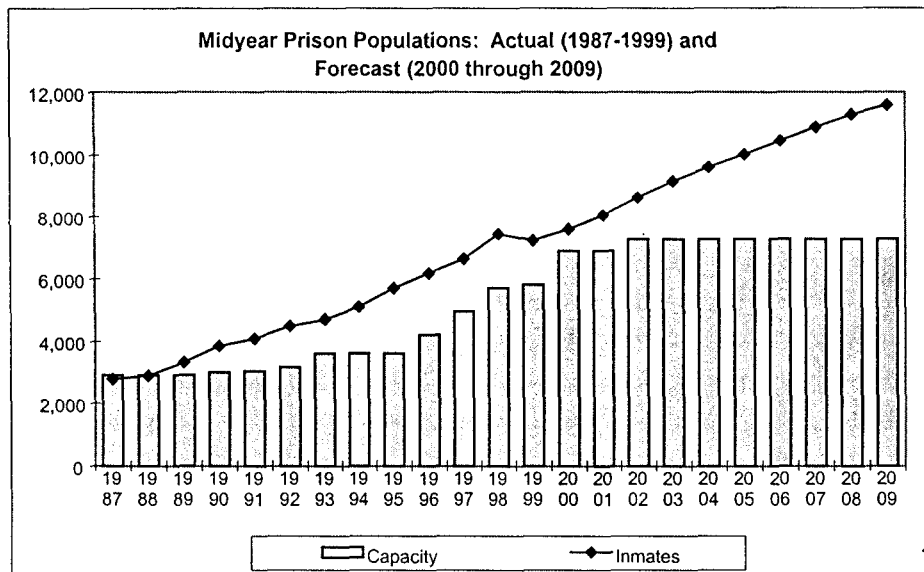
The Iowa State Penitentiary at Ft. Madison, Iowa's oldest prison, was constructed in 1839 and serves as the primary maximum security facility. The Anamosa facility was constructed before 1900. The prison at Clarinda was the first of three 750-bed medium security prisons to be built in this decade. It opened in April 1996. The second prison at Newton opened in July 1997, and the third at Ft. Dodge opened in April 1998. Five expansions to existing facilities have been initiated since the completion of the new prisons. The Mt. Pleasant prison converted Department of Human Services space into a 100-bed special needs unit for women. Four institutions have a total of 1,002 beds currently under construction. They are distributed as follows:

Prison Beds Under Construction: FY 2000

Location	Type of Facility	Design Capacity	Opening Date
Mitchellville	Women - general population, minimum security	184 beds	December 1999
	Women - general population and administrative segregation, medium security	48 beds	March 2000
Ft. Dodge	Men - general population, medium security	400 beds	December 1999
Ft. Madison	Men - special needs, maximum security	200 beds	July 2000
Oakdale	Men - medical unit, medium security	170 beds	May 2002

The Governor's recommendation includes \$2.3 million and 31.0 FTE positions for the start up of the Ft. Madison special needs unit for inmates needing long-term mental or medical care.

Projected Prison Population Growth. On November 12, 1999, there were 7,281 inmates in Iowa's prison system. This is 273 (3.6%) inmates fewer than on November 12, 1998. The inmate population decreased during FY 1999 and has remained relatively stable during FY 2000. The Criminal and Juvenile Justice Planning Division (CJJP) of the Department of Human Rights has prepared a prison population forecast that adjusts for the recent departmental policy changes and projects prison population growth through FY 2009. The following graph shows the actual and projected midyear inmate populations from 1987 to 2009, based on current trends and policies.



The FY 1999 reduction in the prison population was attributed primarily to a reduction in probation revocations and an increase in paroles. New court commitments continued to grow.

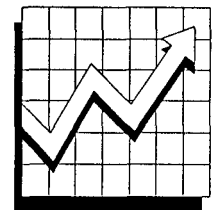
Addition of Four New Prisons. The forecast projects an addition of 4,013 inmates the prison system over the next ten years, assuming current policies and practices. The inmate population will reach 11,600 in FY 2009. To keep pace with the projected growth, the prison system will need to add four 1,000-bed prisons - the first in FY 2002, the second in FY 2004, and the last two in FY 2007 and FY 2008, respectively.



Based on recent construction costs for medium security beds, each 1,000-bed prison is expected to cost approximately \$50.0 million to construct and \$25.0 million per year to operate. The security level of the prison affects both construction and operating costs. A maximum security facility would be expected to cost approximately 59.9% more to construct and 18.2% more annually to operate. A minimum security facility would cost an estimated 38.9% less to construct and 22.7% less annually to operate.

Community-Based Corrections

Community-Based Corrections (CBC) is an alternative to incarcerating persons convicted of criminal offenses. The person, who is on probation or parole, resides in the community under the supervision of the Community-Based Corrections District Department and participates in treatment programs. In terms of the continuum of sanctions, the CBC District Department level of supervision ranges from low risk supervision, also called "banked caseloads," for individuals who need the very least supervision to the residential supervision where the clients live in facilities where under supervision. Between those extremes fall intensive supervision (with and without electronic monitoring), and regular probation and parole. The level of supervision is matched on a case-by-case basis to the offenders level of self-control and ability to conform to program and supervision requirements. As the client improves, he is moved to a less intense level of the supervision.



The CBC District Departments offer a number of programs intended to modify the offenders behavior so he or she can live in the community as a law-abiding citizen. Some of the major programs are:

- Treatment Alternatives to Street Crime (TASC) Program.
- Day Programming.
- Drug Court.
- Youthful Offender Program.

- Domestic Abuse Batterer's Program.
- Sex Offender Program, including a hormonal intervention therapy option.
- Community Work Crew Program.
- Violator Program.
- Community Service Sentencing.
- Pre-trial services.

Community-Based Corrections District Departments. There are eight CBC District Departments whose boundaries correspond to Judicial Districts. Each district department is locally administered. Each CBC Board hires staff to carry out the District Department's responsibilities. The Board sets policy, approves budget requests for submission to the Board of Corrections, and oversees program operations. In addition, each district has one or more citizen advisory boards. The Department of Corrections has regulatory responsibilities for CBC programs, including statewide planning, budget oversight, establishment of program guidelines, and development of performance measures.

Residential Facilities. The CBC District Departments had 1,143 residential facility beds at the beginning of FY 2000. These beds are used for probationers needing the highest level of community supervision, for inmates leaving prison on work release, and for Operating While Intoxicated (OWI) treatment programming. The District Departments reallocate beds among these programs as program demand changes. The following table shows the distribution of CBC residential beds.

Community-Based Corrections Bed Space Utilization
(as of July 1, 1999)

District	Facility	Probation	Work Release	OWI	Total Capacity
1	Waterloo Residential	50	4	2	56
1	Waterloo Work Release	19	35	10	64
1	Dubuque Residential	19	5	12	36
1	West Union Residential	22	11	7	40
2	Ft. Dodge Residential	13	5	12	30
2	Ames Residential	18	6	12	36
2	Marshalltown Residential	20	20	0	40
2	Mason City Residential	20	10	10	40
3	Sioux City Residential	20	15	15	50
3	Sheldon Residential	8	8	8	24
4	Council Bluffs Residential	28	12	10	50
5	Des Moines Residential/ Work Release	96	100	0	196
5	Des Moines Women's Facility	31	12	5	48
5	Des Moines OWI Facility	0	0	42	42

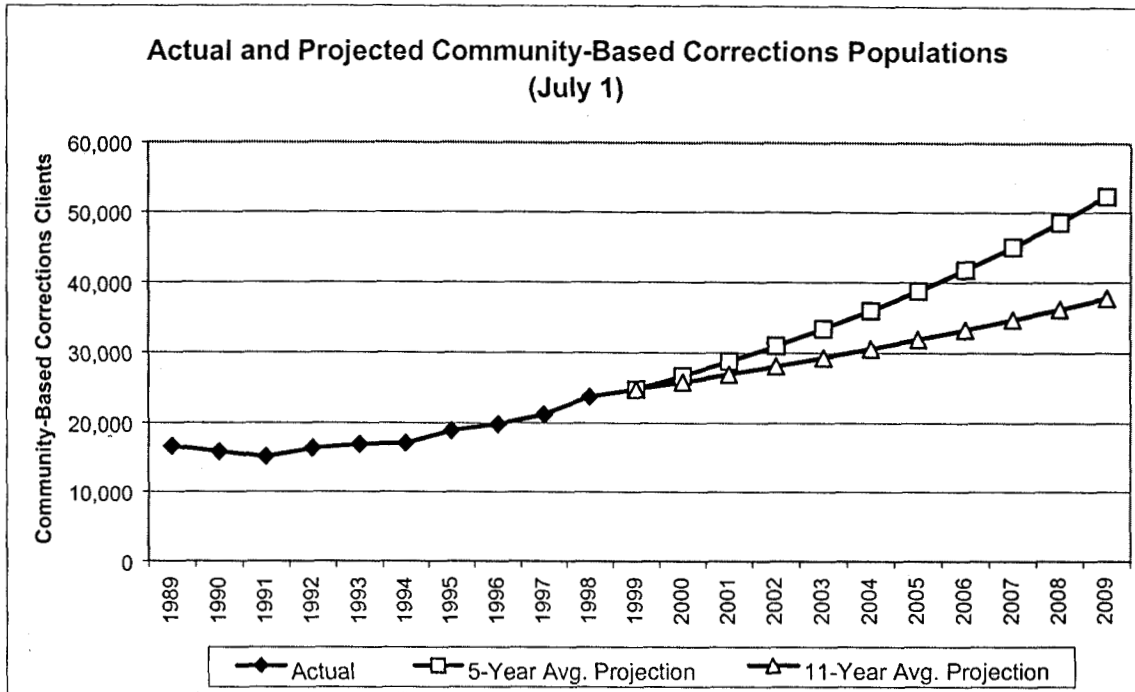
Community-Based Corrections Bed Space Utilization (cont'd)
(as of July 1, 1999)

District	Facility	Probation	Work Release	OWI	Total Capacity
6	Cedar Rapids Residential	56	5	5	66
6	Cedar Rapids Work Release	12	31	32	75
6	Coralville Residential	10	18	16	44
7	Davenport Residential	56	0	0	56
7	Davenport Work Release	0	30	30	60
8	Burlington Residential	32	11	7	50
8	Ottumwa Residential	26	10	4	40
Total		556	348	239	1,143

OWI = Operating a motor vehicle while intoxicated

The District Departments are in a systemwide process of reallocating facility space to accommodate additional beds which will bring the total to 1,344 residential facility beds. The Fifth CBC District is completing a renovation project at the Ft. Des Moines facility, and the final 24 beds will become operational in February 2000. The First CBC District Department is adding a 30-bed expansion to an existing facility, and the Fourth CBC District Department is constructing a new 50-bed residential facility. Opening dates have not yet been set for these last two expansions. *The Governor is recommending an additional 50 residential facility beds to become operational in April 2001. In FY 2001, the Tobacco Fund is to provide \$610,000 and 6.9 FTE positions for three months operations, and lease purchase funding is to come from the Rebuild Iowa Infrastructure Fund (RIIF).*

Community-Based Corrections Population Growth. The Criminal and Juvenile Justice Planning Division does not forecast the CBC populations. Therefore, the following graph was prepared using average annual percentage growth rates. The average annual growth rate for the CBC population since FY 1995 (five-year average) has been 7.8%, and since FY 1989, the growth rate has average 4.3% (11-year average). Both of these averages are presented to provide a projection range.



With the 7.8% five-year annual growth rate, the CBC population will be 52,294 in FY 2009. This is an increase of 27,550 (111.3%) clients. With the 4.3% 11-year annual growth rate, the CBC population would reach 37,734, which is an increase of 12,990 (52.5%) in FY 2009.

Funding to Maintain Current Level of Services. The above projection shows CBC population growth ranging 52.5% and 111.3%. Assuming the budget needed to fund the current level of services would increase at the same rate as the CBC client population, then by FY 2009, the CBC District Departments would need a budget between \$81.7 million and \$113.1 million. That is, the FY 2000 budget of \$53.6 million increased by \$28.1 million (52.5%) and \$59.5 million (111.3%) respectively. *For FY 2001, the Governor is recommending \$934,000 and 23.0 FTE positions for new CBC staff to provide more supervision and to help reduce the number of revocations to prison.*

Summary



The corrections system can be expected to continue to grow over the next decade, both in prisons and Community-Based Corrections. This growth will require both the construction of new prisons and an increase in CBC staffing and programming if current levels of services are to be maintained.

INFORMATION TECHNOLOGY ISSUES

Information Technology Department (ITD)

House File 762 (1999 Oversight and Communications Appropriations Act) required the establishment of a transition team to develop a written proposal concerning the creation of the Information Technology Department. The transition team was required to submit a final report to the Legislative Oversight Committee by October 15, 1999.

The report was submitted on time and included the following recommendations:

- The State of Iowa should create an Information Technology Department (ITD) headed by a director who would also have the title and duties of a Chief Information Officer (CIO). 
- The Information Technology Services Division and the Iowa Communications Network (ICN) should be consolidated into the ITD.
- The appropriate functions of Iowa Public Television (IPTV) will be moved to the ITD.
- The ITD would combine almost all information technology functions of State government including:
 - policy and planning
 - operations of mainframes and other servers
 - telecommunications
 - desktop support
 - education and training
 - information technology purchasing
- All help desk functions would be consolidated.
- lowAccess would become the centerpiece of a forward-looking ITD activity focused on digital government.
- The development and maintenance of applications software for the specific functions of State government departments would remain in those departments, but the ITD and the Information Technology Council would have oversight of and provide support for these activities. 
The ITD would also have responsibility for enterprise-wide applications and infrastructure, such as lowAccess, which serves all areas of Iowa government.
- The governance structure for information technology in State government would include the following elements:
 - The principal element would be an Information Technology Council (ITC). Membership would consist of between 15 and 20 persons representing all

three branches of government as well as education, information technology users, and citizens.



- The Council would have authority to oversee all information technology activities in State government, including policies, plans, standards, operations, budgets, projects, and procurement.
- Supporting the Council in various advisory roles would be additional councils for education, department customers, and lowAccess.
- Elements to encourage and support innovation in the use and application of information technology and to support information technology standards in State government are:
 - The Office of Information Technology Innovation to promote research and development and information technology innovation in Iowa.
 - The Office of Digital Government to promote and develop various E-government functions.
 - An application development certification process for all expenditure of information technology project funds in excess of a cumulative cost of \$500,000. All projects are subjective to a risk assessment methodology.
 - The ITD and the ITC through organizations and activities under their purview would administer these elements.

❖ The Governor is recommending the creation of a new Information Technology Department.

❖ The Governor is recommending the development of pilot projects to provide services to individual Iowans and businesses and the use of E-commerce throughout State government to move away from paper-based site-based transactions and processes. This will be funded through \$625,000 in receipts.

❖ The Governor is recommending creation of a dedicated, uninterrupted, and reliable funding stream for information technology through appropriations for technology projects and lowAccess. The Governor is recommending \$10.2 million for the technology projects and \$1.0 million for lowAccess from the Rebuild Iowa Infrastructure Fund (RIIF).

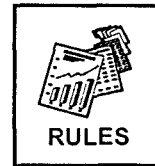
lowAccess

All State of Iowa government units wishing to provide fee-based electronic access to that department's or branch's information and services should be required to accomplish it through lowAccess.

During the period in which lowAccess becomes financially self-sustaining, revenue-producing products should receive highest priority. Accordingly, plans should be developed to have such products operational by the start of the new fiscal year.

This recommended prioritization is not intended to affect the continuation of projects that currently provide electronic access.

A set of general guidelines must be established for developing a fee strategy for current and new information and transactions available through lowAccess. The guidelines adopted by the Internet Commission Enhanced Data Access Review Committee of Indiana could serve as a model.



Establish an Iowa Access Board (IAB) with the following mission statement:

Create and provide a service to the citizens of Iowa that is the gateway for one-stop electronic access to government information and transactions, whether federal, state, or local.

What duties would the Board have?

- Policy and decision-making:
 - Setting rates for access and value-added services performed through lowAccess for the general public.
 - Determining the project prioritization process.
 - Identifying expected outcomes.
 - Approving lowAccess total budget request to ensure that it reflects the Board's priorities and goals.
 - Approve all rules adopted under Chapter 17A, Code of Iowa, that are related to lowAccess prior to their final adoption by the Chief Information Officer. Specifically, the Board would approve rules prior to and after the public comment period.
 - Advocating for access to government information and services through lowAccess and for data privacy protection, information ethics, accuracy, and security in lowAccess programs and services.
 - Receiving status and operations reports.
 - Other responsibilities as assigned.
- The Board would have an advisory capacity in relation to the Chief Information Officer, the Information Technology Department, and the Governor in regard to lowAccess.

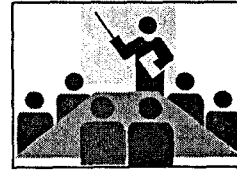


What duties would a Board not have? The Board would not have authority for operations such as:

- Selecting vendors
- Selecting technologies and systems
- Hiring and supervising staff
- Administering projects

The Board would consist of 15 voting and four Ex Officio members from the following groups:

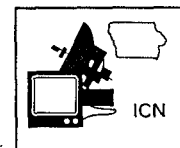
- Five private sector users would represent sectors actively involved in the development of lowAccess and have primary interests in its success. Initially the following sectors should be represented:
 - Financial sector
 - Insurance sector
 - Legal sector
 - Media sector
 - Real estate sector
- Six custodians of State information:
 - Legislative Branch
 - Judicial Branch
 - Two local government representatives – one city and one county
 - Executive Branch
 - Federal government (such as a representative from a regional office in Kansas City)
- Four citizen representatives
- Four legislators as the non-voting Ex Officio members



Voting Board members would be Governor-appointed and hold three-year staggered terms. The Board would elect its own officers from its membership.

Iowa Communications Network

The ICN was created by the 1989 General Assembly as a fiber optic “highway” capable of carrying all forms of communications traffic including voice, distance education, telemedicine, government information and services, and computer network data. Fiber optic technology converts voice, video, and data signals into digital light impulses which are transmitted over hair-thin glass fibers.



The installation of the ICN began in 1991 as a three-part project:

- Part I consists of 20 connection sites. These include 15 regional centers located at each of the community colleges throughout the State, the three Regents universities, IPTV, and the State Capitol complex.
- Part II consists of 84 connection sites. These include separate fiber optic lines from the respective regional center to each of the remaining counties. These sites are typically known as the County Points of Presence.

- Part III, as proposed, specified the connection of at least 474 additional sites (mostly K-12 schools and libraries) in Fiscal Years 1996 to 1999 with approximate costs as follows:
 - During FY 1996 through FY 1998, 456 additional classrooms were added at a cost of \$54.9 million. The addition brought the total to 560 classroom sites. For FY 1998, the General Assembly had appropriated \$22.6 million for connecting classrooms. However, due to the age of the optics in the Network, the Iowa Telecommunications and Technology Commission (ITTC) decided to delay some connections and carried forward \$7.0 million of those funds into FY 1999, for possible conversion of the Network to Asynchronous Transfer Mode (ATM) and MPEG 2 technology. This new technology would allow for multiple classrooms at sites and addition of other sites (if authorized) by reducing the bandwidth necessary to carry the video signal and allowing the signal to travel any direction that is open across the Network. The Commission is asking for an appropriation of \$7.0 million in both FY 2000 and FY 2001 for this purpose.
 - In FY 1999, all remaining authorized sites were to be connected for \$18.9 million. However, completion of the facility preparation at 39 of the sites to be connected in FY 1999 was delayed resulting in the Commission asking the General Assembly permission to connect those sites during FY 2000. When complete, the staff of the ICN expect more than 700 classrooms to be connected to the system at the 578 authorized sites. It had not been anticipated that numerous sites would want to connect more than a single classroom. This caused the ICN staff to propose changing to ATM and MPEG 2 technology to reduce the bandwidth necessary to transport a video signal and accommodate the greater number of classroom. Additionally, the General Assembly allowed the carry-forward of unspent Part III funds and funds appropriated for the replacement of failing optical components to FY 2000 for the change of the Network to a ring typology utilizing the ATM and MPEG 2 technology as requested. Approximately \$9.0 million was carried forward.
 - In FY 2000, the ICN has worked to complete connection of the remaining 39 authorized Part III sites and the creation of the first ATM ring in southwestern Iowa as authorized by the General Assembly. This will result in the Network having redundancy and allowing the rerouting of signals between sites if a line is damaged. The Commission will be asking for an additional \$7.0 million each year for FY 2001 and FY 2002 to complete this transition for the entire Network.

Parts I and II of the ICN were completed at a cost of \$114.5 million which was funded by Certificates of Participation. Parts I and II are typically referred to as the

"backbone" of the Network, and the connections are owned by the State. Part III connections are constructed by private vendors and most will be leased by the State, except for approximately 21 sites that will be owned by the State as the result of a National Guard ICN project. The majority of the Part III sites are K-12 schools and libraries. Additional libraries, not part of the original 474 approved Part III sites, asked to be allowed connection to the ICN, and some K-12 schools asked to not be connected. During the 1998 Legislative Session, the General Assembly authorized the substitution of a site requesting to be connected for a site requesting not to be connected on a one-for-one basis.

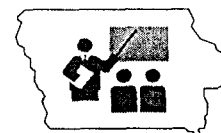


Interactive Video Sites

As of November 2, 1999, 689 full-motion, interactive video classroom sites had been connected to the ICN. These included:

Iowa Communications Network

	<u>Sites</u>
Area Education Agencies	17
Community Colleges	96
K-12 School Districts	364
Other Education	7
Libraries	30
Medical Facilities	9
Private Colleges	18
Regents Institutions	27
National Guard	56
State Agencies	46
Federal	15
Miscellaneous	4
Total Classrooms	<u>689</u>



Authorized users of the network currently include the Iowa National Guard, IPTV, libraries, State government agencies, community colleges, Regents institutions, private colleges and universities, all local school districts, area education agencies, hospitals and physician clinics, federal agencies, Iowa judicial and corrections systems, the United States Postal Service, and the Quad Cities Graduate Center.

Video Rate Changes

The ICN is governed by the Iowa Telecommunications and Technology Commission. The Commission has five voting members and the State Auditor serves as an Ex Officio nonvoting member.

During the 1999 Legislative Session, the Oversight and Communications Appropriations Subcommittee requested that the Commission implement a long-term plan that would eliminate, by June 30, 2007, the need for legislatively appropriated funds to be used for subsidization of network costs.



The Commission reviewed the current rates charged for video usage and adopted the following rates at the September meeting. This is the second year in a row that user rates have increased in an effort to reduce dependence on State subsidization for the operation of the Network. The rates will be effective July 1, 2000.

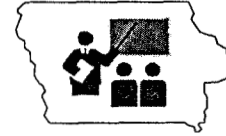
<u>User Group</u>	<u>Rate Change</u>
K-12 Education	From \$5.50 to \$5.75 per hour per site
Higher Ed./Training	From \$6.65 to \$7.00 per hour per site
Administrative Use	From \$12.00 to \$12.60 per hour per site

<u>User Group</u>	<u>Rate Change</u>
Telemedicine	From \$42.60 to \$42.15 per hour per site
Federal	From \$42.60 to \$42.15 per hour per site

The rates for telemedicine and federal users (users charged the total cost) decreased as overall usage has increased and the fixed costs of the Network are spread across an increasing number of video hours of usage. This has resulted in a reduction of the total cost over the past two years (not including debt service) from \$45.50 to \$42.15 per hour for these users. As the build out is completed and usage continues to increase, the fixed costs per hour will continue to decline. Educational and administrative users have been subsidized by an appropriation from the General Assembly.

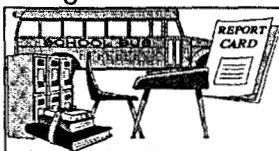
IOWA SCHOOL FOUNDATION FORMULA

The Iowa School Foundation Formula was created between 1970 and 1972, for the school year beginning July 1, 1972. The Formula is a student-driven financing mechanism that works to equalize revenues from state sources and property taxes. The Formula was revised in 1989 to equalize per pupil spending, provide an enrollment cushion (phantom students), increase property tax relief, and provide for increased local discretion. In 1992, further revisions to the Formula included eliminating advanced funding for increasing enrollment, eliminating the enrollment decline cushion (phantom students), and requiring the Governor and General Assembly to establish the allowable growth rate each year for per pupil expenditures, which was previously established by a formula based on the rate of inflation and State revenue growth. The 1999 Legislature further revised the School Foundation Formula by raising the foundation level for the special education component of regular program cost from 79.0% to 87.5%. In addition, funding for talented and gifted programs was shifted from 100.0% property tax to the regular program portion of the foundation formula by adding \$38 to the State cost per pupil beginning with FY 2000.



In 1995, the Legislature established the practice of setting allowable growth two years in advance within 30 days of the submission of the Governor's budget. The 1996 Legislature set allowable growth for FY 1998 and FY 1999 at 3.5%. The 1998 Legislature set allowable growth for FY 2000 at 3.0%, and last year allowable growth for FY 2001 was set at 4.0%. Under current law, the General Assembly will have to set allowable growth in the 2000 Legislative Session for FY 2002.

The School Foundation Formula is based on basic enrollment, a school district's regular program cost per pupil, state aid determined by a foundation level, and an amount generated by the uniform property tax levy. In addition, school districts may obtain authority to raise additional property tax revenues from the School Budget Revenue Committee (SBRC) for drop-out prevention programs, to



accommodate unusual increases or decreases in enrollment, to meet additional special education program needs, as well as for a variety of unusual circumstances specified in Section 257.31, Code of Iowa. Other optional funding sources available to districts in the general education fund area include the cash reserve levy, management levy, and enrichment levy.

Local school districts have a number of optional funding sources available to them for non-general education fund activities. The levies are used for building

construction, building maintenance, equipment purchases, and certain operational expenditures. These include: debt service levy, schoolhouse property tax levy, physical plant and equipment levy, and the educational and recreation levy.

Under current law, State aid is estimated to increase by \$44.2 million (2.6%) for FY 2001 compared to FY 2000 (See Table 1). Property taxes are estimated to increase by \$34.3 million (3.9%) for FY 2001 compared to FY 2000. The total controlled budget is estimated to increase \$78.4 million (3.0%) for FY 2001 compared to FY 2000.



Table 1
FY 2001 State Aid Estimate
(Dollars in Millions)

FY 2000 State Aid	\$ 1,698.5
FY 2001 Changes:	
Allowable Growth (4.0%)	85.4
Enrollment Change (Estimated)	-15.7
Special Education Increase (Assumed)	9.1
Supplemental Weighting Decrease	- 8.5
Taxable Valuation Increase (Assumed)	-17.4
Property Tax Adjustment Aid	-0.6
M&E Valuation Reduction (Assumed)	-2.8
Budget Guarantee	-6.2
Miscellaneous	0.9
Total FY 2001 Changes	<u>44.2</u>
Estimated FY 2001 State Aid	<u>\$ 1,742.6</u>

Note: Totals may not add due to rounding.

The estimated FY 2001 enrollment decreased by 3,987.6 (0.8%) students compared to FY 2000. The enrollment count is taken on the third Friday of September each year. The decrease represents the third straight year of decline in enrollment, and this trend is expected to continue for the next several years. Special Education weightings are expected to increase by slightly less than 4.0%. Supplemental weightings for shared programs is expected to decrease 52.2% due to an Attorney General's opinion limiting the eligibility of certainty programs offered by community colleges for the additional weighting. Supplemental weightings for Limited English Proficiency is expected to increase by 11.4%. Taxable valuations are assumed to increase by 3.5%.

During the 1999 Legislative Session a 100.0% budget guarantee was provided for FY 2000, and 106 districts will receive \$6.2 million in guarantee payments this fiscal year. No budget guarantee currently exists for future years. Also, the 1999 Legislature approved \$4.0 million in State aid for school districts experiencing increases in enrollment. Distribution of these funds will be approved by the SBRC for the 1999-2000 school at its December 1999 meeting.

The current school foundation aid formula sunsets July 1, 2001. The 1998 General Assembly adopted House Concurrent Resolution 15, which requested the formation of a committee by the Legislative Council to conduct a comprehensive study of school finance and make recommendations for a revised school aid formula. To this end, the School Finance Working Committee was created, and it began meeting in September 1998. In January 1999 the Committee issued eleven recommendations and established an agenda of items for further study during the 1999 Legislative Interim. The Committee anticipates issuing its final recommendations prior to the beginning of the 2000 Session. *The Governor recommends extending the school foundation aid formula for one year and establishing a task force to study possible revisions during calendar year 2000.*

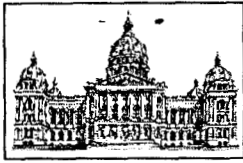


Table 2 displays the estimated increases for FY 2002 compared to FY 2001 at various growth rates as estimated by the LFB. Contact the LFB for further explanation of the assumptions and any additional detail.

Table 2
Estimated FY 2002 Changes Compared to FY 2001
at Various Allowable Growth Rates
(Dollars in Millions)

Allowable Growth	State Aid		Property Tax		Total Budget	
	Change	% Change	Change	% Change	Change	% Change
0.00%	\$ -10.7	-0.6%	\$ 10.2	1.1%	\$ -0.4	0.0%
0.50%	0.6	0.0%	12.1	1.3%	12.8	0.5%
1.00%	11.4	0.7%	14.2	1.6%	25.5	1.0%
1.50%	23.3	1.3%	15.6	1.7%	38.9	1.5%
2.00%	34.0	2.0%	18.2	2.0%	52.2	2.0%
2.50%	44.7	2.6%	20.2	2.2%	65.0	2.4%
3.00%	56.6	3.2%	21.7	2.4%	78.3	3.0%
3.50%	67.9	3.9%	23.7	2.6%	91.7	3.5%
4.00%	78.6	4.5%	26.4	2.9%	105.0	4.0%
4.50%	89.4	5.1%	28.4	3.1%	117.8	4.4%
5.00%	101.3	5.8%	29.9	3.3%	131.1	4.9%
5.50%	112.6	6.5%	31.9	3.5%	144.5	5.4%
6.00%	123.3	7.1%	34.0	3.7%	157.3	5.9%

Assumptions:

	FY 2000	FY 2001	Change FY2000-FY2001
1. Estimated State Aid	\$ 1,698,459,679	\$ 1,742,635,185	\$ 44,175,506
2. Estimated Property Tax	875,387,516	909,651,166	34,263,650
3. Estimated Total Budget	\$ 2,573,847,195	\$ 2,652,286,351	\$ 78,439,156

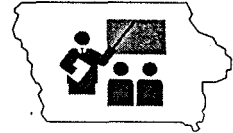
- The estimates are based on 374 school districts.
- Special education weightings are assumed to increase by 4.0% for FY 2002.
- Property tax valuation is assumed to increase by 2.5% for FY 2002.
- Enrollments are assumed to decrease by 0.6% compared to FY 2001.
- Supplemental weightings for shared pupils/teachers are assumed to change by 0.0% for FY 2002.
- Supplemental weightings for English-as-a-Second Language are assumed to increase by 13.0% for FY 2002.

❖ *The Governor is recommending 4.0% allowable growth for FY 2002 at an estimated cost of \$78.6 million.*

EDUCATION ISSUES

In 1999, the General Assembly passed HF 743 (Early Intervention Block Grant Program Act) which appropriated \$10.0 million to reduce class size in kindergarten through third grade as follows:

- ◆ Reduce the number of students to the State goal of 17 students for every one teacher.
- ◆ Improve the basic skills of the students in reading, mathematics, and writing.
- ◆ Increase communication and accountability regarding student performance.



House File 743 authorized future General Fund appropriations for the Program of \$20.0 million for FY 2001, \$30.0 million for FY 2002, and \$30.0 million for FY 2003.

Increases in Current Initiatives Requested

The Department of Education has requested increased funding in several education areas for FY 2001. They include:

- ***National Teacher Certification Stipends*** - An increase of \$1.0 million to bring total funding to \$2.0 million for FY 2001. Each qualified teacher who achieves national certification prior to May 1, 2000, will receive an annual stipend of \$5,000 for up to ten years. Each qualified teacher who registers for national certification between January 1, 1999, and January 1, 2002, and achieves certification within three years of the date of initial score notification will receive an annual award of \$2,500 for up to ten years. A one-time reimbursement of \$1,000 (one-half of the registration fee) is awarded to a qualified teacher who registers prior to June 30, 2002. *The Governor is recommending an increase of \$700,000 for the stipends.*
- ***Beginning Teacher Induction/Mentoring Program*** - An increase of \$300,000 to bring total funding to \$600,000 for FY 2001. The funding is being utilized by the Department to establish and implement a beginning teacher induction program to promote excellence in teaching. For FY 2000, the funding was used for grants to school districts to implement the Induction Program plans and to provide mentors with awards of \$500 per semester of participation allowing for approximately 15.0-20.0% of all new teachers to participate in the Program. The additional funding would be used to expand the Program to include another

15.0-20.0% of new teachers. *The Governor is recommending an increase of \$300,000 as requested by the Department of Education.*

- **Empowerment Funding** - An increase of \$15.2 million to bring total funding to \$25.6 million. This increase, if approved for FY 2001, would provide services to integrate early childhood education into the school system. Of the \$15.2 million increase, the decision package requests \$5.2 million from the General Fund, \$3.0 million from current Medicaid reimbursements that go to the General Fund, and \$7.0 million from additional Medicaid reimbursements that can be generated to the General Fund. *The Governor is recommending an increase of \$5.2 million for empowerment funding.*

The College Student Aid Commission is requesting increased funding for the following education reform initiatives:

- **Teacher Shortage Forgivable Loan Program** - An increase of \$350,000 to bring total funding to \$600,000. This Program, which was new for FY 2000, replaced the Industrial Technology Forgivable Loan Program. The purpose of the Program is to provide forgivable loans to students that agree to major in a teaching shortage subject area and to teach in Iowa for a specified time period. The largest current teacher shortage area in Iowa is in special education. The shortage areas are defined by the Department of Education. In FY 2000, the Commission had 275 applicants for the forgivable loan funds, but funding was only available for 83 students at \$3,000 per student. *The Governor is recommending an increase of \$350,000 for the Program as requested by the Commission.*

New Education Initiatives Requested for FY 2001

The Department of Education is requesting funding for the following new education initiatives:

- **Jobs for America's Graduates Program** - \$333,000 to provide direct services to the most at-risk seniors in local school districts through direct intervention by a specialist to help the students graduate and be successful in obtaining and holding a job or enrolling in post secondary training. Total funding for the Program would be \$1.0 million and would be supported by a one third contribution of federal Wagner-Peyser funds from the Department of Workforce Development, one third contribution from the private sector, and one third contribution from a State General Fund appropriation. The funding would allow the Program to have specialists at 20 sites. *The Governor is recommending \$333,000 as requested by the Department of Education.*

- **Education Innovation Fund** - Total General Fund appropriation of \$675,000 to be used as follows:
 - \$375,000 to provide funding for the Council on Continuous Improvement in Education to continue the Council's study of different teacher compensation systems and to support pilot projects with school districts attempting to implement innovative compensation systems for teachers. *The Governor is recommending \$375,000 as requested by the Department.*
 - \$300,000 to be allocated to regional academies, established by the Department of Education, to provide high school students with advanced level courses and technical courses not available within the curriculum offered in their home district. *The Governor is recommending \$300,000 as requested by the Department.*

The College Student Aid Commission is requesting funding for the following new program:

- **"Yes You Can Grant" Program** - The Commission is requesting \$750,000 for FY 2001 to provide State matching funds to administer the scholarship portion of the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) Program. A consortium of State organizations has requested federal assistance to serve at-risk junior high and high school students. *The Governor is not recommending funding for this Program.*
- ❖ The Governor is recommending \$9.8 million for alternative high school programs. Currently, some school districts contract with community colleges to provide alternative high school programs. Many of these programs have been partially funded through the school foundation aid formula that provides additional budget authority and State aid for programs sharing students or teachers. A 1998 Attorney General's opinion determined that alternative high school programs and other programs provided exclusively for high school students and that do not qualify for college credit should not be eligible for additional funding under the school foundation aid formula. The Governor's recommendation provides funds for the continuation of these programs. Also, it provides funds for school districts that are providing alternative high school programs within their own districts. School districts that provide alternative high school programs under a district-to-district sharing arrangement continue to qualify for additional funding under the school foundation aid formula.

Summary of Interim and Other Education Issue Studies

During the 1999 Interim several groups met to study education issues.

- **Community College Governance System Committee** - The General Assembly authorized a Community College Governance System Study Committee to identify and study options for restructuring the community college governance system. The goal was to develop a plan for community colleges to operate more cooperatively, effectively, and efficiently as a State system while recognizing the strong local character of the community colleges.

The Committee received testimony during three meeting days and recommendations have been mailed out to members for their consideration. Final recommendations have not been released, but are expected at the beginning of the 2000 General Assembly. Possible recommendations discussed by the Committee included:

- Direct the Community College Council to develop a statewide strategic plan for Iowa's community colleges. A working group of stakeholders shall be named to assist the Council in formulating a plan. Upon approval by the State Board of Education, the Board shall recommend to the General Assembly a system of incentives and penalties for issuance to community colleges based upon the level of responsiveness displayed by a given community college. The plan is to be forwarded to the Education Appropriations Subcommittee for review by January 15, 2001, and implemented by the Department of Education by July 1, 2001.
- Direct the Department of Education to do the following:
 - Provide a comparison of the data collected by the Basic Educational Data Survey for K-12 schools to the data collected by the management information system for community colleges.
 - Submit an update on progress toward implementation of the management information system and provide data collected by the management information system to the Education Standing Committees and the Education Appropriations Subcommittee.
 - Set data criteria uniformly for submission by the community colleges, develop and implement a certified annual report submitted by the community colleges, and reconcile audited financial statements with the financial data submitted to the Department.
 - Consider adding two FTE positions to the Department of Education to provide oversight and cooperation of the community colleges. The



additional positions would be funded from the annual appropriation of general State financial aid to the community colleges.

- Consider offering incentives to public educational institutions to partner and share the costs of providing vocational-technical programs.
- Change statutory budget deadlines to a date that follows the final decision making of the General Assembly's appropriations process.

- ***School Finance Working Committee*** - The General Assembly authorized the School Finance Working Committee to hold six meeting days during the 1998 Interim. The Committee has continued its work during 1999 Interim. Committee is to make recommendations for changing the formula as it is scheduled to sunset on July 1, 2001.



The Committee has identified several recurring themes and areas of study that include:

- Appropriate funding for school districts with growing enrollment.
- Infrastructure funding.
- Disparate transportation costs.
- Budget guarantees.
- Categorical funding (educational excellence, instructional support, etc.)
- Appropriate funding for the growing population of students with English as a second language.

On February 25, 1999, Committee members issued nine initial recommendations. They include:

- Increase the school aid foundation level for regular and special education programs to 90.0% and increasing the uniform property tax levy to \$6.00 per \$1,000 of taxable valuation as a means of improving tax equity among school districts.
- Address the special education deficit by providing "on-time funding" for special education programs.
- Recognize the statewide participation in the Talented and Gifted Program by incorporating funding for the program under the State school foundation aid formula.

- Aid school districts with high transportation costs by establishing a \$4.0 million fund to be administered by the School Budget Review Committee (SBRC).
- Provide a cushion for school districts experiencing decreasing enrollment by basing school foundation aid on the greater of budget enrollment or a three year average of student counts.
- Provide "on-time funding" for districts experiencing increasing enrollment.
- Fully fund the instructional support levy.
- Establish weighted enrollment for at-risk students.
- Eliminate or phase-out existing K-12 funding formula components or programs that appear to warrant reallocation.

The Governor recommends extending the school foundation aid formula for one year and establishing a task force to study possible revisions during calendar year 2000.

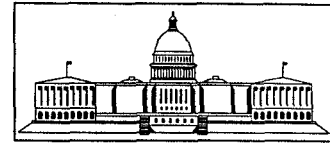
- ***Governor's Council on Continuous Education Improvement*** - The Iowa Council for Continuous Improvement in Education was formed in 1998 and endorsed by Governor Vilsack in 1999. The purpose of the Council is to investigate and recommend ways to ensure that the highest quality teachers and administrators will serve Iowa students in the next century. Members of the Council include representatives from various educational entities and private business. The Council has been meeting monthly, but no formal action has been taken. Current issues under consideration by the Council include teacher and administrator recruitment, shortages, retention, and compensation. For FY 2001, the Department of Education is requesting a General Fund appropriation of \$375,000 for operational expenses of the Council and for projects of the Council related to teacher compensation. The funding would allow the Council to continue the study of different teacher compensation systems and to support pilot projects with Iowa school districts attempting to implement innovative compensation systems to reward teachers.
- ***Improving School Facilities Study Committee*** - The Committee was approved for two meetings to study and make recommendations concerning financing mechanisms for K-12 school buildings, including approaches for construction, improvements, and renovations. Some of the issues addressed were the significance of building conditions for districts considering consolidation, the efficacy of the existing school infrastructure local option sales tax, problems related to the use of the physical plant and equipment levy (PPEL), and various

mechanisms for reducing the cost of local financing for school improvements. The Committee completed its work on November 29, 1999, and its members approved nine recommendations. The major recommendations approved by the Committee are:

- Provide \$20.0 million per year for ten years from State tobacco settlement funds to be used to establish a school infrastructure block grant program.
 - Direct the Department of Education to study reestablishing incentives to encourage the consolidation and establishment of sharing arrangements among school districts with obsolete or underutilized facilities.
 - Adopt legislation excluding taxes raised as a result of school board or voter approved Physical Plant and Equipment Levies from being diverted to pay for projects funded through tax increment financing.
 - Request the General Assembly to examine disparities created by the use of local option sales and services tax for school infrastructure.
- ❖ *The Governor recommends providing \$100.0 million for school infrastructure for rural school districts unable to utilize local option sales and services tax for school infrastructure due to a limited retail sales base. The funds would be raised through the issuance of bonds that would be paid off over 20 years using income derived from interest on the State's Cash Reserve Fund and Economic Emergency Fund.*

CHILDREN'S HEALTH INSURANCE PROGRAM

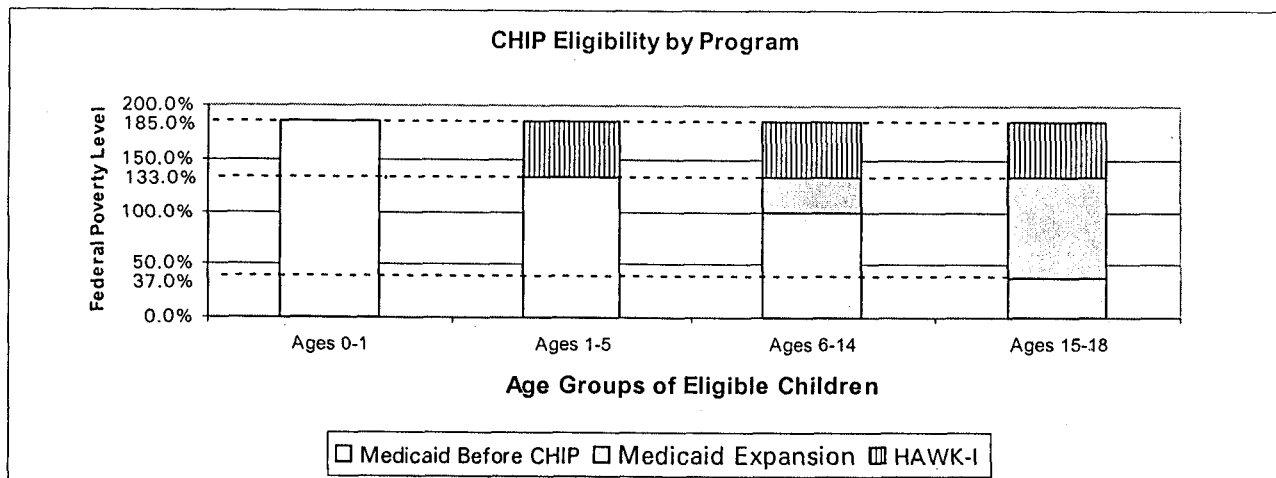
The federal Balanced Budget Act of 1997 (HR 2015) created the Children's Health Insurance Program (CHIP), under Title XXI of the Social Security Act, to enable states to provide health coverage to uninsured, low-income children.



Iowa's Children's Health Insurance Program

Iowa's chosen option for implementing the CHIP is a combination of Medicaid expansion and a new program entitled Healthy and Well Kids in Iowa (HAWK-I). House File 2517 (Healthy and Well Kids in Iowa Program Act of 1998) expanded Medicaid coverage for children to 133.0% of the federal poverty level effective July 1, 1998, and created the HAWK-I Program for children in families with incomes up to 185.0% of the federal poverty level effective January 1, 1999.

The following graphic indicates by federal poverty level and age group which Program option covers eligible low-income children:



The Department of Human Services (DHS) estimates that 16,000 children in the State are eligible for the Medicaid expansion, many of them siblings of younger Medicaid eligibles, and 40,000 children in the State are eligible for the HAWK-I Program. As of November 30, 1999, 11,275 children had enrolled in Iowa's Children's Health Insurance Program, with approximately 68.6% enrolled in the Medicaid expansion and 31.4% enrolled in the HAWK-I Program. The FY 2000 appropriation for the Children's Health Insurance Program is based on 34,000 children being enrolled in the Program by the end of FY 2000.

State and Federal Funds Appropriated

The federal FY 1999 CHIP allotment for Iowa is \$32.4 million in federal funds, based on the federal Health Care Financing Administration estimate of 67,000 uninsured children in Iowa. The 1999 General Fund appropriation for the Program was \$10.3 million which, using an enhanced federal matching rate of 74.6%, will be matched by \$30.2 million in federal funds. The unmatched portion of Iowa's federal allotment will remain available for expenditure within the next three years.



Implementation Issues

The General Assembly may wish to consider the following issues:

- Presumptive eligibility to provide immediate coverage for applicants until such time as actual eligibility can be determined. *The Governor is recommending FY 2001 funding of \$131,000 to provide presumptive eligibility for children in the Medicaid expansion portion of the CHIP and \$1.0 million to provide presumptive eligibility for children in the traditional Medicaid Program.*
- Continuous eligibility to provide ongoing coverage for applicants for a specified time period despite fluctuations in income and eligibility. *The Governor is recommending FY 2001 funding of \$687,000 to provide 12-month continuous eligibility for children in the Medicaid expansion portion of the CHIP and \$6.7 million to provide 12-month continuous eligibility for children in the traditional Medicaid Program.*
- Expansion of income eligibility limits. *The Governor is recommending FY 2001 funding of \$797,000 to expand HAWK-I eligibility from 185.0% to 200.0% of the federal poverty level.*
- Revision of coverage provisions specified by the DHS to increase the number of insurance providers and managed care organizations submitting bids to administer the CHIP. As of November 30, 1999, Iowa had contracted with two managed care providers serving 45 counties and one private insurer serving 54 counties.
- Buy-in options for low-income parents and families.
- Coverage for special needs children.



ENVIRONMENTAL ISSUES

❖ The Governor's concerns regarding the environment include:

- Conserve and improve water resources.
- Educate and encourage Iowans to become better stewards of the land.
- Ensure a sustainable environment that includes high quality outdoor recreation.
- Increase environmentally sustainable business practices.

The following details the issues discussed by the Governor:

❖ Conserve and Improve Water Resources

- The Clean Water Initiative addresses concerns regarding Iowa's waterways. The federal government issued Iowa's 1998 impaired waterbodies list with 159 locations cited. The Department of Natural Resources is required to calculate total maximum daily load limits for each of the impaired waterbodies. Other concerns include increased levels of nitrate in surface water, the hypoxia problem in the Gulf of Mexico, and the continued concern over the number of animal feeding operations and their waste disposal systems. The following are goals of the Clean Water Initiative:
 - Encourage and assist farmers to enroll in the Conservation Reserve Program (CRP) to enhance vegetation and improve water quality. Funding for this Program would include \$1.5 million from the Rebuild Iowa Infrastructure Fund, \$2.9 million from the Fish and Wildlife Fund, and \$50.0 million from federal funds.
 - Implement a Conservation Resource Enhancement Protection (CREP) Fund in the Des Moines River to protect floodplains and water processed through agriculture drainage wells. Funding for this program would include \$2.0 million from the Infrastructure Fund and \$8.0 million from federal funds.
 - Implement the Iowa Watershed Protection Program. Funding for this Program would include \$3.0 million from the Rebuild Iowa Infrastructure Fund and \$3.3 million from federal funds.
 - Enhance the water quality monitoring network. Funding for this program would include \$2.0 million from the Rebuild Iowa Infrastructure Fund and \$500,000 from federal funds.

- Implement a statewide farm and livestock demonstration project on nutrient management and animal agriculture production. Funding for this program would include \$1.0 million from the Rebuild Iowa Infrastructure Fund.
- Provide for floodplain protection education and protection. Funding for this program would include \$250,000 from the Rebuild Iowa Infrastructure Fund.
- Provide funds for the Soil Conservation Cost Share Program to assist private landowners with the construction and use of water quality protection practices. Funding for this Program would include \$1.0 million from the Rebuild Iowa Infrastructure Fund and \$6.5 million from the General Fund.
- Extend the use of the State's Wastewater Revolving Loan Fund to counties for on-site wastewater system grants. Funding for this program would include \$600,000 from the Rebuild Iowa Infrastructure Fund and \$2.4 million from federal funds.
- Enhance water quality planning standards and assessment programs. Funding for these programs would include \$372,000 from the Rebuild Iowa Infrastructure Fund.
- Provide increased assistance for wastewater construction permits, National Pollutant Discharge Elimination System (NPDES) permits, and animal feeding operation permits. Funding for this program would include \$360,000 from the Rebuild Iowa Infrastructure Fund.
- Implement an effective Total Maximum Daily Load (TMDL) Program. Funding for this Program would include \$153,000 from the Infrastructure Fund.
- Increase efforts for volunteer water quality monitoring and watershed improvement. Funding for this program would include \$65,000 from the Rebuild Iowa Infrastructure Fund.

❖ **Educate and Encourage Iowans to Become Better Stewards of the Land**

- Provide Iowa citizens with a historical background in *Portrait of the Land*.
- Outline a 10-year road map that will enhance Iowa's quality of life.
- Launch Earth 2000, a program that will provide environmental information and awareness to all Iowa citizens.
- Share environmental impact responsibilities between livestock producers and owners.

- Implement local control when dealing with large livestock confinement operations.

❖ **Ensure a Sustainable Environment With High Quality Outdoor Recreation**

- Provide full funding to the Resource Enhancement and Protection (REAP) Fund. Funding for this program would include \$20.0 million from the Rebuild Iowa Infrastructure Fund.
- Create a “flagship” State park that will become a tourist destination.
- Expand park visitor services and programs.
- Increase and improve outdoor park and recreation facilities. Funding for State park facilities would include \$3.0 million from the Rebuild Iowa Infrastructure Fund, and funding for recreational facilities grants would include \$3.5 million from the Infrastructure Fund.
- Increase roadside vegetation programs and the development of recreation trails. This will be coordinated with the Department of Natural Resources, the Department of Transportation, and the Department of Economic Development.

❖ **Increase Environmentally Sustainable Business Practices**

- Define “best practices” for manufacturing firms and other businesses.
- Increase awareness of the Governor’s Sustainable Environment Stewardship Award.
- Implement fuel quality standards with preference given to ethanol use.

The following details the Governor’s funding recommendations:

Program	Funding Source	Governor’s Recommendation
CRP Enrollment	Infrastructure Fund	\$ 1,500,000
	Fish & Wildlife	2,860,000
	Federal Funds	50,000,000
CREP Fund	Infrastructure Fund	2,000,000
	Federal Funds	8,000,000
Iowa Watershed Protection Program (includes Geographic Information System)	Infrastructure Fund	2,950,000
	Federal Funds	3,300,000
Water Quality Monitoring Network	Infrastructure Fund	2,000,000
	Federal Funds	500,000
Nutrient Management Program	Infrastructure Fund	1,000,000

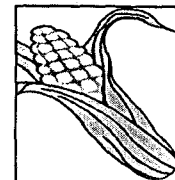
Program	Funding Source	Governor's Recommendation
Floodplain Protection	Infrastructure Fund	250,000
Soil Conservation Cost Share	Infrastructure Fund	1,000,000
	General Fund	6,500,000
State Wastewater Revolving Loan	Infrastructure Fund	600,000
	Federal Funds	2,400,000
Water Quality Planning Standards	Infrastructure Fund	372,000
Permit Issuance	Infrastructure Fund	360,000
Total Maximum Daily Load (TMDL)	Infrastructure Fund	153,000
Natural Resources Volunteers	Infrastructure Fund	65,000
State Park Facilities	Infrastructure Fund	3,000,000
Recreational Grants	Infrastructure Fund	3,500,000
REAP	Infrastructure Fund	20,000,000
Total*		\$ 112,310,000

*Total Infrastructure Fund \$38,750,000
 Total Fish and Wildlife Fund \$ 2,860,000
 Total General Fund \$ 6,500,000
 Total Federal Funds \$64,200,000

THE AGRICULTURAL ECONOMY AND FARM CRISIS

Iowa's Agricultural Situation

Current estimates for 1999 U.S. crops are between 9.1 and 9.4 billion bushels of corn and between 2.7 and 2.8 billion bushels of soybeans. In addition, 1.8 billion bushels of corn and 348 million bushels of soybeans remain in carryover stocks from 1998. Given that 25.0% of the corn carryover and 26.0% of old year soybeans are stored in Iowa, cash prices in the State are not expected to recover significantly from the summer's depressed levels.



During the last week of September, elevators in central Iowa were paying between \$1.55 and \$1.65 per bushel, and the December contract for corn had declined to approximately \$2.10 per bushel. Similarly, during the last week of September, central Iowa elevators were paying between \$4.35 and \$4.45 per bushel for soybeans. In comparison, corn and soybean prices in central Iowa a year earlier averaged \$1.72 per bushel and \$5.20 per bushel, respectively.



Livestock producers are starting to benefit from a modest recovery. The losses of pork producers in North Carolina from Hurricane Floyd have resulted in a modest increase in the price for Iowa hogs. In August, the Iowa-Southern Minnesota market experienced a strengthening in pork prices to the \$35 to \$38 per hundredweight range. The beef market has fared even better with strong demand throughout the summer and prices holding in the profitable range for feeder operations.

There are a number of causes of low prices for Iowa's principal agricultural commodities. Exceptionally good weather during 1998 resulted in large harvests, which has resulted in large carryover stocks during 1999. Passage of the Federal Agriculture Improvement and Reform Act (FAIRA) has increased planting flexibility, resulting in land previously planted in cotton and wheat being converted to corn and soybeans. An increase in the number and size of hog confinement operations has resulted in a significant increase in pork production. At the same time production levels for major commodities were increasing, the demands for these products were declining due to a reduction in exports resulting from economic crises in the Far East and Russia. Increased exports of corn from Argentina, China, and Hungary and of soybeans from Argentina and Brazil have encroached on traditional U.S. markets.

To put the impact of the recent low commodity prices in perspective, **Table 1** shows how total cash receipts, net farm income, and receipts from major agricultural commodities have fared for the calendar years 1990 through 1998.

Table 1: Iowa Cash Receipts by Commodity Group and Selected Commodities
(Dollars in Millions)

Commodities	1990	1991	1992	1993	1994	1995	1996	1997	1998
All Commodities									
Cash Receipts	\$10,274.6	\$10,194.4	\$10,786.4	\$10,401.0	\$ 9,956.3	\$11,372.9	\$12,091.7	\$12,944.1	\$10,994.3
Net Farm Income	2,267.5	1,751.7	2,576.2	853.9	2,954.5	2,207.9	4,242.9	3,766.9	2,277.3
Income Ratio	22.1%	17.2%	23.9%	8.2%	29.7%	19.4%	35.1%	29.1%	20.7%
Livestock & Products	5,863.7	5,570.2	5,646.2	5,782.6	5,181.1	5,120.8	5,396.4	5,613.1	4,777.6
Meat animals	5,079.3	4,848.2	4,900.4	5,011.1	4,401.6	4,324.6	4,448.5	4,751.1	3,852.2
Cattle & calves	2,065.5	1,906.3	2,144.7	2,162.7	1,796.6	1,798.3	1,467.2	1,711.8	1,415.1
Hogs	2,989.1	2,916.5	2,732.2	2,818.2	2,579.9	2,493.2	2,946.6	3,007.5	2,413.7
Poultry/eggs	219.9	225.3	222.5	248.9	262.0	275.4	385.5	347.1	313.5
Crops	4,410.9	4,624.2	5,140.3	4,618.4	4,775.2	6,252.1	6,695.3	7,331.0	6,216.6
Corn	2,414.7	2,619.2	2,913.2	2,643.8	2,500.9	3,630.1	3,869.9	3,814.1	3,167.8
Soybeans	1,786.2	1,832.0	2,026.9	1,784.6	2,055.4	2,425.0	2,603.4	3,279.8	2,837.3

As the table shows, net farm income has fluctuated greatly since 1990. The ratio of net farm income to total cash receipts has ranged from a low of 8.2% for the flood ravaged year 1993 to a high of 35.1% in 1996. In addition, the table shows two significant trends relative to the structure of production agriculture in Iowa. First, the share of farm receipts accounted for by livestock operations has decreased from 57.1% in 1990 to 43.5% in 1998. Second, soybean production has gained on corn production, increasing from 40.5% of total crop receipts in 1990 to a 45.6% share in 1998.

Possible explanations for these changes include the rapid growth of large hog and poultry confinement operations in the State, which has resulted in the exodus of a large share of independent livestock producers from that sector of agriculture. As to the shift from corn to soybeans, the Federal Agriculture Improvement and Reform Act freed farmers to shift acreage among crops to respond to market conditions rather than be constrained by commodity based assistance programs.

Other Agricultural and Rural Issues

As the livestock sector of the farm economy becomes more concentrated, Iowa has experienced a decline in the number of farms that have diversified row crop and livestock operations. As a result, farmers in the State have become more vulnerable to downturns in different sectors of the agricultural economy. In the past, when corn and soybean prices were low, income from livestock operations generally made it possible for farms to remain profitable. This type of diversification of production and market risk seems to be rapidly disappearing. In addition, the large livestock confinement operations have greatly increased the supply of animals, which has resulted in a severe decline in prices. This in turn has led to an acceleration of the decline of family farm based livestock operations in Iowa.

Just as farms are getting larger and fewer in number, so are many retail and service businesses located in the rural areas of Iowa. As small locally owned businesses are replaced by larger national chain stores, profits that used to stay within the local economy now leave the State. Also, as local businesses close, the number of individuals who are available to serve in leadership roles in their communities declines.

INFRASTRUCTURE, DEFERRED MAINTENANCE, MAJOR MAINTENANCE, AND NEW CONSTRUCTION

Governor's Recommended Changes to Infrastructure Funding

❖ The Governor is increasing the resources available in the Rebuild Iowa Infrastructure Fund (RIIF) by a total of \$43.4 million through a combination of deappropriations, transfer of revenues from other funding sources, and adjustments in interest earnings.

The Governor is recommending a total of \$31.9 million in deappropriations from various appropriations made for FY 1999 through FY 2001. The Governor also is recommending the transfer of \$10.0 million from the Underground Fuel Storage Tank Fund to the Rebuild Iowa Infrastructure Fund in FY 2001. The Governor is increasing the estimated interest earnings by \$1.0 million in FY 2000 and \$500,000 in FY 2001. The following table shows the Governor's recommended changes to the Rebuild Iowa Infrastructure Fund for FY 1999 through FY 2001. A list of the FY 2001 recommendations by State agency are included in the Transportation, Infrastructure, and Capitals Appropriations Subcommittee section of this document.

Rebuild Iowa Infrastructure Fund Governor's Recommendations

(Dollars in Millions)

	FY 1999	FY 2000	FY 2001
<u>Resources</u>			
Beginning Balance	\$ 28.1	\$ 30.4	\$ 17.5
Revenue			
Accrued Interest	30.6	33.1	34.8
Gambling Receipts	103.4	112.2	127.1
Underground Storage Tank Fund Transfer	0.0	0.0	10.0
Marine Fuel Tax	2.2	2.3	2.3
Reversions	1.0	1.5	0.0
Total Revenue	137.3	149.1	174.2
Total Available Resources	\$ 165.4	\$ 179.5	\$ 191.7
<u>Appropriations</u>			
Enacted Appropriations	\$ 135.0	\$ 170.3	\$ 85.5
Deappropriations	0.0	-8.3	-23.6
Recommended Appropriations	0.0	0.0	129.5
Total Appropriations	\$ 135.0	\$ 162.0	\$ 191.4
Ending Balance	\$ 30.4	\$ 17.5	\$ 0.3

Note: Numbers may not add due to rounding.

Included in the Governor's FY 2001 recommendations from the Rebuild Iowa Infrastructure Fund is \$46.4 million in FY 2001 appropriations which were appropriated from the General Fund or the Technology Reversion Account in FY 2000. In addition, the Governor is recommending revenue adjustments and deappropriations totaling \$43.4 million which increase FY 2001 resources available to the Rebuild Iowa Infrastructure Fund. This results in \$3.0 million in appropriations for FY 2001 being funded from revenues which, under current law, are designated to the Rebuild Iowa Infrastructure Fund. The following table illustrates the funding shift:

Governor's Recommendation
Effect on Revenues Currently Designated for the
Rebuild Iowa Infrastructure Fund
(Dollars in Millions)

	FY 2001
<u>Adjustments to Available Resources</u>	
Transfer from Underground Storage Tank Fund	\$ 10.0
Interest Adjustments	1.5
FY 2000 Deappropriations	8.3
FY 2001 Deappropriations	23.6
Total	\$ 43.4
 <u>Appropriations Transferred from General Fund to RIIIF</u>	
Regents - Tuition Replacement	\$ 28.2
ITS Technology Funding	10.2
ITS lowAccess Recommendation	1.0
IPTV Transmitter Conversion	7.0
Total	\$ 46.4
 Effect on Current RIIIF Revenues	 \$ -3.0

Governor's Bonding Recommendations for Infrastructure

❖ The Governor's recommendation includes the issuance of \$346.2 million in revenue for infrastructure-related improvements. The recommendations for bonding include:

- \$11.0 million for improvements to Gilman Hall at Iowa State University.
- \$14.7 million for renovation of the Biological Sciences Facility at the University of Iowa.
- \$16.9 million for the construction of a 70,000 square foot addition to McCollum Science Hall at the University of Northern Iowa.

- \$3.6 million for improvements and new construction at Community-Based Correctional facilities.
- \$100.0 million to establish a school infrastructure loan program.
- \$200.0 million in revenue bonds to establish a loan program for local communities to construct major recreational and entertainment facilities.

Current Infrastructure Funding and Background on State Facilities

The State of Iowa has an estimated 5,000 facilities that comprise approximately 48.3 million square feet of space. The Department of General Services coordinates the maintenance and construction for all State agencies except for the Board of Regents and the Departments of Transportation, Public Defense, and Natural Resources. The following table shows the approximate number of facilities and square feet of space for each agency.

<u>State Agency</u>	<u>Estimated Buildings</u>	<u>Approximate Square Footage</u>
General Services	1,600	10,200,000
Board of Regents	360	30,100,000
Transportation	750	3,000,000
Natural Resources	1,741	1,920,000
Public Defense	460	3,100,000
Total	4,911	48,320,000

The Department of General Services recently completed a comprehensive inventory of state-owned infrastructure that includes a detailed assessment of the structural and internal needs of State facilities. The assessment identifies major maintenance and improvement needs of State facilities under the purview of the Department of General Services. According to the assessment, there is in excess of \$400.0 million of facility improvement needs at State facilities throughout the State. The General Assembly appropriated a total of \$1.4 million for costs of conducting the assessment.

In Iowa, infrastructure construction and improvements are funded through either direct appropriations or through the issuance of debt.

Rebuild Iowa Infrastructure Fund

The Rebuild Iowa Infrastructure Fund was first funded by the 1995 General Assembly when SF 475 (FY 1996 State Financial Provisions Act) and HF 584 (FY 1996 Rebuild Iowa Infrastructure Act) dedicated interest earnings from the Cash Reserve Fund and the Economic Emergency Funds, and appropriated \$50.0 million from the General Fund to the Rebuild Iowa Infrastructure Fund.



The 1996 General Assembly passed HF 2421 (FY 1997 Transportation, Infrastructure, and Capitals Appropriations Act) which dedicated racing and gaming tax receipts in excess of \$60.0 million to the Fund.

House File 2421 included a definition of vertical infrastructure that placed restrictions on the use of moneys in the Rebuild Iowa Infrastructure Fund beginning in FY 1998. The definition is included in Section 8.57(5)(c), Code of Iowa, and states:

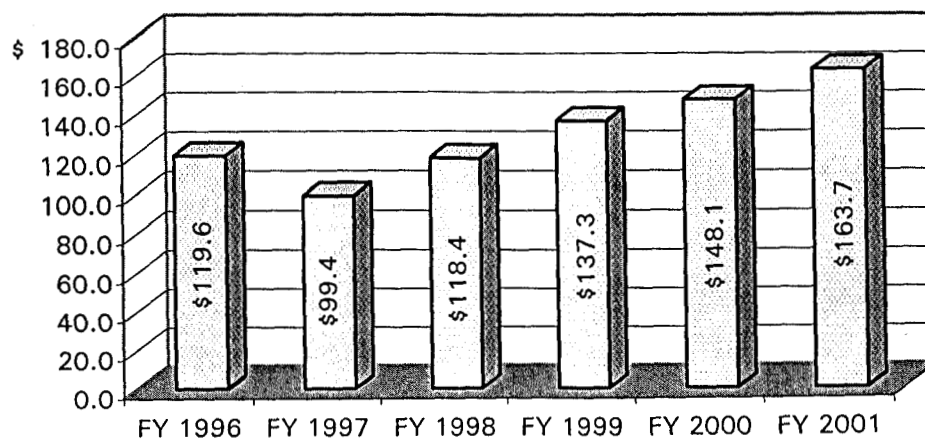
"Moneys in the fund in a fiscal year shall be used as directed by the General Assembly for public vertical infrastructure projects. For purposes of this subsection, vertical infrastructure includes only land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails. Vertical infrastructure does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure or utility without a lease-purchase agreement. However, appropriations may be made for the fiscal years beginning July 1, 1997, and July 1, 1998, for the purpose of funding the completion of Part III of the Iowa Communications Network."

From FY 1996 through FY 1999, the Rebuild Iowa Infrastructure Fund received a total of \$474.8 million in revenue, and the General Assembly appropriated a total of \$444.3 million for various projects. For FY 2000 and FY 2001, the Fund is estimated to receive new revenue totaling \$148.1 million and \$163.7 million, respectively. The following chart shows total actual revenues deposited into the Rebuild Iowa Infrastructure Fund from FY 1996 to FY 1999 and the estimated receipts for FY 2000 and FY 2001.



Rebuild Iowa Infrastructure Fund Revenues

(Dollars in Millions)



The table below shows the Rebuild Iowa Infrastructure Fund revenues by source, the total appropriations from the Fund, and the beginning and ending fund balances.

Rebuild Iowa Infrastructure Fund
Current Law
(Dollars in Millions)

	<u>Actual FY 1996</u>	<u>Actual FY 1997</u>	<u>Actual FY 1998</u>	<u>Actual FY 1999</u>	<u>Estimated FY 2000</u>	<u>Estimated FY 2001</u>
Resources						
Balance Forward	\$ 0	\$ 71.6	\$ 34.3	\$ 28.1	\$ 30.4	\$ 8.2
Revenue						
Reserve Fund Interest	\$ 23.4	\$ 29.6	\$ 32.3	\$ 30.6	\$ 32.1	\$ 34.3
Gambling Receipts	46.2	69.6	85.1	103.4	112.2	127.1
Appropriation	50.0	0	0	0	0	0
Marine Fuel Tax	0	0	0	2.2	2.3	2.3
Reversions	0	0.2	1.0	1.0	1.5	0
Total Revenue	<u>\$ 119.6</u>	<u>\$ 99.4</u>	<u>\$ 118.4</u>	<u>\$ 137.3</u>	<u>\$ 148.1</u>	<u>\$ 163.7</u>
Total Available Resources	<u>\$ 119.6</u>	<u>\$ 171.0</u>	<u>\$ 152.7</u>	<u>\$ 165.4</u>	<u>\$ 178.5</u>	<u>\$ 171.9</u>
Appropriations	<u>\$ 48.0</u>	<u>\$ 136.7</u>	<u>\$ 124.7</u>	<u>\$ 135.0</u>	<u>\$ 170.3</u>	<u>\$ 85.5</u>
Ending Balance	<u>\$ 71.6</u>	<u>\$ 34.3</u>	<u>\$ 28.1</u>	<u>\$ 30.4</u>	<u>\$ 8.2</u>	<u>\$ 86.4</u>

NOTE: Totals may not add due to rounding.

Debt Financing of Infrastructure

The State of Iowa has issued debt to finance new construction and major infrastructure improvements. While the State is constitutionally prohibited from issuing debt against the General Fund tax revenues, the State is allowed to issue debt through revenue bonds and Certificates of Participation (COP). Revenue bonds are backed by independent revenue sources that are separate from the State's general tax revenues. Certificates of Participation are different from bonds in that the title of ownership of the capital purchase is transferred upon final payment of the debt (similar to a lease purchase arrangement). The following table shows the annual debt service payments for a five-year period.



Revenue Bonds and Certificates of Participation Debt Service
(Dollars in Millions)

	<u>FY1997</u>	<u>FY1998</u>	<u>FY1999</u>	<u>FY2000</u>	<u>FY2001</u>
Board of Regents					
<i>Academic Revenue Bonds</i>	\$ 29.6	\$ 29.8	\$ 30.1	\$ 30.4	\$ 30.3
<i>Other Revenue Bonds</i>	<u>27.7</u>	<u>25.9</u>	<u>28.7</u>	<u>32.8</u>	<u>31.5</u>
Total Regents	<u>57.3</u>	<u>55.7</u>	<u>58.8</u>	<u>63.2</u>	<u>61.8</u>
Prison Construction Bonds	5.3	8.4	8.4	8.4	8.4
Community-Based Corrections - COP	0.9	0.9	0.9	0.8	0.8
Corrections Phase I and II - COP	3.8	3.8	3.1	3.1	0.8
Iowa Communications Network - COP	<u>13.7</u>	<u>13.7</u>	<u>13.5</u>	<u>13.5</u>	<u>13.5</u>
Total	<u>\$ 81.0</u>	<u>\$ 82.5</u>	<u>\$ 84.7</u>	<u>\$ 89.0</u>	<u>\$ 85.3</u>

The Regent's bonds are divided into Academic Revenue Bonds and Other Revenue Bonds. Academic Revenue Bonds are used primarily for construction, reconstruction, and renovation of facilities and are repaid from student tuition revenues. The Board must receive authorization from the General Assembly in order to issue Academic Revenue Bonds. In turn, the General Assembly annually appropriates funds to the Board of Regents for the replacement of student tuition.

The Regents universities also have the authority to issue revenue bonds (separate from Academic Revenue Bonds) which are backed by a specific revenue source. These bonds include dormitory bonds, hospital bonds, and utility bonds.

The State has issued revenue bonds through the Iowa Finance Authority for prison construction. The General Assembly has earmarked the first \$9.5 million in court fines for the Prison Infrastructure Fund for the bond payments. The State has constructed three medium security prisons and made two additions to Community-Based Correctional facilities since 1994.

The State has also issued Certificates of Participation for several infrastructure-related purposes:

- For construction and improvements of Community-Based Correctional facilities.
- For the construction of additional correctional beds.
- To finance construction of Parts I and II of the Iowa Communications Network.

The General Assembly annually appropriates funds to pay the debt service for these projects.

LEGISLATIVE FISCAL COMMITTEE MAJOR ISSUES

The Legislative Fiscal Committee is a committee of the Legislative Council. Statute specifies that the ten-member committee gather information to aid the Legislature in properly appropriating money for the functions of government. Other statutory responsibilities include directing the administration of performance audits and visitations, studying the operation of state government, and making recommendations regarding government reorganization to the General Assembly (Section 2.46, Code of Iowa). The Committee also conducts studies and prepares *Issue Reviews* as assigned by the Legislative Council.

During the 1999 Legislative Interim, the Fiscal Committee met six times. The Committee has also scheduled a meeting for January 11, 2000. Dennis Prouty, Director of the Legislative Fiscal Bureau, provided regular revenue updates and the Committee also received notices of appropriations transfers or lease purchases. The following FY 1999 appropriations transfers were discussed:

Dollars Transferred	Department/Division Transferred To	Department/Division Transferred From
\$ 1,850,000	Human Services - MH/MR State Cases	Human Services - \$1,000,000 from Medical Assistance and \$850,000 from Field Operations
175,000	Corrections - Central Office	Corrections - Fort Dodge Correctional Facility
283,000	Personnel - Operations	Personnel - \$120,000 from Program Delivery Service and \$163,000 from Program Administration and Development
400,000	Human Services - MH/MR State Cases	Human Services - Medical Assistance
25,564	Secretary of State - Administration and Elections	Secretary of State - Business Services
60,000	Iowa Communications Network - ICN Operations	Department of Inspections and Appeals - Indigent Defense
85,000	Natural Resources - \$85,000 for Administrative Services	Natural Resources - \$5,000 from the Parks Division, \$15,000 from the Forestry Division, and \$65,000 from the Energy and Geological Resources Division

The following lease-purchase acquisitions were discussed:

Lease-Purchase Dollars	Department	Explanation
\$964,000	Department of General Services - Information Technology Services for the Criminal and Juvenile Justice Planning Division (CJJP) of the Department Human Rights	Justice Data Warehouse – Lease cost is shared by the Departments of Human Rights, Corrections, and Public Safety
245,000	Iowa State University (ISU)	Purchase of a fire simulation trailer for the Fire Service Institute at ISU
2,788,000	Human Services	Various energy efficiency improvements at Glenwood State Hospital-School
600,000	Department of General Services - Information Technology Services for the Criminal and Juvenile Justice Planning Division (CJJP) of the Department of Human Rights	Justice Data Warehouse – This is an extension of the original lease. See above. Since the Legislature was not in Session and this lease purchase caused the total lease purchases for the Department to exceed \$1.0 million in the Fiscal Year, the Committee exercised the authority granted to it by the Legislative Council and voted to approve this lease purchase.
2,085,000	University of Iowa	Purchase of equipment and furnishings for the University Services Building

The Committee also heard periodic updates on the activities of the Oversight and Communications Committee. Phil Buchan, Director of the State/Federal Office in Washington, D.C., also provided an update on federal budget action at the December meeting.

The following **Issue Reviews** were presented to the Committee throughout the Interim. More information on any of these topics or copies of the **Issue Reviews** are available from the Legislative Fiscal Bureau. A complete listing of all **Issue Reviews** completed during the interim and memos written for the Fiscal Committee is in Appendix D.

Issue Reviews Presented

- **Issue Review** – Plant Science Initiative
- **Issue Review** – Federal Education Funds
- **Issue Review** – Community College Funding
- **Issue Review** – Social Services Block Grant
- **Issue Review** – Linked Investment Program
- **Issue Review** – Nursing Facility Direct Care Staff Turnover
- **Issue Review** – Iowa Finance Authority Low-Income Housing Tax Credits

Other Major Agenda Items

- Flood Update – Discussion of early spring rains threatening crops in Iowa.
- Building Renovation – Updates on the Capitol Complex Master Plan.
- Site visit to Hawkeye Community College in Waterloo - Tour of the Hawkeye Center for Business and Industry and discussion of various community college and job training issues.
- Site visit to the Correctional and Mental Health facilities in Clarinda, Iowa - Tour of both facilities and discussion of prison population changes, prison construction projects, and sex offender treatment program.
- Laborshed Surveys – Explanation of these surveys that determine the potential employee pool within a specified geographic radius for new or expanding business purposes.
- Site visit to Iowa State University in Ames - Tour to view new construction and major maintenance fire safety needs.
- Agricultural Economy – Discussion of Iowa's agricultural economy, including federal aid and low crop and hog prices.
- State Medical Examiner – Discussion of the needs and requirements of the Office of the State Medical Examiner.
- Human Services – Various issues such as the sexual predator treatment program, nursing facility staff turnover, and the Social Services Block Grant.
- Tobacco Settlement – Overview of the settlement amount, payment schedule, and attorney fees.

Planned Agenda for January 11, 2000, Meeting

The tentative agenda for the Committee's meeting on January 11, 2000, includes:

- Iowa Agricultural Finance Corporation. Daniel Pitts Winegarden, President of the Corporation, will be subpoenaed to appear because he was not present at the December meeting to provide information requested by the Committee.
- State Indebtedness – Including Regents bonding for buildings and requirements for restructuring debt.
- Revenue update.

Materials distributed to the Committee related to these topics are maintained at the LFB office and are available upon request.

LEGISLATIVE OVERSIGHT COMMITTEE MAJOR ISSUES

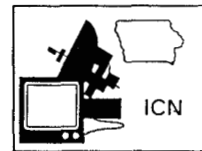
During the 1997 Legislative Session, the General Assembly passed HF 730 (Oversight and Communications Appropriations Act) requesting that the Legislative Council establish the Legislative Oversight Committee. Section 12 of the Act specifies the following powers and duties of the Committee:

- The purpose of the Legislative Oversight Committee is to review and analyze the structure and operations of State government and the use of information technology in providing services and enhancing the ability of the public to interact with government.
- The Legislative Oversight Committee may, subject to the approval of the Legislative Council, conduct a review of one or more programs or regulations administered or enforced by State government.

During the 1999 Interim, the Committee met six times and reviewed the following major areas:


Iowa Communications Network (ICN)

- Revenues and expenses of the ICN were monitored monthly.
- Tracking of Iowa Telecommunications and Technology Commission (ITTC) changes to the Network. The Commission is in the process of converting the Network from a star typology to a ring typology. This will allow for redundancy in the Network so that if a line is down, the transmission between sites can be rerouted around the break. Additionally, the Network has developed a new scheduling program to will improve the ability of users to identify what educational classes are being offered across the system in any given semester or other time period. The program has encountered some problems during development and has resolved most of the issues identified by schedulers.
- Iowa Telecommunications and Technology Commission (ITTC) rates for video usage of the ICN. The Commission proposed and adopted new rates for FY 2001, the second year of increases. The Commission adopted the new rates at its September meeting. (See prior Section on Information Technology Issues for a discussion of the new rates.)
- Status of the Attorney General's Office appeal of the Federal Communications Commission (FCC) ruling that the ICN is not a "common carrier" and therefore,





schools and libraries receiving phone services from the ICN do not qualify for reimbursement from the Universal Fund. Both the State of Iowa and the FCC have filed their briefs with the District of Columbia United States Circuit Court of Appeals. Eighteen telecommunications companies have filed responses to the briefs in opposition to the State of Iowa's brief. Oral briefs will be made to the Court on January 24, 2000. It is expected the Court will then take three or four months to render its decision.

Information Technology Services

- Updates from the Information Technology Division of the Department of General Services on the efforts of the Transition Team for the creation of a proposal and a unified budget for a new Department of Technology and for continued development of lowAccess. (See previous Section on Information Technology Issues.) 
- Monthly reviews of progress made by the Executive Branch (including Elected Officials) toward addressing Year 2000 computer problems facing State government and other non-computer Year 2000 related technology concerns. The Year 2000 data processing issue dates back to the 1960s, when programmers wrote applications using a standard date format of DD/MM/YY to conserve then expensive storage space. When 2000 arrives, the "2000" will be read by computer systems as "00," potentially causing a complete system failure or producing incorrect calculations in time-sensitive programs. An individual program is not very difficult to fix, and requires only that date fields be changed to four digits or a "work around" be put in place. The task becomes complicated and costly when the number of lines of code written and the relationship of programs and data between systems is examined. Many government computers are interwoven electronically with those of other governments and the private sector. The Year 2000 Project Office has assured the Committee that all major programming problems have been identified and remediated and the Office is now continuing to review the departments to insure re-infection does not occur in data bases.
- Updates from the offices of the Board of Regents and the Legislative and Judicial Branches on their respective Year 2000 efforts were provided at the June meeting and a final report will be made at the December 15 meeting.

Other Issues

- Updates from the Emergency Management Division of the Department of Public Defense related to Year 2000 Contingency Planning. The Division had plans in place to insure communication and safety needs of Iowans will be met in a worst case scenario.

- Updates on the efforts of lowAccess to allow access to current public information about Iowa and Iowans through the Internet. It is planned that lowAccess will eventually allow electronic commerce between the State and individuals or organizations. A combination of state appropriations and federal funding was used to begin this effort. The proposal to create a new Information Technology Department includes lowAccess as the component that would focus on efforts to develop digital government.
- Review of the Department of Revenue and Finance performance based contract with NCR Government Systems Corporation. Over the three year and six month life of the project the Department estimates increased collections of \$25.0 million. Of this, NCR, Inc., will be paid approximately \$13.0 million for identifying the firms and individuals not paying appropriate amounts of taxes. These are taxes that the Department currently does not collect from all sources of tax receipts. 
- History and potential of Telemedicine usage in Iowa. The potential for expanding care to more Iowans, particularly rural Iowans, through the use of this technology was a major part of the focus. The discussions included groups currently involved in the application of telemedicine in Iowa including representatives of the:
 - Telemedicine Advisory Committee of the ICN
 - Midwest Rural Telemedicine Council
 - Department of Human Services
 - Iowa Veterans Home
 - Iowa State Hospital Schools
 - Iowa Medical Society
 - Iowa Nurses Association
 - Mercy Hospital
 - Help Innovation, Inc.
- Iowa Department of Personnel plans for the extension of the changes in pay plans provided through the collective bargaining agreements for covered employees to non-covered State employees. While benefits provided to covered employees have historically been granted to non-covered employees, the Department stated that if the non-covered pay plans were expanded to add steps all employee increases would be granted only on a 

performance appraisal basis. The Department is currently developing a new performance appraisal process.

- "Other pay" provided by department directors to staff. Currently, department directors have the authority to provide several types of discretionary pay to employees within their departments. A review of the three discretionary pay types (exceptional job performance pay, recruitment bonus, and retention bonus) is currently being performed. Results of the review will be provided to the Oversight and Communications Appropriations Subcommittee during the 2000 Legislative Session.
- Purchase of a new office building in Des Moines for the Iowa Public Employees Retirement System. The Committee was asked to review the process of selection of the building during the 2000 Legislative Session.
- Regulation of the Pre-Need Funeral Industry and efforts by the Insurance Division's Regulated Industries Unit to increase oversight of the industry to protect funds paid by Iowans for related services.
- Internet sales and the impact on Iowa sales tax receipts were discussed by the Department of Revenue and Finance and the LFB. The National Governors' Association has prepared a recommendation to establish a uniform use tax and collection and distribution process to reduce the impact on states due to loss of local sales.

Materials distributed to the Committee related to these topics are maintained at the LFB office and are available upon request.

ESTIMATED GENERAL FUND EXPENDITURE INCREASES AND DECREASES

A **built-in increase or decrease** is a standing appropriation authorized by the Code of Iowa, an entitlement program, or a prior appropriation for a future fiscal year which increases or decreases compared to the prior year. An **anticipated increase or decrease** is an anticipated increase or decrease based on prior obligation or action and needs legislative action. A **built-in change in revenue** is not included since the FY 2000 changes are included in the Revenue Estimating Conference's December estimate. Any built-in increases or decreases can be changed by enacted legislation.



The Legislative Fiscal Bureau (LFB) is projecting \$188.7 million in General Fund built-in increases and decreases for FY 2001 and \$14.6 million in anticipated increases and decreases for FY 2001. The following table summarizes the projected FY 2001 built-in increases and decreases and anticipated increases and decreases, for a total of \$203.3 million.

❖ The Governor is recommending \$168.6 million for the following General Fund built-in increases and decreases and \$11.0 million for the following anticipated increases and decreases, for a total of \$179.6 million.

Projected FY 2001 Incremental Built-in and Anticipated Expenditures

(Dollars in Millions)

	LFB Estimates	Governor's Recommend.	Difference
FY 2001 Incremental Built-in Increases and Decreases			
Collective Bargaining Salary Packages	\$ 60.0	\$ 42.2	\$ -17.8
K-12 School Foundation Aid	44.2	45.1	0.9
Human Services - Medical Assistance	42.4	42.4	0.0
M&E Property Tax Replacement Fund	21.1	21.1	0.0
Education - Early Intervention/Reduce Class Size	10.0	10.0	0.0
Human Services - State Cases	3.7	3.7	0.0
Value-Added Agriculture	3.6	0.0	-3.6
Mental Health Growth Factor	3.6	3.6	0.0
Human Services - Child Support Federal Policy Change	2.6	3.1	0.5
Treasurer of State - Educational Savings Plan Trust	0.4	0.0	-0.4
Office of Renewable Fuels and Co-Products	0.4	0.0	-0.4
Certified School-to-Career Program	0.4	0.4	0.0
Elderly and Disabled Credit	0.3	1.0	0.7
Education - On-Time Funding	-4.0	-4.0	0.0
Total Built-in Increases and Decreases	\$ 188.7	\$ 168.6	\$ -20.1

Projected FY 2001 Incremental Built-in and Anticipated Expenditures (Continued)

(Dollars in Millions)

	LFB Estimates	Governor's Recommend.	Difference
FY 2001 Incremental Anticipated Increases and Decreases			
Corrections - Various Projects and Replacements	\$ 4.7	\$ 3.7	\$ -1.0
Human Services - Decrease in Federal Match Rates	4.4	4.4	0.0
Human Services - Children/Families Caseload Increase/Adjustment	4.0	4.0	0.0
Regents - Opening New Buildings	2.0	0.7	-1.3
Inspections and Appeals - Indigent Defense	1.4	2.2	0.8
Human Services - Maintain Reimbursement Costs/70.0% USDA	0.6	0.6	0.0
Human Services - Opening Facility at Eldora and One Time Costs	0.6	0.6	0.0
Human Services - Electronic Benefits Transfer	0.3	0.3	0.0
Judicial Branch - Retirement Fund Contribution	0.3	0.3	0.0
Agriculture - Mandatory Price Reporting	0.3	0.0	-0.3
Regents - Tuition Replacement	0.2	0.0	-0.2
Human Services - Sexual Predators Civil Commitment and Treatment	0.2	0.2	0.0
Public Defense - Emergency Mgmt. Div. State Match for FEMA Grants	0.1	0.1	0.0
Human Services - Glenwood State Hospital (FY 2000 Veto)	-0.2	-0.2	0.0
Human Services - Change in Reimbursement Rate/IFMC	-0.3	-0.3	0.0
Human Services - State Hospital Schools Increased Revenue	-1.0	-1.1	-0.1
Human Services - Increased Individuals/Services Eligible for Federal Aid	-3.0	-4.5	-1.5
Total Anticipated Increases and Decreases	<u>\$ 14.6</u>	<u>\$ 11.0</u>	<u>\$ -3.6</u>
Grand Total	<u>\$ 203.3</u>	<u>\$ 179.6</u>	<u>\$ -23.7</u>

Appendix B describes the General Fund built-in expenditure increases and decreases and anticipated increases and decreases in detail by providing:

1. Type of appropriation.
 - A. Standing unlimited appropriation
 - B. Standing limited appropriation
 - C. Regular appropriation
2. Description of the program or budget unit.
3. Reasons for the increases or decreases.
4. Dollar amount of the increase under current law as projected by the LFB, in millions.
5. Governor's recommended dollar amount of the increase, in millions.
6. Description of the Governor's recommendation changes from current law.
7. Dollar change from current law for each Governor's recommendation, in millions.

OVERVIEW OF FY 2001 BUDGETS AND SUBCOMMITTEE ISSUES

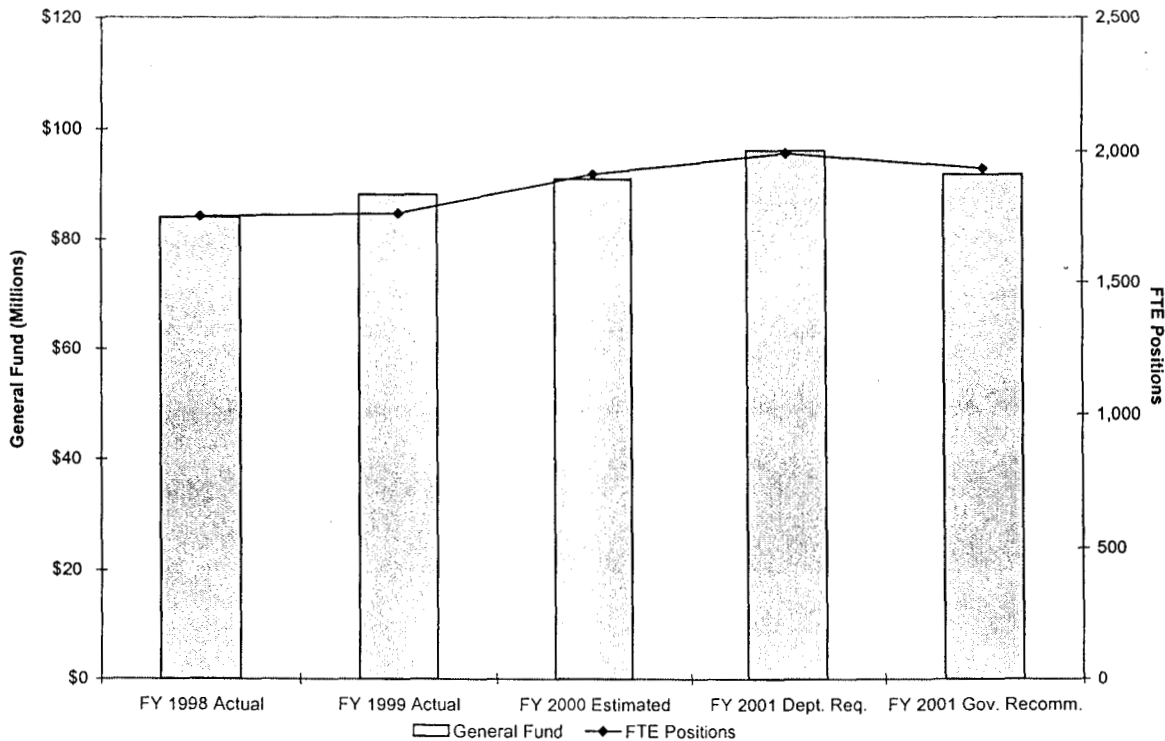
The Overview of the FY 2001 Budgets and Subcommittee Issues Section presents a summary analysis of the FY 2001 Governor's recommendations compared to estimated FY 2000 appropriations and identifies possible issues to be discussed by the individual appropriations subcommittees. The amounts requested for unassigned standings are not included in the totals for the appropriations subcommittees, but the issues may be discussed under the Significant General Fund Changes Requested and Issues Sections.

ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE


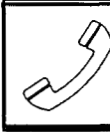
FY 2001 GOVERNOR RECOMMENDATIONS

The Governor is recommending \$91.8 million from the General Fund and 1,935.2 FTE positions for the 11 Departments of the Administration and Regulation Appropriations Subcommittee. This is an increase of \$812,000 (0.9%) and 22.2 (1.2%) FTE positions compared to estimated FY 2000. This does not include \$415,000 that remains unallocated from the FY 2000 Salary Adjustment Fund or the \$41.8 million requested for the FY 2001 Salary Adjustment Fund. Unless otherwise indicated, all increases or decreases are compared to estimated FY 2000. A new concept or funding included in the Governor's recommendation but not included in the department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Administration & Regulation Appropriations Subcommittee



Significant General Fund Changes Recommended

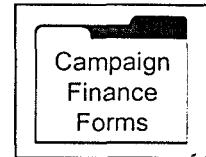
1. **Office of the Auditor of State** - ❖The Governor is recommending \$1.5 million from the General Fund and 115.2 FTE positions for FY 2001. This is an unspecified decrease of 0.1 (0.1%) FTE position and no change in funding compared to estimated FY 2000.
2. **Department of Commerce** - ❖The Governor is recommending \$20.5 million from the General Fund and 322.5 FTE positions for FY 2001. This is an increase of \$337,000 (1.7%) and 1.5 (0.5%) FTE positions compared to estimated FY 2000. The change, by division or program, includes:
 - A. **Administrative Services Division** - No change compared to estimated FY 2000.
 - B. **Alcoholic Beverages Division** - No change compared to estimated FY 2000.
 - C. **Banking Division** - An increase of \$180,000 (3.2%) and no change in FTE positions compared to estimated FY 2000 to allow the Division to purchase 60 notebook computers.
 - D. **Credit Union Division** - An increase of \$120,000 and no change in FTE positions compared to estimated FY 2000. The change includes:
 1. An increase of \$30,000 for the Division to create a career ladder within the Division. The Division plans on reclassifying positions to help reduce high turnover experienced in previous years.
 2. An increase of \$90,000 for the Division for outside services and reimbursements to other State agencies to support the costs of computer services now being done outside of the Division.
 - E. **Insurance Division** - An increase of \$71,000 (1.9%) and 1.5 (1.6%) FTE positions compared to estimated FY 2000. The change includes:
 1. An increase of \$48,000 and 1.0 FTE position to allow the Division to meet the increasing demand of consumer complaints in the Pre-Need and Perpetual Care Program.
 2. An increase of \$23,000 for 50.0% of the Field Auditor 2 position authorized during the 1999 Legislative Session.
 3. ❖An increase of 0.5 FTE position to implement the Patient Protection Act (SF 276) which passed during the 1999 Legislative Session. Funding of \$102,000 is being

recommended from Tobacco Settlement Revenue for the cost of the FTE position and for printing costs pertaining to the Act.

- F. **Professional Licensing Division** - No change compared to estimated FY 2000.
- G. **Utilities Division** - A decrease of \$34,000 (0.6%) and no change in FTE positions compared to estimated FY 2000. The change is a voluntary reduction made by the Division.

3. **Ethics and Campaign Disclosure** - ❖The Governor is recommending \$531,000 from the General Fund and 8.0 FTE positions for FY 2001. This is an increase of \$27,000 (5.3%) and no change in FTE positions compared to estimated FY 2000. The significant changes include:

- A. An increase of \$12,000 for design and development of an electronic filing software platform for Macintosh users.
- B. An increase of \$7,000 for a new annual ICN charge for an existing router and equipment beginning in FY 2001.
- C. An increase of \$5,000 for printed materials and travel costs for staff to conduct training in all 99 counties for candidates and political committees at all levels.
- D. An increase of \$3,000 to implement Internet filing of reports.



4. **Department of General Services** - ❖The Governor is recommending \$10.4 million from the General Fund and 227.0 FTE positions for FY 2001. This is an increase of \$250,000 (2.5%) and no change in FTE positions compared to estimated FY 2000. The change, by division, includes:

- A. **Administrative Services Division** - No change compared to estimated FY 2000.
- B. **Utilities Division** - No change compared to estimated FY 2000.
- C. **Rental Space Division** - No change compared to estimated FY 2000.
- D. **Terrace Hill Operations Division** - No change compared to estimated FY 2000.
- E. **Capitol Planning Commission** - No change compared to estimated FY 2000.
- F. **Property Management Division** - No change compared to estimated FY 2000.
- G. ❖**Des Moines City Fire Protection** - This is a new appropriation of \$250,000 to reimburse the city of Des Moines for fire protection.



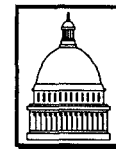
5. **Office of the Governor** - ❖The Office of the Governor is recommending \$2.2 million from the General Fund and 27.3 FTE positions for FY 2001. This is an increase of \$32,000 (1.5%) and 1.0 (3.8%) FTE position compared to estimated FY 2000. The change, by division or program, includes:



- A. **General Office Division** - ❖An increase of \$77,000 (5.3%) and 1.0 (5.8%) FTE position compared to estimated FY 2000 for administration of the World Food Prize Program.
- B. **Administrative Rules Coordinator** - No change compared to estimated FY 2000.
- C. **Terrace Hill Quarters** - No change compared to estimated FY 2000.
- D. **National Governors' Association** - No change compared to estimated FY 2000.
- E. **State-Federal Relations** - No change compared to estimated FY 2000.
- F. **Governor Technology Upgrades** - A decrease of \$45,000 (100.0%) compared to estimated FY 2000. The upgrades were one-time funding in FY 2000.

6. **Department of Inspections and Appeals** - ❖The Governor is recommending \$10.4 million from the General Fund and 316.6 FTE positions, including \$3.6 million and 48.1 FTE positions for the Racing and Gaming Commission for FY 2001. This is an increase of \$440,000 (4.4%) and 19.2 (6.4%) FTE positions compared to estimated FY 2000. The significant changes, by division, include:

- A. **Finance and Services Division** - ❖No change in funding and an increase of 1.0 (5.0%) FTE position to implement monitoring agreements pursuant to Indian Gaming Compacts to be funded with money provided by the tribes.
- B. **Audits Division** - An increase of \$44,000 (8.8%) and 1.0 (8.3%) FTE position compared to estimated FY 2000 for an additional auditor to comply with federal regulations on audits of health care facilities and local Department of Human Services offices.
- C. **Appeals and Fair Hearings Division** - ❖No change compared to estimated FY 2000.
- D. **Investigations Division** - An increase of \$17,000 (1.6%) and 1.0 (2.5%) FTE position compared to estimated FY 2000 for an additional investigator in the Medicaid Fraud Divestiture Program funded 75.0% with federal funds.



E. **Health Facilities Division** - ❖ An increase of \$203,000 (8.9%) and 6.0 (5.9%) FTE positions compared to estimated FY 2000. The significant changes include:

1. An increase of \$143,000 and 6.0 FTE positions to investigate complaints at certified nursing facilities after allegations of actual harm.
2. An increase of \$60,000 for hardware, programming, and maintenance costs for the single contact repository to screen applicants prior to hiring in the health care industry.



F. **Inspections Division** - An increase of \$183,000 (27.8%) and 3.0 (25.0%) FTE positions compared to estimated FY 2000 to conduct food and sanitation inspections and licensing activities as required by the Code of Iowa.

G. **Employment Appeal Board** - No change compared to estimated FY 2000.

H. **Foster Care Review Board** - No change in funding and an increase of 6.5 (34.2%) FTE positions compared to estimated FY 2000 to change Professional Employee Organization (Merit) workers to FTE positions.

I. **Racing and Gaming Commission Pari-Mutuel Regulation** - No change compared to estimated FY 2000.

J. **Racing and Gaming Commission Excursion Boat Regulation** - A decrease of \$7,000 (0.4%) and an increase of 0.7 (2.7%) FTE position compared to estimated FY 2000. The significant changes include:

1. An unspecified decrease of \$41,000. This is explained as one-time costs for opening an office in Osceola.
2. An increase of \$34,000 and 0.7 FTE position to provide for a full year of funding to regulate the excursion boat in Osceola, which is estimated to operate approximately six months during FY 2000.



7. **Department of Management** - ❖ The Governor is recommending \$2.7 million from the General Fund and 33.0 FTE positions for FY 2001. This is a decrease of \$3,000 (0.1%) and no change in FTE positions compared to estimated FY 2000. This does not include \$415,000 appropriated to the FY 2000 Salary Adjustment Fund, or the \$41.8 million requested for the FY 2001 Salary Adjustment Fund. The change, by division or program, includes:

A. **General Office Division** - No change compared to estimated FY 2000.

- B. **Council of State Governments** - No change compared to estimated FY 2000.
- C. **State Strategic Plan** - ❖A decrease of \$3,000 (2.3%) compared to estimated FY 2000. The Plan received a one-time appropriation of \$130,000 for FY 2000.
- D. **Replacement Property Tax** - No change compared to estimated FY 2000.
- E. **Law Enforcement Training** - No change compared to estimated FY 2000.

8. **Department of Personnel** - ❖The Governor is recommending \$10.5 million from the General Fund and 93.4 FTE positions, including 1.0 FTE position from Tobacco Funds, for FY 2001. This is a decrease of \$175,000 (1.6%) and an increase of 1.9 (2.0%) FTE positions compared to estimated FY 2000. The significant General Fund changes, by division, include:





- A. **Operations Unit** - ❖An increase of \$3.3 million (209.1%) and 69.7 (307.6%) FTE positions compared to estimated FY 2000. The significant changes include:
 - 1. An increase of \$1.4 million and 32.1 FTE positions to transfer the Program Delivery Services Unit to the Operations Unit.
 - 2. An increase of \$1.8 million and 36.8 FTE positions to transfer the Program Administration and Development Unit to the Operations Unit.
 - 3. ❖An increase of \$40,000 for funding for the Institute for Public Leadership.
 - 4. ❖An increase of \$35,000 to facilitate relations between labor and management.
 - 5. ❖An increase of 2.0 FTE positions to continue the Health Insurance Reform Program that would continue to be funded (\$544,000) from surplus funds in the Health Insurance Operating Account in FY 2001. The Department received \$832,000 for the Health Insurance Reform Program, of which, \$240,000 was identified as one-time funding, and \$112,000 and 2.0 FTE positions for the Health Insurance Oversight Program in FY 2000.
 - 6. ❖An increase of 1.0 FTE position to continue the Ready to Work Program Coordinator position that would continue to be funded (\$89,000) from the surplus funds in the Health

Insurance Operating Account in FY 2001. The Department received \$91,000 for 50.0% of the funding for a Ready to Work Program Coordinator from the surplus funds in the Health Insurance Operating Account and 1.0 FTE position for FY 2000.

7. ❖ An increase of 0.8 FTE position for an unspecified increase to the base budget. This is explained as needed to restore the FTE appropriation to the level appropriated for FY 2000.
 8. ❖ A decrease of 3.0 FTE positions from the Operations Unit. The Governor considered the FTE positions funded from the surplus funds in the Health Insurance Operating Account to be a one-time appropriation for FY 2000. The Governor has requested the 3.0 FTE positions be restored for FY 2001, in paragraphs 8.A(5) and 8.A(6) above.
- B. **Program Delivery Services Unit** - A decrease of \$1.4 million (100.0%) and 32.1 (100.0%) FTE positions compared to estimated FY 2000 to transfer the Unit to the Operations Unit.
- C. **Program Administration and Development Unit** - A decrease of \$1.8 million (100.0%) and 36.8 (100.0%) FTE positions compared to estimated FY 2000 to transfer the Unit to the Operations Unit.
- D. ❖ **Workers' Compensation and Insurance Fund** - A decrease of \$250,000 (4.2%) and no change in FTE positions compared to estimated FY 2000. The Workers' Compensation and Insurance Fund will bill State agencies an additional premium equal to \$250,000.

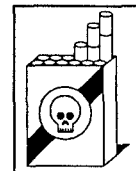
Significant Other Fund Requests

- A. **Iowa Public Employee Retirement System (IPERS) Revolving Fund** -
- ❖ The Governor is recommending \$6.9 million and 88.5 FTE positions from the Iowa Public Employee Retirement System (IPERS) Revolving Fund for FY 2001. This is an increase of \$63,000 (0.9%) and no change in FTE positions compared to estimated FY 2000. The FY 2000 appropriation included \$1.5 million and 11.0 FTE positions as one-time funding for FY 2000 to reengineer the IPERS information system. This was identified as a two year project with the Department estimating that \$1.3 million and 11.0 FTE positions would be needed for FY 2001 to complete the project. The significant changes include:
- 
1. ❖ An increase of \$1.3 million and 11.0 FTE positions to perform reengineering, reprogramming, and data cleanup of the application systems used by IPERS. This should be considered a one-time funding request.

2. An increase of \$225,000 to print and distribute to IPERS members and employers a handbook on which they can rely to keep informed on laws, rules, and policies. This project is done every other year and should be considered a one-time funding request.
 
3. An increase of \$182,000 due to the increasing costs of postage and the IPERS toll free phone number.
4. An increase of \$150,000 for the purchase of a retirement benefits estimator that allows IPERS members to create retirement scenarios to plan for retirement.
5. A decrease of \$1.5 million and 11.0 FTE positions due to the FY 2000 appropriation being one-time funding to reengineer the IPERS information system.
6. A decrease of \$274,000 reflecting savings due to the purchase of a new headquarters building.
7. A decrease of \$80,000 due to an unspecified reduction in the base budget.

B. **Primary Road Fund and Road Use Tax Fund** - The Governor is recommending \$477,000 from the Primary Road Fund (\$410,000) and Road Use Tax Fund (\$67,000) for FY 2001. This is no change compared to estimated FY 2000. The funds are used to pay a portion of the salaries for Departmental staff who work on personnel issues relating to the Department of Transportation.

C. **Tobacco Settlement Revenues** - The Governor is recommending \$80,000 and 1.0 FTE position from tobacco settlement revenues for FY 2001. This is an increase of \$80,000 (100.0%) and 1.0 (100.0%) FTE position compared to estimated FY 2000. The funds would be used to develop a smoking cessation program.



D. **❖Health Insurance Operating Account Fund** - The Governor is recommending \$633,000 and 3.0 FTE positions from the Health Insurance Operating Account. This is a decrease of \$401,000 (38.8%) and an increase of 3.0 (100.0%) FTE positions compared to estimated FY 2000. The significant changes include:

1. ❖A decrease of \$400,000 and an increase of 2.0 FTE positions to continue efforts that were funded from the surplus funds in the Health Insurance Operating Account in FY 2000. The Department received \$832,000 for the Health Insurance Reform Program, of which, \$240,000 was identified as one-time

funding, and \$112,000 and 2.0 FTE positions for the Health Insurance Oversight Program, in FY 2000.

2. ❖ A decrease of \$1,000 and an increase of 1.0 FTE position to continue the Ready to Work Program Coordinator position. The Department received \$181,000 and 1.0 FTE positions in FY 2000, of which 50.0 % was funded from the Workers' Compensation Trust Fund.

9. **Department of Revenue and Finance** - The Governor is recommending \$29.4 million from the General Fund and 636.1 FTE positions, including 117.0 FTE positions for Lottery Operations, for FY 2001. This is an increase of \$22,000 (0.1%) and a decrease of 1.3 (0.2%) FTE positions compared to estimated FY 2000. The significant General Fund changes, by division, includes:



- A. **Compliance Division** - A decrease of \$65,000 (0.6%) and 0.3 (0.2%) FTE position compared to estimated FY 2000 due to the reallocation of resources to the Internal Resources Management Division and the reduction in the use of temporary employees.
- B. **Internal Resources Management Division** - An increase of \$483,000 (7.5%) and no change in FTE positions compared to estimated FY 2000 due to the reallocation of resources from the Compliance Division (\$65,000) and the State Financial Management Division (\$418,000).
- C. **State Financial Management Division** - A decrease of \$418,000 (3.5%) and 1.0 (0.4%) FTE position compared to estimated FY 2000 due to the reallocation of resources to the Internal Resources Management Division and the reduction in the use of temporary employees.
- D. **Collection Costs and Fees** - An increase of \$22,000 (48.9%) compared to estimated FY 2000 due to the anticipated increase in tax lien filings and the increased cost for storing seized property.

Significant Other Fund Requests

- A. **Motor Vehicle Fuel Tax Fund** - The Governor is recommending \$993,000 from the Motor Vehicle Fuel Tax Fund for FY 2001. This is a decrease of \$100,000 (9.1%) compared to estimated FY 2000 due to the change of point of taxation to the terminal level, reducing the number of licenses and filers, and allowing for improved automated refunding.

B. **The Lottery Division** - The Governor is recommending \$8.4 million from lottery sales and 117.0 FTE positions for FY 2001. This is no change compared to estimated FY 2000.



C. **Business Tax Redesign** - The Governor is recommending \$350,000 from the Oversight and Communications Appropriations Subcommittee for FY 2001. This is a new funding request to redesign the business tax filing system in order to simplify the filing and paying of taxes by over 150,000 taxpayers who remit withholding, retail sales and use tax, local option sales tax, local hotel tax, and car rental tax.

10. **Office of the Secretary of State** - ❖The Governor is recommending \$2.7 million from the General Fund and 42.0 FTE positions for FY 2001. This is an increase of \$5,000 (0.2%) and no change in FTE positions compared to estimated FY 2000. The change, by division, includes:



- A. **Administration and Election Division** - ❖An increase of \$25,000 (3.3%) and no change in FTE positions compared to estimated FY 2000. The increase is due to an anticipated increase in workload due to redistricting that will occur in conjunction with the 2000 Census.
- B. **Business Services Division** - No change compared to estimated FY 2000.
- C. **Official Registry** - A decrease of \$40,000 (88.9%) compared to FY 2000. The change is for costs associated with the biennial printing of the Iowa Official Register.
- D. **Iowa Student Political Awareness Club** - An increase of \$20,000 (66.7%) compared to estimated FY 2000. The increase is for additional youth voter initiatives for the Iowa Student Political Awareness Club.

11. **The Office of the Treasurer** - ❖The Governor is recommending \$943,000 from the General Fund and 25.8 FTE positions for FY 2001. This is a decrease of \$128,000 (11.9%) and no change in FTE positions compared to estimated FY 2000. The change includes:



- A. A decrease of \$103,000 due to an unspecified decrease to the base budget.
- B. A decrease of \$25,000 due to one-time funding for office furnishings for FY 2000.

Significant Other Fund Request - ❖ The Governor is recommending \$400,000 from the Unclaimed Property Trust Fund for administration of the College Savings Iowa Plan. This is no change compared to estimated FY 2000. The General Assembly in 1999 passed Senate File 457 (Iowa Educational Savings Plan Trust - Miscellaneous Provisions Act) requiring administration costs to be funded by the General Fund beginning in FY 2001.

Issues

The Administration and Regulation Appropriations Subcommittee may wish to examine the following issues:

- **Payment Processes for Interagency Services** - The majority of agencies within the Subcommittee provide services to other State agencies. The approach to funding these services has varied, causing a general lack of uniformity regarding how services are funded and how payments from service receiving agencies are classified.
- **Relocation of Agencies Outside the Capitol Complex** - Renovation of the Lucas Building and other Capitol Complex office buildings may require agencies to relocate outside the Capitol Complex which will increase the cost of leasing office space and decrease the Department of General Services' receipts.
- **Contracting for Electric Utilities** - Due to proposed legislation that would restructure the electric utility industry, the Department of General Services may be able to reduce utility costs by contracting for electric services with a private entity.

Four ***Issue Reviews*** relating to the Administration and Regulation Appropriations Subcommittee were distributed during the 1999 Interim. The ***Issue Reviews*** were:

- Linked Investments for Tomorrow Program Update.
- Update on Excursion Gambling Boats, Pari-Mutuel, and Slot Machines at Racetracks.
- Professional Licensing.
- Section 8.39 Appropriation Transfers.

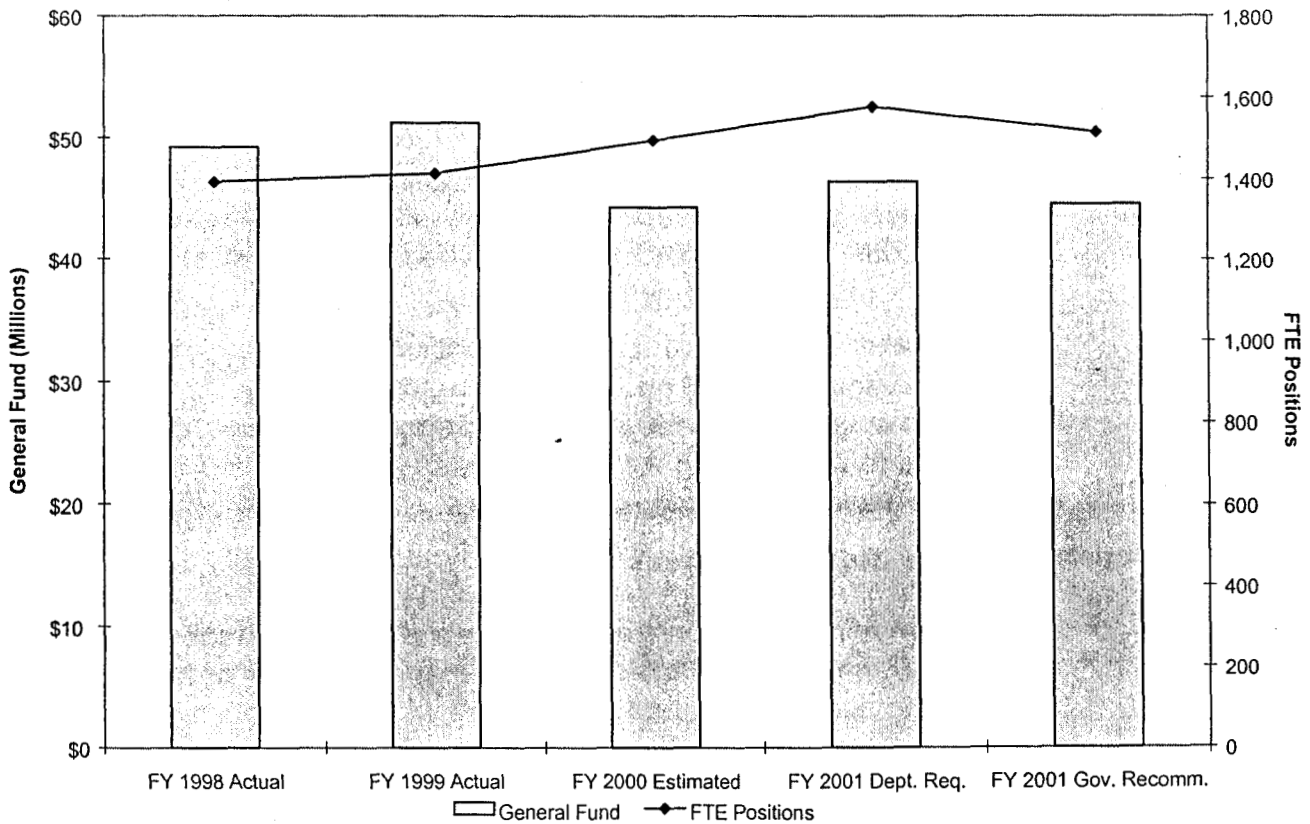
For further information on the ***Issue Reviews***, please contact Ron Robinson at (515) 281-6256 or Shawn Snyder at (515) 281-6567.

AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE

FY 2001 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$44.6 million from the General Fund and 1,515.5 FTE positions for the two departments of the Agriculture and Natural Resources Appropriations Subcommittee. The Governor's FTE recommendation includes 9.4 positions from the Water Protection Fund. This is an increase of \$303,000 (0.7%) and 21.0 (1.0%) FTE positions compared to estimated FY 2000. All dollar amounts and percentages include General Fund appropriations from the former Commercial Feed, Fertilizer, Pesticide, Dairy Trade, Milk, and Marine Fuel Tax Funds. A new concept or funding included in the Governor's recommendations but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Agriculture and Natural Resources Appropriations Subcommittee



Significant General Fund Changes Recommended

Department of Agriculture and Land Stewardship

1. An increase of \$108,000 in funding for 2.00 FTE positions, an Administrative Assistant 2 and an Executive Officer 2 in the Administration Division, authorized but not funded by the 1999 General Assembly.
2. An increase of \$23,000 and 1.0 FTE position for the transfer of 1.0 FTE, a Typist – Advanced, from the Commercial Feed General Fund appropriation of the Laboratory Division to the Administration Division, to perform receptionist and switchboard duties.
3. ❖ An increase of \$250,000 for travel and other activities related to awarding the World Food Prize.
4. A decrease of \$23,000 in the Commercial Feed General Fund appropriation and 1.0 FTE position for the transfer of 1.0 FTE, a Typist – Advanced, from the Laboratory Division to the Administration Division to perform receptionist and switchboard duties.



Significant Other Fund Changes Recommended

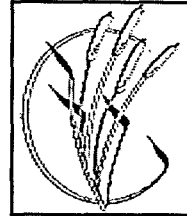
1. Department of Agriculture and Land Stewardship

- A. ❖ An increase of \$1.5 million from the Rebuild Iowa Infrastructure Fund for the Iowa Watershed Protection Program within the Soil Conservation Division.
- B. ❖ An increase of \$1.0 million from the Rebuild Iowa Infrastructure Fund to initiate a Statewide Farm and Livestock Demonstration Program for nutrient management.
- C. An increase of \$2.0 million from the Rebuild Iowa Infrastructure Fund to initiate a financial wetland Conservation Reserve Enhancement Program in cooperation with the United States Department of Agriculture to meet Health Advisory Levels for nitrates in watersheds intensively used as drinking water sources.

2. Department of Natural Resources

- A. An increase of \$2.3 million from the Fish and Game Protection Fund and 9.0 FTE positions for education and implementation of private land stewardship services. Private landowners would be encouraged to increase the number of buffer strips on their farms.

- B. An increase of \$650,000 from the Fish and Game Protection Fund and 6.0 FTE positions to purchase Water Patrol equipment and additional personnel for enforcement.
- C. An increase of \$600,000 from the Fish and Game Protection Fund and 3.0 FTE positions for a Prairie Seed Harvest Program. This would increase the annual harvest of prairie seeds from 60,000 pounds per year to 200,000 pounds.
- D. An increase of \$175,000 and 3.0 FTE positions in the Environmental Protection Division for the issuance of municipal stormwater permits and for engineering costs associated with the Wastewater State Revolving Fund for the construction of sewage treatment systems. Funds include \$115,000 and 2.0 FTE positions from the State Revolving Fund and \$60,000 and 1.0 FTE position from Stormwater Permit Fees.



Issues

The Agriculture and Natural Resources Appropriations Subcommittee may wish to examine the following issues:

- **Increasing Operational Costs.** In FY 2000, the Administration Division of the Department of Agriculture and Land Stewardship reduced staffing by 1.0 FTE position to cover increasing operational costs. The Division is requesting a FY 2001 funding increase of \$114,000 to offset increasing operational expenses due to increases in postage, paper, office supplies, printing, repairs, and general equipment replacement costs and a decrease of 1.0 FTE position. The Division states funding is needed to maintain the current level of services it provides. *The Governor is not recommending an increase in funding or a decrease of the 1.0 FTE position.*
- **Office of Renewable Fuels and Co-Products.** The 1997 Iowa Acts, Chapter 207, Sections 7-9 and 15, require General Fund money to be used to support the Office of Renewable Fuels and Co-Products as of July 1, 2000. The Program has previously been supported through the Road Use Tax Fund and received an appropriation of \$350,000 for FY 2000. The Department is requesting \$350,000 from the General Fund for this Program. The Program promotes the production and consumption of products made from Iowa's agricultural commodities. The request for funding is to continue technical and business planning assistance, and research, demonstration, advertising, promotion, and education activities in business planning, corn and soybean projects, and value-added agriculture. *The Governor is recommending continued support for this Program from the Road Use Tax Fund.*

- **Mandatory Price Reporting.** The 1999 General Assembly enacted the Mandatory Price Reporting Act (SF 436) requiring meat packers to file purchase reports with the Department of Agriculture and Land Stewardship. The Act takes effect on July 1, 2000. The Act specifies if the federal government implements a statute or regulation similar or more stringent than the Act's purchase reporting requirement, the section of the Act pertaining to purchase reports shall be repealed (Section 172C.2). In the 1999 federal farm appropriation act, mandatory price reporting by packers to the United States Department of Agriculture's (USDA) Agriculture Marketing Service is required. However, Congress did not supply the USDA with the funds to implement the new program. The Department of Agriculture and Land Stewardship is requesting \$297,000 and 3.0 FTE positions to implement the Mandatory Price Reporting Act. *The Governor is not recommending funding for this Program in anticipation of possible federal funds.*
- **Value-Added Agriculture.** The Department of Agriculture and Land Stewardship's Agricultural Marketing Bureau is requesting an increase of \$170,000 and 1.0 FTE position to expand its efforts on value-added agriculture. The Bureau states the increase would provide additional tools to attract food companies and promote Iowa's agricultural products. *The Governor is not recommending funding for this request.*
- **Increasing Bureau and Staff Costs.** The Regulatory Division is requesting an increase of \$276,000 to cover operational expenses for its bureau and staff and a decrease of 1.0 FTE position. In FY 2000, the Division initiated a layoff of 1.0 FTE position which was reversed due to the resignation of another employee. The Division states increasing costs to maintain field staff has grown significantly over the past ten years, including the costs to acquire, maintain, and operate vehicles, increases in allowable motel room rates and meal allowances, and increasing gasoline prices. Also, the Division purchased cellular phones for their field staff in FY 2000 with a one-time appropriation from the Technology Initiative Account. If an increase in funding is not received these phones must be eliminated at the end of the fiscal year. The Division states if it does not receive an increase in funding additional layoffs may be necessary, decreasing efforts to perform mandated functions and jeopardizing the quantity and quality of its consumer and producer protection functions. *The Governor is not recommending funding for this Program in anticipation of possible federal funds.*
- **Johne's Disease Herd Testing Program.** The Regulatory Division is requesting an increase of \$298,000 and 1.0 FTE position to establish a subsidized testing program of Iowa dairy cattle herds for Johne's Disease and a voluntary herd



status program for Johne's negative herds in accordance with guidelines issued by the National Johne's Working Group. Johne's disease is a serious and widespread disease in cattle, sheep, goats, and other ruminants, characterized by chronic diarrhea, weight loss, and eventual death. An infected animal, which is free of symptoms at the time of sale, may spread the disease to a buyer's herd. Liability issues and concerns associated with the diagnosis of Johne's Disease in a herd have been an impediment to producers and veterinarians. Veterinarians face the dilemma of certifying the health status of animals from a known or suspected Johne's positive herd. Johne's Disease has taken on increased importance in interstate, as well as international, certification for animal movement. The Department states increasing or decreasing the amount of the testing subsidy could modify the cost of this program. The LFB completed an *Issue Review* on this topic in October 1999. *The Governor is not recommending funding for this request.*

- Resource Enhancement And Protection (REAP) Program. The Code of Iowa appropriates \$20.0 million to the REAP fund. The General Assembly appropriated \$10.5 million to the fund in FY 2000 from the Rebuild Iowa Infrastructure Fund. The Department of Natural Resources requested \$20.0 million for the REAP fund for FY 2001 from the Rebuild Iowa Infrastructure Fund. *The Governor is recommending \$20.0 million from the Rebuild Iowa Infrastructure Fund for this Program.*
- Water Quality Initiative. The Water Quality Initiative addresses concerns regarding Iowa's waterways. Concerns include the issuance of the federal impaired waters listing that included 159 waterbodies in Iowa. As part of the federal requirement, the Department of Natural Resources will be required to calculate total maximum daily load limits for each of the impaired waterbodies. Other concerns include the increased levels of nitrate in surface water, the hypoxia problem in the Gulf of Mexico, and the number of animal feeding operations and their waste disposal systems. The Water Quality Initiative would provide an enhanced water quality planning program, implement a Conservation Resource Enhancement Protection Fund, increase the number of water quality monitoring stations, increase the number of volunteers that monitor water quality, create a watershed alliance, increase promotion of farm conservation practices, provide flood plain assistance to protect property, and extend the use of the State's Wastewater Revolving Fund to include on-site wastewater system grants. The Department is requesting \$4.5 million from the Rebuild Iowa Infrastructure Fund. *The Governor is expanding the Initiative and is recommending funding of \$11.0 million from the Rebuild Iowa Infrastructure Fund, \$2.9 million from the Fish and Game Protection Fund, and \$65.2 in federal funds for the Initiative.*



- **Creating a Livable Iowa.** The Department of Natural Resources is requesting funding to create a Livable Iowa initiative, which creates opportunities for Iowans to enjoy the outdoor environment. This includes the reorganization of the State parks system, the development of a "flagship" State park that would become a travel destination, the implementation of a volunteer program, the re-establishment of prairie lands, the creation of a geographic information system of all State environmental facilities, the development of a manufacturing industry based on wood products, and increased assistance to landowners regarding forest management. The Department is requesting \$1.8 million from the Rebuild Iowa Infrastructure Fund. *The Governor is recommending that the development of a "flagship" State park be funded from the Open Spaces Account in the REAP Fund. The Governor is recommending expansion of services available in State parks be funded through the Land Management Account in the REAP fund. The Governor is recommending the expansion and improvement of State parks with \$3.0 million from the Rebuild Iowa Infrastructure Fund and the funding of the Recreational Grants Program with \$3.5 million from the Rebuild Iowa Infrastructure Fund.*

- **Use of Oxygenate Enhancers.** The Increasing Use of Oxygenate Enhancers Interim Study Committee was established by the 1999 General Assembly. The charge of the Committee was to study and make recommendations relating to the sale, use, health, and environmental effects of oxygenate enhancers contained in motor fuel. This included ethanol and methyl tertiary butyl ether (MTBE). The Committee will recommend three legislative proposals to the 2000 General Assembly. The first is a resolution to the federal government opposing legislation that only eliminates oxygenated components in reformulated fuel. The second allows businesses manufacturing agricultural commodities into value-added products to transfer their investment tax credits to another taxpayer of the State involved in the process. The third changes the tax on motor fuel as specified in Section 214A.11, Code of Iowa. Beginning July 1, 2001, and ending June 30, 2002, the standard excise tax on gasoline would be \$.25 per gallon and the standard excise tax on gasoline blended with ethanol would be \$0.15 per gallon. Each year the Standard Motor Fuel Tax Commission would establish the excise tax.



- **Loess Hills Preservation.** The Loess Hills Interim Study Committee was established by the 1999 General Assembly to study issues relating to the Loess Hills. This included restrictive easements and covenants as tools to protect, conserve, and develop areas of the Loess Hills. The Committee will present a bill draft to the 2000 General Assembly that includes the creation of the Hungry Canyons Alliance, an entity that would be governed by a board of directors and that is separate from the Loess Hills Alliance. Both of the alliances

would be under the direction of the Loess Hills Development and Conservation Authority. Members of the Hungry Canyons Alliance would include agriculture producers who own property in the Loess Hills.

- Beverage Container Control Act. The Beverage Container Control Act was approved by the 1978 General Assembly and became effective July 1, 1979. The purpose of the legislation was to control litter along roadways in Iowa by requiring a nickel deposit on some beverage containers. The Container Recycling Institute estimates the average consumption rate for beverage containers requiring a deposit in Iowa is 665 per person per year. When Iowa's population of 2.8 million is multiplied by this average, this results in 1.9 billion containers per year. During the 1999 Legislative Session, HF 37 (Beverage Containers Act) was introduced which expands the types of beverage containers requiring a deposit. The Container Recycling Institute estimates the annual consumption rate of this type of container at 87 per person per year in Iowa. The LFB completed an *Issue Review* on this topic in November.

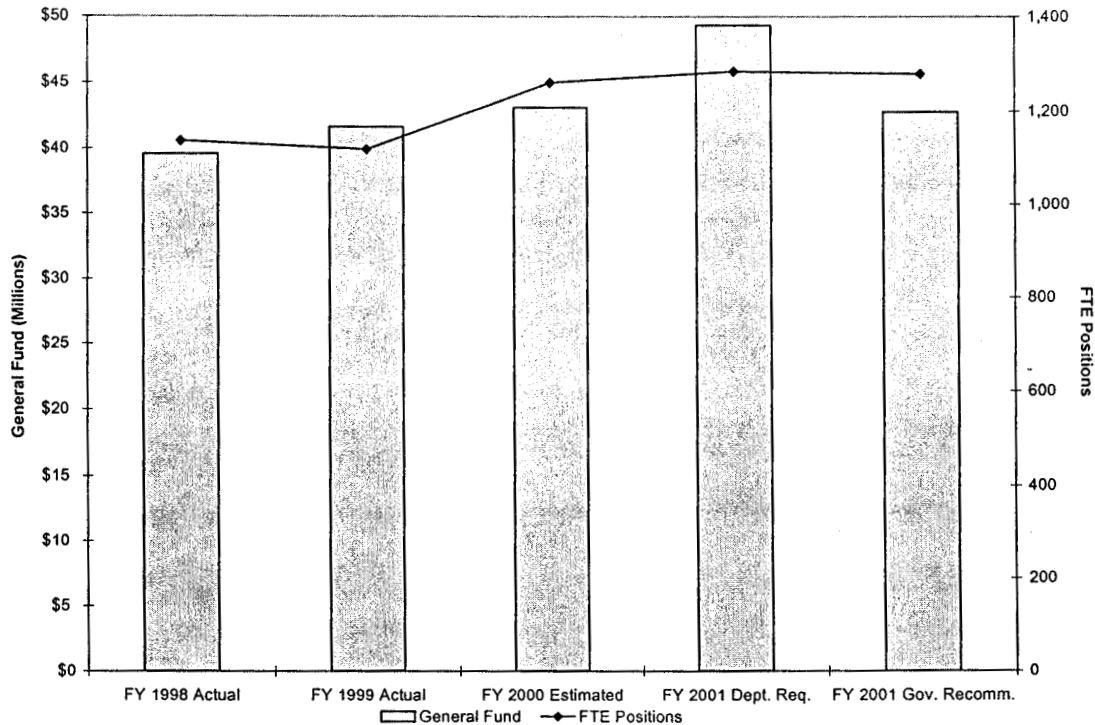


ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE

FY 2001 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$42.8 million and 1,278.44 FTE positions for the three departments of the Economic Development Appropriations Subcommittee. This is a decrease \$306,000 (0.7%) and an increase of 18.7 (1.5%) FTE positions compared to estimated FY 2000. Included in these figures are \$7.8 million and 73.8 FTE positions for seven Board of Regent's programs traditionally funded through the Economic Development Subcommittee. A new concept or funding included in the Governor's Recommendations but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Economic Development Appropriations Subcommittee



Significant General Fund Changes Recommended

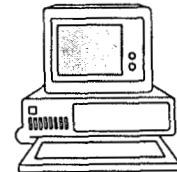
1. **Department of Economic Development (DED)** – A decrease of \$1.1 million (4.3%) and an increase of 27.5 FTE positions (14.6%) compared to estimated FY 2000. The recommended change includes:
 - A. An increase of 22.5 FTE (71.4%) positions for the Iowa Finance Authority. The majority of the increase would be funded by a contract with the federal Department of Housing and Urban Development to administer the Housing Assistance Payment Contract Program. The Authority does not receive General Fund appropriations and the FTE position limit has traditionally not been included in the Subcommittee appropriations bill.
 - B. An increase of \$80,000 and 1.0 FTE positions for the Iowa Commission on Volunteerism to provide funding and FTE positions to meet federal matching requirements.
 - C. A decrease of \$250,000 due to not funding the World Food Prize through the DED in FY 2001. The Governor is recommending the World Food Prize be funded through the Department of Agriculture and Land Stewardship during FY 2001.
 - D. A decrease of \$150,000 due to the phase-out of the Self-Employment Loan Program component of the Strategic Investment Fund.
 - E. ❖ An increase of \$108,000 to provide additional resources for the Strategic Investment Fund.
 - F. An increase of \$250,000 to create the Centers of Excellence campaign, which will include the development of targeted industry clusters, implementation of the Economic Development Technology Initiative, and expansion entrepreneurial attraction activity.
 - G. A decrease of \$50,000 to promote self-sufficiency of business consortiums and the Graphic Arts Technology Center.
 - H. ❖ A decrease of \$20,000 to reduce support for business consortium advertising. The Governor is recommending increased contributions from businesses for this activity.
 - I. An increase of 1.0 FTE position to expand Value-Added Agriculture initiatives. The position would be funded from the Value-Added Agriculture Fund.

- J. ❖ A decrease of \$1.2 million in funding for the Housing Development Assistance Program. The Governor is recommending this revenue be replaced by a transfer from the Iowa Finance Authority.
- K. An increase of \$250,000 and 3.0 FTE positions to establish an assistance program for food value-added and biotech products as an outgrowth of the "Taste of Iowa" campaign and to establish a Domestic Trade Assistance Program.
- L. ❖ A decrease of \$125,000 in tourism advertising.

2. **Department of Workforce Development** - An increase of \$801,000 (9.7%) and a decrease of 9.8 (1.0%) FTE positions compared to estimated FY 2000. The recommended change includes:



- A. ❖ An increase of \$296,000 to replace Penalty & Interest Fund receipts traditionally appropriated to the Labor Division.
- B. An increase of \$40,000 and 1.0 FTE position for an additional Iowa Occupational Safety and Health enforcement position in the Labor Division. The General Fund dollars would be matched by federal funds.
- C. ❖ A decrease of \$62,000 due to reduced administrative expenses charged to the Labor Division.
- D. ❖ A decrease of \$99,000 due to an increase in the Penalty & Interest Fund receipts appropriated to the Workers Compensation Division.
- E. ❖ An increase of \$116,000 and 1.0 FTE positions to add an attorney to the Workers Compensation Division to expedite the review of appealed cases.
- F. An increase of \$350,000 to expand outreach programs for underutilized employment populations. The Governor's recommendation would change the name of the Workforce Investment Program to the New Opportunities Fund and refocus the appropriation.
- G. An increase of \$160,000 to finance new regional Immigration Service Centers. The Governor's recommendation includes allocating additional discretionary federal unemployment administration funds to the new centers.
- H. A decrease of 10.5 FTE positions in the federally-funded Employment Service Division.






Significant Other Fund Changes Requested

1. In addition to the General Fund, the Governor's recommendations for the Department of Economic Development include funding from several other State funds. Significant recommendations include:
 - A. ❖ Not funding the DED's Workforce Development Fund, which is a decrease of \$8.8 million compared to the estimated FY 2000 level. The Fund is financed through Income Tax withholding and the recommended change would increase General Fund revenues by \$9.8 million in FY 2001. The Governor is also recommending the type of training provided by the Workforce Development Fund should be added as a purpose of the Strategic Investment Fund.
 - B. ❖ \$7.5 million from the Rebuild Iowa Infrastructure Fund for DED's Physical Infrastructure Fund, which is a decrease of \$5.0 million compared to estimated FY 2000. The recommendation is to not fund the traditional Physical Infrastructure Program in FY 2001, while continuing to fund the Accelerated Career Education (ACE) Program.
 - C. ❖ \$12.5 million for the Community Attraction and Tourism Development Fund, \$4.0 million for the Advanced Research and Commercialization Fund, and \$1.0 million for Housing Development, all from the Rebuild Iowa Infrastructure Fund. The first two appropriations maintain estimated FY 2000 appropriation levels, while the Housing Development recommendation is a \$1.0 million decrease.
 - D. ❖ \$2.0 million from Rebuild Iowa Infrastructure Fund to be used to fund a new Major Attractions and Tourism Program.
2. In addition to the General Fund, the Governor's recommendations for the Department of Workforce Development include funding from several other State funds. Significant recommendations include:
 - A. \$7.5 million from the Unemployment Administrative Surcharge Fund, which is no change compared to estimated FY 2000. The appropriation is used to support Iowa's system of workforce development (job service) offices.
 - B. ❖ \$274,000 from the Penalty and Interest Fund, a decrease of \$297,000 compared to the estimated FY 2000 level. The Governor is recommending \$197,000 of the reduction be replaced by General Fund dollars.

Issues

The Economic Development Appropriations Subcommittee may wish to examine the following issues:

- Status of several new grant programs created at the Department of Economic Development in the past few years, including the Physical Infrastructure Fund, the Accelerated Career Education Program, the School-to-Career Program, the Workforce Recruitment Initiative, the Community Attractions and Tourism Development Fund, and the Advanced Research and Commercialization Fund.
- Immigration Issues: The Legislature appropriated \$150,000 for FY 2000 to the Department of Economic Development for an immigration program. *The Governor is recommending \$160,000 from the General Fund along with the reallocation of federal funds in FY 2001 for immigration centers.*
- Impact of transferring several housing and homeless programs from the Iowa Finance Authority to the DED. 
- Status of elimination of the Iowa Seed Capital Corporation and the transition to the new Iowa Seed Capital Liquidation Corporation (Section 27, SF 2296, FY 1999 Economic Development Appropriations Act) and the impact of transferring Corporation assets to the Strategic Investment Fund.
- Level of demand for and the operation of the Community Economic Betterment Account (CEBA) Program. Through November 1999, the Program had an unobligated balance of \$3.5 million of the FY 1999 carry-forward, FY 2000 allocation, and collections from loan repayments and interest. 
- Impact of "Good Neighbor" agreement weightings on Department of Economic Development competitive financial assistance programs.
- Status of the Enterprise Zone Program (HF 724, Enterprise Zone Act of 1997) and the expansion of the program to include housing (HF 2538, Enterprise Zone Housing Act of 1998).
- Status of the Entrepreneurial Ventures Assistance Program (HF 368, Entrepreneurial Ventures Assistance Act of 1997). The FY 2001 Governor's recommendation allocates \$600,000 from the Strategic Investment Fund appropriation to the Program.
- Impact of federal workforce program consolidation and reform on Iowa's workforce development efforts. The Department of Workforce Development received 

\$889,000 in new funding for FY 1999 to match available federal funds. Much of that appropriation carried-forward to FY 2000. *The appropriation is continued at that level in the Governor's FY 2001 recommendation.*

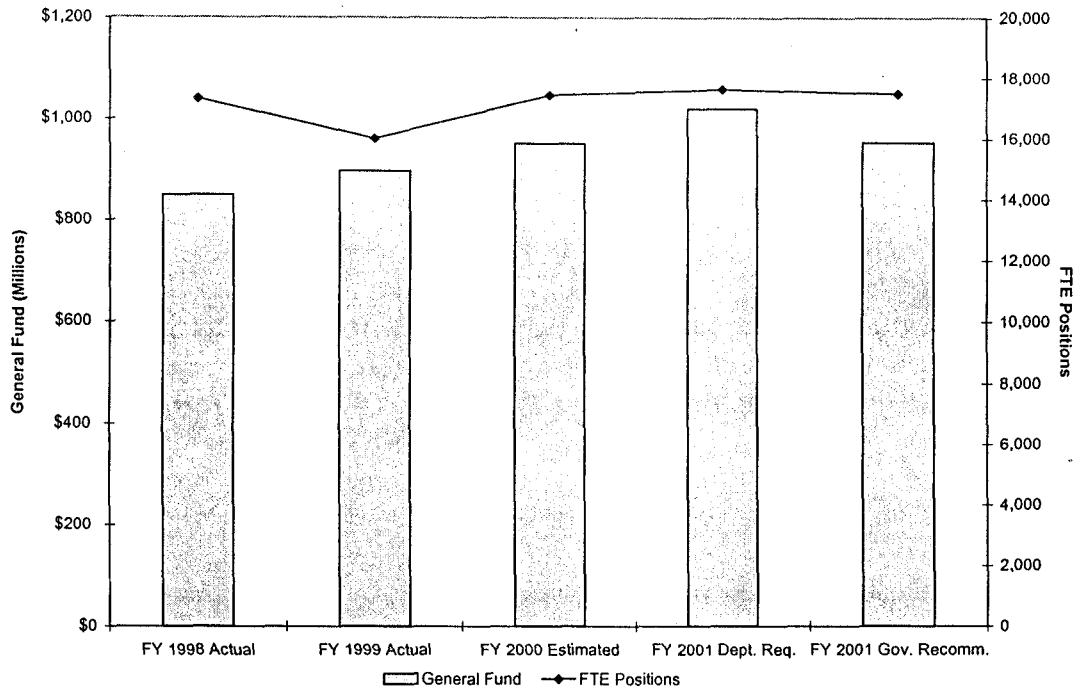
- Status of the Department of Workforce Development's Integrated Customer Service and Common Intake projects. The Department received \$2.5 million in FY 1998 General Fund reversions through the Technology Initiative (Section 7, SF 2418, FY 1997 Oversight and Communications Appropriations Act) to finance a multi-agency information technology project designed to improve customer service and tracking across several State agencies and programs.
- The Legislative Fiscal Bureau completed an *Issue Review* on the status of changes made to the 260E Job Training Program by Section 22 of SF 2296 (FY 1999 Economic Development Appropriations Act). The *Issue Review* provides an explanation of the changes and the current fiscal impact as estimated by the community colleges. Copies of the *Issue Review* are available from the LFB.
- The Legislative Fiscal Bureau completed an *Issue Review* on the federal Low-income Housing Tax Credit Program administered by the Iowa Finance Authority. The *Issue Review* provides an explanation of the Program, a description of the problems that occurred during the 1999 round of tax credit awards, and description of the funding sources used to finance the 19 projects receiving tax credits during 1999. Copies of the *Issue Review* are available from the LFB.
- The Legislative Fiscal Bureau completed an *Issue Review* on Department of Economic Development tourism advertising. The *Issue Review* provides an analysis of the annual studies completed by the Department which document the economic impact and return on investment of the annual Spring tourism advertising campaign. Copies of the *Issue Review* are available from the LFB.

EDUCATION APPROPRIATIONS SUBCOMMITTEE

FY 2001 GOVERNOR'S RECOMMENDATIONS

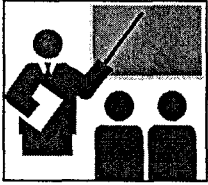
The Governor is recommending \$953.8 million for operations from the General Fund and 17,499.7 FTE positions for the four departments of the Education Appropriations Subcommittee. This is an increase of \$3.1 million (0.3%) and 56.5 (0.3%) FTE positions compared to estimated FY 2000. This figure does not include the Unassigned Standings, the Infrastructure Fund, the Technology Fund, or salary allocation. Unless otherwise indicated, all increases or decreases are compared to estimated FY 2000. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Education Appropriations Subcommittee



Significant General Fund Changes Recommended

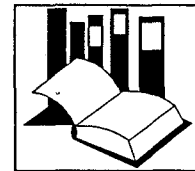
1. College Student Aid Commission



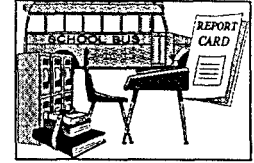
- A. An increase of \$416,000 for the National Guard Tuition Aid Program to increase the number of recipients. The average award under this Program is estimated at \$962.
- B. ❖ An increase of \$500,000 to create a Career Opportunities and Resources for Education (CORE) Grant Program. The purpose of the Program is to encourage Iowa students to enroll in shortage area vocational programs by providing expanded education assistance. The Governor is also proposing that funding for this Program be increased to \$1.0 million in FY 2002 and later years.
- C. An increase of \$1.2 million for the Tuition Grant Program to increase the maximum grant from \$3,900 to \$4,000 and the average grant from \$3,228 to \$3,307 for 14,765 participants.
- D. An increase of \$350,000 for the Teacher Shortage Forgivable Loan Program to increase the number of participants receiving a \$3,000 loan from 83 to 222.

2. Department of Education

- A. **Vocational Rehabilitation** - An increase of \$146,000 to increase the monthly average of disabled persons receiving vocational rehabilitation services based on the federal match requirement for a projected 2.5% increase in available federal vocational rehabilitation funds. The federal to State match is approximately four to one.
- B. **State Library** - ❖ An increase of \$32,000 for a series of literacy initiatives to promote the importance of reading and sharing stories with young children.
- C. **Iowa Public Television** - ❖ An increase of \$382,000 for digital television operations.
- D. **Education Innovation Fund** - A new recommendation of \$675,000 including:
 - 1. \$375,000 for the operation of the Council on Continuous Improvement and to fund pilot projects with Iowa school districts attempting to implement innovative compensation systems to reward teachers.



2. \$300,000 for special project planning for the Education Innovations Fund to be allocated for regional academies to provide high school students with advanced level courses and technical courses not available within the curriculum offered in their home district.



- E. **School Budget Review Committee On-time Funding** - A decrease of \$4.0 million due to the FY 2000 one-time funding to assist school districts with on-time funding due to increased enrollments.
- F. **School-to-Work** - ❖ A new recommendation of \$210,000 to provide support for continuing the State School-to-Work office to help assist schools and local employers.
- G. **Alternative School Funding** - ❖ A new recommendation of \$9.8 million for funding of alternative schools in local districts.
- H. **Board of Educational Examiners - Para-Educator Licensing** - A decrease of \$50,000 for para-educator licensing.
- I. **National Teacher Certification Stipends** - ❖ An increase of \$700,000 to increase funding for national certification stipends to pay annual stipends and registration fees to each qualified teacher who achieves national certification.
- J. **Beginning Teacher Induction/Mentoring Program** - An increase of \$300,000 to expand the Beginning Teacher Induction Programs in school districts by providing mentors and program support.
- K. **Empowerment Fund** - ❖ An increase of \$5.2 million to increase funding for Empowerment Boards to support early childhood programming for children ages birth through five within designated empowerment areas. The funding would be used to integrate early childhood education into the school system.
- L. **Jobs for America's Graduates Program** - A new recommendation of \$333,000 for a program to provide direct services to the most at-risk seniors in local school districts through direct intervention by specialists at 20 sites. The Governor is recommending additional funding coming from federal Wagner-Peyser funds from the Department of Workforce Development (\$333,000) and from the private sector (\$334,000).
- M. **Employability Skills Assessment** - An increase of \$615,000 to conduct employability skills assessment for all 9th grade students. The Governor recommends additional funding coming from federal Wagner-

Peyser funds from the Department of Workforce Development (\$400,000) and from local match requirements (\$400,000).

- N. **Enrich Iowa Libraries** - An increase of \$800,000 to provide direct aid to local libraries to improve services and reduce inequities in the delivery of services.
- O. **Community Colleges** - ❖ An increase of \$8.4 million to fund general aid for community colleges.

3. Board of Regents

- A. An increase of \$1.9 million at the University of Iowa. The change includes:



- 1. An increase of \$237,000 for opening new buildings. This includes funding for opening the Biology Building (expected occupancy in January 2000) and for the Seamans Engineering Center addition scheduled to open in June 2000.
- 2. An increase of \$1.7 million for continued expansion of the Public Health Initiative.

- B. An increase of \$2.9 million at Iowa State University. The change includes:



- 1. An increase of \$415,000 for opening new buildings.
- 2. An increase of \$2.5 million for the Plant Science Initiative.

- C. An increase of \$348,000 at the University of Northern Iowa. The change includes:



- 1. An increase of \$300,000 for continued development and expansion of the Masters Degree in Social Work.
- 2. An increase of \$48,000 for opening new buildings.

- D. ❖ A decrease of \$28.0 million for the Regents Board Office. The decrease reflects shifting the funding for Tuition Replacement from the General Fund to the Rebuild Iowa Infrastructure Fund (RIIF).

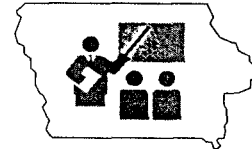
Issues

The Education Appropriations Subcommittee may wish to examine the following issues:

- The implementation of the National Guard Tuition Aid Program. The Commission's request includes an increase of \$166,000 for the Program. *The*

Governor is recommending an increase of \$416,000 for this Program to meet demand.

- The status of the Department of Education's Management Information System for both school districts and community colleges. The Department is requesting \$500,000 to increase the number of school districts utilizing the Electronic Data Interchange (EDI) Program. *The Governor is not recommending funding for this Program.*
- A review of the results of interim study committees regarding:
 - K-12 finance formula revisions.
 - Community college governance system.
- Implementation of additional federal funds to reduce classroom size. Iowa received \$9.4 million in FY 2000 and is projected to receive from \$9.4 to \$10.3 million for this initiative in FY 2001.
- A review of the programs funded by allocations from the Educational Excellence appropriation. *The Governor is recommending a decrease of \$2.0 million for the programs funded from the Educational Excellence appropriation.*
- An update of education initiatives approved during the 1999 Legislative Session which include:
 - National Certification stipends. The Department is requesting an increase of \$1.0 million to pay the registration fee and stipend for Iowa teachers who have received National Board Certification. *The Governor is recommending an increase of \$700,000 for National Board Certification stipends.*
 - Beginning Teacher Induction/Mentoring Program. The Department is requesting an increase of \$300,000. The Department received \$300,000 in FY 2000 to implement a program for beginning teachers by providing mentors and program support. *The Governor is recommending an increase of \$300,000 to expand the Program to more school districts.*
 - Empowerment funding. The Department is requesting an increase of \$15.2 million for empowerment funding. For FY 2000, the General Fund appropriation for Empowerment Boards to support early childhood programming for children ages birth through five within designated empowerment areas was \$10.4 million. *The Governor is recommending an increase of \$5.2 million for empowerment funding.*



- Teacher Shortage Forgivable Loan Program. There were 275 applicants for this new loan program. The FY 2000 funding level provided \$3,000 loans to approximately 88 recipients. *The Governor is recommending an increase of \$350,000 for this Program as requested by the Commission to meet demand.*
- ❖ *A review of the Governor's recommendation to provide funding of \$500,000 to the College Student Aid Commission to create a new Career Opportunities and Resources for Education (CORE) Grant Program. The purpose of the Program is to encourage Iowa students to enroll in shortage area vocational programs by providing expanded education assistance. The Governor is also proposing that funding for this Program be increased to \$1.0 million in FY 2002 and later years.*

The LFB completed the following ***Issue Reviews*** related to the Education Appropriations Subcommittee during the 1999 Legislative interim:

- Community College Funding Overview.
- Community College Management Information System.
- Federal Education Assistance.
- Plant Science Initiative at Iowa State University.
- Reading Recovery Program Update.
- Review of Regents Infrastructure Projects.
- Student Loan Default Prevention Activities by the College Student Aid Commission.

For further information on these ***Issue Reviews***, please contact Paige Piper/Bach at (515) 281-7942 or Mary Shipman at (515) 281-4617.

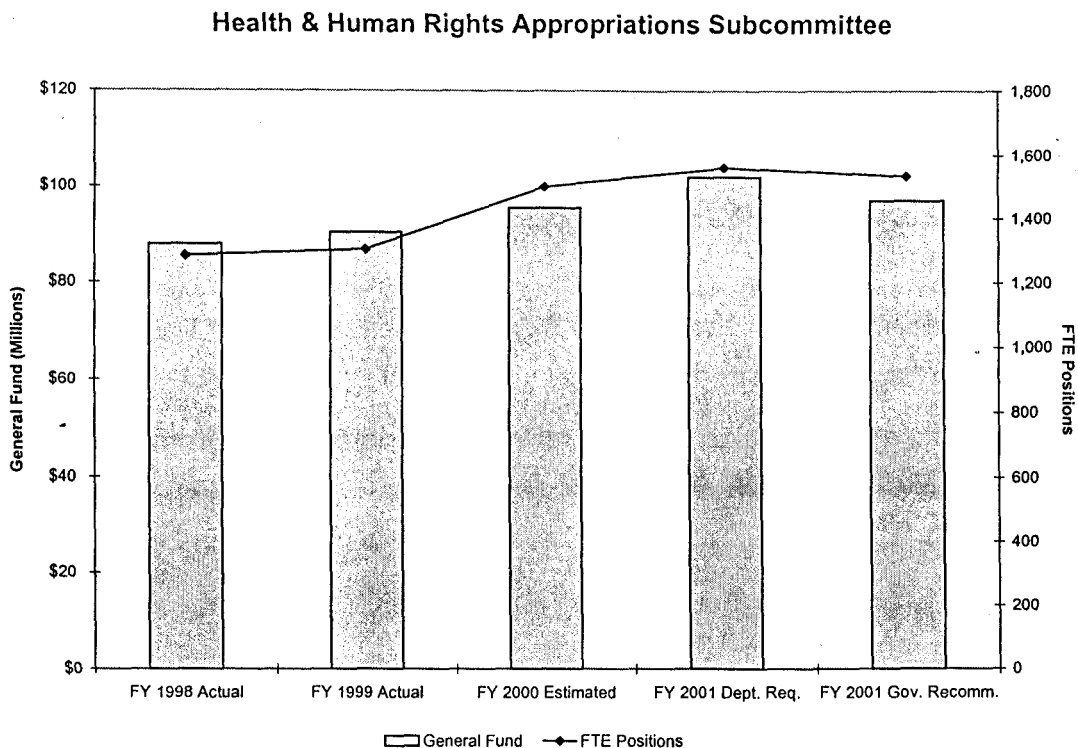
Statewide educational topics are covered in more detail under Education Issues in the General Fund Issues Section of this document.

HEALTH AND HUMAN RIGHTS APPROPRIATIONS SUBCOMMITTEE

FY 2001 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$97.3 million and 1,492.7 FTE positions from the General Fund for the seven departments of the Health and Human Rights Appropriations Subcommittee. This is a General Fund increase of \$1.8 million (1.9%) and 45.9 (3.2%) FTE positions compared to estimated FY 2000. In addition, the Governor is recommending \$24.7 million from tobacco settlement revenues and \$4.2 million from the Long-Term Care Trust Fund. Unless otherwise indicated, all increases or decreases are compared to FY 2000.

A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of the General Fund appropriations and FTE positions.



Significant Changes Recommended

1. ❖ **Governor's Alliance on Substance Abuse** – An increase of \$80,000 to transfer Drug Abuse Resistance Education (D.A.R.E) Program functions from the Iowa Law Enforcement Academy.

2. **Department of Elder Affairs**

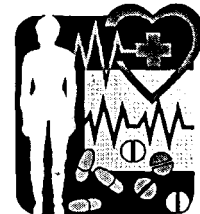
- A. ❖ An increase of \$66,000 to add to base funding.
- B. ❖ An increase of \$60,000 and 1.0 FTE position for an additional long-term care ombudsman.
- C. ❖ An increase of \$16,000 for additional funding for Retired Senior Volunteers Programs.



❖ The Governor is also recommending \$4.2 million and 7.0 FTE positions from the Long-Term Care Trust Fund to enhance the long-term care system and to provide for certification of assisted living units.

3. **Department of Public Health**

- A. Addictive Disorders - A decrease of \$155,000 to replace General Fund moneys with Gambling Treatment funds.
- B. Adult Wellness - A decrease of \$140,000 to reallocate funding from the Midlevel Practitioner Program.
- C. Child and Adolescent Wellness
 1. A decrease of \$75,000 to reallocate Caring Foundation funds.
 2. A decrease of \$60,000 to reallocate Physician Care for Children Program funds.
- D. Public Protection
 1. An increase of \$155,000 to fund the Deputy State Medical Examiner position.
 2. An increase of \$208,000 and 3.0 FTE positions for disciplinary functions (Medical Examiners Board).
 3. An increase of \$65,000 and 2.0 FTE positions for licensure (Medical Examiners Board).
 4. An increase of 3.0 FTE positions for the Medical Examiners Office to be funded through fees retained by the Board.



❖ The Governor is also recommending \$24.7 million and 12.0 FTE positions from tobacco settlement revenues for the following initiatives:



- A. ❖ Healthy Iowans 2010 - \$3.5 million and 7.0 FTE positions to implement portions of the Healthy Iowans 2010 plan.
- B. ❖ Substance Abuse - \$11.9 million to expand substance abuse treatment programs by increasing the length of time and intensity of treatment, expanding capacity, and improving quality.
- C. ❖ Tobacco Cessation Program - \$9.3 million and 5.0 FTE positions for efforts related to tobacco prevention and cessation.

4. Department of Human Rights

A. Deaf Services

- 1. An increase of \$5,000 for text telephone software and hardware.
- 2. ❖ An increase of \$5,000 for access to the Iowa Hub and the Information Technology Services server.

B. Persons with Disabilities

- 1. An increase of \$20,000 to reduce liability and increase security at the Youth Leadership Forum.
- 2. An increase of \$2,000 to continue access to the Iowa Hub and the Information Technology Services server.



C. Latino Affairs - An increase of \$2,000 to continue access to the Iowa Hub and the Information Technology Services server.

D. Status of Women - An increase of \$2,000 to continue access to the Iowa Hub and the Information Technology Services server.



E. Status of African Americans - An increase of \$2,000 to continue access to the Iowa Hub and the Information Technology Services server.

F. Community Action Agencies - An increase of \$100,000 for four Healthy and Well Kids in Iowa (HAWK-I) outreach pilot projects.

G. Justice Data Warehouse - An increase of \$60,000 and 1.00 FTE position.

5. Commission on Veterans Affairs

A. Iowa Veterans Home



1. An increase of \$56,000 for the inflationary adjustment to the housekeeping contract.
2. An increase of \$42,000 for food and dietary supplies.
3. An increase of \$748,000 for new and increased medication costs.
4. An increase of \$239,000 for lease of a unit dose machine.
5. An increase of \$370,000 for computer expansion and lease of personal computers.
6. A decrease of \$51,000 due to projected savings in pharmaceutical costs due to the unit dose machine.
7. An increase of 23.0 FTE positions for dietary services workers to annualize the FY 2000 staffing level.

- B. Veterans Affairs Administration - A decrease of \$12,000 due to a one-time FY 2000 appropriation for a copier.


Issues

The Health and Human Rights Appropriations Subcommittee may wish to examine the following issues:

- **Tobacco Settlement Revenues** - The Department of Public Health requested \$49.2 million in tobacco settlement revenues, and the Department of Elder Affairs requested \$2.3 million. *The Governor is recommending \$24.7 million for the Department of Public Health from tobacco settlement revenues to implement portions of the Healthy Iowans 2010 plan, expand substance abuse treatment programs, and fund tobacco prevention and cessation programs.*
- **Department for the Blind: Independent Living Funding** - The majority of the Department's new referrals are in older age groups. Many new referrals have no vocational goal because they are beyond working age or have other reasons for not going back to work. It is a challenge to serve them with the five percent of the Department's budget allocated to independent living.
- **Department of Elder Affairs** - The Department requested resources for increased services and system changes to effectively deal with anticipated growth in the number of elderly needing long-term care services, including the development of programs that provide alternatives to nursing homes,

such as assisted living, respite care, and adult day service care. A plan is currently developing between the Departments of Human Services and Elder Affairs to draw additional Medicaid dollars into the State to fund a Long-Term Care Intergovernmental Trust Fund. This will significantly increase availability and accessibility of housing and community-based service alternatives. *The Governor is recommending \$4.0 million from the Long-Term Care Trust Fund.*

- **Governor's Alliance on Substance Abuse** - *The Governor is recommending transferring Drug Abuse Resistance Education (D.A.R.E) Program functions from the Iowa Law Enforcement Academy.*
- **Department of Human Rights: Technology Needs** - The majority of the Divisions have information technology needs including software, hardware, internet access, and support staff.
- **Department of Human Rights: Community Grant Fund** - The Community Grant Fund has a sunset date of June 30, 2000. The Criminal and Juvenile Justice Planning Division proposes removing the sunset and making other changes to its enabling language to provide a statewide, population-based allocation formula instead of the existing competitive grant process.
- **Department of Human Rights: Deaf Services Division redesign** - The Division has been working since January 1998 on a plan to redesign the Division. Recognizing that the needs of the Deaf community have changed over the last 20 years, the Division has been working with consumers and service providers to determine the most appropriate mix of information and referral, regulation, education and outreach, technical assistance, and other services.
- **Department of Human Rights: Electric Affordability Initiative** - House File 740 (Electric Choice and Competition Bill), in its current form, mandates the Division of Community Action Agencies to design and implement a low-income affordability and efficiency initiative, which encourages the competitive market to serve the electric needs of low-income, end-use consumers. The purpose would be to reduce the consumption of electricity by low-income, end-use consumers through energy efficiency improvements.
- **Department of Public Health: Medical Examiner's Office** - The State Medical Examiner's Office was transferred to the Department of Public Health on July 1, 1999. The Office has significant staffing and facility needs. *The Governor is recommending 3.0 additional FTE positions funded from fees retained by the Medical Examiners Board.*

- **Department of Public Health: Local agency needs** - Changes in the Medicare payment system and limited increases provided in the Medicaid budget may create funding crises in local agencies.
- **Iowa Veterans Home: Costs of Drugs and Medical Supplies** - The Veterans Home is experiencing increases in costs for pharmaceuticals at a rate of approximately 18.0% per year. Increased costs are generated by new medications and inflation of current medications. 
- **Iowa Veterans Home: Information Technology**
 - 1) The Veterans Home currently does not have a single network which combines existing networks and provides connections to the State mainframe and to the Internet. The Home's mechanism for electronic mail is a connection to the Department of Human Services, which was initially provided for two Medicaid workers and has been stretched to cover over 78 users within the agency. Many managers and supervisors have no access to electronic communication and few offices can communicate electronically.
 - 2) The Veterans Home does not have standardized personal computers, making maintenance and training inefficient and record sharing impossible.
- **Iowa Veterans Home: Staffing Recruitment** - The unemployment rate in the counties from which the Veterans Home's labor pool is derived is between 1.2%-1.7% (Marshall County is 1.5%). A high rate of turnover occurs in nursing, information technology, and pharmacy positions due to sign-on bonuses and increased wages being offered elsewhere. If there is no eligible candidate to transfer into a vacated position, it takes up to 14 weeks to fill a position. Remaining staff pick up the workload of the vacated position, which means overtime has to be paid. In FY 1999, the number of overtime hours converted to FTE positions equated to over 19.0 FTE positions.

The LFB completed the following ***Issue Reviews*** related to the Health and Human Rights Appropriations Subcommittee:

- Refugee and Immigrant Growth
- Low-Income Home Energy Assistance Program (LIHEAP)
- Update on the Case Management for the Frail Elderly Program
- Dietary Staffing at the Iowa Veterans Home

For further information on these ***Issue Reviews***, please contact Valerie Thacker at (515) 281-5270 or Russ Trimble at (515) 281-4613.

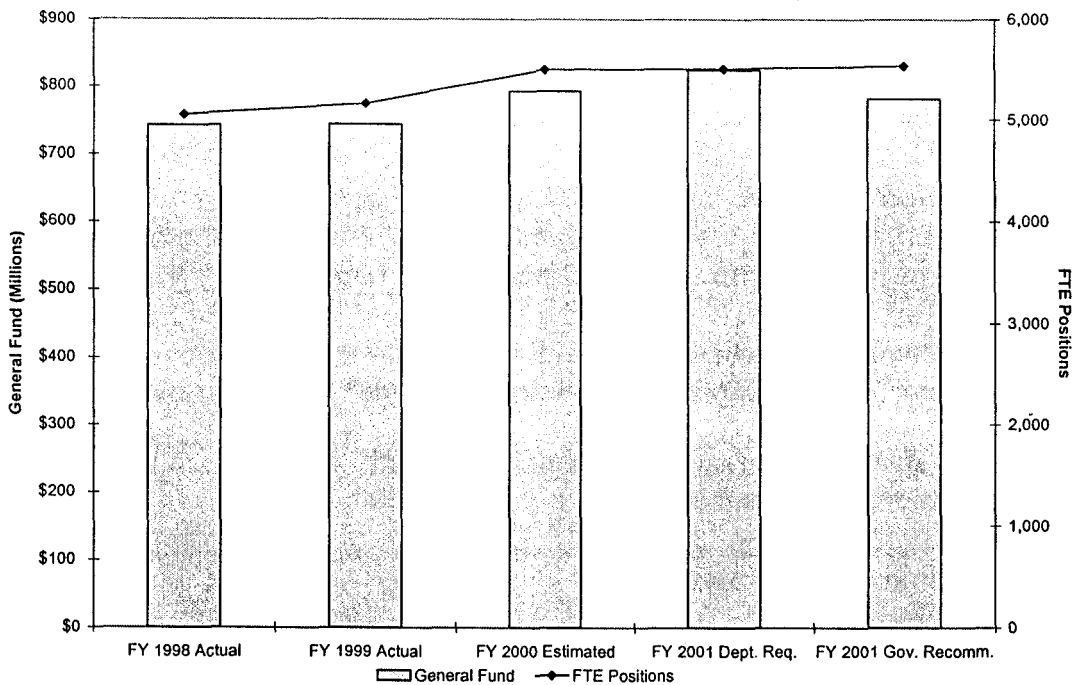
HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE

FY 2001 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$781.9 million from the General Fund and 5,534.9 FTE positions, a decrease of \$10.7 million (1.4%) and an increase of 39.3 FTE positions (0.7%) compared to estimated FY 2000. Unless otherwise indicated, all increases or decreases are compared to estimated FY 2000.

A new concept or funding included in the Governor's recommendation but not included in the department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of General Fund appropriations and FTE positions.

Human Services Appropriations Subcommittee



The budget recommendation includes four factors which decrease the dollar amount of the appropriation recommended but which nonetheless negatively impact the State General Fund:

1. **The Governor's recommendation includes the retention of \$21.4 million of federal Medicaid dollars previously transferred to the State General Fund.** If the Department is authorized to retain these funds, the State General Fund will experience a \$21.4 million decrease in revenues. If the Department is not authorized to retain the recommended funds, the Department will require an FY 2001 appropriation of \$803.3 million (\$781.9 million plus \$21.4 million) to provide the recommended levels of service.
2. **The Governor's recommendation includes \$29.5 million in tobacco settlement recoveries.** If the Department is authorized to use these funds, the State will experience a \$29.5 million decrease in available funding. If the Department is not authorized to use the recommended funds, the Department will require an FY 2001 appropriation of \$811.4 million (\$781.9 million plus \$29.5 million) to provide the recommended levels of service.
3. **The Governor's recommendation includes \$5.9 million from a technology initiative account.** The technology initiative account has traditionally funded a prioritized list of technology projects from State agency reversions. If the Department is authorized to use the recommended funds, the State General Fund will experience a \$5.9 million decrease in anticipated reversion revenues. If the Department is not authorized to use the recommended funds, the Department will require an FY 2001 appropriation of \$787.8 million (\$781.9 million plus \$5.9 million) to provide the recommended levels of service.
4. **❖The Governor's recommendation includes \$29.9 million from the Long-Term Care Trust Fund.** The Department anticipates approximately \$65.0 million will be deposited in the Trust Fund by the federal government to assist in converting nursing facilities to alternative treatment facilities for the elderly. If the Department is authorized to use the recommended funds, the State will experience a \$29.9 million decrease in available funding. If the Department is not authorized to use the recommended funds, the Department will require an FY 2001 appropriation of \$811.8 million (\$781.9 million plus \$29.9 million) to provide the recommended levels of service.

Accounting for the reduction to State General Fund revenues, the application of tobacco settlement recoveries, the technology initiative recommendations, and the Long-Term Care Trust Fund offset, the total FY 2001 recommendation is \$868.6 million, an increase of \$76.0 million (9.6%) compared to estimated FY 2000.

The following details the significant State fund changes.

Significant General Fund Changes Recommended

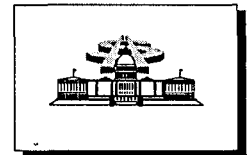
1. **Economic Assistance** - An increase of \$1.6 million (3.8%) and 38.0 FTE positions (15.3%) compared to estimated FY 2000. This includes:
 - A. **Family Investment Program** – An increase of \$1.5 million and no change in FTE positions. Significant changes include:
 1. An increase of \$2.7 million to replace reduced federal funding due to decreased child support recoveries. Federal legislation requires that an increased percentage of recoveries be disbursed to families, reducing the percentage retained by the Family Investment Program.
 2. A decrease of \$1.9 million due to an anticipated caseload reduction.
 3. ❖ An increase of \$445,000 to increase State funding to meet revised maintenance of effort requirements.
 - B. **Emergency Assistance** – No change in State funding. The Emergency Assistance appropriation provides up to \$500 per year to families with children under the age of 18. The budget assumes serving 6,635 families in FY 2000.
 - C. **Child Support Recovery Unit** – An increase of \$31,000 and 38.0 FTE positions. Significant changes include:
 1. An increase of \$249,000 for the federal share of interest earned on child support collections during the time the support is received and distributed. The DHS currently reimburses the federal government from other line items within the Child Support Recovery Unit and is requesting that a separate line item be established.
 2. An increase of \$483,000 for information technology staff to operate and adapt the federally mandated Iowa Collections and Reporting System to manage child support collections.
 3. An increase of \$120,000 to annualize the cost of the centralized employer customer service unit.
 4. A decrease of \$636,000 due to increased federal child support recovery incentives.



5. An increase of 6.0 FTE positions to convert contract field staff to State employees.
 6. ❖A decrease of \$181,000 and an increase of 32.0 FTE positions to convert contract court order staff to State employees.
2. **Medical Services** – An increase of \$39.7 million for Medical Services compared to estimated FY 2000. This includes a decrease of \$19.0 million (4.2%) from the State General Fund, an increase of \$28.8 million from tobacco settlement revenues, and an increase of \$29.9 million from the Long-Term Care Trust Fund. The change includes:

From the General Fund:

- A. Medical Assistance – A decrease of \$14.3 million. Significant changes include:
 1. An increase of \$9.6 million for drug product cost increases.
 2. An increase of \$412,000 for the Medicaid Buy-In Program due to an increased cost per eligible.
 3. An increase of \$2.6 million due to a decreased federal match rate.
 4. A decrease of \$0.9 million due to changes in Medical Assistance eligibles and utilization rates.
 5. A decrease of \$21.4 million to redirect State General Fund revenues to the Medical Assistance appropriation. State appropriations for the Medical Assistance Program are currently used to match federal Medicaid dollars through the disproportionate share program, indirect medical education, and area education agencies. The DHS is requesting that federal dollars obtained through the State match be retained by the Department rather than be deposited in the General Fund.
 6. A decrease of \$4.0 million due to increased revenues.
 7. ❖A decrease of \$459,000 due to an increased federal cost of living adjustment for Supplemental Security Income subsidy recipients.
 8. ❖A decrease of \$414,000 to eliminate funding for a pharmaceutical case management study.

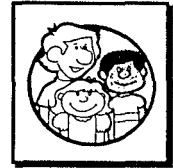


- B. Children's Health Insurance Program – A decrease of \$5.2 million. Significant changes include:
1. An increase of \$1.0 million due to a one-time FY 1999 Trust Fund carryforward used to offset FY 2000 costs.
 2. ❖A decrease of \$247,000 due to decreased estimates of the number of children enrolled in the Program.
 3. ❖A decrease of \$6.0 million to offset FY 2001 funding requirements with monies carried forward in the Healthy and Well Kids in Iowa (HAWK-I) Trust Fund.
- C. Medical Contracts - An increase of \$799,000 due to increased contract costs to administer Medical Services Programs.
- D. ❖State Supplementary Assistance - A decrease of \$332,000 due to an increased federal cost of living adjustment for Supplemental Security Income subsidy recipients.

From tobacco settlement revenues:

- A. Medical Assistance - An increase of \$27.0 million. Significant increases include:
1. An increase of \$6.7 million to provide 12-month continuous eligibility for Medical Assistance recipients.
 2. An increase of \$1.0 million to provide presumptive eligibility for children applying for Medical Assistance benefits.
 3. An increase of \$2.8 million to expand home health care services for special needs children.
 4. An increase of \$1.6 million to fund habilitative day care for special needs children in waiver programs.
 5. An increase of \$575,000 to provide Medical Assistance coverage of smoking cessation products.
 6. An increase of \$1.4 million to expand supported employment services offered through brain injury and mental retardation waivers.
 7. An increase of \$1.5 million to expand respite services offered through home and community-based waivers.
 8. ❖An increase of \$11.3 million for provider reimbursement rate increases.

- B. Children's Health Insurance Program – An increase of \$1.6 million.
Significant increases include:



1. An increase of \$670,000 to expand eligibility limits for the Healthy and Well Kids in Iowa (HAWK-I) Program to 200.0% of the federal poverty level.
2. An increase of \$687,000 to provide 12-month continuous eligibility for children enrolled in the Children's Health Insurance Program.
3. An increase of \$131,000 to provide presumptive eligibility for children applying for the Children's Health Insurance Program.
4. An increase of \$127,000 to increase Medicaid eligibility limits for infants to 200.0% of the federal poverty level.

- C. Medical Contracts – An increase of \$240,000 to fund contractual services for 12-month continuous eligibility and presumptive eligibility.

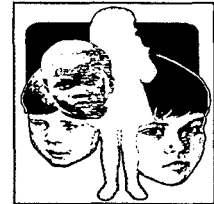
From the Long-Term Care Trust Fund: An increase of \$29.9 for Medical Assistance including:

- A. ❖ An increase of \$12.8 million for provider reimbursement rate increases.
 - B. ❖ An increase of \$2.2 million to expand Long-Term care alternative services.
 - C. ❖ An increase of \$15.0 million for nursing facility conversion grants.
3. **Serving Adults, Children, and Families** – An increase of \$1.3 million compared to estimated FY 2000. This includes an increase of \$695,000 (0.5%) and 7.6 FTE positions (2.1%) from the State General Fund and \$650,000 from tobacco settlement revenues. This includes:

From the General Fund:

- A. Iowa Juvenile Home in Toledo - An decrease of \$28,000 and no change in FTE positions. This includes:
 1. An increase of \$22,000 for inflation.
 2. A decrease of \$50,000 for one-time consulting assistance in FY 2000.
- B. State Training School in Eldora - An increase of \$637,000 and 7.6 FTE positions. This includes:
 1. An increase of \$378,000 to replace one-time FY 1999 carryforward for funding the opening of the 24-bed cottage.

2. An increase of \$224,000 and 7.6 FTE positions for three months costs to open a 20-bed cottage on October 1, 1999. This would provide 12 months of staffing and support costs. The FY 1999 appropriation includes six months of opening costs totaling \$378,000 because the cottage was originally scheduled to open in January 1999. These funds were carried forward into FY 2000 since the opening was delayed to October 1, 1999. The FY 2000 appropriation also included an additional \$243,000 and 6.2 FTE positions to encompass a nine-month period in FY 2000. The cottage is now scheduled for a late April 2000 opening, which is only two months of FY 2000.
 3. An increase of \$35,000 for inflation.
- C. Children and Family Services – A decrease of \$63,000. This includes:
1. A decrease of \$3.0 million due to an increase in the number of children eligible for federal financial participation.
 2. An increase of \$363,000 due to decreased federal matching rates from 63.06% to 62.77%.
 3. A decrease of \$252,000 due to increased match rate for services provided by the Iowa Foundation for Medical Care.
 4. An increase of \$1.6 million to maintain and annualize girl's day treatment costs.
 5. An increase of \$389,000 to maintain the subsidized guardianship costs.
 6. An increase of \$704,000 to maintain the Psychiatric Medical Institutions for Children costs.
 7. An increase of \$610,000 to maintain adoptions, guardianships, family foster care, and independent living costs at 70.0% of the federal United States Department of Agriculture estimated regional cost to raise a child.
 8. An increase of \$107,000 for child welfare accountability and local results based reporting activities.
 9. An increase of \$2.3 million to maintain adoption subsidies.
 10. An increase of \$122,000 to replace possible lost federal funds for Mediation for Permanency programs.
 11. An increase of \$415,000 to move 31 boys from the Juvenile Home in Toledo. This represents transitional costs for movement of the juveniles.



- 12. ❖ An increase of \$119,000 for Title IV-B Safe and Families Federal Program match.
- 13. A decrease of \$771,000 for contract foster homes, to be funded from other sources.
- 14. A decrease of \$39,000 to decrease rehabilitative treatment support (RTS) services by 10.0%.
- 15. A decrease of \$2.1 million to fund decategorization activities by carry over funds at the local level and other funding sources.
- 16. A decrease of \$673,000 to eliminate girl-specific treatment.
- D. Community Based Services – A decrease of \$32,000 to suspend teen pregnancy prevention evaluations.
- E. Family Support Subsidy – An increase of \$241,000. This includes:
 - 1. An increase of \$38,000 for a 2.4% federal cost of living adjustment for subsidy payments for services provided to families of 379 children with disabilities.
 - 2. An increase of \$203,000 to provide subsidy payments for 50 more children.
- F. Reactive Attachment Disorder Training – A decrease of \$60,000. The request eliminates this line-item.

From tobacco settlement revenues:

Child and Family Services - An increase of \$650,000 to add 25 school liaisons for the School-Based Supervision Program.

- 4. **Services for Persons with Mental Illness/Mental Retardation/Developmental Disabilities/Brain Injuries** - An increase of \$6.6 million (6.7%) and a decrease of 9.8 FTE positions (0.4%) compared to estimated FY 2000. This includes:
 - A. Cherokee Mental Health Institute – An increase of \$49,000 and no change in FTE positions for inflation.
 - B. Clarinda Mental Health Institute – An increase of \$21,000 and no change in FTE positions for inflation.
 - C. Independence Mental Health Institute – An increase of \$97,000 and a decrease of 10.8 FTE positions. This includes:
 - 1. An increase of \$97,000 for inflation.
 - 2. A decrease of 10.8 FTE positions, which is an



adjustment in the 75.0% base decision package. The DHS reports that this was an error and should be no change in FTE positions.

- D. Mount Pleasant Mental Health Institute – An increase of \$22,000 and no change in FTE positions for inflation.
- E. Glenwood State Hospital-School – A decrease of \$619,000 and no change in FTE positions. This includes:
 - 1. A decrease of \$200,000 for an FY 2000 item-veto for pharmaceutical unbundling.
 - 2. A decrease of \$509,000 due to an increase in receipts available from the FY 2000 salary funds.
 - 3. An increase of \$13,000 for inflation.
 - 4. An increase of \$77,000 due to decreased federal matching rates from 63.06% to 62.77%.
- F. Woodward State Hospital-School – A decrease of \$573,000 and no change in FTE positions. This includes:
 - 1. A decrease of \$638,000 due to an expected increase in receipts available from the FY 2000 salary funds.
 - 2. An increase of \$8,000 for inflation.
 - 3. An increase of \$57,000 due to decreased federal matching rates from 63.06% to 62.77%.
- G. State Cases Program – An increase of \$3.7 million due to projected increases in county referrals to the Program for mentally ill, mentally retarded, and developmentally disabled populations.
- H. Mental Health Property Tax Growth – An increase of \$3.6 million. This was appropriated for FY 2001 in HF 782 (FY 2000 Standings Appropriations Act). The change is for expected increased mental health costs associated with new clients and inflation. Appropriated growth for FY 2002 is expected to be considered during the 2000 Legislative Session. ❖The Governor is recommending a \$9.4 million (4.0%) increase for the FY 2002 appropriation.
- I. Sexual Predator Commitment Program – An increase of \$245,000 and no change in FTE positions. This includes:
 - 1. An increase of \$5,000 for inflation.
 - 2. An increase of \$44,000 for contract costs with the Department of Corrections.



3. An increase of \$73,000 for ten additional prisoners for a total of 22 in FY 2001.
4. An increase of \$68,000 for technology.
5. An increase of \$55,000 for remodeling costs.

The DHS did notify the Legislative Fiscal Committee during the 1999 interim that the FY 2000 appropriation need for this Program is \$267,000 less than was appropriated.

5. **Managing and Delivering Services** – A decrease of \$568,000 (0.9%) and an increase of 4.5 FTE positions (0.2%) compared to estimated FY 2000. This includes:

- A. **Field Operations** – A decrease of \$1.1 million and an increase of 4.5 FTE positions. Significant changes include:
 1. An increase of \$37,000 for inflation.
 2. An increase of \$503,000 for changes in various cost allocations.
 3. A decrease of \$112,000 for reallocation of staff positions.
 4. ❖ A decrease of \$1.5 million due to increases in federal financial participation.
 5. ❖ An increase of 4.5 federally funded FTE positions to manage additional cases resulting from expanded child care eligibility.
- B. **General Administration** – An increase of \$505,000 and no change in FTE positions. Significant changes include:
 1. An increase of \$163,000 for increased office rental expenditures.
 2. An increase of \$327,000 to replace reduced federal funding.


Issues

The Human Services Appropriations Subcommittee may wish to examine the following issues:

- **Children’s Health Insurance Program (CHIP):** The 1998 General Assembly appropriated \$7.0 million to Iowa’s Children’s Health Insurance Program in FY 1999 to provide health insurance to low-income children. At the time the appropriation was made, the DHS estimated that as many as 54,000 children could be eligible for the Program, and that enrollment would continue over a period of years. As of November 30, 1999,



11,275 children had enrolled in Iowa's Program. Children's Health Insurance Program expenditures for FY 1999 were \$4.8 million, \$2.2 million less than the appropriated amount. The DHS attributes the reduced expenditures to slower than anticipated enrollment. The General Assembly may wish to study options to increase enrollment, including the presumptive eligibility and increased eligibility limits recommended by the Governor. *The Governor is recommending the FY 2001 appropriation to the Children's Health Insurance Program be offset by \$6.0 million due to anticipated carried forward monies in the Healthy and Well Kids in Iowa (HAWK-I) Trust Fund.*

- **Medicaid Drug Product Cost:** The FY 1999 appropriation to the DHS included funding to increase Medical Assistance reimbursements for drug product costs by 16.6% compared to FY 1998 reimbursements. The FY 2000 appropriation provided a 23.0% increase over FY 1999, and the DHS anticipates an increase of 12.4% in FY 2001 compared to FY 2000. The 1999 General Assembly required the DHS to expand Prior Authorization and reduced the Medical Assistance appropriation by \$1.0 million due to anticipated savings from the Prior Authorization expansion. The General Assembly may wish to study the impact of the Prior Authorization expansion and establish additional cost management policies.
- 
- **Provider Reimbursement Rates:** *The Governor is recommending no increase in the FY 2001 General Fund appropriation for provider reimbursement rates. Instead, the Governor is recommending \$11.3 million be allocated from tobacco settlement recoveries and \$12.8 million be allocated from the Long-Term Care Trust Fund to provide unspecified reimbursement rate increases.*
 - **Electronic Benefits Transfer:** The 1998 General Assembly passed HF 2468 (Electronic Benefits Transfer Act) which established an Electronic Benefits Transfer Program (EBT) and provided food stamp benefits to eligible individuals through use of a debit-type card. The DHS's FY 2001 budget request includes \$348,000 from technology funds to develop a Request for Proposals and contract with an Electronic Benefits Transfer vendor. The Department estimates it will require an appropriation of approximately \$445,000 in FY 2002 to begin funding the \$0.15 transaction fee required in enacting legislation in order to meet the federal implementation deadline of October 1, 2002. The General Assembly may wish to study the ongoing validity of the \$0.15 fee and consider whether benefits in addition to food stamps should be incorporated into Electronic Benefits Transfer.
 - **State Training School at Eldora:** The 1998 General Assembly appropriated \$378,000 to open a new 24-bed cottage in January 1999. Due to bids exceeding the budget, the opening was delayed until October 1999, resulting in

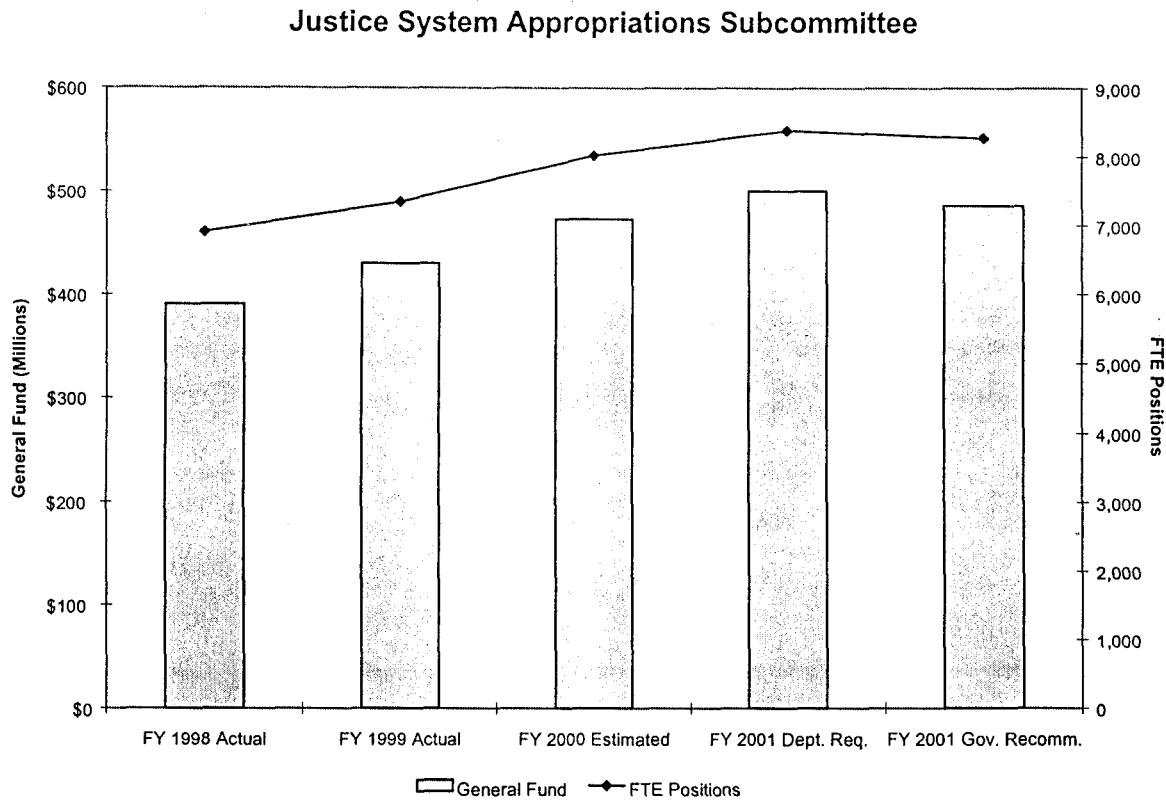
the FY 1999 appropriation of \$378,000 being carried over to reduce the FY 2000 need. The opening has been delayed again to late April 2000. *The Governor is recommending a \$400,000 decrease from the estimated FY 2000 appropriation.*

- **Mental Health Funding Inflation:** The General Assembly is scheduled to consider a mental health allowed growth factor for FY 2002. For FY 2001, the 1999 General Assembly appropriated an increase of \$21.8 million compared to FY 1997. The State County Management Committee has recommended a growth allocation increase for FY 2002. The increase is approximately 7.0%, which equals approximately \$16.5 million, applying the estimated 7.0% to the sum of the \$214.2 million base expenditures and the \$21.8 million FY 2001 allowable growth. The recommendation provides for an inflation factor equal to the Employment Cost Index (between 3.0% and 4.0%) and a targeted growth factor of 3.0%. The LFB has published an *Issue Review* regarding county expenditure growth and county fund balances growth. *The Governor is recommending an increase of \$9.4 million for the FY 2002 appropriation.*
- **State Cases Program:** The State Cases Program appropriation pays for services to persons with mental health, mental retardation, or developmental disabilities who have not established legal residence in an Iowa county. The DHS does not anticipate leveling of the growth trend in the near future. The General Assembly may wish to study options to control the costs of the State Cases Program. *The Governor is recommending an increase of \$3.7 million for FY 2001.*
- In addition, the LFB has published *Issue Reviews* regarding Nursing Facility Direct Care Staff Turnover and the Social Services Block Grant, and has published a memo regarding the first year of the Sexual Predator Commitment Program.

JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE

FY 2001 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$485.9 million from the General Fund and 8,174.0 FTE positions for the eight departments of the Justice System Appropriations Subcommittee. This is an increase of \$12.5 million (2.6%) and 269.8 (3.4%) FTE positions compared to estimated FY 2000. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of the General Fund appropriations and FTE positions.



Significant General Fund Changes Recommended

1. **Department of Justice** – No change compared to estimated FY 2000.

2. **Department of Corrections**

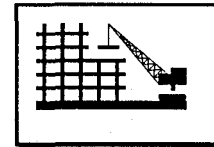
A. Institutions - An increase of \$8.6 million and 120.6 FTE positions compared to estimated FY 2000. The major changes include:

1. An increase of \$1.8 million to replace the budgeted amount for the Pay-for-Stay Program revenues from private sector employment of inmates. These revenues will be transferred to the General Fund instead prison operations beginning in FY 2001.

2. An increase of \$249,000 and 2.0 FTE positions to continue implementation of the Iowa Criminal Offender Network (ICON), including system development, purchases of hardware and software, and staff training.

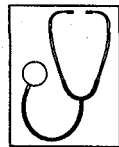
3. An increase of \$1.5 million for increased inmate medical treatment costs and for the costs of Hepatitis C and AIDS medications.

4. An increase of \$6.9 million and 119.3 FTE positions to annualize operations at the Mitchellville and Ft. Dodge institutions and for one-time start up costs and operations for the special needs unit at the Ft. Madison institution.



5. An increase of \$34,000 to replace expiring federal funding for substance abuse treatment and evaluation at the Oakdale institution.

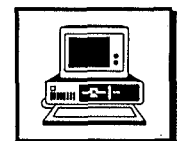
6. ❖ An increase of \$123,000 for costs of the Ft. Madison medical services contract associated with the addition of the special needs unit. Based on the recently completed evaluation of the Ft. Madison medical services contract, the Governor is recommending continuing the contract.



7. A decrease of \$500,000 for funds appropriated to the Mt. Pleasant institution for the Community-Based Corrections (CBC) portion of the Sex Offender Hormonal Treatment Program. A corresponding increase is requested by the CBC District Departments.

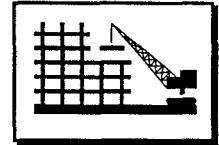


8. ❖ A decrease of \$600,000 to shift funding for computerization at the Newton and Ft. Dodge institutions to the Central Office to be used for implementation of the Iowa Corrections Offender Network (ICON).
 9. A decrease of \$1.0 million in the base calculation for one-time start up costs at the Mitchellville and Ft. Dodge institutions and an increase of \$56,000 for annual growth in medical contract costs at Ft. Madison.
- B. Central Office – A decrease of \$4.0 million and no change in FTE positions compared to estimated FY 2000. The major changes include:
1. A decrease of \$2.2 million for housing women inmates out-of-state. The remaining women housed out-of-state are to return to Iowa prisons in December 1999.
 2. A decrease of \$2.4 million for the Phase II Corrections Expansions Account. The Department will make the final payment (totaling \$797,000) in FY 2001 for the Phase II certificates of participation (1990 A and B series) which are funded through the General Fund.
 3. ❖ An increase of \$600,000 to transfer funding for computerization at Ft. Dodge and Newton to the Central Office to be used for implementation of the Iowa Corrections Offender Network (ICON).
- C. Community-Based Corrections – A total increase of \$2.4 million and 47.3 FTE positions compared to estimated FY 2000. This includes \$1.8 million from the General Fund and \$610,000 from tobacco settlement revenues. The major changes include:
1. An increase of \$934,000 and 23.0 FTE positions for additional Probation/Parole Officers to meet the staff to client ratio established in the CBC staffing formula for the FY 2000 client population.
 2. An increase of \$293,000 and 2.0 FTE positions to continue implementation of the Iowa Criminal Offender Network (ICON), including system development, purchases of hardware and software, and staff training.
 3. An increase of \$500,000 for the Sex Offender Hormonal Intervention Therapy Program to transfer the funding stream



from the Mt. Pleasant institution to the CBC District Departments.

4. An increase of \$418,000 to replace expiring federal funding for programs in the Second, Third, and Fifth CBC Districts.
5. ❖ An increase of \$308,000 and 7.5 FTE positions for operating and one-time costs for the 30-bed expansion at the Dubuque residential facility.
6. ❖ A decrease of \$1.3 million to offset an increase in the supervision fee charged by the CBC Districts.
7. ❖ An increase of \$650,000 and 10.0 FTE positions to implement Drug Courts in the Second, Third, and Fourth CBC Districts.
8. ❖ An increase of \$610,000 and 6.9 FTE positions, funded from tobacco settlement revenues, for three months operations of new CBC residential facility beds.

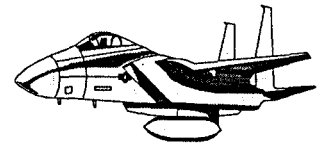


3. Judicial Branch

- A. An increase of \$2.9 million and 11.0 FTE positions for computer technology staff and operating expenses for the Iowa Court Information System (ICIS) currently funded with Court Technology Fund money.
- B. An increase of \$940,000 and 25.0 FTE positions for Clerk of Court employees in Clay, Jasper, Muscatine, Lee, Wapello, Warren, Scott, Pottawattamie, and Polk counties to be allocated by a formula based on workload standards. This request also includes replacement equipment for the Clerk of Court Offices.
- C. An increase of \$74,000 and 2.0 FTE positions for a Staff Attorney and secretary in the Court of Appeals to assist the three additional judges appropriated in FY 1998.
- D. An increase of \$413,000 and 5.5 FTE positions for District Court Administration and replacement equipment.
- E. An increase of \$316,000 and 6.0 FTE positions for computer technology personnel.
- F. An increase of \$113,000 and 3.8 FTE positions to increase the Court Appointed Special Advocate (CASA) Program in Black Hawk and Story Counties and for the Native American programs in Tama County and Sioux City.



- G. An increase of \$134,000 and 2.0 FTE positions for two Juvenile Court Officers in Districts Two and Three and for office equipment and furniture.
 - H. An increase of \$23,000 for Juvenile Victim Restitution to cover program growth.
 - I. An increase of \$297,000 for Judicial Retirement.
4. ❖ **Iowa Law Enforcement Academy** – A decrease of \$80,000 to transfer State funding for the Drug Abuse Resistance Education (D.A.R.E.) Program to the Governor’s Alliance on Substance Abuse (GASA).
5. **Board of Parole**
- A. An increase of \$13,000 to increase the board member per diem budget from 120 days to 130 days.
 - B. ❖ An increase of \$40,000 for upgrades to the Board’s computer hardware and software is recommended for consideration as an Information Technology Services funded project with moneys appropriated from the Rebuild Iowa Infrastructure Fund (RIIF). The recommendation is to be considered with other technology recommendations by the Oversight and Communications Subcommittee.
6. **Department of Public Defense**
- A. **Military Division** – An increase of \$189,000 and 13.0 FTE positions for the Military Division to operate the paint facilities at the three Air Guard bases and for the State share of maintenance agreements for expanded facilities at the Air Guard bases and Camp Dodge.
 - B. **Emergency Management Division** – An increase of \$90,000 for the Division to annualize a change in the Federal Emergency Management Agency’s (FEMA) match requirements. Beginning in Federal Fiscal Year 2000, a 50.0% State match is required for some grants that previously had not required a state match. The FY 2000 appropriation provided the first nine months of the federal fiscal year, and this recommendation provides for the last three months of the federal fiscal year.
7. **Department of Public Safety**
- A. **Administration**
 - 1. An increase of \$133,000 and 2.0 FTE positions for a psychologist and counselor in a newly created Behavioral

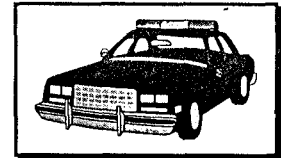


Science Unit. The \$133,000 for the employees would come from funds transferred within the Department.

2. An increase of 2.0 FTE positions for human resources activities due to Departmental growth. The increase of \$73,000 for the positions will be funded through reallocations and grants.
3. An increase of 2.0 FTE positions for employees to process private investigative licenses and weapons permits. The increase of \$60,000 for the positions would be funded by fee increases.
4. ❖ An increase of 2.0 FTE positions to expand weapons safety training for adult owners of firearms and to prevent access by minors to firearms. The increase of \$209,000 for the positions will be funded by handgun license fee increases.

B. Iowa State Patrol

1. A decrease of \$216,000 in the base.
2. A decrease of \$84,000 to be transferred to the Administrative Services Division to support the Behavioral Science Unit.



C. Division of Criminal Investigation

1. A decrease of \$32,000 to be transferred to the Administrative Services Division to support the Behavioral Science Unit.
2. An increase of \$437,000 and 9.0 FTE positions for five criminalists and four crime scene support staff to reduce the turn-around time in the crime lab.
3. ❖ An increase of 2.0 FTE positions for two special agents to combat crimes against the elderly. The increase of \$173,000 for the positions will be funded by federal grants.

D. Division of Narcotics Enforcement

1. A decrease of \$340,000 in the base.
2. A decrease of \$11,000 to be transferred to the Administrative Services Division to support the Behavioral Science Unit.
3. An increase of \$530,000 and 6.0 FTE positions to add six new agents to assist with the growing narcotics problem.

E. Fire Marshal

1. A decrease of \$28,000 in the base.

2. A decrease of \$4,000 to be transferred to the Administrative Services Division to support the Behavioral Science Unit.
 3. An increase of 2.0 FTE positions for fire inspectors. The Department anticipates \$160,000 to fund the FTE positions from increasing inspection fees.
 4. A decrease of \$2,000 and an increase of 1.0 FTE position for a fire inspector for manufactured homes in rural areas and small towns. The Department estimates \$75,000 may be used to fund the positions through a manufactured housing fee increase.
 5. An increase of \$80,000 and 1.0 FTE position for a special agent for a Statewide juvenile arson prevention program.
 6. An increase of \$56,000 and 1.0 FTE position for an agent for commercial explosive magazine inspections. The total \$85,000 cost of this package would be funded in part by a fee increase and reallocations.
 7. A decrease of \$134,000 and an increase of 1.0 FTE position to reduce the time of a blueprint review to 30 days. Currently, the Department reviews blueprints at no charge for architectural firms. By charging a fee, the Department can raise enough revenue to hire a technician to reduce the turn-around time of these reviews.
- F. Capitol Security - A decrease of \$3,000 to be transferred to the Administrative Services Division to support the Behavioral Science Unit.
8. **Department of Inspections and Appeals** - An increase of \$803,000 for the Indigent Defense Fund to pay the increased number of claims.

Issues

The Justice System Appropriations Subcommittee may wish to examine the following issues:

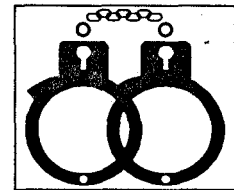
Department of Justice

- Legal Services Poverty Grant Program – This pass-through grant program was started with federal funds to help provide representation for individuals eligible for basic assistance in civil cases, such as housing disputes, domestic abuse cases, and loss of disability benefits. The General Assembly provided \$500,000 for FY 1998, \$600,000 for FY 1999, and \$700,000 for FY 2000. For FY 2001, the Department is requesting \$950,000. *The Governor is recommending funding be maintained at the FY 2000 level of \$700,000.*

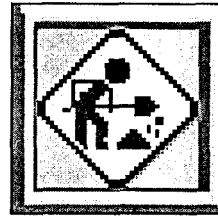
- The Sexually Violent Predator Act – This Act, which took effect in July 1998, allows for the civil commitment of sexually violent predators at the completion of their criminal sentences. The Attorney General has reviewed 88 cases, petitions have been filed in 18, ten of which are pending. Five individuals have been committed. For FY 2001, the program estimates it will review 40 cases and commit 12 more individuals. The Department is requesting an increase of \$142,000 and 1.0 FTE position. *The Governor did not recommend funding increases for the Attorney General.*
- Increase in Appellate Division Caseload – The Department of Justice is responsible for prosecuting and defending all criminal cases in appellate courts. The Attorney General is requesting \$248,000 and 4.0 FTE positions for attorneys to handle the increased caseload.

Department of Corrections

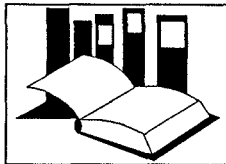
- Prison Population Growth – The Iowa prison population is projected to reach 11,600 inmates by FY 2009, if current correctional policies and laws remain in place. Four 1,000-bed prisons will be needed to accommodate the inmate population growth. Construction costs could total approximately \$200.0 million (without bonding costs) and operating costs could be approximately \$100.0 million annually. The Subcommittee may want to examine alternatives to building new prisons.
- Probation/Parole Officers – The CBC Offender populations continue to grow and could increase from 25,000 in FY 2000 to between 38,000 and 52,000 offenders by FY 2009. The CBC District Departments have taken steps to reduce probation revocations to prison over the past year. Residential facility bed-space has been reallocated to accommodate approximately 300 more beds, and 80 beds are being added through new construction. The CBC District Departments received funding for additional probation/parole officers in FY 2000 and are requesting funding for more probation/parole officer in FY 2001. The Subcommittee may want to review these trends toward greater utilization of Community-Based Corrections.
- Data Management – The Department of Corrections received funding to begin implementation of the Iowa Corrections Offender Network (ICON) in FY 2000. The Department has requested funding to continue the implementation in FY 2001. The Subcommittee may want to review the progress made by the Department.



- Inmate Labor – Beginning in FY 2001, amounts that would have been paid for room and board by prison inmates with earnings from private sector employment will be deposited in the General Fund. The Department has requested the budget reduction for the revenues from inmate employment be offset by appropriations in FY 2001. The Subcommittee may want to examine the inmate employment situation, particularly in light of the current labor shortage. The Subcommittee may also want to inquire into the effectiveness of inmate employment for rehabilitation and reduction of recidivism.

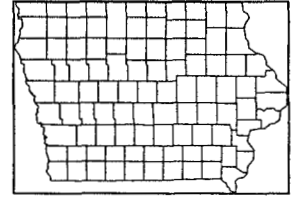


- Prison Education – Literacy is a significant problem among the inmate population, and the Department has focused educational resources on literacy for the past several years. Research suggests inmate education increases employability of released inmates and reduces recidivism. Much of the vocational education is provided in conjunction with Prison Industries. The effectiveness of this arrangement needs to be examined.



- Sex Offender Hormonal Intervention Program – The Department is requesting continued funding of the program for the CBC Districts. The District Departments have experienced difficulty finding physicians willing to participate in the Program, and few sex offenders have been admitted initially to the program. *The Governor is recommending continued funding at the FY 2000 level for the Program and appropriating the funds directly to the CBC Districts instead of through the Mt. Pleasant institution.*
- Medical Costs – The Department has indicated that the costs for treating AIDS and Hepatitis C are increasing. The Subcommittee may want to examine how the diseases are spread and how the costs of treatment are changing.
- Ft. Madison Medical Services Contract – The Department is proposing two options for replacing the contract with a private sector company for medical services at the Ft. Madison institution. Both options reduce current costs. The Subcommittee may want to review the options and consider the impact on the quality of medical services available to the inmates. *Based on the results of the Department's recent evaluation, the Governor is recommending continuation of the contract.*
- Progress on Specialized Expansions – The Subcommittee may want an update on the progress for the special needs unit at Ft. Madison and the medical unit expansion at the Oakdale.

Judicial Department



- Iowa Court Information System (ICIS) – Installation of the ICIS has been completed in all counties. The system needs to be reviewed for efficiency, usefulness of the information in management decision-making, uniformity in the data collected, and ability to share information with other branches of government.
- Collection of Fines and Fees – In FY 1996, the Court Enhanced Collections Fund was added to the other programs to encourage the Judicial Branch to reduce the uncollected fines and fees. The efforts to improve collections and the use of collected funds need to be reviewed.
- Staffing and Workload – In FY 1998 and FY 1999, the number of judges and support staff was increased. Caseloads and staffing levels need to be reviewed to determine if further adjustments are needed.

Department of Public Defense

- Army and Air National Guard Strength – The Guard is attempting to attract new recruits and maintain its full strength posture in a time when public interest in military service is declining. Beginning in FY 1997, the Department offered recruits an education tuition incentive. The Subcommittee may want to review the effectiveness of the incentives. The appropriation for the tuition incentive is made by the Education Appropriations Subcommittee.
- Growth in Maintenance Agreements – The Guard regularly requests increases for maintenance agreements for additional facilities. The Subcommittee may want to examine the historical and projected growth in facilities and the associated costs.
- Technology Changes in Emergency Management – The Emergency Management Division utilizes a variety of technologies to manage emergency situations. The Division also has responsibilities for implementation of wireless E911 technology and services. The Subcommittee may want to examine the trend in technology changes and the options being pursued by the Division.
- Expand the STARBASE Program – *The Governor is recommending expansion of the Program with gifts and donations solicited by the Department of Public Defense.*

Department of Public Safety

- Sex Offender Registry – The Code of Iowa requires registration with the Department of Public Safety by specified sex offenders. In addition, the

Department must be notified of any address changes for ten years after registration. The Department is requesting additional resources to do risk assessments on registrants and to track individuals who fail to notify authorities when changing their address.

Public Defender and Indigent Defense Program

- Caseloads – The caseloads need to be reviewed to determine the adequacy of staffing and funding.
- Attorney Fees – In FY 2000, the General Assembly provided for a \$5 per hour increase for court-appointed and contract attorneys paid through the Indigent Defense Fund. For FY 2001, the Department is requesting \$2.0 million for an additional \$5.00 per hour increase.

Issue Reviews

The LFB completed three *Issue Reviews* during the 1999 legislative interim dealing with:



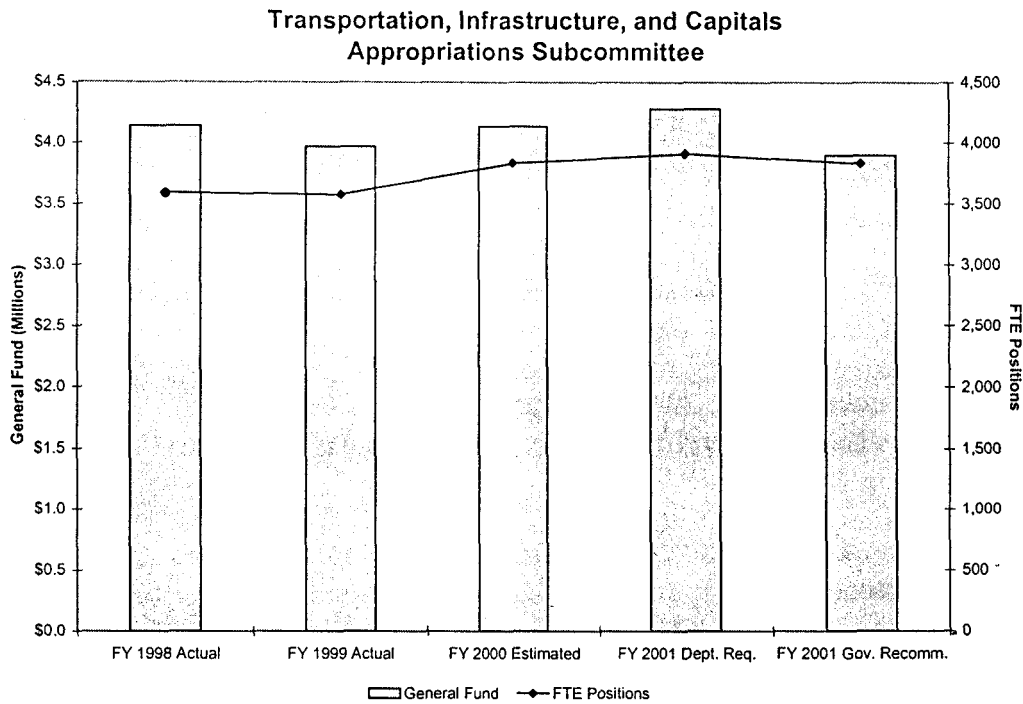
- Community-Based Corrections sex offender treatment programming, including hormonal therapy.
- Factors affecting the recent changes in the prison inmate population.
- Department of Corrections backlogs and waiting lists for treatment programs.
- Indigent Defense Fund Update.
- Sexually Violent Predator Civil Commitment Costs.

Copies of the *Issue Reviews* are available from the LFB.

TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE

FY 2001 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$3.9 million from the General Fund for the Transportation, Infrastructure, and Capitals Appropriations Subcommittee for FY 2001. This is a decrease of \$237,000 (5.7%) compared to estimated FY 2000. Unless otherwise indicated, all increases or decreases are compared to estimated FY 2000. A new concept of funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding request, is preceded by the symbol, ❖. The following graph illustrates the history of the General Fund appropriations and FTE positions.



DEPARTMENT OF TRANSPORTATION




The Governor is recommending \$265.6 million and 3,833.5 FTE positions for the Department of Transportation (DOT) for FY 2001. This is an increase of \$6.1 million (2.3%) and no change in FTE positions compared to estimated FY 2000. Of this amount, \$3.9 million is being requested from the General Fund, a decrease of \$237,000 (5.7%) and \$261.7 million from other funds, an increase of \$6.3 million (2.5%).

Significant General Fund Changes Recommended

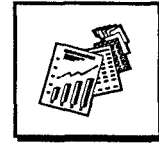
❖ A decrease of \$212,000 to eliminate General Fund support of the Planning and Programming Division. The Governor is recommending an increase of \$212,000 from other funds to offset the General Fund reduction.

Significant Other Fund Changes Recommended

The following changes include requests from the Primary Road Fund and Road Use Tax Fund:

1. An increase of \$253,000 to fund an 8.0% increase in equipment and software maintenance and license agreements. 
2. An increase of \$125,000 to rewire the communication network at the Motor Vehicle Division Facility at Park Fair Mall.
3. An increase of \$439,000 for the purchase of new software and related license and maintenance agreements for new computer applications being developed to implement the Geographic Information System (GIS) and the Electronic Records Management System.
4. An increase of \$100,000 to fund the consolidation of communication lines.
5. An increase of \$300,000 for the conversion of paper documents and engineering drawings to electronic format.
6. ❖ An increase of \$212,000 to replace the recommended reduction in General Fund appropriations to the Planning and Programming Division. 
7. An increase of \$200,000 for costs of lodging and meals associated with employee involvement in the Cool Careers Program which is designed to recruit engineering technicians for employment with the DOT.
8. An increase of \$171,000 for increased costs associated with highway utility and rest area maintenance contracts.
9. An increase of \$662,000 to upgrade signs in work zones with florescent sheeting to provide greater visibility. 
10. An increase of \$1.0 million to paint 100.0% of the State highway system's edge line striping annually. Currently, the DOT paints 100.0% of the center lines and 50.0% of the edge lines.



11. An increase of \$670,000 for software development of a new motor carrier International Registration Plan system.
12. ❖ An increase of \$250,000 for software development related to the redesign of the driver's license master record file. The DOT was appropriated \$250,000 in FY 2000 to begin this project.
13. An increase of \$300,000 for the increased cost of software license and maintenance contracts.
14. An increase of \$1.4 million to the Materials and Equipment Replacement Revolving Fund for the inflationary cost associated with replacing equipment.
15. An increase of \$200,000 for costs associated with the reimbursement to the General Fund for indirect cost recoveries.



Issues

The Transportation, Capitals, and Infrastructure Appropriations Subcommittee may wish to examine the following issues pertaining to the DOT's budget request:

- *Discuss the potential effects on the DOT operations associated with the Governor's proposal to adopt a money-back guarantee for lowans that are issued driver's licenses when service does not meet individuals expectations.*
- *Review the Governor's initiative to increase annual funding from the Primary Road Fund for roadside vegetation improvements. The Transportation Commission adopted the increased funding in the Five Year Transportation Plan in December 1999. The estimated funding programmed in the Transportation Plan includes:*
 - *FY 2000: \$4.0 million*
 - *FY 2001: \$5.5 million*
 - *FY 2002: \$6.5 million*
 - *FY 2003: \$9.0 million*
 - *FY 2004: \$9.0 million*
- The projected increase in lane miles added to the State Highway System and the estimated operational expense associated with performing maintenance at current standards. The Department will add an additional 762 lane miles to the System over the next two fiscal years and estimates a need for an increase of \$1.2 million and 26.0 FTE positions for maintenance.

- Future funding needs for State aviation assistance to commercial service and general aviation airports. The Aviation Transportation in Iowa Study Committee made the following recommendations:
 - That air service and aviation issues be given high priority within the DOT through the Development of an Aviation Division within the Department.
 - That the Department of Economic Development (DED) be directed to explore all possible sources of financial investment and assistance to Iowa-based airlines to encourage competition.
 - That the DED in cooperation with the DOT present a report to the General Assembly by December 15, 1999, which identifies additional initiatives which would stimulate quality, affordable air service, and competition. 
 - That the General Assembly review airport funding formulas and the definition of vertical infrastructure within the Rebuild Iowa Infrastructure Fund in relation to airport funding.
- Review the current revenue and expenditure forecasts of the Road Use Tax Fund and the amount of dollars allocated to the State, city, and county highway funds.
- Review the DOT's purchasing policies for field offices throughout the State to identify potential cost and benefits of purchasing office equipment and supplies locally. Currently, the DOT centrally purchases most equipment and supplies in bulk for the field offices.
- Examination of the operations of the Office of Motor Vehicle Enforcement including staffing levels and hours of operation of the scale facilities throughout Iowa. The DOT is requesting \$318,000 and 5.0 FTE positions to handle increased responsibilities and additional enforcement needs due to increased truck traffic.
- Examine the coordination of recreational trails funding between the DOT and the Department of Natural Resources (DNR) and the need to set aside funding for long-term maintenance needs of the trails system. 
- The LFB has published an *Issue Review* titled "State of Iowa Aviation Assistance Programs" which examines the various State assistance programs available for Iowa's commercial and general aviation transportation system and the capital improvement needs at public airports. In FY 2000, the General Assembly appropriated a total of \$4.0 million to the DOT for aviation assistance programs. In addition, the Department of Economic Development awarded approximately

\$6.1 million in grants, loans, and forgivable loans through several programs to AccessAir from FY 1997 to FY 2000. For additional information regarding this *Issue Review*, please contact Dave Reynolds at (515) 281-6934.

- The LFB has published an *Issue Review* titled "Iowa Recreational Trails Program" which examines the Trails Program including funding and project commitments since the establishment of the Program. Since the establishment of the Program in FY 1989, a total of \$42.8 million has been invested into Iowa's Recreational Trails System. This funding has come from State, federal, and local sources which are administered through the DOT and the DNR. The *Issue Review* also examines the level of coordination between the DOT and DNR for the various funding programs available for trails. For additional information regarding this *Issue Review*, please contact Dave Reynolds at (515) 281-6934.

FY 2001 CAPITAL PROJECT RECOMMENDATIONS

The Governor is recommending a total of \$198.5 million for capital projects from all funding sources for FY 2001. This includes \$191.4 million from the Rebuild Iowa Infrastructure Fund, \$5.6 million from the Primary Road Fund, and \$1.5 million from the Road Use Tax Fund. The following table shows the total funds being recommended by source and agency.

Summary of Governor's Recommendations FY 2001 Capital Projects

(Dollars in Millions)

State Agency	Approp. to Date	Governor's Adjustments to Current	New Recomm.	Total	Road Use	Primary	Total
	Infra. Fund	Approp.	Infra. Fund	Infra. Fund	Tax Fund	Road Fund	
Agriculture	\$ 3.3	\$ 0	\$ 5.5	\$ 8.8	\$ 0	\$ 0	\$ 8.8
Blind			0.1	0.1			0.1
Corrections	2.5		3.6	6.1			6.1
Cultural Affairs			1.7	1.7			1.7
Economic Development	17.5		9.5	27.0			27.0
Education	3.0		12.4	15.4			15.4
General Services	23.0	-1.0	25.9	47.9			47.9
Judicial Department	10.0	-10.0		0			0
Natural Resources	3.2		31.3	34.5			34.5
Public Defense	0.7			0.7			0.7
Regents	11.9	-11.9	28.2	28.2			28.2
State Fair Authority	5.0			5.0			5.0
Telecom. & Tech. Comm.			9.7	9.7			9.7
Transportation	2.3			2.3	1.5	5.6	9.4
Treasurer of State (Co. Fairs)			1.1	1.1			1.1
Veterans Affairs	3.1	-0.7	0.5	2.9			2.9
Total	\$ 85.5	-23.6	\$ 129.5	\$ 191.4	\$ 1.5	\$ 5.6	\$ 198.5

The Rebuild Iowa Infrastructure Fund recommendation of \$191.4 million includes \$85.5 million in funds that were appropriated in prior Legislative Sessions. The Governor is recommending deappropriations totaling \$23.6 million and new funding from the Rebuild Iowa Infrastructure Fund totaling \$129.6 million. The significant funding requests are discussed below. All funding requests are from the Rebuild Iowa Infrastructure Fund unless otherwise stated.

Significant Capital Project Requests

1. Department of Agriculture and Land Stewardship

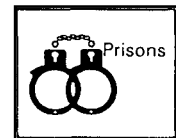
- A. \$1.0 million for continued funding of the Soil Conservation Cost Share Program.
- B. ❖ \$2.0 million to fund the Conservation Reserve Enhancement Program (CREP) in the prairie pothole region to protect floodplains and

improve water quality from agricultural drainage systems. The Governor estimates \$8.0 million will be received in federal funds to assist in the implementation of the Program.

- C. ❖ \$1.5 million to accelerate the watershed protection efforts to provide water quality protection, flood control, and reduced soil erosion. This request is in addition to a \$1.3 million appropriation made for FY 2001 in HF 772 (FY 2000 Infrastructure Appropriations Act). The Governor estimates receiving \$3.3 million in federal funding for this Program.
- D. \$2.0 million for the Loess Hills Development and Conservation Fund. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).
- E. ❖ \$1.0 million to develop a statewide nutrient management program to demonstrate the effectiveness of emerging agricultural systems for nutrient and pesticide management, air quality, and soil and water protection.

2. **Department of Corrections**

- A. ❖ \$3.0 million for costs associated with the addition of 200 special needs beds for difficult to manage offenders at the Iowa State Penitentiary at Fort Madison. The Department was also appropriated \$6.5 million in FY 1999 for this project.
- B. ❖ \$600,000 for the first year debt service payment on a recommended \$3.6 million lease purchase agreement. The funds from the lease purchase agreement (through the issuance of Certificates of Participation notes) will be used for improvements at Community-Based Correction facilities.
- C. \$2.5 million for costs associated with the addition of 170 beds at the Iowa Medical and Classification Center in Oakdale. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).



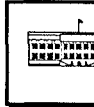
3. **Department of Cultural Affairs** - ❖ \$1.4 million for continued funding of the Historical Preservation Grant Program.

4. **Department of Economic Development**

- A. ❖ \$7.5 million for continued funding for the Physical Infrastructure Financial Assistance Program.
- B. ❖ \$2.0 million to provide funding assistance to communities for the development and creation of major multiple purpose attraction and tourism facilities.

- C. \$12.5 million for the Community Attraction and Tourism Development Fund. The funds are used to assist communities in the development of community attraction and tourism projects. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).
- D. \$4.0 million for providing grants, loans, or forgivable loans for advanced research and commercialization projects involving value adding agriculture, advanced technology, or biotechnology. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).
- E. \$1.0 million for the Local Housing Assistance Program. These funds were appropriated for FY 2001 in HF 732 (FY 1998 Housing Development Act).

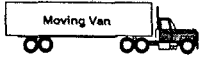

5. Department of Education

- A. \$3.4 million to provide funds to local schools on a competitive grant basis to fund health, life, and fire safety improvements. These funds will be matched with \$10.0 million in federal funds. 
- B. ❖ \$7.0 million for Iowa Public Television to continue the conversion of eight transmitter sites from analog to digital technology and to provide initial pass-through capability at the headquarters.
- C. ❖ \$2.0 million to fund a learning technology infrastructure program to incorporate: storage of educational text, video, audio, and other data; for production of digital and analog educational data; to develop conferencing through any type of interaction; and for the distribution of educational data through multiple media.
- D. \$3.0 million for the Community College Vocational-Technical Technology Improvement Program. The 1997 General Assembly created the Program in HF 733 (FY 1998 Infrastructure and Capitals Appropriation Act) and appropriated \$3.0 million per year for four years beginning in FY 1998.

6. Department of General Services

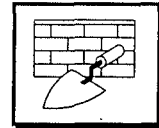
- A. ❖ \$6.7 million for costs associated with routine maintenance of State facilities located throughout the State.
- B. ❖ \$800,000 for routine maintenance improvements to facilities on the Capitol Complex.
- C. ❖ \$5.8 million for major maintenance improvements to State facilities located throughout Iowa which are under the purview of the Department of General Services. This recommendation is in addition

to the \$7.5 million appropriated for FY 2001 in HF 772 (FY 2000 Infrastructure Appropriations Act) for major maintenance.

- D. \$1.7 million for moving and relocation expenses associated with the relocation of State employees on the Capitol Complex. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act). 
 - E. \$5.8 million for continued renovation of the Ola Babcock (Old Historical) Building. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).
 - F. ❖ \$3.3 million for continued interior restoration of the State Capitol Building. The General Assembly appropriated \$4.3 million in HF 772 (FY 2000 Infrastructure Appropriations Act). The Governor is recommending the deappropriation of \$1.0 million from this appropriation. 
 - G. \$2.7 million for continued renovation of the Lucas Building. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).
 - H. ❖ \$1.2 million for improvements to Terrace Hill. This recommendation is in addition to the \$50,000 appropriated for FY 2001 in HF 772 (FY 2000 Infrastructure Appropriations Act) for improvements to Terrace Hill.
 - I. ❖ \$10.2 million to the Information Technology Services Division for the establishment of a dedicated funding stream for information technology.
 - J. ❖ \$1.0 million to the Information Technology Services Division for continued development costs of the lowAccess Program.
7. **Judicial Branch** - ❖ The Governor is recommending the deappropriation of \$10.0 million for the construction of a new judicial building located on the Capitol Complex. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act). The Governor is recommending the appropriation of these funds in FY 2002.
8. **Department of Natural Resources**
- A. \$20.0 million for annual funding of the Resource Enhancement and Protection Fund.
 - B. ❖ \$2.0 million to fund various water quality initiatives including wastewater system grants for septic tanks, enhancement of water quality assessments, increased issuance of wastewater permits for construction and animal feeding operations, floodplain protection, and

enhanced watershed monitoring. The Governor estimates receiving \$2.4 million in federal funding for the wastewater system proposal.

- C. ❖ \$2.0 million for the development of a Statewide water quality monitoring network. The Governor estimates receiving \$500,000 in federal funding for this Program.
- D. ❖ \$1.5 million to establish vegetative buffers, field borders, and wetlands on Iowa's private land in an effort to improve water quality and wildlife habitat. The funds will be used to encourage and assist farmers to enroll in Conservation Resource Program (CRP) and to enhance re-vegetation efforts to improve water quality. The Governor is proposing to use \$2.9 million from the Fish and Wildlife Fund to enhance funding for this Program. The Governor estimates receiving \$50.0 million in federal funding for this Program.
- E. \$3.5 million for continued funding of the Recreation Infrastructure Grant Program.
- F. \$2.3 million for boating access and lake restoration projects that meet Marine Fuel Tax funding requirements. Marine Fuel Tax receipts are deposited into the Rebuild Iowa Infrastructure Fund.
- G. \$3.0 million for the Restore the Outdoors Program to renovate park facilities built through the Civilian Conservation Corps (CCC) and Work Progress Administration (WPA) Programs throughout the State. The 1997 General Assembly appropriated \$3.0 million per year for FY 1998 - FY 2001 in HF 733 (FY 1998 Infrastructure and Capitals Appropriations Act).



9. Board of Regents

- A. ❖ \$28.2 million for funding of tuition replacement which reimburses student fees used to pay the debt service on Academic Revenue Bonds. In prior years, tuition replacement has been funded from the General Fund.
- B. ❖ The Governor is recommending the deappropriation of \$2.5 million for improvements to Lang Hall at the University of Northern Iowa. These funds were appropriated in HF 733 (FY 1998 Infrastructure and Capitals Appropriations Act).
- C. ❖ The Governor is recommending the deappropriation of \$6.8 million for improvements to the Engineering Teaching facility at Iowa State University. These funds were appropriated in HF 733 (FY 1998 Infrastructure and Capitals Appropriations Act).

- D. ❖ The Governor is recommending the deappropriation of \$2.6 million for improvements to the Medical Education and Biomedical Research Facility at the University of Iowa. These funds were appropriated in HF 733 (FY 1998 Infrastructure and Capitals Appropriations Act).
10. **State Fair Authority** - \$5.0 million for the Varied Industries Building. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).
11. **Iowa Telecommunications and Technology Commission**
- A. \$7.0 million for changing the laser optics in the Iowa Communications Network (ICN) to Asynchronous Transfer Mode (ATM) technology. This project will require an additional \$7.0 million in FY 2002.
- B. \$2.7 million to pay the costs of maintenance and leases for the ICN.
12. **Department of Transportation**
- A. \$2.3 million for continued funding of the Recreational Trails Program. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).
- B. ❖ \$2.9 million from the Primary Road Fund to complete the funding for the replacement of maintenance garages in Sheldon, Allison, and Shenandoah. The DOT was appropriated \$1.5 million in FY 1999 and \$205,000 in FY 2000 for the purchase of land and for partial construction costs of these facilities.
- C. \$1.2 million from the Primary Road Fund for various improvement projects at the DOT facility complex in Ames.
- D. \$1.5 million from the Road Use Tax Fund for the construction and improvement of commercial vehicle scale facilities.
13. **Treasurer of State** - ❖ \$1.1 million for infrastructure improvements to county fairs.
14. **Commission on Veterans Affairs**
- A. \$2.4 million for costs associated with the expansion of the food preparation and dining room areas at the Iowa Veterans Home. These funds were appropriated in HF 772 (FY 2000 Infrastructure Appropriations Act).
- B. ❖ The Governor is recommending the deappropriation of \$735,000 for various infrastructure-related improvements at the Veterans Home. These funds were appropriated for FY 2001 in HF 772 (FY 2000 Infrastructure Appropriations Act).



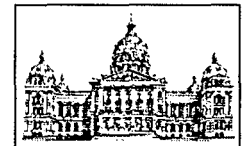
Issues

The Transportation, Capitals, and Infrastructure Appropriations Subcommittee may wish to examine the following issues pertaining to capital projects.

- *Review the Governor's recommendation to deappropriate \$23.6 million from various FY 2001 appropriations that were made in prior legislative sessions.*
- *Review the Governor's recommendation to deappropriate \$8.3 million of \$9.3 million in funds appropriated for the Capitol Complex parking structure. The Department of General Services was appropriated \$5.8 million in FY 1999 and \$3.5 million in FY 2000 for design and partial construction of the parking structure. The department has obligated approximately \$1.0 million of the FY 1999 appropriation.*
- *Review the Governor's recommendation to transfer \$10.0 million from the Underground Storage Tank Fund to the Rebuild Iowa Infrastructure Fund and the recommended deappropriations totaling \$31.9 million from the Rebuild Iowa Infrastructure Fund.*
- *Review the Governor's recommendation to establish an ongoing funding stream through the Rebuild Iowa Infrastructure Fund for technology initiatives.*
- *Review the Governor's recommendation to provide the Board of Regents the authority to issue bonds for renovation and construction of facilities at the three universities. The recommendations for bonding include:*
 - *\$11.0 million for improvements to Gilman Hall at Iowa State University including the replacement of the heating, ventilation, and air conditioning system, the fume hood exhaust system, and for the construction of an addition to house mechanical equipment.*
 - *\$14.7 million for renovation of the Biological Sciences Facility at the University of Iowa.*
 - *\$16.9 million for the construction of a 70,000 square foot addition to McCollum Science Hall at the University of Northern Iowa to accommodate growth and new technology in the teaching biology and life sciences.*
- *Review the Governor's recommendation to establish a school infrastructure loan program through the issuance of at least \$100.0 million in revenue bonds.*
- *Review the Governor's recommendation to issue \$200.0 million in revenue bonds to establish a loan program for local communities to construct major*

recreational and entertainment facilities. The Governor is also recommending \$2.0 million from the Rebuild Iowa Infrastructure Fund in FY 2001 and \$10.0 million in FY 2002 for this Program.

- *Review the Governor's recommendation to enter into a lease purchase agreement totaling \$3.6 million for improvements and new construction at Community-Based Correctional facilities. The recommended improvements will include:*
 - *\$1.8 million for improvements to established a Substance Abuse Treatment facility.*
 - *\$300,000 for continued improvements to the Council Bluffs facility.*
 - *\$1.5 million for expansion of Community-Based Correctional facilities.*
- Establishment of funding priorities for infrastructure projects. The current estimate of available resources in the Rebuild Iowa Infrastructure Fund in FY 2001 is \$86.4 million. Departments are requesting \$383.2 million in new funding requests from the Fund in FY 2001. *The Governor is recommending \$129.5 million in new funding from the Rebuild Iowa Infrastructure Fund.*
- Review the funding recommendations of the Vertical Infrastructure Advisory Council appointed by the Governor.
- Review of the most recent plans to relocate employees on the Capitol Complex due to the elimination of office space as a result of interior restoration of the Capitol Building.
- Review of Department of General Services' cost estimates to complete the renovation of facilities located on the Capitol Complex.
- Review of the results of the infrastructure assessment conducted through the Department of General Services that identifies needed repairs to State facilities throughout Iowa under the purview of the Department. Results of the assessment reveal improvement needs in excess of \$400.0 million to State facilities.
- Review potential costs of the proposed Judicial building in excess of the \$20.0 million appropriation. Request a detailed estimate which includes, planning and design, construction, site development, parking, vehicular and pedestrian access, and equipment and furnishings.
- Discuss the potential affect of constructing a new building to house the Department of Public Safety and the State Medical Examiner. The Department



estimates a new facility to cost \$62.0 million, which if approved, would be funded over a three-year period.

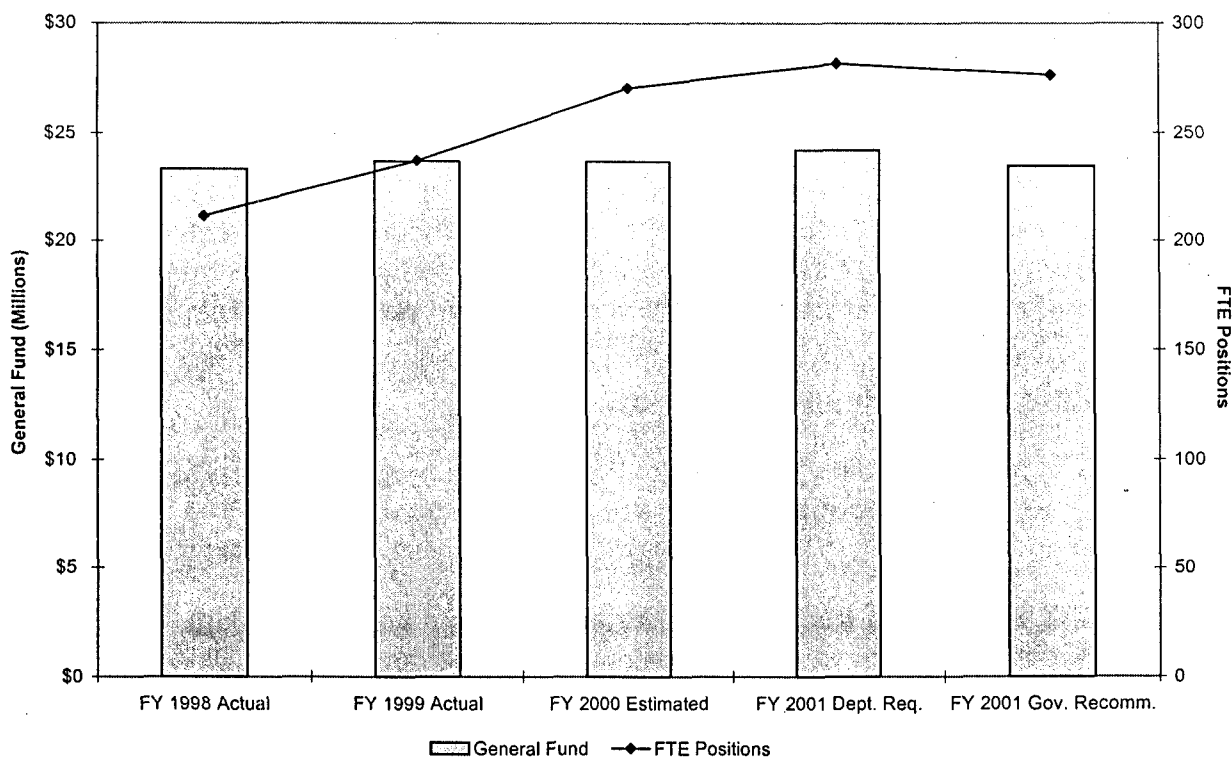
- The LFB has published an *Issue Review* titled "Review of Regents Infrastructure Projects" which examines the current status of the Board of Regents' capital projects funded through the Rebuild Iowa Infrastructure Fund. From FY 1996 to FY 2001, the Board of Regents has received a total of \$148.8 million in appropriations from the Rebuild Iowa Infrastructure Fund. This *Issue Review* identifies how these funds have been allocated for projects and the status of these projects. For additional information regarding this *Issue Review*, please contact Dave Reynolds at (515) 281-6934.
- The LFB has published a report identifying the total indebtedness of State agencies and State authorities. According to the report the State has incurred \$2.298 billion in total debt as of June 30, 1999. Of the total State debt, \$389.0 million (16.9%) is considered a liability of the State. Debt which constitutes a liability of the State includes debt in which the annual debt payments are paid from funds appropriated by the General Assembly. All other debt is backed by an independent revenue source and separate from the State's general tax revenues. For additional information regarding this report, please contact Dave Reynolds at (515) 281-6934.

OVERSIGHT AND COMMUNICATIONS APPROPRIATIONS SUBCOMMITTEE

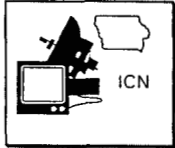
FY 2001 GOVERNOR'S RECOMMENDATIONS

The Governor is recommending \$23.5 million from the General Fund and 276.6 FTE positions, a decrease of \$201,000 (0.8%) and an increase of 6.0 (2.2%) FTE positions compared to estimated FY 2000. A new concept or funding included in the Governor's recommendation but not included in a department request, or the Governor's significant modification of a concept or funding included in a department request, is preceded by the symbol, ❖. The following graph illustrates the history of the General Fund appropriations and FTE positions.

Oversight and Communications Appropriations Subcommittee




Significant General Fund Changes Recommended

1. **Iowa Telecommunications and Technology Commission** – No change compared to estimated FY 2000 to subsidize Iowa Communications Network operations and costs related to educational usage of video services provided over the Network. 
2. **Iowa Public Television (IPTV)**– No change compared to estimated FY 2000 funding to support the Regional Telecommunications Councils and the IPTV functions related to support of ICN and distance learning.
3. **Information Technology Services (ITS)** - The Information Technology Services Division of the Department of General Services was created in FY 1997 using 28D and 28E Agreements between the Departments of General Services, Workforce Development, Transportation, and the ICN. The Governor is recommending a decrease of \$200,000 (4.0%) and an increase of 6.0 (3.8%) FTE positions compared to estimated FY 2000. The change includes:
 - A. A reduction of \$200,000 from a one-time appropriation for a transition team to prepare a proposal for the creation of a new Information Technology Department.
 - B. An increase of 6.0 FTE positions for support of data warehousing efforts.
4. **Treasurer of State** – A decrease of \$1,000 (0.1%) compared to estimated FY 2000 for network debt service. These funds are appropriated to the Treasurer of State and transferred to the ICN when payment is due.

Significant Other Fund Recommendations

The Governor is recommending \$27.9 from the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2001 for the entities funded through the Subcommittee. The recommendation includes:

- A. \$2.7 million to the Iowa Telecommunications and Technology Commission for the annual lease and maintenance of Part III connections. 
- B. \$7.0 million to the Commission for the second year of the migration of the ICN to Asynchronous Transfer Mode (ATM) technology. The Commission will be asking for an additional \$7.0 million to complete the migration in FY 2002. The Commission will require an additional \$7.0 million in FY 2002 to complete the migration.

- C. ❖ \$7.0 million to IPTV for additional broadcast towers and related equipment for the continued conversion to the federally required digital broadcast format. All public television stations must be converted by 2003 and will simulcast in the new digital and the current analog format until 2007. An additional \$9.0 million will be required to complete the conversion in FY 2002.
- D. ❖ \$10.2 million for Technology Initiative Projects. In the past two years, these projects were funded through General Fund reversions and selected by the Subcommittee. This will place the funding directly in the Information Technology Services Division.
- E. ❖ \$1.0 million to the Division for support of the continued development of lowAccess including the development of E-commerce. The recommendations also include an increase in receipts of \$645,000 and the continuation of the diversion of \$1.0 million of receipts from the sale of certified drivers' records that otherwise would be deposited in the General Fund.

Issues

The Oversight and Communications Appropriations Subcommittee may wish to examine the following issues:

- Creation of a new Information Technology Department including proposed changes in lowAccess including:
 - Powers and duties of the Chief Information Officer within the Department and in relation to other State agencies.
 - Existing government units that will be included in the new Department.
 - Creation of related boards and councils.
 - *The Governor is recommending the creation of a new Information Technology Department.*
 - *The Governor is recommending the development of pilot projects to provide services to individual lowans and businesses and the use of E-commerce throughout State government to move away from paper-based site-based transactions and processes.*
 - *The Governor is recommending creation of a dedicated, uninterrupted, and reliable funding stream for information technology through appropriations for technology projects and lowAccess from the Rebuild Iowa Infrastructure Fund (RIIF).*

- Implementation of the first phase of the transition of the Network to a ring typology utilizing ATM and MPEG 2 technology.
- Continued subsidization of video usage for educational users.
- Status of the State's appeal of the Federal Communications Commission's (FCC) ruling that the ICN is not a common carrier and therefore educational, library, and rural telemedicine users of ICN phone and video services do not qualify for reimbursements from the Universal Services Fund.
- Utilization by departments of funds appropriated for technology projects in the past two years and the appropriate funding mechanism for projects in FY 2001.
- Final assessment of the Year 2000 remediation efforts.

APPENDIX A

FY 2001 GENERAL FUND GOVERNOR'S RECOMMENDATIONS



GENERAL FUND APPROPRIATIONS

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Admin. & Regulation	\$ 89,206,437	\$ 91,387,416	\$ 138,337,943	\$ 133,958,098	\$ 42,570,682	46.6%
Ag. & Natural Resources	51,348,627	44,327,735	46,480,705	44,630,794	303,059	0.7%
Economic Development	41,638,704	43,117,492	49,344,194	42,811,176	-306,316	-0.7%
Education	897,066,399	950,667,833	1,020,065,777	953,800,290	3,132,457	0.3%
Health & Human Rights	90,359,940	95,485,985	102,143,953	97,294,620	1,808,635	1.9%
Human Services	743,583,372	792,620,694	823,512,788	781,879,721	-10,740,973	-1.4%
Justice System	429,739,416	472,857,160	500,142,037	485,920,010	13,062,850	2.8%
Trans., Infra., & Capital	3,968,997	4,136,681	4,281,140	3,900,000	-236,681	-5.7%
Oversight & Communication	23,600,491	23,652,876	24,199,229	23,451,876	-201,000	-0.8%
Unassigned Standings	2,158,940,163	2,259,351,561	2,339,103,945	2,325,983,945	66,632,384	2.9%
	<u>\$ 4,529,452,546</u>	<u>\$ 4,777,605,433</u>	<u>\$ 5,047,611,711</u>	<u>\$ 4,893,630,530</u>	<u>\$ 116,025,097</u>	2.4%

Administration and Regulation Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Auditor of State						
Auditor - General Office	\$ 1,435,084	\$ 1,490,432	\$ 1,592,676	\$ 1,490,432	\$ 0	0.0%
Ethics & Campaign Discl.						
Campaign Finance	\$ 500,993	\$ 504,066	\$ 536,166	\$ 530,766	\$ 26,700	5.3%
Commerce						
Commerce Administration	\$ 1,083,819	\$ 1,112,127	\$ 1,112,127	\$ 1,112,127	\$ 0	0.0%
Alcoholic Beverages						
Alcoholic Beverages Div.	1,557,630	1,592,587	1,592,587	1,592,587	0	0.0%
License Fee Education	0	37,000	37,000	37,000	0	0.0%
Total Alcoholic Beverages	1,557,630	1,629,587	1,629,587	1,629,587	0	0.0%
Banking Division	5,682,363	5,672,781	5,852,781	5,852,781	180,000	3.2%
Credit Union Division	1,107,860	1,107,260	1,227,080	1,227,080	119,820	10.8%
Insurance Division	3,803,178	3,723,541	4,335,060	3,794,560	71,019	1.9%
Professional Lic. Div.	909,673	889,607	889,607	889,607	0	0.0%
Utilities Division	5,879,737	5,983,707	5,949,707	5,949,707	-34,000	-0.6%
Total Commerce	\$ 20,024,260	\$ 20,118,610	\$ 20,995,949	\$ 20,455,449	\$ 336,839	1.7%
Legislative Branch						
Uniform State Laws	\$ 24,055	\$ 24,000	\$ 25,886	\$ 25,886	\$ 1,886	7.9%
NCSL	98,557	101,393	104,314	104,314	2,921	2.9%
Amer Leg. Exchange Coun.	0	7,500	7,500	7,500	0	0.0%
NCOIL	3,000	5,000	5,000	5,000	0	0.0%
Total Legislative Branch	\$ 125,612	\$ 137,893	\$ 142,700	\$ 142,700	\$ 4,807	3.5%

Administration and Regulation Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
General Services						
Gen. Services Admin.	\$ 1,886,097	\$ 1,967,539	\$ 1,967,539	\$ 1,967,539	\$ 0	0.0%
Property Management	4,505,119	4,556,153	4,556,153	4,556,153	0	0.0%
Capitol Planning Comm.	2,000	2,000	2,000	2,000	0	0.0%
Rental Space	903,398	1,028,898	1,206,872	1,028,898	0	0.0%
Utilities	2,324,489	2,324,489	2,324,489	2,324,489	0	0.0%
Terrace Hill Operations	217,130	237,130	357,681	237,130	0	0.0%
Des Moines Fire Protection	0	0	0	250,000	250,000	new
Total General Services	\$ 9,838,233	\$ 10,116,209	\$ 10,414,734	\$ 10,366,209	\$ 250,000	2.5%
Governor/Lt. Governor						
General Office	\$ 1,604,444	\$ 1,462,096	\$ 1,462,096	\$ 1,539,096	\$ 77,000	5.3%
Terrace Hill Quarters	75,314	129,517	129,517	129,517	0	0.0%
Admin. Rules Coordinator	135,047	140,598	140,598	140,598	0	0.0%
Natl. Governor's Assoc.	66,200	68,800	68,800	68,800	0	0.0%
Governor Elect Expenses	10,000	0	0	0	0	
Governors Transition Cost	15,000	0	0	0	0	
Governor's Technology	0	45,000	0	0	-45,000	-100.0%
State-Federal Relations	0	279,960	279,960	279,960	0	0.0%
Total Governor/Lt. Governor	\$ 1,906,005	\$ 2,125,971	\$ 2,080,971	\$ 2,157,971	\$ 32,000	1.5%
Inspections & Appeals						
Finance and Services Div.	\$ 554,763	\$ 568,968	\$ 610,163	\$ 568,868	\$ -100	0.0%
Audits Division	517,384	496,736	540,681	540,681	43,945	8.8%
Appeals and Fair Hearings	255,419	488,363	488,365	488,365	2	0.0%
Investigations Division	975,905	1,012,060	1,028,093	1,028,093	16,033	1.6%
Health Facilities Div.	2,089,072	2,290,188	2,847,953	2,493,539	203,351	8.9%
Inspections Division	652,150	660,545	844,004	844,004	183,459	27.8%
Employment Appeal Board	35,178	35,178	35,178	35,178	0	0.0%

Administration and Regulation Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Inspections & Appeals (cont.)						
Foster Care Review Board	578,508	790,826	790,827	790,827	1	0.0%
Total Inspections & Appeals	5,658,379	6,342,864	7,185,264	6,789,555	446,691	7.0%
Racing Commission						
Racetrack Regulation	2,095,194	2,155,379	2,155,379	2,155,379	0	0.0%
Excursion Boats Reg.	1,353,127	1,478,582	1,472,025	1,472,025	-6,557	-0.4%
Total Racing Commission	3,448,321	3,633,961	3,627,404	3,627,404	-6,557	-0.2%
Total Inspections & Appeals	\$ 9,106,700	\$ 9,976,825	\$ 10,812,668	\$ 10,416,959	\$ 440,134	4.4%
Management						
Management-General Office	\$ 2,073,299	\$ 2,338,019	\$ 2,338,019	\$ 2,338,019	\$ 0	0.0%
Law Enforcement Training	47,500	47,500	47,500	47,500	0	0.0%
Council of State Govts.	81,585	84,033	84,033	84,033	0	0.0%
Council On Human Invest.	169,131	0	0	0	0	
Salary Adjustment	1,009,817	415,167	42,173,997	42,173,997	41,758,830	10058.3%
Replacement Property Tax	0	75,000	75,000	75,000	0	0.0%
State Strategic Plan	0	130,000	0	127,000	-3,000	-2.3%
Total Management	\$ 3,381,332	\$ 3,089,719	\$ 44,718,549	\$ 44,845,549	\$ 41,755,830	1351.4%
Personnel						
Operations	\$ 1,423,928	\$ 1,581,005	\$ 7,669,832	\$ 4,886,865	\$ 3,305,860	209.1%
Program Delivery Services	1,370,734	1,424,120	0	0	-1,424,120	-100.0%
Program Admin. & Develop.	1,702,825	1,806,740	0	0	-1,806,740	-100.0%
Workers' Compensation	5,884,740	5,884,740	5,884,740	5,634,740	-250,000	-4.2%
Total Personnel	\$ 10,382,227	\$ 10,696,605	\$ 13,554,572	\$ 10,521,605	\$ -175,000	-1.6%

Administration and Regulation Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Revenue & Finance						
Compliance	\$ 10,790,248	\$ 10,964,553	\$ 10,899,641	\$ 10,899,641	\$ -64,912	-0.6%
State Financial Mgmt.	11,208,394	11,949,277	11,531,307	11,531,307	-417,970	-3.5%
Internal Resource Mgmt.	6,880,687	6,409,779	6,892,661	6,892,661	482,882	7.5%
Collection Costs & Fees	47,504	45,000	67,000	67,000	22,000	48.9%
Collection Agencies Reimb	-254,706	0	0	0	0	
Total Revenue & Finance	\$ 28,672,127	\$ 29,368,609	\$ 29,390,609	\$ 29,390,609	\$ 22,000	0.1%
Secretary of State						
Admin. & Elections	\$ 704,269	\$ 756,749	\$ 840,249	\$ 781,749	\$ 25,000	3.3%
Business Services	1,827,758	1,860,311	1,860,311	1,860,311	0	0.0%
Official Register Print	5,000	45,000	5,000	5,000	-40,000	-88.9%
Student Pol. Aware. Club	0	30,000	50,000	50,000	20,000	66.7%
Total Secretary of State	\$ 2,537,027	\$ 2,692,060	\$ 2,755,560	\$ 2,697,060	\$ 5,000	0.2%
State-Federal Relations						
General Office	\$ 274,095	\$ 0	\$ 0	\$ 0	\$ 0	
Treasurer of State						
Treasurer-General Office	\$ 1,022,742	\$ 1,045,417	\$ 942,789	\$ 942,789	\$ -102,628	-9.8%
Office Furnishings	0	25,000	0	0	-25,000	-100.0%
College Savings Iowa	0	0	400,000	0	0	
Total Treasurer of State	\$ 1,022,742	\$ 1,070,417	\$ 1,342,789	\$ 942,789	\$ -127,628	-11.9%
Total Admin. & Regulation	\$ 89,206,437	\$ 91,387,416	\$ 138,337,943	\$ 133,958,098	\$ 42,570,682	46.6%
Operations	\$ 83,528,899	\$ 85,457,676	\$ 132,386,203	\$ 128,256,358	\$ 42,798,682	50.1%
Grants and Aid	\$ 5,884,740	\$ 5,884,740	\$ 5,884,740	\$ 5,634,740	\$ -250,000	-4.2%
Standings	\$ -207,202	\$ 45,000	\$ 67,000	\$ 67,000	\$ 22,000	48.9%
	\$ 89,206,437	\$ 91,387,416	\$ 138,337,943	\$ 133,958,098	\$ 42,570,682	46.6%

Agriculture and Natural Resources Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Ag. & Land Stewardship						
Administration Division						
Administrative Division	\$ 1,889,593	\$ 2,240,619	\$ 3,472,728	\$ 2,621,891	\$ 381,272	17.0%
Dairy Trade Prac.-Admin.	72,507	75,068	75,068	75,068	0	0.0%
Commercial Feed-Admin.	70,055	70,818	70,818	70,818	0	0.0%
Fertilizer - Admin.	70,055	70,819	70,819	70,819	0	0.0%
Total Administration Division	2,102,210	2,457,324	3,689,433	2,838,596	381,272	15.5%
Regulatory Division						
Regulatory Division	4,181,902	4,269,494	4,844,271	4,269,494	0	0.0%
Milk Fund - Regulatory	687,716	710,143	710,143	710,143	0	0.0%
Total Regulatory Division	4,869,618	4,979,637	5,554,414	4,979,637	0	0.0%
Laboratory Division						
Laboratory Division	1,022,725	960,758	1,015,808	960,758	0	0.0%
Commercial Feed - Lab.	806,666	808,633	785,750	785,750	-22,883	-2.8%
Pesticide - Laboratory	1,277,795	1,287,893	1,287,893	1,287,893	0	0.0%
Fertilizer - Laboratory	687,255	679,788	679,788	679,788	0	0.0%
Total Laboratory Division	3,794,441	3,737,072	3,769,239	3,714,189	-22,883	-0.6%
Soil Conservation Div.	6,805,031	7,000,918	7,270,165	7,000,918	0	0.0%
Agricultural Programs						
Soil Conserv. Cost Share	6,500,850	6,500,850	6,500,850	6,500,850	0	0.0%
Farmer's Market Coupon	260,242	301,373	301,373	301,373	0	0.0%
Pseudorabies Eradication	900,500	900,600	900,600	900,600	0	0.0%
Total Agricultural Programs	7,661,592	7,702,823	7,702,823	7,702,823	0	0.0%
Total Ag. & Land Stewardship	\$ 25,232,892	\$ 25,877,774	\$ 27,986,074	\$ 26,236,163	\$ 358,389	1.4%

Agriculture and Natural Resources Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Natural Resources						
USDA Animal Control	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ -50,000	-100.0%
Administrative Services	2,187,501	2,156,396	2,236,396	2,156,396	0	0.0%
Parks & Preserves	6,195,754	6,316,603	6,416,603	6,316,603	0	0.0%
Forestry	1,732,789	1,764,696	1,764,696	1,764,696	0	0.0%
Energy & Geology	1,908,828	1,963,515	1,963,515	1,963,515	0	0.0%
Environmental Protection	3,700,552	5,053,110	4,973,110	5,053,110	0	0.0%
Water Quality Project	729,000	729,000	729,000	729,000	0	0.0%
Marine Fuel GF to Parks	411,311	411,311	411,311	411,311	0	0.0%
REAP Appropriation	9,000,000	0	0	0	0	
Parks Retirement	200,000	0	0	0	0	
Total Natural Resources	\$ 26,065,735	\$ 18,444,631	\$ 18,494,631	\$ 18,394,631	\$ -50,000	-0.3%
Board of Regents						
PRRS Research	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	
Johne's Disease	0	5,330	0	0	-5,330	-100.0%
Total Board of Regents	\$ 50,000	\$ 5,330	\$ 0	\$ 0	\$ -5,330	-100.0%
Total Ag. & Natural Resources	\$ 51,348,627	\$ 44,327,735	\$ 46,480,705	\$ 44,630,794	\$ 303,059	0.7%
Operations	\$ 34,747,277	\$ 36,926,285	\$ 39,079,255	\$ 37,229,344	\$ 303,059	0.8%
Grants and Aid	\$ 7,601,350	\$ 7,401,450	\$ 7,401,450	\$ 7,401,450	\$ 0	0.0%
Standings	\$ 9,000,000	\$ 0	\$ 0	\$ 0	\$ 0	
	\$ 51,348,627	\$ 44,327,735	\$ 46,480,705	\$ 44,630,794	\$ 303,059	0.7%

Economic Development Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Economic Development						
Administrative Services						
General Administration	\$ 1,524,984	\$ 1,781,472	\$ 1,531,472	\$ 1,531,472	\$ -250,000	-14.0%
Film Office	260,066	268,359	268,359	268,359	0	0.0%
School To Career-Standing	0	100,000	100,000	100,000	0	0.0%
IA Commission on Volun.	0	0	120,000	80,000	80,000	new
Total Administrative Services	1,785,050	2,149,831	2,019,831	1,979,831	-170,000	-7.9%
Business Development						
Bus. Develop. Operations	3,946,209	4,417,223	5,097,223	5,156,824	739,601	16.7%
Small Business Program	452,252	457,894	457,894	457,894	0	0.0%
Procurement Office	106,932	106,932	106,932	106,932	0	0.0%
Value-Added Ag. Prod.	0	0	3,650,000	0	0	
Workforce Recruit. Prog.	300,000	559,601	559,601	0	-559,601	-100.0%
Strategic Investment Fund	6,815,799	6,142,316	5,992,316	6,100,000	-42,316	-0.7%
Total Business Development	11,621,192	11,683,966	15,863,966	11,821,650	137,684	1.2%
Community & Rural Devel.						
Community Assistance	658,038	890,657	1,015,657	890,657	0	0.0%
Mainstreet/Rural Main St.	431,937	445,519	513,019	445,519	0	0.0%
Community Develop. Program	837,780	998,375	1,143,375	998,375	0	0.0%
Commun. Dev. Block Grant	422,719	422,719	422,719	422,719	0	0.0%
Housing Develop. Assist.	1,300,000	1,700,000	1,700,000	500,000	-1,200,000	-70.6%
Shelter Assistance Fund	400,000	0	0	0	0	
Total Community & Rural Devel.	4,050,474	4,457,270	4,794,770	3,257,270	-1,200,000	-26.9%

Economic Development Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Economic Development (cont.)						
International Division						
International Trade	2,048,222	2,144,084	2,544,084	2,394,084	250,000	11.7%
Export Trade Asst. Prog.	425,000	425,000	425,000	425,000	0	0.0%
Ag. Prod. Adv. Council	1,300	1,300	1,300	1,300	0	0.0%
Partner State Program	125,000	125,000	125,000	125,000	0	0.0%
Total International Division	2,599,522	2,695,384	3,095,384	2,945,384	250,000	9.3%
Tourism Operations	5,062,837	5,088,711	5,088,711	4,963,711	-125,000	-2.5%
Total Economic Development	\$ 25,119,075	\$ 26,075,162	\$ 30,862,662	\$ 24,967,846	\$ -1,107,316	-4.2%
Workforce Development						
Labor Division	\$ 2,984,408	\$ 3,155,586	\$ 3,620,086	\$ 3,429,686	\$ 274,100	8.7%
Workers' Comp. Div.	2,436,620	2,513,263	2,977,965	2,530,163	16,900	0.7%
Workforce Dev. Board	106,929	110,033	110,033	110,033	0	0.0%
Employment Statistics	67,258	68,911	68,911	68,911	0	0.0%
Work Development Areas	1,480,022	1,481,500	1,831,500	1,831,500	350,000	23.6%
Labor Management Coord.	67,759	68,999	68,999	68,999	0	0.0%
Welfare To Work Match	888,633	888,633	888,633	888,633	0	0.0%
Immigration Service Cntr.	0	0	160,000	160,000	160,000	new
Total Workforce Development	\$ 8,031,629	\$ 8,286,925	\$ 9,726,127	\$ 9,087,925	\$ 801,000	9.7%
Public Employ. Relations						
General Office	\$ 886,407	\$ 923,939	\$ 923,939	\$ 923,939	\$ 0	0.0%

Economic Development Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Board of Regents						
University of Iowa						
SUI Research Park	\$ 340,118	\$ 350,697	\$ 350,697	\$ 350,697	\$ 0	0.0%
SUI Advanced Drug Devel.	272,731	283,094	283,094	283,094	0	0.0%
Total University of Iowa	612,849	633,791	633,791	633,791	0	0.0%
Iowa State University						
ISU Small Bus. Center	1,248,329	1,262,364	1,262,364	1,262,364	0	0.0%
ISU Research Park	381,380	392,822	392,822	392,822	0	0.0%
Institute for Phys. Res.	4,477,948	4,590,620	4,590,620	4,590,620	0	0.0%
Total Iowa State University	6,107,657	6,245,806	6,245,806	6,245,806	0	0.0%
Univ. of Northern Iowa						
UNI Metal Casting	171,996	179,537	179,537	179,537	0	0.0%
Decision Making Institute	709,091	772,332	772,332	772,332	0	0.0%
Total Univ. of Northern Iowa	881,087	951,869	951,869	951,869	0	0.0%
Total Board of Regents	\$ 7,601,593	\$ 7,831,466	\$ 7,831,466	\$ 7,831,466	\$ 0	0.0%
Total Economic Development	\$ 41,638,704	\$ 43,117,492	\$ 49,344,194	\$ 42,811,176	\$ -306,316	-0.7%
Operations	\$ 41,215,985	\$ 42,594,773	\$ 48,821,475	\$ 42,288,457	\$ -306,316	-0.7%
Grants and Aid	\$ 422,719	\$ 422,719	\$ 422,719	\$ 422,719	\$ 0	0.0%
Standings	\$ 0	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0	0.0%
	\$ 41,638,704	\$ 43,117,492	\$ 49,344,194	\$ 42,811,176	\$ -306,316	-0.7%

Education Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
College Student Aid Comm.						
Operations and Loan Prog.						
Scholarship & Grant Ad.	\$ 331,727	\$ 344,397	\$ 352,346	\$ 344,397	\$ 0	0.0%
Osteopathic Univ - Loans	379,260	379,260	379,260	379,260	0	0.0%
Osteopathic - Prim. Care	395,000	395,000	395,000	395,000	0	0.0%
Student Aid Programs	1,161,850	1,161,850	3,075,440	1,161,850	0	0.0%
IA Community Scholarship	0	0	750,000	0	0	
Natl. Guard Assistance	833,900	833,900	1,000,000	1,250,000	416,100	49.9%
Chiropractic Loan Repay.	71,400	100,000	100,000	100,000	0	0.0%
Forgive Loans-Ind. Tech.	90,000	0	0	0	0	
Career Opp. & Res. for Ed.	0	0	0	500,000	500,000	new
Total Operations and Loan Prog.	3,263,137	3,214,407	6,052,046	4,130,507	916,100	28.5%
Standing Loan & Grant Prg.						
Tuition Grant Standing	44,664,750	47,664,750	51,160,725	48,830,075	1,165,325	2.4%
Scholarship Prog. Stand.	474,800	498,540	498,540	498,540	0	0.0%
Voc. Tech. Grant Standing	2,244,197	2,482,400	2,730,000	2,482,400	0	0.0%
Work-Study Prog. Standing	2,950,000	2,950,000	2,950,000	2,950,000	0	0.0%
Teacher Short. Forg. Loan	0	250,000	600,000	600,000	350,000	140.0%
Total Standing Loan & Grant Prg.	50,333,747	53,845,690	57,939,265	55,361,015	1,515,325	2.8%
Total College Student Aid Comm.	\$ 53,596,884	\$ 57,060,097	\$ 63,991,311	\$ 59,491,522	\$ 2,431,425	4.3%
Cultural Affairs						
Iowa Arts Council	\$ 1,344,795	\$ 1,448,227	\$ 1,413,091	\$ 1,413,091	\$ -35,136	-2.4%
State Historical Society	3,163,307	3,305,705	3,284,005	3,284,005	-21,700	-0.7%
Historic Sites	596,001	610,395	598,887	598,887	-11,508	-1.9%
Cultural Affairs - Admin.	236,562	246,879	245,859	245,859	-1,020	-0.4%
LACES - Local Arts	25,000	25,000	25,000	25,000	0	0.0%
Cultural Grants	713,557	715,946	691,286	691,286	-24,660	-3.4%
Total Cultural Affairs	\$ 6,079,222	\$ 6,352,152	\$ 6,258,128	\$ 6,258,128	\$ -94,024	-1.5%

Education Subcommittee

General Fund Appropriations

	Actual FY 1999	Estimated FY 2000	Dept. Req. FY 2001	Gov. Recomm. FY 2001	Gov. Rec. vs Est. FY 2000	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)
Education						
Administration						
DE Administration	\$ 5,690,946	\$ 5,957,330	\$ 5,957,330	\$ 5,957,330	\$ 0	0.0%
Vocational Ed. Admin.	554,481	578,234	578,234	578,234	0	0.0%
Board of Ed. Examiners	205,396	214,872	982,474	214,872	0	0.0%
Vocational Rehab.	4,531,873	4,743,836	4,889,813	4,889,813	145,977	3.1%
Independent Living	76,067	76,421	76,421	76,421	0	0.0%
State Library	3,093,168	3,191,756	3,471,756	3,223,756	32,000	1.0%
Regional Library System	1,637,000	1,687,000	2,084,295	1,687,000	0	0.0%
Iowa Public Television	7,510,062	7,884,705	8,786,816	8,266,389	381,684	4.8%
Special Education Study	25,000	0	0	0	0	
Educ. Innovation Fund	0	0	675,000	675,000	675,000	new
SBRC On-time Funding	0	4,000,000	0	0	-4,000,000	-100.0%
Alternative School Funding	0	0	0	9,800,000	9,800,000	new
School-to-Work	0	0	0	210,000	210,000	new
Total Administration	23,323,993	28,334,154	27,502,139	35,578,815	7,244,661	25.6%
Grants & State Aid						
Vocational Ed. Secondary	3,308,850	3,308,850	3,308,850	3,308,850	0	0.0%
School Food Service	2,716,859	2,716,859	2,716,859	2,716,859	0	0.0%
Textbook Nonpublic	700,000	650,000	650,000	650,000	0	0.0%
Voc Ed. Youth Org.	107,900	107,900	107,900	107,900	0	0.0%
Family Resource Centers	120,000	0	0	0	0	
Reading Recovery	0	0	100,000	0	0	
Extended School Year	1,500,000	0	0	0	0	
BOEE - Para-Educator Lic.	75,000	50,000	0	0	-50,000	-100.0%
AEA Audits	75,000	0	0	0	0	
National Cert. Stipends	250,000	1,000,000	2,000,000	1,700,000	700,000	70.0%
Beg. Teach./Mentoring	300,000	300,000	600,000	600,000	300,000	100.0%
Empowerment Fund	5,200,000	10,400,000	25,600,000	15,600,000	5,200,000	50.0%

Education Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Education (cont.)						
Grants & State Aid (cont.)						
Elect. Data Interchange	0	0	500,000	0	0	
Strengthening Families	0	50,000	50,000	50,000	0	0.0%
Jobs for Amer.'s Grads.	0	0	333,000	333,000	333,000	new
Employability Skills	0	185,000	800,000	800,000	615,000	332.4%
Electric Library	0	0	150,000	0	0	
Enrich Iowa Libraries	0	700,000	1,500,000	1,500,000	800,000	114.3%
Total Grants & State Aid	14,353,609	19,468,609	38,416,609	27,366,609	7,898,000	40.6%
Community College Gen Aid	135,366,156	141,577,403	150,486,190	149,986,190	8,408,787	5.9%
Total Education	\$ 173,043,758	\$ 189,380,166	\$ 216,404,938	\$ 212,931,614	\$ 23,551,448	12.4%
Board of Regents						
Board Office Operations						
Regents Board Office	\$ 1,235,518	\$ 1,287,045	\$ 1,315,028	\$ 1,287,045	\$ 0	0.0%
Tuition Replacement	27,868,702	27,927,851	28,174,854	0	-27,927,851	-100.0%
Southwest Iowa Grad. Cnt.	111,113	114,324	115,338	114,324	0	0.0%
Tri State Graduate Center	81,716	83,778	84,740	83,778	0	0.0%
Quad Cities Graduate Cnt.	167,086	171,382	173,296	171,382	0	0.0%
Regents Technology Innov.	0	0	10,130,000	0	0	
Total Board Office Operations	29,464,135	29,584,380	39,993,256	1,656,529	-27,927,851	-94.4%

Education Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Board of Regents (cont.)						
University of Iowa						
Univ. of Iowa - General	235,994,141	248,481,025	257,100,025	248,718,025	237,000	0.1%
SUI Indigent Patient	31,812,568	32,679,312	32,679,312	32,679,312	0	0.0%
SUI Psychiatric Hospital	7,968,070	8,241,465	8,241,465	8,241,465	0	0.0%
SUI Hospital School	6,791,199	7,305,037	7,305,037	7,305,037	0	0.0%
SUI Creative Employment	200,000	0	0	0	0	
SUI Oakdale Campus	3,100,866	3,169,417	3,169,417	3,169,417	0	0.0%
SUI Hygienic Lab	3,870,920	4,074,514	4,164,514	4,074,514	0	0.0%
SUI Family Practice Prog.	2,312,290	2,398,895	2,398,895	2,398,895	0	0.0%
SUI Spec. Child Health	551,434	655,199	655,199	655,199	0	0.0%
SUI Ag. Health and Safety	272,634	279,690	279,690	279,690	0	0.0%
SUI Cancer Registry	209,730	214,020	264,020	214,020	0	0.0%
SUI Sub. Abuse Consortium	72,028	75,536	75,536	75,536	0	0.0%
SUI Cntr. - Biocatalysis	1,058,058	1,074,259	1,074,259	1,074,259	0	0.0%
SUI Driving Simulator	284,951	297,104	297,104	297,104	0	0.0%
SUI Primary Health Care	865,623	901,405	901,405	901,405	0	0.0%
SUI Birth Defects Regist.	50,000	51,984	101,984	51,984	0	0.0%
SUI Public Health Init.	0	1,050,000	2,750,000	2,750,000	1,700,000	161.9%
Total University of Iowa	295,414,512	310,948,862	321,457,862	312,885,862	1,937,000	0.6%

Education Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Board of Regents (cont.)						
Iowa State University						
Iowa State Univ.-General	185,648,896	194,030,960	199,589,697	194,445,960	415,000	0.2%
ISU Bioinformatics	200,000	0	0	0	0	
ISU Ag. Experiment	34,982,675	36,252,371	36,252,371	36,252,371	0	0.0%
ISU Coop Extension	22,556,446	23,561,869	23,561,869	23,561,869	0	0.0%
ISU Leopold Center	574,983	576,969	576,969	576,969	0	0.0%
ISU World Food Prize	250,000	0	0	0	0	
ISU Livestock Disease	277,573	279,077	279,077	279,077	0	0.0%
ISU Plant Science Center	0	2,200,000	7,200,000	4,670,000	2,470,000	112.3%
Total Iowa State University	244,490,573	256,901,246	267,459,983	259,786,246	2,885,000	1.1%
Univ. of Northern Iowa						
UNI - General	82,872,982	87,442,830	91,292,830	88,090,830	648,000	0.7%
UNI Masters in Soc. Work	0	300,000	0	0	-300,000	-100.0%
UNI Recycl./Reuse Cntr.	244,025	248,878	248,878	248,878	0	0.0%
UNI Waste Reduction Cntr.	220,000	0	0	0	0	
Total Univ. of Northern Iowa	83,337,007	87,991,708	91,541,708	88,339,708	348,000	0.4%

Education Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Board of Regents (cont.)						
Special Schools						
Iowa School for the Deaf	7,467,952	7,976,998	8,304,711	7,976,998	0	0.0%
Iowa Braille & Sight Sch.	4,155,415	4,455,283	4,635,480	4,455,283	0	0.0%
Tuition & Transportation	16,941	16,941	18,400	18,400	1,459	8.6%
Total Special Schools	11,640,308	12,449,222	12,958,591	12,450,681	1,459	0.0%
Total Board of Regents	\$ 664,346,535	\$ 697,875,418	\$ 733,411,400	\$ 675,119,026	\$ -22,756,392	-3.3%
Total Education	\$ 897,066,399	\$ 950,667,833	\$ 1,020,065,777	\$ 953,800,290	\$ 3,132,457	0.3%
Operations	\$ 702,463,277	\$ 746,707,921	\$ 800,789,913	\$ 740,266,266	\$ -6,441,655	-0.9%
Grants and Aid	\$ 144,269,375	\$ 150,364,222	\$ 161,936,599	\$ 158,773,009	\$ 8,408,787	5.6%
Standings	\$ 50,333,747	\$ 53,595,690	\$ 57,339,265	\$ 54,761,015	\$ 1,165,325	2.2%
	\$ 897,066,399	\$ 950,667,833	\$ 1,020,065,777	\$ 953,800,290	\$ 3,132,457	0.3%

Health and Human Rights Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Blind						
Department for the Blind	\$ 1,611,168	\$ 1,797,080	\$ 1,847,080	\$ 1,797,080	\$ 0	0.0%
Civil Rights Commission						
General Office	\$ 1,189,494	\$ 1,230,977	\$ 2,306,231	\$ 1,230,977	\$ 0	0.0%
Elder Affairs						
State Administration	\$ 550,201	\$ 0	\$ 0	\$ 0	\$ 0	
Aging Programs & Services	4,215,598	0	0	0	0	
Aging Programs	0	4,999,260	5,567,129	5,141,260	142,000	2.8%
Total Elder Affairs	\$ 4,765,799	\$ 4,999,260	\$ 5,567,129	\$ 5,141,260	\$ 142,000	2.8%
Gov. Alliance Sub. Abuse						
Drug Enf. Ab. Prev. Coord.	\$ 438,460	\$ 511,904	\$ 511,904	\$ 511,904	\$ 0	0.0%
Cedar Rapids Subs. Abs.	32,894	0	0	0	0	
D.A.R.E. Program	0	0	0	80,000	80,000	new
Total Gov. Alliance Sub. Abuse	\$ 471,354	\$ 511,904	\$ 511,904	\$ 591,904	\$ 80,000	15.6%
Public Health						
Addictive Disorders	\$ 8,954,322	\$ 9,930,998	\$ 9,775,998	\$ 9,775,998	\$ -155,000	-1.6%
Adult Wellness	795,227	783,855	703,855	643,855	-140,000	-17.9%
Child & Adolesc. Wellness	1,627,998	1,559,456	1,424,456	1,424,456	-135,000	-8.7%
Chronic Conditions	1,854,341	1,841,486	1,891,486	1,841,486	0	0.0%
Community Capacity	1,325,306	1,647,938	1,647,938	1,647,938	0	0.0%
Elderly Wellness	11,003,401	10,932,737	10,932,737	10,932,737	0	0.0%
Environmental Hazards	179,999	166,114	271,114	166,114	0	0.0%
Infectious Diseases	1,159,554	1,346,770	1,346,770	1,346,770	0	0.0%
Injuries	1,788,972	1,870,039	1,870,039	1,870,039	0	0.0%
Public Protection	6,061,621	6,683,941	7,757,263	7,111,280	427,339	6.4%
Resource Management	1,342,326	1,350,962	1,380,962	1,350,962	0	0.0%
Total Public Health	\$ 36,093,067	\$ 38,114,296	\$ 39,002,618	\$ 38,111,635	\$ -2,661	0.0%

Health and Human Rights Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Rights						
Central Administration	\$ 238,121	\$ 249,469	\$ 480,094	\$ 249,469	\$ 0	0.0%
Community Action Agencies	0	0	1,386,264	100,000	100,000	new
Deaf Services	319,149	330,932	356,521	340,253	9,321	2.8%
Persons With Disabilities	109,876	181,078	264,721	203,177	22,099	12.2%
Latino Affairs	156,599	160,893	162,693	162,693	1,800	1.1%
Status of Women	343,730	425,630	752,225	428,030	2,400	0.6%
Status of African Am.	129,500	129,500	176,031	131,300	1,800	1.4%
Criminal & Juvenile Just.	412,421	412,421	412,421	472,421	60,000	14.5%
Community Grant Fund	1,600,494	1,600,494	1,600,494	1,600,494	0	0.0%
Justice Data Warehouse	0	0	60,000	0	0	
Total Human Rights	\$ 3,309,890	\$ 3,490,417	\$ 5,651,464	\$ 3,687,837	\$ 197,420	5.7%
Comm. of Veterans Affairs						
Vet. Affairs Admin.	\$ 274,768	\$ 307,168	\$ 365,069	\$ 295,169	\$ -11,999	-3.9%
War Orphans Ed. Fund	6,000	6,000	6,000	6,000	0	0.0%
Iowa Veterans Home	42,638,400	45,028,883	46,886,458	46,432,758	1,403,875	3.1%
Total Comm. of Veterans Affairs	\$ 42,919,168	\$ 45,342,051	\$ 47,257,527	\$ 46,733,927	\$ 1,391,876	3.1%
Total Health & Human Rights	\$ 90,359,940	\$ 95,485,985	\$ 102,143,953	\$ 97,294,620	\$ 1,808,635	1.9%
Operations	\$ 78,287,749	\$ 81,926,745	\$ 86,943,522	\$ 83,166,041	\$ 1,239,296	1.5%
Grants and Aid	\$ 12,072,191	\$ 13,559,240	\$ 15,200,431	\$ 14,128,579	\$ 569,339	4.2%
	\$ 90,359,940	\$ 95,485,985	\$ 102,143,953	\$ 97,294,620	\$ 1,808,635	1.9%

Human Services Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Services						
Economic Assistance						
Fam. Inv. Prg./Prom. Jobs	\$ 31,420,000	\$ 34,330,000	\$ 35,328,525	\$ 35,859,687	\$ 1,529,687	4.5%
Emergency Assistance	10,000	10,000	10,000	10,000	0	0.0%
Child Support Recoveries	9,454,527	6,856,738	7,178,295	6,888,222	31,484	0.5%
Total Economic Assistance	40,884,527	41,196,738	42,516,820	42,757,909	1,561,171	3.8%
Medical Services						
Medical Assistance	385,513,305	415,455,590	423,267,247	401,155,080	-14,300,510	-3.4%
Health Insurance Premium	398,273	398,126	400,922	400,922	2,796	0.7%
Child Health Ins. Prog.	7,000,000	10,250,000	11,047,131	5,051,979	-5,198,021	-50.7%
Medical Contracts	7,357,150	7,659,250	8,477,020	8,458,532	799,282	10.4%
State Supplementary Asst.	19,537,200	20,500,000	20,538,498	20,168,128	-331,872	-1.6%
Total Medical Services	419,805,928	454,262,966	463,730,818	435,234,641	-19,028,325	-4.2%
Serv. Adult/Child/Family						
Child Care Services	8,740,000	5,050,749	5,050,750	5,050,750	1	0.0%
Toledo Juvenile Home	6,107,477	6,405,763	6,481,963	6,377,473	-28,290	-0.4%
Eldora Training School	9,551,881	9,863,247	10,696,719	10,499,859	636,612	6.5%
Child and Family Services	96,744,904	107,450,000	112,481,919	107,387,081	-62,919	-0.1%
Community Based Services	1,009,499	1,011,424	979,424	979,424	-32,000	-3.2%
Family Support Subsidy	1,710,000	1,787,000	2,211,897	2,028,215	241,215	13.5%
Ct. Ordered Ser. Juvenile	3,290,000	0	0	0	0	
Runaway Treatment	80,000	0	0	0	0	
Reactive Attach. Disorder	0	60,000	0	0	-60,000	-100.0%
Total Serv. Adult/Child/Family	127,233,761	131,628,183	137,902,672	132,322,802	694,619	0.5%

Human Services Subcommittee

General Fund Appropriations

	Actual FY 1999	Estimated FY 2000	Dept. Req. FY 2001	Gov. Recomm. FY 2001	Gov. Rec. vs Est. FY 2000	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)
Human Services (cont.)						
Serving MH/MR/DD/BI						
Conners Training	46,000	46,000	46,000	46,000	0	0.0%
Cherokee MHI	13,334,325	12,916,682	13,555,438	12,965,189	48,507	0.4%
Clarinda MHI	7,025,806	7,242,953	7,318,150	7,263,463	20,510	0.3%
Independence MHI	17,764,665	17,727,938	17,962,569	17,824,876	96,938	0.5%
Mt. Pleasant MHI	5,451,153	5,451,463	5,522,474	5,473,647	22,184	0.4%
Glenwood SHS	2,951,174	3,330,401	3,398,152	2,711,778	-618,623	-18.6%
Woodward SHS	2,249,601	2,444,950	2,117,485	1,871,978	-572,972	-23.4%
MH/MR/DD Special Services	121,220	121,220	121,220	121,220	0	0.0%
DD Special Needs Grants	53,212	53,212	53,212	53,212	0	0.0%
State Cases	8,594,500	10,090,000	15,800,000	13,800,000	3,710,000	36.8%
Community MH/MR Fund	17,560,000	17,560,000	19,560,000	19,560,000	2,000,000	11.4%
Personal Assistance	364,000	364,000	364,000	364,000	0	0.0%
Sexual Predator Commit.	615,028	1,531,000	1,776,356	1,776,356	245,356	16.0%
MH Allow. Growth (Hist.)	12,504,538	18,126,362	21,773,602	21,773,602	3,647,240	20.1%
MH/MR POS Increase	0	2,000,000	0	0	-2,000,000	-100.0%
Total Serving MH/MR/DD/BI	88,635,222	99,006,181	109,368,658	105,605,321	6,599,140	6.7%

Human Services Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Services (cont.)						
DHS Administration						
Field Operations	51,110,262	51,953,016	54,908,222	50,880,842	-1,072,174	-2.1%
General Administration	15,795,172	14,455,110	14,959,706	14,959,706	504,596	3.5%
Volunteers	118,500	118,500	125,892	118,500	0	0.0%
Total DHS Administration	67,023,934	66,526,626	69,993,820	65,959,048	-567,578	-0.9%
Total Human Services	\$ 743,583,372	\$ 792,620,694	\$ 823,512,788	\$ 781,879,721	\$ -10,740,973	-1.4%
Operations	\$ 141,411,071	\$ 140,179,261	\$ 145,875,529	\$ 139,493,389	\$ -685,872	-0.5%
Grants and Aid	\$ 589,667,763	\$ 634,315,071	\$ 655,863,657	\$ 620,612,730	\$ -13,702,341	-2.2%
Standings	\$ 12,504,538	\$ 18,126,362	\$ 21,773,602	\$ 21,773,602	\$ 3,647,240	20.1%
	\$ 743,583,372	\$ 792,620,694	\$ 823,512,788	\$ 781,879,721	\$ -10,740,973	-1.4%

Justice System Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Attorney General						
General Office A.G.	\$ 7,792,457	\$ 8,647,279	\$ 8,900,725	\$ 8,647,279	\$ 0	0.0%
Pros. Attor. Training	298,825	327,665	327,665	327,665	0	0.0%
Victim Assistance Grants	1,759,806	1,935,806	1,935,806	1,935,806	0	0.0%
Area GASA Pros. Attorney	128,302	135,120	135,120	135,120	0	0.0%
Legal Serv. Poverty Grt.	600,000	700,000	950,000	700,000	0	0.0%
Consumer Advocate	2,623,170	2,677,872	2,677,872	2,677,872	0	0.0%
Total Attorney General	\$ 13,202,560	\$ 14,423,742	\$ 14,927,188	\$ 14,423,742	\$ 0	0.0%
Corrections						
Corr. - Institutions						
Ft. Madison Inst.	\$ 28,474,916	\$ 29,013,288	\$ 31,836,681	\$ 31,569,809	\$ 2,556,521	8.8%
Anamosa Inst.	22,918,926	23,588,585	23,703,204	23,678,204	89,619	0.4%
Oakdale Inst.	19,149,907	20,559,057	21,846,906	21,763,298	1,204,241	5.9%
Newton Inst.	21,278,797	22,618,525	23,342,030	22,879,195	260,670	1.2%
Mt. Pleasant Inst.	20,211,379	21,052,706	21,692,242	21,584,062	531,356	2.5%
Rockwell City Inst.	6,268,795	7,114,579	7,170,892	7,170,892	56,313	0.8%
Clarinda Inst.	16,919,414	17,845,103	17,922,675	17,890,112	45,009	0.3%
Mitchellville Inst.	7,716,593	11,073,041	12,095,125	12,045,125	972,084	8.8%
Ft. Dodge Inst.	16,470,414	22,076,131	25,294,480	24,994,480	2,918,349	13.2%
Total Corr. - Institutions	159,409,141	174,941,015	184,904,235	183,575,177	8,634,162	4.9%

Justice System Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Corrections (cont.)						
Corr. - Central Office						
Central Office	2,226,916	4,623,211	2,433,211	2,433,211	-2,190,000	-47.4%
County Confinement	524,038	524,038	524,038	524,038	0	0.0%
Fed. Prisoners/Contract	341,334	341,334	341,334	341,334	0	0.0%
Training Center	486,847	486,847	486,847	486,847	0	0.0%
Hormone Treatment Prog.	500,000	0	0	0	0	
Corr. Expansion-Phase II	3,185,265	3,180,815	796,940	796,940	-2,383,875	-74.9%
Corrections Education	2,950,600	3,294,775	3,294,775	3,294,775	0	0.0%
Mitchellville Education	12,000	0	0	0	0	
IA Corr. Offender Network	0	0	0	600,000	600,000	new
Total Corr. - Central Office	10,227,000	12,451,020	7,877,145	8,477,145	-3,973,875	-31.9%
CBC Districts						
CBC District I	7,742,472	8,538,673	9,839,577	8,889,920	351,247	4.1%
CBC District II	6,158,059	6,863,762	7,526,647	7,179,949	316,187	4.6%
CBC District III	3,742,295	4,143,750	4,533,886	4,361,810	218,060	5.3%
CBC District IV	2,861,255	3,182,536	3,826,904	3,370,590	188,054	5.9%
CBC District V	10,864,091	11,623,876	13,132,248	12,126,800	502,924	4.3%
CBC District VI	7,981,974	8,751,357	9,627,650	9,022,393	271,036	3.1%
CBC District VII	4,931,035	5,249,891	5,568,305	5,240,926	-8,965	-0.2%
CBC District VIII	4,551,656	5,025,507	5,401,206	5,118,239	92,732	1.8%
CBC Statewide	83,576	183,576	83,576	83,576	-100,000	-54.5%
Total CBC Districts	48,916,413	53,562,928	59,539,999	55,394,203	1,831,275	3.4%
Total Corrections	\$ 218,552,554	\$ 240,954,963	\$ 252,321,379	\$ 247,446,525	\$ 6,491,562	2.7%

Justice System Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
<u>Inspections & Appeals</u>						
Public Defender	\$ 13,089,276	\$ 13,957,374	\$ 14,322,374	\$ 13,957,374	\$ 0	0.0%
Indigent Defense Approp.	20,912,289	20,401,376	23,204,376	21,204,376	803,000	3.9%
Total Inspections & Appeals	\$ 34,001,565	\$ 34,358,750	\$ 37,526,750	\$ 35,161,750	\$ 803,000	2.3%
<u>Judicial Branch</u>						
Judicial Branch	\$ 103,196,690	\$ 108,206,211	\$ 113,061,216	\$ 113,061,216	\$ 4,855,005	4.5%
Juv. Vict. Restitution	183,471	210,291	233,046	233,046	22,755	10.8%
Judicial Retirement	3,944,059	4,202,697	4,499,350	4,499,350	296,653	7.1%
Total Judicial Branch	\$ 107,324,220	\$ 112,619,199	\$ 117,793,612	\$ 117,793,612	\$ 5,174,413	4.6%
<u>Law Enforcement Academy</u>						
ILEA Operations	\$ 1,249,629	\$ 1,377,848	\$ 1,481,148	\$ 1,377,848	\$ 0	0.0%
ILEA D.A.R.E. Coord.	80,000	80,000	0	0	-80,000	-100.0%
Total Law Enforcement Academy	\$ 1,329,629	\$ 1,457,848	\$ 1,481,148	\$ 1,377,848	\$ -80,000	-5.5%
<u>Board of Parole</u>						
Parole Board	\$ 1,018,547	\$ 1,047,239	\$ 1,112,239	\$ 1,059,739	\$ 12,500	1.2%
<u>Public Defense</u>						
Military Division	\$ 4,544,320	\$ 4,838,100	\$ 5,147,184	\$ 5,027,184	\$ 189,084	3.9%
Emergency Mgmt. Div.	627,836	949,129	1,179,264	1,039,364	90,235	9.5%
Total Public Defense	\$ 5,172,156	\$ 5,787,229	\$ 6,326,448	\$ 6,066,548	\$ 279,319	4.8%

Justice System Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Public Safety						
Administration	\$ 2,474,051	\$ 2,568,818	\$ 2,720,675	\$ 2,701,818	\$ 133,000	5.2%
Investigation, DCI	11,759,610	12,288,979	14,331,617	12,694,059	405,080	3.3%
Narcotics Enforce.	2,845,587	3,983,085	4,628,906	4,162,007	178,922	4.5%
Undercover Funds	139,202	139,202	139,202	139,202	0	0.0%
Fire Marshal	1,606,121	1,759,404	2,293,150	1,727,169	-32,235	-1.8%
Capitol Security	1,307,615	1,394,630	1,520,736	1,391,970	-2,660	-0.2%
Iowa State Patrol	27,694,628	39,095,242	42,040,157	38,795,191	-300,051	-0.8%
AFIS System Maintenance	244,930	269,425	269,425	269,425	0	0.0%
Fire Fighter Training	709,405	709,405	709,405	709,405	0	0.0%
Medical Examiner	357,036	0	0	0	0	
Total Public Safety	\$ 49,138,185	\$ 62,208,190	\$ 68,653,273	\$ 62,590,246	\$ 382,056	0.6%
Total Justice System	\$ 429,739,416	\$ 472,857,160	\$ 500,142,037	\$ 485,920,010	\$ 13,062,850	2.8%
Operations	\$ 376,848,365	\$ 415,475,419	\$ 436,783,225	\$ 426,706,994	\$ 11,231,575	2.7%
Grants and Aid	\$ 52,891,051	\$ 57,381,741	\$ 63,358,812	\$ 59,213,016	\$ 1,831,275	3.2%
	\$ 429,739,416	\$ 472,857,160	\$ 500,142,037	\$ 485,920,010	\$ 13,062,850	2.8%

Transportation, Infrastructure, and Capitals Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Transportation						
Rail Assistance	\$ 1,190,000	\$ 1,424,672	\$ 1,425,000	\$ 1,425,000	\$ 328	0.0%
State Aviation Approp.	2,500,000	2,500,000	2,475,000	2,475,000	-25,000	-1.0%
Planning and Programming	278,997	212,009	281,140	0	-212,009	-100.0%
UNI Native Vegetation Ctr	0	0	100,000	0	0	
Total Transportation	\$ 3,968,997	\$ 4,136,681	\$ 4,281,140	\$ 3,900,000	\$ -236,681	-5.7%
Total Trans., Infra., & Capital	\$ 3,968,997	\$ 4,136,681	\$ 4,281,140	\$ 3,900,000	\$ -236,681	-5.7%
Operations	\$ 278,997	\$ 212,009	\$ 281,140	\$ 0	\$ -212,009	-100.0%
Grants and Aid	\$ 3,690,000	\$ 3,924,672	\$ 4,000,000	\$ 3,900,000	\$ -24,672	-0.6%
	\$ 3,968,997	\$ 4,136,681	\$ 4,281,140	\$ 3,900,000	\$ -236,681	-5.7%

Oversight and Communications Subcommittee

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Education						
IPTV - Regional Councils	\$ 2,327,217	\$ 2,337,430	\$ 2,223,500	\$ 1,858,192	\$ -479,238	-20.5%
IPTV - Distance Learning	0	0	861,283	479,238	479,238	new
Total Education	\$ 2,327,217	\$ 2,337,430	\$ 3,084,783	\$ 2,337,430	\$ 0	0.0%
General Services						
ITS - Operations	\$ 4,719,993	\$ 4,819,446	\$ 4,819,446	\$ 4,819,446	\$ 0	0.0%
ITS - Transition Team	0	200,000	0	0	-200,000	-100.0%
Total General Services	\$ 4,719,993	\$ 5,019,446	\$ 4,819,446	\$ 4,819,446	\$ -200,000	-4.0%
IA Telecommun. & Tech. Comm.						
ICN Operations	\$ 3,771,281	\$ 3,435,000	\$ 3,435,000	\$ 3,435,000	\$ 0	0.0%
Treasurer of State						
ICN Debt Service	\$ 12,782,000	\$ 12,861,000	\$ 12,860,000	\$ 12,860,000	\$ -1,000	0.0%
Total Oversight & Communication	\$ 23,600,491	\$ 23,652,876	\$ 24,199,229	\$ 23,451,876	\$ -201,000	-0.8%
Operations	\$ 23,600,491	\$ 23,652,876	\$ 24,199,229	\$ 23,451,876	\$ -201,000	-0.8%
	\$ 23,600,491	\$ 23,652,876	\$ 24,199,229	\$ 23,451,876	\$ -201,000	-0.8%

Unassigned Standings Appropriations

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Corrections						
State Cases - Stdg.	\$ 37,500	\$ 66,370	\$ 66,370	\$ 66,370	\$ 0	0.0%
Education						
Trans. - Nonpublic Pupils	\$ 7,598,000	\$ 7,800,000	\$ 8,150,000	\$ 8,150,000	\$ 350,000	4.5%
Child Development	15,360,000	15,360,000	16,080,000	15,960,000	600,000	3.9%
Educational Excellence	82,891,336	82,891,336	82,891,336	80,891,336	-2,000,000	-2.4%
Instructional Support	14,798,227	14,798,227	14,798,227	14,798,227	0	0.0%
School Foundation Aid	1,611,592,518	1,698,459,679	1,743,600,000	1,743,600,000	45,140,321	2.7%
School Improv./Technology	30,000,000	30,000,000	30,000,000	30,000,000	0	0.0%
Early Interv./Reduce Class	0	10,000,000	20,000,000	20,000,000	10,000,000	100.0%
Total Education	\$ 1,762,240,081	\$ 1,859,309,242	\$ 1,915,519,563	\$ 1,913,399,563	\$ 54,090,321	2.9%
Executive Council						
Court Costs	\$ 27,014	\$ 75,000	\$ 75,000	\$ 75,000	\$ 0	0.0%
Public Improvements	102,020	50,000	50,000	50,000	0	0.0%
Performance of Duty	5,598,646	5,500,000	2,500,000	0	-5,500,000	-100.0%
Drainage Assessment	18,924	25,000	25,000	25,000	0	0.0%
Total Executive Council	\$ 5,746,604	\$ 5,650,000	\$ 2,650,000	\$ 150,000	\$ -5,500,000	-97.3%
Legislative Branch						
Legislature	\$ 23,046,812	\$ 25,131,056	\$ 26,214,379	\$ 26,214,379	\$ 1,083,323	4.3%
Governor/Lt. Governor						
Interstate Extradition	\$ 0	\$ 4,000	\$ 4,000	\$ 4,000	\$ 0	0.0%

Unassigned Standings Appropriations

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Services						
Commission of Inquiry	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 0	0.0%
Nonresident Transfer	87	87	87	87	0	0.0%
Nonresident Commitment	184,398	184,398	184,398	184,398	0	0.0%
MH Property Tax Relief	95,000,000	95,000,000	95,000,000	95,000,000	0	0.0%
Total Human Services	\$ 95,186,285	\$ 95,186,285	\$ 95,186,285	\$ 95,186,285	\$ 0	0.0%
Inspections & Appeals						
Poultry Show Exhibit	\$ 500	\$ 500	\$ 500	\$ 500	\$ 0	0.0%
Management						
Special Olympics Fund	\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0	0.0%
Indian Settlement Officer	25,000	25,000	25,000	25,000	0	0.0%
Appeal Board Standing	7,035,006	6,000,000	7,500,000	0	-6,000,000	-100.0%
Total Management	\$ 7,080,006	\$ 6,055,000	\$ 7,555,000	\$ 55,000	\$ -6,000,000	-99.1%
Personnel						
IPERS-Legislative Buy-In	\$ 11,293	\$ 0	\$ 0	\$ 0	\$ 0	
Public Defense						
Compensation & Expense	\$ 351,967	\$ 110,000	\$ 110,000	\$ 110,000	\$ 0	0.0%

Unassigned Standings Appropriations

General Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Revenue & Finance						
Ag. Land Tax Credit	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 0	0.0%
Personal Prop. Tax Repl.	56,287,557	56,287,557	56,287,557	56,287,557	0	0.0%
Printing Cigarette Stamps	131,413	115,000	115,000	115,000	0	0.0%
Homestead Tax Credit Aid	113,206,564	112,100,000	113,300,000	113,300,000	1,200,000	1.1%
Elderly/Disabled Credit	11,211,249	10,100,000	11,100,000	11,100,000	1,000,000	9.9%
Unemployment Compensation	277,249	353,000	353,000	353,000	0	0.0%
Franchise Tax Reimburse.	8,800,000	8,800,000	8,800,000	8,800,000	0	0.0%
Military Service Tax	2,709,430	2,700,000	2,700,000	2,700,000	0	0.0%
Federal Cash Management	553,218	320,000	400,000	400,000	80,000	25.0%
Machinery/Equip. Prop. Tax	17,100,000	22,459,525	43,700,000	43,700,000	21,240,475	94.6%
Livestock Producers Cred.	2,000,000	2,000,000	2,000,000	2,000,000	0	0.0%
Peace Officer Retirement	2,942,724	2,942,726	2,942,726	1,942,726	-1,000,000	-34.0%
Total Revenue & Finance	\$ 254,319,404	\$ 257,277,808	\$ 280,798,283	\$ 279,798,283	\$ 22,520,475	8.8%
Secretary of State						
Iowa Servicemens Ballot	\$ 0	\$ 3,500	\$ 0	\$ 0	\$ -3,500	-100.0%
Constitutional Amendments	1,380,307	10,800	2,565	2,565	-8,235	-76.3%
Total Secretary of State	\$ 1,380,307	\$ 14,300	\$ 2,565	\$ 2,565	\$ -11,735	-82.1%
Transportation						
Public Transit Assistance	\$ 9,539,404	\$ 10,547,000	\$ 10,997,000	\$ 10,997,000	\$ 450,000	4.3%
Total Unassigned Standings	\$ 2,158,940,163	\$ 2,259,351,561	\$ 2,339,103,945	\$ 2,325,983,945	\$ 66,632,384	2.9%
Operations	\$ 0	\$ 10,000,000	\$ 20,000,000	\$ 20,000,000	\$ 10,000,000	100.0%
Standings	\$ 2,158,940,163	\$ 2,249,351,561	\$ 2,319,103,945	\$ 2,305,983,945	\$ 56,632,384	2.5%
	<u>\$ 2,158,940,163</u>	<u>\$ 2,259,351,561</u>	<u>\$ 2,339,103,945</u>	<u>\$ 2,325,983,945</u>	<u>\$ 66,632,384</u>	<u>2.9%</u>

Summary Data

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Admin. & Regulation	\$ 27,060,803	\$ 23,801,645	\$ 29,735,552	\$ 27,586,902	\$ 3,785,257	15.9%
Ag. & Natural Resources	29,092,003	30,299,574	36,973,848	33,348,429	3,048,855	10.1%
Economic Development	17,067,544	16,901,000	18,774,250	8,574,100	-8,326,900	-49.3%
Education	6,201,983	600,000	170,000	0	-600,000	-100.0%
Health & Human Rights	914,000	3,663,335	55,824,885	32,892,313	29,228,978	797.9%
Human Services	132,116,039	151,851,611	173,927,719	209,649,476	63,679,465	38.1%
Justice System	16,957,133	6,948,338	5,000,000	5,610,179	-1,338,159	-19.3%
Trans., Infra., & Capital	370,666,023	428,161,994	746,690,249	443,801,053	15,639,059	3.7%
Oversight & Communication	28,339,000	9,431,685	24,130,705	27,927,004	18,495,319	196.1%
	<u>\$ 628,414,528</u>	<u>\$ 671,659,182</u>	<u>\$ 1,091,227,208</u>	<u>\$ 789,389,456</u>	<u>\$ 123,611,874</u>	17.5%

The following abbreviations for fund names are used in the budget unit titles.

- Gambling - Gambling Treatment Fund
- LTC Trust - Long-Term Care Trust Fund
- P & I - Penalty and Interest Fund
- PRF - Primary Road Fund
- RIIF - Rebuild Iowa Infrastructure Fund
- RUTF - Road Use Tax Fund
- TANF - Temporary Assistance for Needy Families
- Tech. - Reversion Technology Initiatives Account
- Tobacco - Tobacco Settlement Fund

Administration and Regulation Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Commerce						
Insurance Division	\$ 0	\$ 0	\$ 0	\$ 101,500	\$ 101,500	
Professional Lic. Div.	0	62,317	62,317	62,317	0	0.0%
Total Commerce	\$ 0	\$ 62,317	\$ 62,317	\$ 163,817	\$ 101,500	162.9%
General Services						
Central Printing Div.	\$ 1,036,542	\$ 1,062,129	\$ 1,062,129	\$ 1,062,129	\$ 0	0.0%
Central Purchasing Div.	963,208	996,098	996,098	996,098	0	0.0%
Vehicle Dispatcher Div.	736,514	793,327	793,327	793,327	0	0.0%
Purchasing System	2,500,000	0	0	0	0	
Total General Services	\$ 5,236,264	\$ 2,851,554	\$ 2,851,554	\$ 2,851,554	\$ 0	0.0%
Governor/Lt. Governor						
Governor-Tech. Upgrade	\$ 0	\$ 45,000	\$ 0	\$ 0	\$ -45,000	-100.0%
Inspections & Appeals						
Use Tax - Ap. & Fair Hrg.	\$ 1,075,030	\$ 1,120,142	\$ 1,120,142	\$ 1,120,142	\$ 0	0.0%
Rprt. Card on Health Care	0	50,000	0	0	-50,000	-100.0%
Single Contact Repository	0	152,000	0	0	-152,000	-100.0%
Total Inspections & Appeals	\$ 1,075,030	\$ 1,322,142	\$ 1,120,142	\$ 1,120,142	\$ -202,000	-15.3%
Management						
RUTF - General Office	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	0.0%
Primary Road Salary Adj.	0	2,504,860	5,582,160	5,582,160	3,077,300	122.9%
Dom - Budget System Redes	0	0	1,000,000	0	0	
Road Use Tax Salary Adj.	0	202,808	1,013,641	1,013,641	810,833	399.8%
Total Management	\$ 56,000	\$ 2,763,668	\$ 7,651,801	\$ 6,651,801	\$ 3,888,133	140.7%

Administration and Regulation Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Personnel						
Primary Road HR Bureau	\$ 383,707	\$ 410,100	\$ 410,100	\$ 410,100	\$ 0	0.0%
Road Use Tax HR Bureau	62,463	66,760	66,760	66,760	0	0.0%
IDOP - Tobacco	0	0	79,606	79,606	79,606	
Total Personnel	446,170	476,860	556,466	556,466	79,606	16.7%
IDOP-Retirement						
IPERS Administration	5,145,154	5,336,914	7,777,747	5,539,567	202,653	3.8%
IPERS Studies - HF 2498	70,000	0	0	0	0	
IPERS Facility Project	4,000,000	0	0	0	0	
IPERS Mgmt. Info. System	0	1,477,832	0	1,338,030	-139,802	-9.5%
Total IDOP-Retirement	9,215,154	6,814,746	7,777,747	6,877,597	62,851	0.9%
Total Personnel	\$ 9,661,324	\$ 7,291,606	\$ 8,334,213	\$ 7,434,063	\$ 142,457	2.0%
Revenue & Finance						
Motor Veh. Fuel Tax - Ad.	\$ 1,039,058	\$ 1,092,819	\$ 992,986	\$ 992,986	\$ -99,833	-9.1%
Business Tax Redesign	0	0	350,000	0	0	
Tele-filing Tax Returns	150,000	0	0	0	0	
Remittance Processing	1,500,000	0	0	0	0	
Tax & Wage Reporting Syst	125,000	0	0	0	0	
Total Revenue & Finance	2,814,058	1,092,819	1,342,986	992,986	-99,833	-9.1%
Lottery Operations	8,218,127	8,372,539	8,372,539	8,372,539	0	0.0%
Total Revenue & Finance	\$ 11,032,185	\$ 9,465,358	\$ 9,715,525	\$ 9,365,525	\$ -99,833	-1.1%
Total Admin. & Regulation	\$ 27,060,803	\$ 23,801,645	\$ 29,735,552	\$ 27,586,902	\$ 3,785,257	15.9%

Agriculture and Natural Resources Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Ag. & Land Stewardship						
Iowa Jr. Angus Show	\$ 0	\$ 5,000	\$ 0	\$ 0	\$ -5,000	-100.0%
Native Horse & Dog Prog.	256,606	281,606	256,606	256,606	-25,000	-8.9%
Regulatory Division	0	61,475	0	0	-61,475	-100.0%
Computer Replacement	0	0	376,319	0	0	
USDA/FSIS FAIM System	0	0	132,600	0	0	
Slide In Test Equipment	0	0	100,000	0	0	
Feed & Fertilizer Equip.	0	0	72,500	0	0	
Laboratory Equipment	0	0	318,000	0	0	
Farm & Livestock Demo Prg	0	0	2,000,000	0	0	
Total Ag. & Land Stewardship	\$ 256,606	\$ 348,081	\$ 3,256,025	\$ 256,606	\$ -91,475	-26.3%
Natural Resources						
Fish & Wildlife	\$ 23,499,548	\$ 24,129,883	\$ 27,735,883	\$ 27,639,883	\$ 3,510,000	14.5%
Snowmobile Fees To F&G	100,000	100,000	100,000	100,000	0	0.0%
Boat Registration Fees	1,600,000	1,400,000	1,725,000	1,300,000	-100,000	-7.1%
F & W Retirement	150,000	0	0	0	0	
Groundwater	3,095,849	3,376,940	3,481,940	3,376,940	0	0.0%
UST Administration	75,000	75,000	75,000	75,000	0	0.0%
Oil Overcharge DShamrock	0	75,000	0	0	-75,000	-100.0%
Oil Overcharge (S. Well)	200,000	490,000	500,000	500,000	10,000	2.0%
Oil Overcharge (Exxon)	115,000	260,000	100,000	100,000	-160,000	-61.5%
Total Natural Resources	\$ 28,835,397	\$ 29,906,823	\$ 33,717,823	\$ 33,091,823	\$ 3,185,000	10.6%
Board of Regents						
Johne's Disease Research	\$ 0	\$ 44,670	\$ 0	\$ 0	\$ -44,670	-100.0%
Total Ag. & Natural Resources	\$ 29,092,003	\$ 30,299,574	\$ 36,973,848	\$ 33,348,429	\$ 3,048,855	10.1%

Economic Development Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Economic Development						
Administrative Services						
260E-Administration	\$ 210,000	\$ 0	\$ 0	\$ 0	\$ 0	
Workforce Development	6,465,544	8,800,000	9,800,000	0	-8,800,000	-100.0%
Total Administrative Services	6,675,544	8,800,000	9,800,000	0	-8,800,000	-100.0%
First Stop Business Syst.	100,000	0	305,250	0	0	
Total Economic Development	\$ 6,775,544	\$ 8,800,000	\$ 10,105,250	\$ 0	\$ -8,800,000	-100.0%
Workforce Development						
Target Alliance-Job Tr. Fund	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0	0.0%
Job Service ACS Administ.	7,100,000	7,500,000	7,500,000	7,500,000	0	0.0%
Labor Serv. (P & I)	296,000	296,000	0	0	-296,000	-100.0%
Industrial Serv. (P & I)	175,000	175,000	0	274,100	99,100	56.6%
P & I Capitals	0	100,000	0	0	-100,000	-100.0%
Allocations - (P & I)	0	0	0	770,000	770,000	
Community Resources Syst.	178,000	0	500,000	0	0	
Integrated Inform. System	2,513,000	0	639,000	0	0	
Workforce Development	\$ 10,292,000	\$ 8,101,000	\$ 8,669,000	\$ 8,574,100	\$ 473,100	5.8%
Total Economic Development	\$ 17,067,544	\$ 16,901,000	\$ 18,774,250	\$ 8,574,100	\$ -8,326,900	-49.3%

Education Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
College Student Aid Comm.						
Stafford Loan Prog. Adm.	\$ 5,226,983	\$ 0	\$ 0	\$ 0	\$ 0	
Cultural Affairs						
Cultural Affairs Tech.	\$ 0	\$ 0	\$ 170,000	\$ 0	\$ 0	
Education						
Teacher Examiner Records	\$ 475,000	\$ 0	\$ 0	\$ 0	\$ 0	
Electronic Data Interchng	500,000	500,000	0	0	-500,000	-100.0%
Total Education	\$ 975,000	\$ 500,000	\$ 0	\$ 0	\$ -500,000	-100.0%
Board of Regents						
Regents Technology Proj.	\$ 0	\$ 100,000	\$ 0	\$ 0	\$ -100,000	-100.0%
Total Education	\$ 6,201,983	\$ 600,000	\$ 170,000	\$ 0	\$ -600,000	-100.0%

Health and Human Rights Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Elder Affairs						
Long Term Care-LTC Trust	\$ 0	\$ 0	\$ 2,285,979	\$ 3,976,144	\$ 3,976,144	
Assisted Living-LTC Trust	0	0	0	211,979	211,979	
Hardware and Software	0	40,000	40,000	0	-40,000	-100.0%
Total Elder Affairs	\$ 0	\$ 40,000	\$ 2,325,979	\$ 4,188,123	\$ 4,148,123	10370.3%
Public Health						
Addictive Disorders	\$ 0	\$ 3,103,335	\$ 3,458,335	\$ 3,458,335	\$ 355,000	11.4%
Elderly Wellness-Gambling	0	0	500,000	500,000	500,000	
Environmental Hazards	20,000	20,000	20,000	20,000	0	0.0%
Gambling Treatment Apprs.	319,000	0	0	0	0	
Tele. Verification System	400,000	0	0	0	0	
Healthy Iowans-Tobacco	0	0	0	3,491,515	3,491,515	
Substance Abuse-Tobacco	0	0	0	11,888,946	11,888,946	
Smoking Cessation-Tobacco	0	0	49,186,571	9,345,394	9,345,394	
Total Public Health	\$ 739,000	\$ 3,123,335	\$ 53,164,906	\$ 28,704,190	\$ 25,580,855	819.0%
Human Rights						
CJJP Data Warehouse	\$ 0	\$ 500,000	\$ 0	\$ 0	\$ -500,000	-100.0%
Justice Data Analysis	175,000	0	0	0	0	
Total Human Rights	\$ 175,000	\$ 500,000	\$ 0	\$ 0	\$ -500,000	-100.0%
Comm. of Veterans Affairs						
Veterans Home Info. Tech.	\$ 0	\$ 0	\$ 334,000	\$ 0	\$ 0	
Total Health & Human Rights	\$ 914,000	\$ 3,663,335	\$ 55,824,885	\$ 32,892,313	\$ 29,228,978	797.9%

Human Services Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Services						
O-5 Children - TANF	\$ 1,610,076	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000	\$ 0	0.0%
FIP - TANF	51,023,064	51,830,229	49,154,533	46,954,533	-4,875,696	-9.4%
Promise Jobs - TANF	12,349,531	19,980,113	19,980,113	19,980,113	0	0.0%
Field Operations - TANF	14,562,530	12,232,764	12,870,395	12,870,395	637,631	5.2%
General Admin. - TANF	3,050,583	3,121,071	2,157,978	2,157,978	-963,093	-30.9%
Local Admin. Cost - TANF	2,035,021	2,079,733	2,147,358	2,147,358	67,625	3.3%
State Day Care - TANF	7,214,089	16,782,891	18,969,567	23,032,071	6,249,180	37.2%
Emerg. Assist. - TANF	2,557,000	2,694,544	2,763,605	2,763,605	69,061	2.6%
MH/DD Comm. Serv. - TANF	1,913,592	3,867,402	2,341,089	2,341,089	-1,526,313	-39.5%
Child & Fam. Serv. - TANF	22,772,136	23,491,419	23,886,793	23,886,793	395,374	1.7%
Pregnancy Prevent. - TANF	1,525,646	1,958,979	2,467,478	1,967,478	8,499	0.4%
Training & Tech. - TANF	1,000,000	1,000,000	1,206,442	1,206,442	206,442	20.6%
Tracking/Monitor - TANF	300,000	300,000	300,000	300,000	0	0.0%
Volunteers - TANF	33,050	37,935	26,162	26,162	-11,773	-31.0%
Ind. Dev. Accts. - TANF	0	200,000	200,000	200,000	0	0.0%
Inst. Central Area Netw.	1,181,400	0	0	0	0	
Total Human Services	123,127,718	143,377,080	142,271,513	143,634,017	256,937	0.2%
Economic Assistance						
Fam. Inv./Prom. Jobs-Tech	0	0	1,108,563	0	1,108,563	
Child Support Recoveries	1,131,976	1,131,976	571,234	0	-560,742	-100.0%
Welfare Reform Info.	1,000,000	742,555	0	0	-742,555	-100.0%
Total Economic Assistance	2,131,976	1,874,531	1,679,797	0	-194,734	-100.0%

Human Services Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Services (cont.)						
Medical Services						
Medical Assist. Long-Term	6,600,000	6,600,000	0	0	-6,600,000	-100.0%
Medical Assist.-Tobacco	0	0	22,321,128	22,321,128	22,321,128	
Child Health Ins.-Tobacco	0	0	1,614,596	1,614,596	1,614,596	
Medical Contracts-Tobacco	0	0	240,166	240,166	240,166	
Medical Assist.-LTC Trust	0	0	0	2,189,569	2,189,569	
Provider Rates-Tobacco	0	0	0	11,250,000	11,250,000	
Nurs. Conver.-LTC Trust	0	0	0	15,000,000	15,000,000	
Provider Rates-LTC Trust	0	0	0	12,750,000	12,750,000	
Total Medical Services	6,600,000	6,600,000	24,175,890	65,365,459	58,765,459	890.4%
Serv. Adult/Child/Family						
Toledo Juvenile Home-Tech	0	0	98,312	0	98,312	
Eldora School - Tech.	0	0	201,444	0	201,444	
Child & Fam Servs-Tobacco	0	0	1,488,642	650,000	650,000	
FACS & STAR Upgrades	256,345	0	0	0	0	
Eldora School-Tobacco	0	0	110,074	0	0	
Total Serv. Adult/Child/Family	256,345	0	1,898,472	650,000	949,756	

Human Services Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Services (cont.)						
Serving MH/MR/DD/BI						
Cherokee MHI - Tech.	0	0	93,493	0	93,493	
Clarinda MHI - Tech.	0	0	79,999	0	79,999	
Independence MHI - Tech.	0	0	294,456	0	294,456	
Mt. Pleasant MHI - Tech.	0	0	85,782	0	85,782	
Glenwood SHS - Tech.	0	0	390,358	0	390,358	
Woodward SHS - Tech.	0	0	389,877	0	389,877	
Sexual Pred. Com. - Tech.	0	0	19,277	0	19,277	
Total Serving MH/MR/DD/BI	0	0	1,353,242	0	1,353,242	
General Admin. - Tech.	0	0	2,548,805	0	2,548,805	
Total Human Services	\$ 132,116,039	\$ 151,851,611	\$ 173,927,719	\$ 209,649,476	\$ 63,679,465	38.1%

Justice System Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Corrections						
DOC Technology Projects	\$ 0	\$ 948,338	\$ 0	\$ 0	\$ -948,338	-100.0%
ICN Connections Newton	300,000	0	0	0	0	
ICN Connections Ft. Dodge	300,000	0	0	0	0	
CBC Treatment Facility	0	0	0	610,179	610,179	
Total Corrections	\$ 600,000	\$ 948,338	\$ 0	\$ 610,179	\$ -338,159	-35.7%
Inspections & Appeals						
Indigent Defense Claims	\$ 75,000	\$ 0	\$ 0	\$ 0	\$ 0	
Judicial Branch						
Enhanced Court Collect	\$ 6,000,000	\$ 5,000,000	\$ 4,000,000	\$ 4,000,000	\$ -1,000,000	-20.0%
Court Tech & Modern Fund	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%
Total Judicial Branch	\$ 7,000,000	\$ 6,000,000	\$ 5,000,000	\$ 5,000,000	\$ -1,000,000	-16.7%
Public Defense						
Preventive Maint. System	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	
Public Safety						
Iowa State Patrol	\$ 9,210,035	\$ 0	\$ 0	\$ 0	\$ 0	
IDOP Reimbursement - IHP	22,098	0	0	0	0	
Total Public Safety	\$ 9,232,133	\$ 0	\$ 0	\$ 0	\$ 0	
Total Justice System	\$ 16,957,133	\$ 6,948,338	\$ 5,000,000	\$ 5,610,179	\$ -1,338,159	-19.3%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Ag. & Land Stewardship						
Loess Hills - RIF	\$ 1,200,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0	0.0%
Ag Drainage Wells - RIF	1,500,000	2,200,000	2,000,000	0	-2,200,000	-100.0%
Soil Conservation - RIF	0	1,000,000	1,000,000	1,000,000	0	0.0%
Watershed Protection-RIF	0	1,250,000	3,750,000	2,750,000	1,500,000	120.0%
Wetland Conserv Prog-RIF	0	0	2,000,000	2,000,000	2,000,000	
Nutrient Management-RIF	0	0	0	1,000,000	1,000,000	
Total Ag. & Land Stewardship	\$ 2,700,000	\$ 6,450,000	\$ 10,750,000	\$ 8,750,000	\$ 2,300,000	35.7%
Blind Capitals						
Dormitory Renov. - RIF	\$ 0	\$ 0	\$ 121,961	\$ 121,961	\$ 121,961	
Economic Development Caps						
Physical Infr. Asst.-RIF	\$ 5,000,000	\$ 12,500,000	\$ 12,500,000	\$ 7,500,000	\$ -5,000,000	-40.0%
Dry Fire Hydrant - RIF	100,000	100,000	0	0	-100,000	-100.0%
Welcome Centers - RIF	450,000	0	0	0	0	
Housing Development-RIF	1,000,000	2,000,000	2,000,000	1,000,000	-1,000,000	-50.0%
Cultural/Recreation-RIF	0	12,500,000	12,500,000	12,500,000	0	0.0%
Advanced Research - RIF	0	4,000,000	4,000,000	4,000,000	0	0.0%
Major Attractions - RIF	0	0	30,000,000	2,000,000	2,000,000	
Total Economic Development Caps	\$ 6,550,000	\$ 31,100,000	\$ 61,000,000	\$ 27,000,000	\$ -4,100,000	-13.2%
Legislative Branch						
Leg. Support Space-RIF	\$ 0	\$ 1,600,000	\$ 0	\$ 0	\$ -1,600,000	-100.0%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Transportation						
Grant: Motorcycle Ed.-MEF	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 0	
Primary Road Fund						
Operations & Finance	28,747,072	31,129,990	33,286,011	32,492,231	1,362,241	4.4%
Administrative Services	5,706,497	5,698,593	6,353,851	5,812,051	113,458	2.0%
Planning & Programming	8,704,336	9,512,209	9,690,329	9,713,612	201,403	2.1%
Project Development	57,041,858	58,888,195	59,933,194	59,063,194	174,999	0.3%
Maintenance	103,600,993	104,904,152	107,828,152	106,609,152	1,705,000	1.6%
Motor Vehicle	928,067	1,004,212	1,101,492	1,057,812	53,600	5.3%
Inventory Replacement	3,939,000	4,939,000	6,340,000	6,340,000	1,401,000	28.4%
Personnel Reim.	665,000	665,000	712,500	712,500	47,500	7.1%
Unemployment Comp.	328,000	328,000	328,000	328,000	0	0.0%
Workers Compensation	1,463,000	1,463,000	1,463,000	1,463,000	0	0.0%
Waste Management	1,000,000	1,000,000	1,000,000	1,000,000	0	0.0%
Indirect Cost Recov.	704,000	532,000	704,000	704,000	172,000	32.3%
Auditor Reimbursement	230,480	239,080	255,000	255,000	15,920	6.7%
Heating System Replace.	0	200,000	200,000	200,000	0	0.0%
Field Tuckpointing	0	100,000	100,000	100,000	0	0.0%
Bio. Hydraulic Fluid	0	15,000	0	0	-15,000	-100.0%
Biodiesel Fuel	0	20,000	0	0	-20,000	-100.0%
Ames Site Util. Study	0	0	300,000	0	0	
Total Primary Road Fund	213,058,303	220,638,431	229,595,529	225,850,552	5,212,121	2.4%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
<u>Transportation (cont.)</u>						
Road Use Tax Fund						
Drivers License Costs	1,644,000	2,069,000	2,103,000	2,103,000	34,000	1.6%
Operations & Finance	4,679,756	5,067,673	5,418,653	5,289,433	221,760	4.4%
Administrative Services	951,982	969,605	1,034,349	946,149	-23,456	-2.4%
Planning & Programming	458,579	501,122	507,871	511,728	10,606	2.1%
Motor Vehicle	24,219,931	25,497,888	27,543,610	26,636,290	1,138,402	4.5%
Personnel Reim.	35,000	35,000	37,500	37,500	2,500	7.1%
Unemployment Comp.	17,000	17,000	17,000	17,000	0	0.0%
Workers Compensation	77,000	77,000	77,000	77,000	0	0.0%
Indirect Cost Recov.	96,000	68,000	96,000	96,000	28,000	41.2%
Auditor Reimbursement	37,520	38,920	42,000	42,000	3,080	7.9%
Trans. Research Ctr.	0	0	250,000	0	0	
County Driver's Licence	0	308,000	20,000	20,000	-288,000	-93.5%
Road/Weather Info. System	100,000	100,000	100,000	100,000	0	0.0%
I-35 Corridor Coalition	150,000	50,000	0	0	-50,000	-100.0%
D.L. Suspension Service	225,000	225,000	225,000	225,000	0	0.0%
Co. Treasurers Stdg.	650,000	650,000	650,000	650,000	0	0.0%
Total Road Use Tax Fund	33,341,768	35,674,208	38,121,983	36,751,100	1,076,892	3.0%
Total Transportation	\$ 246,425,071	\$ 256,312,639	\$ 267,717,512	\$ 262,601,652	\$ 6,289,013	2.5%
<u>Treasurer of State</u>						
County Fairs - RIF	\$ 0	\$ 1,060,000	\$ 0	\$ 1,060,000	\$ 0	0.0%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Corrections Capitals						
Oakdale Addition - RIIF	\$ 0	\$ 3,750,000	\$ 12,400,000	\$ 2,500,000	\$ -1,250,000	-33.3%
Rockwell City - RIIF	0	1,800,000	0	0	-1,800,000	-100.0%
Comm. Based Corr. - RIIF	0	2,000,000	6,295,000	600,000	-1,400,000	-70.0%
Mitchellville - RIIF	1,400,000	2,700,000	0	0	-2,700,000	-100.0%
Ft Madison Facility-RIIF	6,500,000	0	18,000,000	3,000,000	3,000,000	
DOC Major Maint. - RIIF	0	0	25,113,742	0	0	
Clarinda Improve. -RIIF	0	0	1,800,000	0	0	
Mt. Pleasant Impr. - RIIF	0	0	1,800,000	0	0	
Electrical Dist. - RIIF	0	0	13,445,400	0	0	
Clarinda Water Dist.-RIIF	0	0	1,376,000	0	0	
Anamosa Dietary - RIIF	0	0	3,053,000	0	0	
Anamosa Improvements-RIIF	0	0	6,188,000	0	0	
Total Corrections Capitals	\$ 7,900,000	\$ 10,250,000	\$ 89,471,142	\$ 6,100,000	\$ -4,150,000	-40.5%
Cultural Affairs Capitals						
Historical Pres - RIIF	\$ 2,425,000	\$ 2,500,000	\$ 2,500,000	\$ 1,450,000	\$ -1,050,000	-42.0%
Capital Projects - RIIF	0	0	1,406,360	0	0	
Natl. WWII Memorial-RIIF	0	0	0	278,000	278,000	
Total Cultural Affairs Capitals	\$ 2,425,000	\$ 2,500,000	\$ 3,906,360	\$ 1,728,000	\$ -772,000	-30.9%
Workforce Devel. Caps						
Capital Projects - RIIF	\$ 0	\$ 0	\$ 677,200	\$ 0	\$ 0	
Integrated Inf. Sys.-RIIF	300,000	0	0	0	0	
Total Workforce Devel. Caps	\$ 300,000	\$ 0	\$ 677,200	\$ 0	\$ 0	
State Fair Authority Caps						
State Fair Cap. - RIIF	\$ 5,420,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0	0.0%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
General Services Capitals						
Major Maintenance - RIIF	\$ 8,800,000	\$ 7,500,000	\$ 20,000,000	\$ 13,300,000	\$ 5,800,000	77.3%
Terrace Hill - RIIF	1,400,000	50,000	800,000	1,250,000	1,200,000	2400.0%
Employee Relocation-RIIF	1,300,000	2,094,000	3,000,000	1,668,000	-426,000	-20.3%
Lucas Renovation - RIIF	4,500,000	4,026,000	2,650,000	2,650,000	-1,376,000	-34.2%
Parking Structure -RIIF	5,820,000	3,500,000	8,306,000	0	-3,500,000	-100.0%
Building Demolitions-RIIF	0	750,000	750,000	750,000	0	0.0%
Old Hist. Bldg. - RIIF	0	5,899,155	5,842,425	5,842,425	-56,730	-1.0%
Eldora Utilities - RIIF	0	4,000,000	0	0	-4,000,000	-100.0%
Toledo Juvenile Home-RIIF	0	250,000	250,000	250,000	0	0.0%
Capitol Space Impr.-RIIF	0	250,000	0	0	-250,000	-100.0%
Capitol Law Library-RIIF	0	400,000	0	0	-400,000	-100.0%
Pedestrian Bridge-RIIF	0	25,000	400,000	0	-25,000	-100.0%
DHS Facility Impr - RIIF	3,600,000	0	0	0	0	
Records & Prop. Bldg-RIIF	0	0	165,000	0	0	
Statewide Rtn Maint.-RIIF	0	0	8,100,000	6,700,000	6,700,000	
Cap. Complex Maint.-RIIF	0	0	1,900,000	800,000	800,000	
Property Acquisition-RIIF	0	0	300,000	0	0	
Electrical Dist. Sys-RIIF	0	0	11,226,400	0	0	
New Building/Office-RIIF	0	0	150,000	150,000	150,000	
Site Amenities - RIIF	0	0	200,000	0	0	
Capitol Interior - RIIF	5,227,600	4,381,000	4,324,100	3,324,100	-1,056,900	-24.1%
Street & Sidewalks - RIIF	0	0	440,000	0	0	
Infrast. Survey - RIIF	500,000	0	0	0	0	
Capitol Exterior - RIIF	4,400,000	0	0	0	0	
Parking Lots Impr. - RIIF	0	200,000	0	0	-200,000	-100.0%
Eldora Train. School-RIIF	2,700,000	4,000,000	0	0	-4,000,000	-100.0%
Capitol Terrace Plan-RIIF	390,000	0	0	0	0	
Hall of Pride - RIIF	0	1,500,000	0	0	-1,500,000	-100.0%
Total General Services Capitals	\$ 38,637,600	\$ 38,825,155	\$ 68,803,925	\$ 36,684,525	\$ -2,140,630	-5.5%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Services Capitals						
Health/Life/Safety-RIIF	\$ 0	\$ 0	\$ 481,220	\$ 0	\$ 0	
Major Maintenance-RIIF	0	0	3,745,238	0	0	
ADA - RIIF	0	0	220,000	0	0	
Major Projects - RIIF	0	0	6,737,142	0	0	
Ongoing Maintenance-RIIF	0	0	3,846,446	0	0	
Total Human Services Capitals	\$ 0	\$ 0	\$ 15,030,046	\$ 0	\$ 0	
Nat. Resources Capitals						
Natural Resources Caps						
Fish and Game Cap.- Stdg.	\$ 7,000,000	\$ 0	\$ 3,015,250	\$ 3,015,250	\$ 3,015,250	
REAP - Open Spaces	0	0	5,723,202	5,723,202	5,723,202	
REAP - Land Management	0	0	1,839,600	1,839,600	1,839,600	
Total Natural Resources Caps	7,000,000	0	10,578,052	10,578,052	10,578,052	
Infrastructure Fund						
Recreation Grant - RIIF	2,500,000	3,500,000	3,500,000	3,500,000	0	0.0%
Lake Dredging Prog-RIIF	2,200,000	4,200,000	4,200,000	0	-4,200,000	-100.0%
Marine Fuel Tax - RIIF	2,288,689	2,300,000	2,300,000	2,300,000	0	0.0%
Elinor Bedell St Pk.-RIIF	430,000	275,000	50,000	50,000	-225,000	-81.8%
Water Qual. Monitor.-RIIF	0	1,015,000	2,000,000	2,000,000	985,000	97.0%
Lake Belva Deer Dam-RIIF	0	200,000	200,000	200,000	0	0.0%
Trees Program - RIIF	0	250,000	250,000	0	-250,000	-100.0%
REAP - RIIF	0	10,500,000	20,000,000	20,000,000	9,500,000	90.5%
Blufflands Prog. - RIIF	500,000	0	500,000	0	0	
Restore the Outdoors-RIIF	3,000,000	3,000,000	3,000,000	3,000,000	0	0.0%
Clean Water Initiat.-RIIF	0	0	4,466,000	0	0	
Livable IA Initiatives-RIIF	0	0	1,806,000	0	0	
DNR Energy Assess. - RIIF	0	0	2,500,000	0	0	
CRP Assistance - RIIF	0	0	0	1,500,000	1,500,000	

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Nat. Resources Capitals (cont.)						
Infrastructure Fund (cont.)						
Septic Tank Assist.-RIIF	0	0	0	600,000	600,000	
Water Quality Strds-RIIF	0	0	0	372,000	372,000	
Wastewater Permits - RIIF	0	0	0	360,000	360,000	
Watershed GIS Data - RIIF	0	0	0	200,000	200,000	
Volunteer Water Qual-RIIF	0	0	0	65,000	65,000	
Floodplain Protect - RIIF	0	0	0	250,000	250,000	
TMDL Program - RIIF	0	0	0	153,000	153,000	
Total Infrastructure Fund	10,918,689	25,240,000	44,772,000	34,550,000	9,310,000	36.9%
Total Nat. Resources Capitals	\$ 17,918,689	\$ 25,240,000	\$ 55,350,052	\$ 45,128,052	\$ 19,888,052	78.8%
Public Defense Capitals						
Armory Maintenance - RIIF	\$ 680,000	\$ 700,000	\$ 942,700	\$ 700,000	\$ 0	0.0%
Capital Projects - RIIF	0	0	1,606,933	0	0	
Total Public Defense Capitals	\$ 680,000	\$ 700,000	\$ 2,549,633	\$ 700,000	\$ 0	0.0%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Public Safety Capitals						
DPS Radio Impr.- RIF	\$ 2,074,663	\$ 2,339,200	\$ 0	\$ 0	\$ -2,339,200	-100.0%
Patrol Posts - RIF	1,700,000	1,500,000	1,700,000	0	-1,500,000	-100.0%
Facility Study - RIF	0	150,000	0	0	-150,000	-100.0%
Pursuit Track Study-RIF	0	150,000	0	0	-150,000	-100.0%
Pursuit Track Const-RIF	0	0	1,500,000	0	0	
DPS Facility Phase I-RIF	0	0	16,859,386	0	0	
Total Public Safety Capitals	\$ 3,774,663	\$ 4,139,200	\$ 20,059,386	\$ 0	\$ -4,139,200	-100.0%
Regents Capitals						
SUI Capitals - RIF	\$ 6,800,000	\$ 0	\$ 0	\$ 0	\$ 0	
SUI Capitals - RIF	10,000,000	7,123,000	2,622,000	0	-7,123,000	-100.0%
ISU Capitals - RIF	7,190,000	9,163,000	6,787,000	0	-9,163,000	-100.0%
UNI Capitals - RIF	2,310,000	3,214,000	2,506,000	0	-3,214,000	-100.0%
Regents Capitals - RIF	335,000	4,485,000	77,405,000	0	-4,485,000	-100.0%
Tuition Replacement-RIF	0	0	0	28,174,854	28,174,854	
Total Regents Capitals	\$ 26,635,000	\$ 23,985,000	\$ 89,320,000	\$ 28,174,854	\$ 4,189,854	17.5%
Transportation Capitals						
Primary Road Fund						
Waste Water Improvements	\$ 300,000	\$ 400,000	\$ 750,000	\$ 400,000	\$ 0	0.0%
Garage Roofing Projects	300,000	300,000	400,000	400,000	100,000	33.3%
Maintenance Garages	1,500,000	1,050,000	3,850,000	2,850,000	1,800,000	171.4%
ADA Improvements	200,000	200,000	200,000	200,000	0	0.0%
Salt Storage Facilities	500,000	0	950,000	300,000	300,000	
Admin. Bldg. Improvements	1,250,000	1,350,000	0	0	-1,350,000	-100.0%
Laboratory Addition	0	0	300,000	300,000	300,000	
Ames Admin. Bldg. Roof	0	400,000	0	0	-400,000	-100.0%
DOT Capital Projects	0	0	1,200,000	1,200,000	1,200,000	

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Transportation Capitals (cont.)						
Primary Road Fund (cont.)						
Total Primary Road Fund	4,050,000	3,700,000	7,650,000	5,650,000	1,950,000	52.7%
Road Use Tax Fund						
Scale & Inspection Sites	550,000	550,000	1,750,000	1,490,000	940,000	170.9%
Infrastructure Fund						
Comm. Serv. Airports-RIIF	945,000	1,000,000	1,000,000	0	-1,000,000	-100.0%
Public Airports - RIIF	0	500,000	500,000	0	-500,000	-100.0%
Recreational Trails-RIIF	2,000,000	2,250,000	2,250,000	2,250,000	0	0.0%
Harlan Airport AWOS-RIIF	55,000	0	0	0	0	
Total Infrastructure Fund	3,000,000	3,750,000	3,750,000	2,250,000	-1,500,000	-40.0%
Total Transportation Capitals	\$ 7,600,000	\$ 8,000,000	\$ 13,150,000	\$ 9,390,000	\$ 1,390,000	17.4%
Education Capitals						
IPTV Capitals - RIIF	\$ 0	\$ 0	\$ 75,000	\$ 0	\$ 0	
Voc. Rehab. Capitals-RIIF	0	0	32,963	0	0	
Comm. College Tech-RIIF	3,000,000	3,000,000	3,000,000	3,000,000	0	0.0%
School Infrast. - RIIF	0	0	7,600,000	0	0	
School Health/Safety-RIIF	0	0	3,400,000	3,400,000	3,400,000	
Natl. Ctr./Ag. Safe.-RIIF	450,000	0	0	0	0	
21st Cent. Learning-RIIF	0	0	0	2,000,000	2,000,000	
Total Education Capitals	\$ 3,450,000	\$ 3,000,000	\$ 14,107,963	\$ 8,400,000	\$ 5,400,000	180.0%

Transportation, Infrastructure, and Capitals Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Judicial Branch Capitals						
Judicial Bldg. - RIIF	\$ 0	\$ 10,000,000	\$ 10,000,000	\$ 0	\$ -10,000,000	-100.0%
Capitol Space Renov.-RIIF	250,000	0	0	0	0	
Total Judicial Branch Capitals	\$ 250,000	\$ 10,000,000	\$ 10,000,000	\$ 0	\$ -10,000,000	-100.0%
Veterans Affairs Capitals						
Veterans Affairs - RIIF	\$ 0	\$ 0	\$ 5,903,854	\$ 537,765	\$ 537,765	
Dining Facility/Mnt.-RIIF	0	0	2,424,244	2,424,244	2,424,244	
Total Veterans Affairs Capitals	\$ 0	\$ 0	\$ 8,328,098	\$ 2,962,009	\$ 2,962,009	
Law Enforcement Capitals						
ILEA Capitals - RIIF	\$ 0	\$ 0	\$ 108,000	\$ 0	\$ 0	
Public Health Capitals						
Med. Exam. Facility-RIIF	\$ 0	\$ 0	\$ 11,238,971	\$ 0	\$ 0	
Total Public Health Capitals	\$ 0	\$ 0	\$ 11,238,971	\$ 0	\$ 0	
Total Trans., Infra., & Capital	\$ 370,666,023	\$ 428,161,994	\$ 746,690,249	\$ 443,801,053	\$ 15,639,059	3.7%

Oversight and Communications Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Education						
HDTV Conversion-Tech.	\$ 2,000,000	\$ 5,000,000	\$ 9,220,000	\$ 0	\$ -5,000,000	-100.0%
HDTV Conversion-RIIF	0	0	0	7,000,000	7,000,000	
Total Education	\$ 2,000,000	\$ 5,000,000	\$ 9,220,000	\$ 7,000,000	\$ 2,000,000	40.0%
General Services						
Information Tech Services						
ITS-Data Warehouse-Tech.	\$ 0	\$ 0	\$ 1,333,701	\$ 0	\$ 0	
ITS-Enter. Security-Tech.	0	0	850,000	0	0	
ITS-Reengin. Proj.-Tech.	0	1,750,000	1,000,000	0	-1,750,000	-100.0%
Electronic Educ.-Tech.	0	0	2,000,000	0	0	
Total Information Tech Services	0	1,750,000	5,183,701	0	-1,750,000	-100.0%
Embedded Chips	2,435,000	0	0	0	0	
Total General Services	\$ 2,435,000	\$ 1,750,000	\$ 5,183,701	\$ 0	\$ -1,750,000	-100.0%
IA Telecommun & Tech Comm						
ICN Network Optics Upgrade	\$ 4,000,000	\$ 0	\$ 0	\$ 0	\$ 0	
ICN Part III - RIIF	18,904,000	2,681,685	9,727,004	9,727,004	7,045,319	262.7%
Total IA Telecommun & Tech Comm	\$ 22,904,000	\$ 2,681,685	\$ 9,727,004	\$ 9,727,004	\$ 7,045,319	262.7%
Information Tech Services						
ITS-Tech. Initiative-RIIF	\$ 0	\$ 0	\$ 0	\$ 10,200,000	\$ 10,200,000	
ITS-lowAccess Prog-RIIF	0	0	0	1,000,000	1,000,000	
Total Information Tech Services	\$ 0	\$ 0	\$ 0	\$ 11,200,000	\$ 11,200,000	

Oversight and Communications Subcommittee

Other Fund Appropriations

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
General Services Capitals						
Reengineering Proj.-RIIF	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 0	
Total Oversight & Communication	\$ 28,339,000	\$ 9,431,685	\$ 24,130,705	\$ 27,927,004	\$ 18,495,319	196.1%

Summary Data

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Admin. & Regulation	1,764.06	1,913.07	1,992.87	1,935.24	22.17	1.2%
Ag. & Natural Resources	1,413.36	1,494.46	1,576.46	1,515.46	21.00	1.4%
Economic Development	1,116.99	1,259.72	1,283.44	1,278.44	18.72	1.5%
Education	16,003.59	17,443.17	17,642.97	17,499.66	56.49	0.3%
Health & Human Rights	1,274.00	1,446.77	1,518.58	1,491.68	44.91	3.1%
Human Services	5,160.32	5,495.57	5,505.85	5,534.85	39.28	0.7%
Justice System	7,236.97	7,904.23	8,284.55	8,174.00	269.77	3.4%
Trans., Infra., & Capital	3,575.90	3,833.50	3,911.50	3,833.50	0.00	0.0%
Oversight & Communication	236.87	270.61	287.96	276.61	6.00	2.2%
Unassigned Standings	393.00	393.00	393.00	393.00	0.00	0.0%
	<u>38,175.06</u>	<u>41,454.10</u>	<u>42,397.18</u>	<u>41,932.44</u>	<u>478.34</u>	1.2%

Administration and Regulation Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
<u>Auditor of State</u>						
Auditor - General Office	111.23	115.26	115.20	115.20	-0.06	-0.1%
<u>Ethics & Campaign Discl.</u>						
Campaign Finance	7.82	8.00	8.00	8.00	0.00	0.0%
<u>Commerce</u>						
Commerce Administration	16.74	17.50	17.50	17.50	0.00	0.0%
Alcoholic Beverages Div.	24.01	24.00	24.00	24.00	0.00	0.0%
Banking Division	75.40	81.00	81.00	81.00	0.00	0.0%
Credit Union Division	15.41	19.00	19.00	19.00	0.00	0.0%
Insurance Division	85.92	92.50	97.50	94.00	1.50	1.6%
Professional Lic. Div.	10.24	12.00	12.00	12.00	0.00	0.0%
Utilities Division	66.35	75.00	75.00	75.00	0.00	0.0%
Total Commerce	294.07	321.00	326.00	322.50	1.50	0.5%
<u>General Services</u>						
Gen. Services Admin.	42.82	45.85	45.85	45.85	0.00	0.0%
Property Management	107.52	114.00	114.00	114.00	0.00	0.0%
Terrace Hill Operations	4.36	5.00	6.00	5.00	0.00	0.0%
Central Printing Div.	22.39	27.30	27.30	27.30	0.00	0.0%
Central Purchasing Div.	16.88	17.95	17.95	17.95	0.00	0.0%
Vehicle Dispatcher Div.	14.63	16.85	16.85	16.85	0.00	0.0%
Total General Services	208.60	226.95	227.95	226.95	0.00	0.0%

Administration and Regulation Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Governor/Lt. Governor						
General Office	18.26	17.25	17.25	18.25	1.00	5.8%
Terrace Hill Quarters	2.09	3.00	3.00	3.00	0.00	0.0%
Admin. Rules Coordinator	2.31	3.00	3.00	3.00	0.00	0.0%
Governor Elect Expenses	0.17	0.00	0.00	0.00	0.00	
Governors Transition Cost	0.56	0.00	0.00	0.00	0.00	
State-Federal Relations	0.02	3.00	3.00	3.00	0.00	0.0%
Total Governor/Lt. Governor	23.41	26.25	26.25	27.25	1.00	3.8%
Inspections & Appeals						
Finance and Services Div.	19.35	20.00	22.00	21.00	1.00	5.0%
Audits Division	10.82	12.00	13.00	13.00	1.00	8.3%
Appeals and Fair Hearings	24.46	30.00	54.00	30.00	0.00	0.0%
Investigations Division	39.40	40.00	41.00	41.00	1.00	2.5%
Health Facilities Div.	96.16	102.00	112.00	108.00	6.00	5.9%
Inspections Division	11.61	12.00	15.00	15.00	3.00	25.0%
Employment Appeal Board	12.00	15.00	15.00	15.00	0.00	0.0%
Foster Care Review Board	8.66	19.00	25.50	25.50	6.50	34.2%
Total Inspections & Appeals	222.46	250.00	297.50	268.50	18.50	7.4%
Racing Commission						
Racetrack Regulation	25.04	22.36	22.36	22.36	0.00	0.0%
Excursion Boats Reg.	22.53	25.05	25.72	25.72	0.67	2.7%
Total Racing Commission	47.57	47.41	48.08	48.08	0.67	1.4%
Total Inspections & Appeals	270.03	297.41	345.58	316.58	19.17	6.4%

Administration and Regulation Subcommittee

FTE Report

	Actual FY 1999	Estimated FY 2000	Dept. Req. FY 2001	Gov. Recomm. FY 2001	Gov. Rec. vs Est. FY 2000	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)
Management						
Management-General Office	25.89	32.00	32.00	32.00	0.00	0.0%
Council On Human Invest.	2.00	0.00	0.00	0.00	0.00	
Replacement Property Tax	0.00	1.00	1.00	1.00	0.00	0.0%
Total Management	27.89	33.00	33.00	33.00	0.00	0.0%
Personnel						
Operations	19.59	22.66	106.50	92.37	69.71	307.6%
Program Delivery Services	30.85	32.05	0.00	0.00	-32.05	-100.0%
Program Admin. & Develop.	31.74	36.80	0.00	0.00	-36.80	-100.0%
Deferred Comp. Program	2.07	0.00	0.00	0.00	0.00	
Tobacco Funds - IDOP	0.00	0.00	1.00	1.00	1.00	new
Total Personnel	84.25	91.51	107.50	93.37	1.86	2.0%
IDOP-Retirement						
IPERS Administration	64.20	77.53	99.54	77.54	0.01	0.0%
IPERS Mgmt. Info. System	0.00	11.00	0.00	11.00	0.00	0.0%
Total IDOP-Retirement	64.20	88.53	99.54	88.54	0.01	0.0%
Total Personnel	148.45	180.04	207.04	181.91	1.87	1.0%
Revenue & Finance						
Compliance	179.40	184.43	184.08	184.08	-0.35	-0.2%
State Financial Mgmt.	244.62	256.04	255.05	255.05	-0.99	-0.4%
Internal Resource Mgmt.	79.15	79.89	79.92	79.92	0.03	0.0%
Total Revenue & Finance	503.17	520.36	519.05	519.05	-1.31	-0.3%
Lottery Operations	105.68	117.00	117.00	117.00	0.00	0.0%
Total Revenue & Finance	608.85	637.36	636.05	636.05	-1.31	-0.2%

Administration and Regulation Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
<u>Secretary of State</u>						
Admin. & Elections	9.61	10.00	10.00	10.00	0.00	0.0%
Business Services	30.66	32.00	32.00	32.00	0.00	0.0%
Total Secretary of State	40.27	42.00	42.00	42.00	0.00	0.0%
<u>State-Federal Relations</u>						
General Office	1.85	0.00	0.00	0.00	0.00	
<u>Treasurer of State</u>						
Treasurer-General Office	21.59	25.80	25.80	25.80	0.00	0.0%
Total Admin. & Regulation	1,764.06	1,913.07	1,992.87	1,935.24	22.17	1.2%

Agriculture and Natural Resources Subcommittee

FTE Report

	Actual FY 1999 <u>(1)</u>	Estimated FY 2000 <u>(2)</u>	Dept. Req. FY 2001 <u>(3)</u>	Gov. Recomm. FY 2001 <u>(4)</u>	Gov. Rec. vs Est. FY 2000 <u>(5)</u>	Percent Change <u>(6)</u>
Ag. & Land Stewardship						
Water Protection Fund	9.88	9.35	9.35	9.35	0.00	0.0%
Administrative Division	36.72	48.88	53.88	49.88	1.00	2.0%
Regulatory Division	120.63	123.00	123.00	123.00	0.00	0.0%
Laboratory Division	79.16	83.00	83.00	82.00	-1.00	-1.2%
Soil Conservation Div.	167.62	193.11	201.11	193.11	0.00	0.0%
Farmer's Market Coupon	1.01	2.00	2.00	2.00	0.00	0.0%
Total Ag. & Land Stewardship	<u>415.02</u>	<u>459.34</u>	<u>472.34</u>	<u>459.34</u>	<u>0.00</u>	<u>0.0%</u>
Natural Resources						
Administrative Services	121.50	118.25	126.25	118.25	0.00	0.0%
Parks & Preserves	200.50	195.73	197.73	195.73	0.00	0.0%
Forestry	50.25	53.71	53.71	53.71	0.00	0.0%
Energy & Geology	50.40	59.00	59.00	59.00	0.00	0.0%
Environmental Protection	220.19	246.50	286.50	249.50	3.00	1.2%
Fish and Wildlife Div.	337.90	344.18	362.18	362.18	18.00	5.2%
Waste Management Division	17.60	17.75	18.75	17.75	0.00	0.0%
Total Natural Resources	<u>998.34</u>	<u>1,035.12</u>	<u>1,104.12</u>	<u>1,056.12</u>	<u>21.00</u>	<u>2.0%</u>
Total Ag. & Natural Resources	<u><u>1,413.36</u></u>	<u><u>1,494.46</u></u>	<u><u>1,576.46</u></u>	<u><u>1,515.46</u></u>	<u><u>21.00</u></u>	<u><u>1.4%</u></u>

Economic Development Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Economic Development						
Administrative Services						
General Administration	24.24	25.75	25.75	25.75	0.00	0.0%
Film Office	2.00	2.00	2.00	2.00	0.00	0.0%
260E-Administration	1.93	0.00	0.00	0.00	0.00	
Workforce Develop. Fund	1.99	4.00	4.00	4.00	0.00	0.0%
Iowa Volunteer Commission	1.99	2.25	2.25	2.25	0.00	0.0%
IA Commission on Volun.	0.00	0.00	2.00	1.00	1.00	new
Total Administrative Services	32.15	34.00	36.00	35.00	1.00	2.9%
Business Development						
Bus. Develop. Operations	19.58	22.75	22.75	25.75	3.00	13.2%
Small Business Program	5.03	5.00	5.00	5.00	0.00	0.0%
Procurement Office	2.18	3.00	3.00	3.00	0.00	0.0%
Strategic Investment Fund	8.96	12.50	12.50	12.50	0.00	0.0%
Workforce Recruit. Prog.	1.29	3.00	3.00	0.00	-3.00	-100.0%
Value Added Ag Products	2.00	2.00	3.00	3.00	1.00	50.0%
Total Business Development	39.04	48.25	49.25	49.25	1.00	2.1%
Community & Rural Devel.						
Community Assistance	6.18	10.50	10.50	10.50	0.00	0.0%
Mainstreet/Rural Main St.	3.00	3.00	3.00	3.00	0.00	0.0%
Community Develop Program	4.95	7.50	7.50	7.50	0.00	0.0%
Commun. Dev. Block Grant	19.26	21.75	21.75	21.75	0.00	0.0%
Local Housing Assistance	0.80	2.00	2.00	2.00	0.00	0.0%
Total Community & Rural Devel.	34.19	44.75	44.75	44.75	0.00	0.0%
International Trade	9.99	11.25	14.25	14.25	3.00	26.7%
Tourism Operations	14.25	18.52	18.52	18.52	0.00	0.0%

Economic Development Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
<u>Economic Development (cont.)</u>						
Iowa Finance Authority						
Title Guaranty Fund	6.37	8.50	9.00	9.00	0.50	5.9%
Finance Authority-General	17.56	23.00	45.00	45.00	22.00	95.7%
Total Iowa Finance Authority	23.93	31.50	54.00	54.00	22.50	71.4%
Total Economic Development	153.55	188.27	216.77	215.77	27.50	14.6%
<u>Workforce Development</u>						
Labor Division	85.21	90.00	91.50	89.50	-0.50	-0.6%
Workers' Comp. Div.	32.54	34.00	37.00	35.00	1.00	2.9%
Workforce Dev. Board	0.97	1.00	1.00	1.00	0.00	0.0%
Employment Statistics	1.00	1.20	1.20	1.20	0.00	0.0%
Job Service ACS Administ.	114.85	124.97	124.97	124.97	0.00	0.0%
Work Development Areas	1.64	1.81	1.79	1.79	-0.02	-1.1%
Labor Management Coord.	0.26	0.25	0.50	0.50	0.25	100.0%
Welfare To Work Match	2.91	3.55	3.55	3.55	0.00	0.0%
Job Serv. Administration	630.95	729.09	718.58	718.58	-10.51	-1.4%
Total Workforce Development	870.33	985.87	980.09	976.09	-9.78	-1.0%
<u>Public Employ. Relations</u>						
General Office	11.92	12.80	12.80	12.80	0.00	0.0%

Economic Development Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Board of Regents						
University of Iowa						
SUI Research Park	4.60	2.15	2.15	2.15	0.00	0.0%
SUI Advanced Drug Devel.	5.50	3.50	3.50	3.50	0.00	0.0%
Total University of Iowa	10.10	5.65	5.65	5.65	0.00	0.0%
Iowa State University						
ISU Small Bus. Center	5.96	5.80	5.80	5.80	0.00	0.0%
ISU Research Park	4.00	4.31	4.31	4.31	0.00	0.0%
Institute for Phys. Res.	61.07	46.42	46.42	46.42	0.00	0.0%
Total Iowa State University	71.03	56.53	56.53	56.53	0.00	0.0%
Univ. of Northern Iowa						
UNI Metal Casting	0.00	2.60	2.60	2.60	0.00	0.0%
Decision Making Institute	0.00	8.00	9.00	9.00	1.00	12.5%
Total Univ. of Northern Iowa	0.00	10.60	11.60	11.60	1.00	9.4%
Total Board of Regents	81.13	72.78	73.78	73.78	1.00	1.4%
Treasurer of State						
Iowa Seed Capital Corp.	0.06	0.00	0.00	0.00	0.00	
Total Economic Development	1,116.99	1,259.72	1,283.44	1,278.44	18.72	1.5%

Education Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
College Student Aid Comm.						
Scholarship & Grant Ad.	4.79	5.40	5.40	5.40	0.00	0.0%
Stafford Loan Prog. Adm.	27.89	34.34	34.60	34.60	0.26	0.8%
Total College Student Aid Comm.	32.68	39.74	40.00	40.00	0.26	0.7%
Cultural Affairs						
Iowa Arts Council	9.17	10.00	10.00	10.00	0.00	0.0%
State Historical Society	64.84	65.70	65.70	65.70	0.00	0.0%
Historic Sites	8.17	8.00	8.00	8.00	0.00	0.0%
Cultural Affairs - Admin.	4.30	4.30	4.30	4.30	0.00	0.0%
Cultural Grants	0.70	0.70	0.70	0.70	0.00	0.0%
Total Cultural Affairs	87.18	88.70	88.70	88.70	0.00	0.0%
Education						
Administration						
DE Administration	91.68	98.45	98.45	98.45	0.00	0.0%
Vocational Ed. Admin.	15.00	15.60	15.60	15.60	0.00	0.0%
Board of Ed. Examiners	2.09	6.00	16.00	6.00	0.00	0.0%
Vocational Rehab.	256.70	302.25	302.25	302.25	0.00	0.0%
Independent Living	1.53	1.00	1.00	1.00	0.00	0.0%
State Library	18.87	20.00	20.00	20.00	0.00	0.0%
Iowa Public Television	99.20	106.40	107.40	105.40	-1.00	-0.9%
Total Administration	485.07	549.70	560.70	548.70	-1.00	-0.2%
School Food Service	13.49	14.00	14.00	14.00	0.00	0.0%
Total Education	498.56	563.70	574.70	562.70	-1.00	-0.2%

Education Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Board of Regents						
Regents Board Office	15.21	15.63	16.00	15.63	0.00	0.0%
University of Iowa						
Univ. of Iowa - General	4,039.17	4,048.62	4,109.17	4,050.62	2.00	0.0%
SUI Indigent Patient	5,416.23	5,626.24	5,633.09	5,626.24	0.00	0.0%
SUI Psychiatric Hospital	282.66	279.85	279.85	279.85	0.00	0.0%
SUI Hospital School	150.09	157.69	157.69	157.69	0.00	0.0%
SUI Creative Employment	1.25	0.00	0.00	0.00	0.00	
SUI Oakdale Campus	43.89	43.25	43.25	43.25	0.00	0.0%
SUI Hygienic Lab	102.01	102.49	102.49	102.49	0.00	0.0%
SUI Family Practice Prog.	180.74	192.40	192.40	192.40	0.00	0.0%
SUI Spec. Child Health	10.36	9.22	9.22	9.22	0.00	0.0%
SUI Ag. Health and Safety	2.93	3.48	3.48	3.48	0.00	0.0%
SUI Cancer Registry	1.74	2.40	2.99	2.40	0.00	0.0%
SUI Sub. Abuse Consortium	1.50	1.50	1.50	1.50	0.00	0.0%
SUI Cntr. - Biocatalysis	6.36	5.20	5.20	5.20	0.00	0.0%
SUI Driving Simulator	2.20	4.25	4.25	4.25	0.00	0.0%
SUI Primary Health Care	9.25	7.75	7.75	7.75	0.00	0.0%
SUI Birth Defects Regist.	1.30	1.30	2.55	1.30	0.00	0.0%
SUI Public Health Init.	0.00	7.00	22.00	22.00	15.00	214.3%
Total University of Iowa	10,251.68	10,492.64	10,576.88	10,509.64	17.00	0.2%

Education Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Board of Regents (cont.)						
Iowa State University						
Iowa State Univ.-General	3,914.49	3,598.44	3,631.90	3,600.44	2.00	0.1%
ISU Ag. Experiment	571.87	546.98	546.98	546.98	0.00	0.0%
ISU Coop Extension	408.08	443.91	443.91	443.91	0.00	0.0%
ISU Leopold Center	10.35	11.25	11.25	11.25	0.00	0.0%
ISU Livestock Disease	6.53	3.17	3.17	3.17	0.00	0.0%
ISU Plant Science Center	0.00	9.00	23.64	23.64	14.64	162.7%
Total Iowa State University	4,911.32	4,612.75	4,660.85	4,629.39	16.64	0.4%
Univ. of Northern Iowa						
UNI - General	0.00	1,410.86	1,460.86	1,435.56	24.70	1.8%
UNI Recycl./Reuse Cntr.	0.00	1.50	1.50	1.50	0.00	0.0%
Total Univ. of Northern Iowa	0.00	1,412.36	1,462.36	1,437.06	24.70	1.7%
Special Schools						
Iowa School for the Deaf	124.14	126.60	132.43	126.60	0.00	0.0%
Iowa Braille & Sight Sch.	82.82	91.05	91.05	89.94	-1.11	-1.2%
Total Special Schools	206.96	217.65	223.48	216.54	-1.11	-0.5%
Total Board of Regents	15,385.17	16,751.03	16,939.57	16,808.26	57.23	0.3%
Total Education	16,003.59	17,443.17	17,642.97	17,499.66	56.49	0.3%

Health and Human Rights Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Blind						
Department for the Blind	94.27	106.50	106.50	106.50	0.00	0.0%
Civil Rights Commission						
General Office	35.10	38.50	40.00	38.50	0.00	0.0%
Elder Affairs						
State Administration	24.84	0.00	0.00	0.00	0.00	
Aging Programs	0.49	29.00	30.00	29.00	0.00	0.0%
Assisted Living-LTC Trust	0.00	0.00	7.00	7.00	7.00	new
Total Elder Affairs	25.33	29.00	37.00	36.00	7.00	24.1%
Gov. Alliance Sub. Abuse						
Drug Enf. Ab. Prev. Coord.	11.27	13.00	13.00	13.00	0.00	0.0%
Public Health						
Addictive Disorders	15.75	21.70	21.65	21.65	-0.05	-0.2%
Adult Wellness	19.60	20.27	19.27	19.27	-1.00	-4.9%
Child & Adolesc. Wellness	43.55	46.61	45.61	45.61	-1.00	-2.1%
Chronic Conditions	6.45	6.75	6.75	6.75	0.00	0.0%
Community Capacity	22.82	23.98	24.15	24.15	0.17	0.7%
Elderly Wellness	0.23	0.40	0.40	0.40	0.00	0.0%
Environmental Hazards	5.25	7.50	6.00	5.00	-2.50	-33.3%
Infectious Diseases	34.55	34.50	34.50	34.50	0.00	0.0%
Injuries	9.20	10.25	10.25	10.25	0.00	0.0%
Public Protection	122.33	125.27	136.27	133.27	8.00	6.4%
Resource Management	52.07	51.90	52.65	52.15	0.25	0.5%
Tobacco Settlement Funds	0.00	0.00	25.50	5.00	5.00	new
Healthy Iowans - Tobacco	0.00	0.00	0.00	7.00	7.00	new
Gambling Treatment Prog.	0.00	1.95	0.00	0.00	-1.95	-100.0%
Total Public Health	331.80	351.08	383.00	365.00	13.92	4.0%

Health and Human Rights Subcommittee

FTE Report

	Actual FY 1999 <u>(1)</u>	Estimated FY 2000 <u>(2)</u>	Dept. Req. FY 2001 <u>(3)</u>	Gov. Recomm. FY 2001 <u>(4)</u>	Gov. Rec. vs Est. FY 2000 <u>(5)</u>	Percent Change <u>(6)</u>
Human Rights						
Central Administration	5.90	6.60	7.50	6.60	0.00	0.0%
Community Action Agencies	0.00	0.00	1.00	0.00	0.00	
Deaf Services	6.00	7.00	7.00	7.00	0.00	0.0%
Persons With Disabilities	2.26	3.50	4.00	3.50	0.00	0.0%
Latino Affairs	1.97	3.00	3.00	3.00	0.00	0.0%
Status of Women	3.16	3.00	3.00	3.00	0.00	0.0%
Status of African Am.	1.97	2.00	3.00	2.00	0.00	0.0%
Criminal & Juvenile Just.	7.58	8.21	8.20	9.20	0.99	12.1%
Community Grant Fund	0.00	1.44	1.44	1.44	0.00	0.0%
Justice Data Warehouse	0.00	0.00	1.00	0.00	0.00	
Total Human Rights	<u>28.84</u>	<u>34.75</u>	<u>39.14</u>	<u>35.74</u>	<u>0.99</u>	<u>2.8%</u>
Comm. of Veterans Affairs						
Vet. Affairs Admin.	3.88	5.00	6.00	5.00	0.00	0.0%
Iowa Veterans Home	743.51	868.94	893.94	891.94	23.00	2.6%
Total Comm. of Veterans Affairs	<u>747.39</u>	<u>873.94</u>	<u>899.94</u>	<u>896.94</u>	<u>23.00</u>	<u>2.6%</u>
Total Health & Human Rights	<u><u>1,274.00</u></u>	<u><u>1,446.77</u></u>	<u><u>1,518.58</u></u>	<u><u>1,491.68</u></u>	<u><u>44.91</u></u>	<u><u>3.1%</u></u>

Human Services Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Services						
Economic Assistance						
Fam. Inv. Prg./Prom. Jobs	2.11	11.00	11.00	11.00	0.00	0.0%
Child Support Recoveries	208.61	237.22	243.22	275.22	38.00	16.0%
Total Economic Assistance	210.72	248.22	254.22	286.22	38.00	15.3%
Health Insurance Premium	13.97	17.00	17.00	17.00	0.00	0.0%
Serv. Adult/Child/Family						
Toledo Juvenile Home	125.80	136.54	136.54	136.54	0.00	0.0%
Eldora Training School	195.04	219.91	230.53	227.53	7.62	3.5%
Community Based Services	1.00	1.00	1.00	1.00	0.00	0.0%
Total Serv. Adult/Child/Family	321.84	357.45	368.07	365.07	7.62	2.1%
Serving MH/MR/DD/BI						
Cherokee MHI	225.96	249.24	249.74	249.24	0.00	0.0%
Clarinda MHI	130.97	138.59	138.59	138.59	0.00	0.0%
Independence MHI	337.46	358.73	347.89	347.89	-10.84	-3.0%
Mt. Pleasant MHI	91.83	109.83	109.83	109.83	0.00	0.0%
Glenwood SHS	809.97	877.75	877.75	877.75	0.00	0.0%
Woodward SHS	626.70	676.76	678.76	676.76	0.00	0.0%
Sexual Predator Commit.	0.00	20.00	20.00	20.00	0.00	0.0%
Total Serving MH/MR/DD/BI	2,222.89	2,430.90	2,422.56	2,420.06	-10.84	-0.4%

Human Services Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Human Services (cont.)						
DHS Administration						
Field Operations	2,046.19	2,076.00	2,078.00	2,080.50	4.50	0.2%
General Administration	344.71	366.00	366.00	366.00	0.00	0.0%
Total DHS Administration	2,390.90	2,442.00	2,444.00	2,446.50	4.50	0.2%
Total Human Services	5,160.32	5,495.57	5,505.85	5,534.85	39.28	0.7%

Justice System Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Attorney General						
General Office A.G.	180.99	194.50	197.50	194.50	0.00	0.0%
Pros. Attor. Training	5.83	6.00	6.00	6.00	0.00	0.0%
Area GASA Pros. Attorney	2.44	2.00	2.00	2.00	0.00	0.0%
Victim Compensation Fund	16.26	17.00	20.00	20.00	3.00	17.6%
Consumer Advocate	25.50	32.00	32.00	32.00	0.00	0.0%
Total Attorney General	231.02	251.50	257.50	254.50	3.00	1.2%
Corrections						
Corr. - Institutions						
Ft. Madison Inst.	473.00	502.00	563.66	532.97	30.97	6.2%
Anamosa Inst.	375.15	399.00	399.00	399.00	0.00	0.0%
Oakdale Inst.	325.23	338.80	338.80	338.80	0.00	0.0%
Newton Inst.	358.03	392.25	394.25	392.25	0.00	0.0%
Mt. Pleasant Inst.	288.49	343.26	343.59	342.59	-0.67	-0.2%
Rockwell City Inst.	107.07	121.00	122.00	122.00	1.00	0.8%
Clarinda Inst.	276.32	292.75	293.75	293.75	1.00	0.3%
Mitchellville Inst.	146.85	204.15	237.50	237.50	33.35	16.3%
Ft. Dodge Inst.	244.33	359.04	414.00	414.00	54.96	15.3%
Total Corr. - Institutions	2,594.47	2,952.25	3,106.55	3,072.86	120.61	4.1%
Corr. - Central Office						
Central Office	34.35	37.18	37.18	37.18	0.00	0.0%
Training Center	6.90	8.07	8.07	8.07	0.00	0.0%
Total Corr. - Central Office	41.25	45.25	45.25	45.25	0.00	0.0%

Justice System Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
<u>Corrections (cont.)</u>						
CBC Districts						
CBC District I	170.91	189.01	214.55	201.51	12.50	6.6%
CBC District II	125.17	140.37	151.07	144.87	4.50	3.2%
CBC District III	71.58	77.99	84.19	84.49	6.50	8.3%
CBC District IV	56.00	62.00	73.55	66.00	4.00	6.5%
CBC District V	200.85	222.65	242.35	229.65	7.00	3.1%
CBC District VI	166.13	188.13	199.53	192.13	4.00	2.1%
CBC District VII	99.55	105.55	108.55	104.45	-1.10	-1.0%
CBC District VIII	83.21	93.35	100.45	96.35	3.00	3.2%
CBC Treatment Facility	0.00	0.00	0.00	6.93	6.93	new
Total CBC Districts	973.40	1,079.05	1,174.24	1,126.38	47.33	4.4%
Total Corrections	3,609.12	4,076.55	4,326.04	4,244.49	167.94	4.1%
<u>Inspections & Appeals</u>						
Public Defender	190.84	201.00	205.00	201.00	0.00	0.0%
<u>Judicial Branch</u>						
Judicial Branch	1,999.34	2,087.77	2,142.59	2,142.59	54.82	2.6%
<u>Law Enforcement Academy</u>						
ILEA Operations	29.66	31.05	32.05	31.05	0.00	0.0%
<u>Board of Parole</u>						
Parole Board	14.19	18.00	18.00	18.00	0.00	0.0%

Justice System Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Public Defense						
Military Division	217.05	243.76	256.76	256.76	13.00	5.3%
Emergency Mgmt. Div.	15.97	25.25	26.26	25.26	0.01	0.0%
Total Public Defense	233.02	269.01	283.02	282.02	13.01	4.8%
Public Safety						
Administration	37.70	38.80	47.80	46.80	8.00	20.6%
Investigation, DCI	215.26	229.50	247.50	240.50	11.00	4.8%
Narcotics Enforce.	45.48	61.00	67.00	67.00	6.00	9.8%
Fire Marshal	28.71	32.80	38.80	38.80	6.00	18.3%
Capitol Security	26.39	27.00	30.00	27.00	0.00	0.0%
Iowa State Patrol	575.01	579.25	588.25	579.25	0.00	0.0%
Fire Fighter Training	0.32	1.00	1.00	1.00	0.00	0.0%
Medical Examiner	0.91	0.00	0.00	0.00	0.00	
Total Public Safety	929.78	969.35	1,020.35	1,000.35	31.00	3.2%
Total Justice System	7,236.97	7,904.23	8,284.55	8,174.00	269.77	3.4%

Transportation, Infrastructure, and Capitals Subcommittee

FTE Report

	Actual FY 1999	Estimated FY 2000	Dept. Req. FY 2001	Gov. Recomm. FY 2001	Gov. Rec. vs Est. FY 2000	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)
Transportation						
Operations & Finance	264.30	279.00	298.00	279.00	0.00	0.0%
Administrative Services	85.80	95.50	103.50	95.50	0.00	0.0%
Planning & Programming	159.80	183.00	187.00	183.00	0.00	0.0%
Project Development	1,054.00	1,128.00	1,141.00	1,128.00	0.00	0.0%
Maintenance	1,488.00	1,584.00	1,606.00	1,584.00	0.00	0.0%
Motor Vehicle	524.00	564.00	576.00	564.00	0.00	0.0%
Total Transportation	<u>3,575.90</u>	<u>3,833.50</u>	<u>3,911.50</u>	<u>3,833.50</u>	<u>0.00</u>	<u>0.0%</u>
Total Trans., Infra., & Capital	<u><u>3,575.90</u></u>	<u><u>3,833.50</u></u>	<u><u>3,911.50</u></u>	<u><u>3,833.50</u></u>	<u><u>0.00</u></u>	<u><u>0.0%</u></u>

Oversight and Communications Subcommittee

FTE Report

	Actual FY 1999 (1)	Estimated FY 2000 (2)	Dept. Req. FY 2001 (3)	Gov. Recomm. FY 2001 (4)	Gov. Rec. vs Est. FY 2000 (5)	Percent Change (6)
Education						
IPTV - Regional Councils	8.65	9.00	0.00	0.00	-9.00	-100.0%
IPTV - Distance Learning	0.00	0.00	14.25	9.00	9.00	new
Total Education	8.65	9.00	14.25	9.00	0.00	0.0%
General Services						
ITS - Operations	136.11	156.61	157.61	157.61	1.00	0.6%
ITS - Data Warehouse	0.00	0.00	6.10	0.00	0.00	
Reversion Incentive Prgm.	0.25	1.00	0.00	0.00	-1.00	-100.0%
ITS - lowaccess Program	0.00	0.00	6.00	6.00	6.00	new
Total General Services	136.36	157.61	169.71	163.61	6.00	3.8%
IA Telecommun & Tech Comm						
Commission	0.92	0.00	0.00	0.00	0.00	
IA Telecomm. & Technology	90.94	104.00	104.00	104.00	0.00	0.0%
Total IA Telecommun & Tech Comm	91.86	104.00	104.00	104.00	0.00	0.0%
Total Oversight & Communication	236.87	270.61	287.96	276.61	6.00	2.2%

Unassigned Standings Appropriations

FTE Report

	Actual FY 1999 <u>(1)</u>	Estimated FY 2000 <u>(2)</u>	Dept. Req. FY 2001 <u>(3)</u>	Gov. Recomm. FY 2001 <u>(4)</u>	Gov. Rec. vs Est. FY 2000 <u>(5)</u>	Percent Change <u>(6)</u>
Legislative Branch						
Legislature	393.00	393.00	393.00	393.00	0.00	0.0%
Total Unassigned Standings	<u>393.00</u>	<u>393.00</u>	<u>393.00</u>	<u>393.00</u>	<u>0.00</u>	<u>0.0%</u>



APPENDIX B

PROJECTED FY 2001 BUILT-IN AND ANTICIPATED EXPENDITURES

(Dollars in Millions)

	<u>LFB</u> <u>Estimates</u>	<u>Governor's</u> <u>Recommend.</u>	<u>Difference</u>
FY 2001 Incremental Built-in Increases and Decreases			
Collective Bargaining Salary Packages	\$ 60.0	\$ 42.2	\$ -17.8
K-12 School Foundation Aid	44.2	45.1	0.9
Human Services - Medical Assistance	42.4	42.4	0.0
M&E Property Tax Replacement Fund	21.1	21.1	0.0
Education - Early Intervention/Reduce Class Size	10.0	10.0	0.0
Human Services - State Cases	3.7	3.7	0.0
Value-Added Agriculture	3.6	0.0	-3.6
Mental Health Growth Factor	3.6	3.6	0.0
Human Services - Child Support Federal Policy Change	2.6	3.1	0.5
Treasurer of State - Educational Savings Plan Trust	0.4	0.0	-0.4
Office of Renewable Fuels and Co-Products	0.4	0.0	-0.4
Certified School-to-Career Program	0.4	0.4	0.0
Elderly and Disabled Credit	0.3	1.0	0.7
Education - On-Time Funding	-4.0	-4.0	0.0
 Total Built-in Increases and Decreases	 \$ 188.7	 \$ 168.6	 \$ -20.1

Projected FY 2001 Incremental Built-in and Anticipated Expenditures (Continued)

(Dollars in Millions)

	<u>LFB</u> <u>Estimates</u>	<u>Governor's</u> <u>Recommend.</u>	<u>Difference</u>
FY 2001 Incremental Anticipated Increases and Decreases			
Corrections - Various Projects and Replacements	\$ 4.7	\$ 3.7	\$ -1.0
Human Services - Decrease in Federal Match Rates	4.4	4.4	0.0
Human Services - Children/Families Caseload Increase/Adjustment	4.0	4.0	0.0
Regents - Opening New Buildings	2.0	0.7	-1.3
Inspections and Appeals - Indigent Defense	1.4	2.2	0.8
Human Services - Maintain Reimbursement Costs/70.0% USDA	0.6	0.6	0.0
Human Services - Opening Facility at Eldora and One Time Costs	0.6	0.6	0.0
Human Services - Electronic Benefits Transfer	0.3	0.3	0.0
Judicial Branch - Retirement Fund Contribution	0.3	0.3	0.0
Agriculture - Mandatory Price Reporting	0.3	0.0	-0.3
Regents - Tuition Replacement	0.2	0.0	-0.2
Human Services - Sexual Predators Civil Commitment and Treatment	0.2	0.2	0.0
Public Defense - Emergency Mgmt. Div. State Match for FEMA Grants	0.1	0.1	0.0
Human Services - Glenwood State Hospital (FY 2000 Veto)	-0.2	-0.2	0.0
Human Services - Change in Reimbursement Rate/IFMC	-0.3	-0.3	0.0
Human Services - State Hospital Schools Increased Revenue	-1.0	-1.1	-0.1
Human Services - Increased Individuals/Services Eligible for Federal Aid	-3.0	-4.5	-1.5
 Total Anticipated Increases and Decreases	 <u>\$ 14.6</u>	 <u>\$ 11.0</u>	 <u>\$ -3.6</u>
 Grand Total	 <u><u>\$ 203.3</u></u>	 <u><u>\$ 179.6</u></u>	 <u><u>\$ -23.7</u></u>

FY 2001 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Current Law FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 vs. FY 2000 (5)	Governor's Recommended Changes from Current Law (6)	\$ Estimate of Gov. Changes (7)
BUILT-IN INCREASES OR DECREASES:						
Collective Bargaining Salary Packages <i>Appropriation</i>	Estimated salary increases for negotiated collective bargaining costs.	<ul style="list-style-type: none"> Salary increases are subject to collective bargaining and represent the historical cost. 	\$ 60.0	\$ 42.2	<ul style="list-style-type: none"> The Governor recommends changing past funding practices including: funding only General Fund supported positions at Regent institutions, extending the FY 2000 salary adjustment deappropriation, and additional reductions for vacancy factor and turnover. 	\$ -17.8
K-12 School Foundation Aid <i>Standing Unlimited Appropriation</i>	<p>The School Foundation Program establishes limits and controls on local school district spending authority. By formula, the Program determines the amount of State aid and local property tax used in funding school district budgets.</p> <p>Assumptions: Special Education weightings are estimated to increase by 6.0%,</p>	<ul style="list-style-type: none"> Allowable growth of 4.0%. \$38.00 per pupil added to allowable growth for Talented and Gifted programs. Foundation level for special education programs increased from 79.0% to 87.5%. 	\$ 44.2	\$ 45.1	<ul style="list-style-type: none"> No change from current law recommended. The difference is due to special education assumptions and other minor assumption differences. 	\$ 0.9

FY 2001 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Current Law FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 vs. FY 2000 (5)	Governor's Recommended Changes from Current Law (6)	\$ Estimate of Gov. Changes (7)
	property valuations are estimated to increase by 3.5%, supplemental weighting for shared pupils/teachers decreased by 52.2%, English-as-a-Second Language weighting increased by 11.4%, and machinery and equipment valuation is estimated to decrease by 27.2%.	<ul style="list-style-type: none"> • Enrollment is assumed to decrease by 0.8% for FY 2001. • Taxable property valuations are assumed to increase by 0.8% for FY 2001. 				
Human Services - Medical Assistance Appropriation	Medical Assistance is a state/federal entitlement program that provides medical services to eligible low-income recipients. To qualify for federal funding, the State must reimburse providers for certain mandatory services. The State has the option to provide coverage of additional services and can elect to expand coverage to optional eligibility groups. Iowa is currently covering most of the optional services and optional eligibility groups for which federal funding	<ul style="list-style-type: none"> • Prescription drug increases (\$9.6 million). • Federal Financial Participation rate decreases which increases State costs by \$2.6 million. • Nursing facility increases (\$12.7 million) to maintain the 70th percentile. • Increased managed expenditures (\$4.0 million). 	\$ 42.4	\$ 42.4	• No change recommended.	

FY 2001 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Current Law FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 vs. FY 2000 (5)	Governor's Recommended Changes from Current Law (6)	\$ Estimate of Gov. Changes (7)
	is available. The State also has the ability to set the rates it uses to reimburse service providers, within federal guidelines.					
Machinery and Equipment (M & E) Property Tax Replacement Fund <i>Standing Unlimited Appropriation</i>	Due to the phase out of the property tax on M&E, current law provides for the replacement of lost valuation compared to the base year (FY 1996). HF 2165 (1996 Legislative Session) expanded the replacement to include tax increment financing (TIF) districts.	• Increased M&E valuation reduction.	\$ 21.1	\$ 21.1	• No change recommended.	
Education - Early Intervention/Reduce Class Size Block Grant <i>Standing Limited Appropriation</i>	House File 743 (1999 Session) created a Block Grant Program to reduce the kindergarten through grade three class size to 17 pupils per teacher. The funds may also be used on program, instructional support and materials for those grades. Section 256E.5, <u>Code of Iowa</u> , appropriates \$10.0 million for FY 2000, \$20.0 million for FY		\$ 10.0	\$ 10.0	• No change recommended.	

FY 2001 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Current Law FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 vs. FY 2000 (5)	Governor's Recommended Changes from Current Law (6)	\$ Estimate of Gov. Changes (7)
	2001, \$30.0 million for FY 2002, and \$30.0 million for FY 2003.					
Human Services - State Cases Appropriation	The State Cases Program provides mental health, mental retardation, or other developmental disability services to persons who do not have a county of legal settlement.	• Estimate based upon caseload and inflation costs.	\$ 3.7	\$ 3.7	• No change recommended.	
Value-Added Agriculture Appropriation	Provides grants and low or no interest loans to qualified businesses that process agricultural products.	• The Program was funded previously from Motor Vehicle Use Tax. The <u>Code of Iowa</u> was amended to switch the funding source to the General Fund in FY 2001. See 1997 Iowa Acts, Chapter 207, Sections 6 and 15.	\$ 3.6	\$ 0.0	• The Governor recommends notwithstanding the FY 2001 funding switch to the General Fund. The recommended action would continue funding the Program from Motor Vehicle Use Tax receipts for one more year.	\$ -3.6

FY 2001 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Current Law FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 vs. FY 2000 (5)	Governor's Recommended Changes from Current Law (6)	\$ Estimate of Gov. Changes (7)
Mental Health Growth Factor <i>Appropriation</i>	House File 782 (1999 Session) appropriated \$21.8 million for the mental health growth factor for FY 2001. This is an increase of \$3.6 million (1.6%) compared to FY 2000. The increase is for inflation applied to the sum of the county base expenditures for county Mental Health/Mental Retardation/Developmental Disabilities Services funds and the previous allowable growth appropriation.	• Continues growth funding initiated in FY 1998.	\$ 3.6	\$ 3.6	• No change recommended.	
Human Services - Child Support Federal Policy Change <i>Appropriation</i>	The Child Support Recovery Unit receives child support payments from obligor parents and disburses the recoveries. A portion of the recoveries is retained by the State to offset State costs of supporting children through the Family Investment Program.	• Federal policy changes require a greater percentage of recoveries to be disbursed to families, decreasing the percentage retained by the State.	\$ 2.6	\$ 3.1	• The Governor recommends increased State funding to meet maintenance of effort requirements given the reduction in the State share of child support recoveries.	\$ 0.5

FY 2001 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Current Law FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 vs. FY 2000 (5)	Governor's Recommended Changes from Current Law (6)	\$ Estimate of Gov. Changes (7)
Treasurer of State - Iowa Educational Savings Plan Trust <i>Appropriation</i>	Administration and operation of Iowa Educational Savings Plan Trust, "College Savings Iowa."	<ul style="list-style-type: none"> • Senate File 457, passed during the 1999 Legislative Session, requires the administrative costs to be funded by the General Fund. The costs had been paid from the Unclaimed Property Trust Fund. 	\$ 0.4	\$ 0.0	<ul style="list-style-type: none"> • The Governor recommends the \$400,000 continue to be funded from the Unclaimed Property Trust Fund as it was in FY 2000. 	\$ -0.4
Agriculture - Office of Renewable Fuels and Co-Products <i>Appropriation</i>	Promotes the production and consumption of products made from Iowa's agricultural commodities through technical and business planning assistance, research, demonstration, advertising, promotion, and education activities in business planning, corn and soybean projects, and value-added agriculture.	<ul style="list-style-type: none"> • 1997 Legislative Acts, Chapter 207, Sections 7-9, and 15. 	\$ 0.4	\$ 0.0	<ul style="list-style-type: none"> • The Governor recommends using the current source of funding, Motor Vehicle Use Tax receipts, to continue funding for the Office of Renewable Fuels and Co- Products. 	\$ -0.4
Economic Development - Certified School-to- Career Program <i>Standing Unlimited Appropriation</i>	Provides work-study and post- secondary education training for persons 16 to 24 years of age through a payroll tax refund claimed by an employer.	<ul style="list-style-type: none"> • Section 15.361, <u>Code of Iowa</u>. 	\$ 0.4	\$ 0.4	<ul style="list-style-type: none"> • No change recommended. 	

FY 2001 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Current Law FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 vs. FY 2000 (5)	Governor's Recommended Changes from Current Law (6)	\$ Estimate of Gov. Changes (7)
Revenue and Finance - Elderly and Disabled Credit <i>Standing Unlimited Appropriation</i>	Provides a property tax credit for low-income elderly, or disabled taxpayers.	• House File 2513, passed during the 1998 Legislative Session, increased the income eligibility requirements which allows additional taxpayers to receive the credit.	\$ 0.3	\$ 1.0	• Assumes an increase in the number of claims filed.	\$ 0.7
Education - On-time Funding <i>Appropriation</i>	House File 147 (School Aid On- time Funding and Budget Guarantee Act) appropriated up to \$4.0 million to the Department of Education for school districts experiencing an increase in enrollment to apply to the School Budget Review Committee for on-time funding for the 1999-2000 school year.		\$ -4.0	\$ -4.0	• No change recommended.	

FY 2001 ESTIMATED GENERAL FUND EXPENDITURE INCREASES OR DECREASES

(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Anticipated FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 Vs. FY 2000 (5)	Governor's Recommended Changes from Estimate (6)	Gov. Changes (7)
ANTICIPATED INCREASES OR DECREASES:						
Corrections - Various Projects and Replacements Appropriation	<p>Various Corrections projects:</p> <ul style="list-style-type: none"> • \$1.0 million for one-time start-up costs for the Ft. Madison special needs unit. • \$1.7 million for operations to open the Ft. Madison special needs unit. • \$3.4 million to annualize operations of 400-bed expansion of Ft. Dodge. • \$1.3 million to annualize operations of 200-bed expansion of Mitchellville. • \$1.8 million to replace the Pay-for-Stay Program budget reduction at Anamosa, Newton, Mt. Pleasant, and Ft. Dodge. • \$-876,000 for the deposit of Pay-for-Stay Program into the General Fund beginning in FY 2001. 	<ul style="list-style-type: none"> • Ongoing expenditure and one-time expenditures. 	\$ 4.7	\$ 3.7	<ul style="list-style-type: none"> • Reduces one-time start-up costs by \$373,000 for the Ft. Madison special needs unit. • Reduction of \$232,000 for operations and one-time start-up costs for the 30-bed Dubuque residential facility expansion. • Reduction of \$469,000 by delaying the opening of the 50-bed residential facility in Council Bluffs until FY 2002. 	\$ -1.0

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(Dollars in Millions)

Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Anticipated FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 Vs. FY 2000 (5)	Governor's Recommended Changes from Estimate (6)	Gov. Changes (7)
	<ul style="list-style-type: none"> • \$420,000 for operations and \$120,000 for one-time costs for the 30-bed Dubuque residential facility expansion. • \$395,000 for operations and \$74,000 for one-time costs for the 50-bed residential facility in Council Bluffs. • \$-2.4 million due to the pay-off of the Phase II lease purchase. • \$-2.2 million for the return of female prisoners to the Iowa prison system. 					
Human Services - Decrease in Federal Match Rates Appropriation	The federal financial participation match rate (the rate at which the federal government matches State funds for the Medical Assistance Program) will decrease from the State FY 2000 level of 63.12% to a State FY 2001 level of 62.77%	• Federal match rate reduction.	\$ 4.4	\$ 4.4	• No change recommended.	

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Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Anticipated FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 Vs. FY 2000 (5)	Governor's Recommended Changes from Estimate (6)	Gov. Changes (7)
Human Services - Children/Families Caseload Increase/Adjustment Appropriation	Maintain services at the current year cost, with changes in numbers served and per diem rates based on services provided.	<ul style="list-style-type: none"> • Numbers served change. • Levels of service change due to changes in children's needs. 	\$ 4.0	\$ 4.0	• No change recommended.	
Regents - Opening New Buildings Appropriation	Costs which the institutions expect for general salaries, utilities, and supplies to open the new buildings on campus.	<ul style="list-style-type: none"> • Ongoing expenses for new buildings. 	\$ 2.0	\$ 0.7	• No specific rationale provided.	\$ -1.3
Inspections and Appeals - Indigent Defense Appropriation	The Indigent Defense Fund is used to pay costs of legal counsel and related defense costs for adult and juvenile clients to ensure their constitutional right to effective and legal counsel.	<ul style="list-style-type: none"> • The General Assembly approved a \$5.00 per hour increase for contract and court-appointed attorneys paid by the Indigent Defense Fund. 	\$ 1.4	\$ 2.2	• Based on increased cost of claims.	\$ 0.8
Human Services - Maintain Reimbursement Costs/70.0% USDA Appropriation	Percentage of reimbursement for certain foster care services historically provided by the Iowa General Assembly has been 70.0% of the United States Department of Agriculture estimated annual cost of raising a child.	<ul style="list-style-type: none"> • Determined by the federal government. 	\$ 0.6	\$ 0.6	• No change recommended.	

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Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Anticipated FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 Vs. FY 2000 (5)	Governor's Recommended Changes from Estimate (6)	Gov. Changes (7)
Human Services - Opening Facility at Eldora and One-time Costs <i>Appropriation</i>	Cottage originally scheduled to open January 1999. Delayed to April 2000.	• The FY 2000 appropriation contains nine months funding for opening. \$378,000 from FY 1999 carry forward needs to be replaced. Additional three months of opening costs.	\$ 0.6	\$ 0.6	• No change recommended.	
Human Services - Electronic Benefits Transfer <i>Appropriation</i>	The Electronic Benefits Transfer Program (EBT) provides economic assistance benefits, including food stamps, to eligible individuals through the use of an automated benefits card.	• Estimate assumes EBT will be significantly expanded in FY 2001 and will be implemented statewide in FY 2002.	\$ 0.3	\$ 0.3	• No change recommended.	
Judicial Branch Retirement Fund Contribution <i>Appropriation</i>	The Judicial Retirement System Provides retirement benefits to judges. Pursuant to Section 602.9104(4), <u>Code of Iowa</u> . The employer's contribution rate is 23.7% of all covered judges' salaries.	• The employer's contribution increases as the judges' salaries increase.	\$ 0.3	\$ 0.3	• No change recommended.	

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Agriculture - Mandatory Price Reporting <i>Appropriation</i>	Requires packers to file purchase reports with the Department of Agriculture and Land Stewardship. Purchase report requirement repealed if federal government implement ssimilar statute or regulation. In the 1999 federal farm appropriation act, mandatory price reporting to the United State Department of Agriculture's (USDA) Agricultural Marketing Service is required, but Congress did not supply funds to the USDA to implement this new program.	<ul style="list-style-type: none"> Senate File 436 (Mandatory Price Reporting Act) enacted by 1999 General Assembly. 	\$ 0.3	\$ 0.0	<ul style="list-style-type: none"> Assumes federal funds will be available for this program. 	\$ -0.3

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Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Anticipated FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 Vs. FY 2000 (5)	Governor's Recommended Changes from Estimate (6)	Gov. Changes (7)
Regents - Tuition Replacement Appropriation	Tuition replacement is the appropriation to pay the debt service costs of academic revenue bonds. The bonds are sold when approved by the General Assembly to pay for certain buildings on the campuses of Regents' institutions. The payments are "guaranteed" with tuition and fee revenues from the students attending the Regents' universities.	<ul style="list-style-type: none"> • Increased debt service on authorized Academic Revenue Bonds. 	\$ 0.2	\$ 0.0	• The Governor recommends shifting this expenditure to the Rebuild Iowa Infrastructure Fund (RIIF).	\$ -0.2
Human Services - Sexual Predators Civil Commitment and Treatment Appropriation	Long term mental health treatment of sexually violent predators, with housing at the Iowa Medical Classification Center at Oakdale.	<ul style="list-style-type: none"> • Number of clients dependent upon court action. • FY 2000 appropriation exceeds need based on the number of clients. As of December 1, 1999, there were four clients in lieu of the 12 planned for all of FY 2000. 	\$ 0.2	\$ 0.2	• No change recommended.	

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Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Anticipated FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 Vs. FY 2000 (5)	Governor's Recommended Changes from Estimate (6)	Gov. Changes (7)
Public Defense - Emergency Management Division - State Match for FEMA Grants <i>Appropriation</i>	Federal disaster assistance funding.	<ul style="list-style-type: none"> • Beginning in October 1999, FEMA required a 50.0% State match for disaster assistance grants. The first nine months were funded in FY 2000. This annualizes the State match funding. 	\$ 0.1	\$ 0.1	• No change recommended.	
Human Services - Glenwood State Hospital-School (FY 2000 Veto) <i>Appropriation</i>	General Fund appropriation of \$200,000 for unbundling of pharmaceutical costs.	<ul style="list-style-type: none"> • FY 2000 Item Veto by Governor. 	\$ -0.2	\$ -0.2	• No change recommended.	
Human Services - Change in Reimbursement Rate/Iowa Foundation for Medical Care (IFMC) <i>Appropriation</i>	The Iowa Foundation for Medical Care provides for various services for the Department of Human Services, which is paid in part by the federal government.	<ul style="list-style-type: none"> • The amount of services provided varies from year to year, as well as the federal match rate. 	\$ -0.3	\$ -0.3	• No change recommended.	

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Programs/Appropriations (1)	Description of Programs (2)	Major Factors (3)	Anticipated FY 2001 vs. FY 2000 (4)	Gov. Rec. FY 2001 Vs. FY 2000 (5)	Governor's Recommended Changes from Estimate (6)	Gov. Changes (7)
Human Services - State Hospital-Schools Increased Revenues Revenue	The State Hospital-Schools at Glenwood and Woodward are operated on a net budgetary system. This permits the Schools to retain most of the revenues directly in lieu of a greater State appropriation.	<ul style="list-style-type: none"> Due to the reimbursement methodology, the FY 2000 salary adjustment funds added to the State appropriation will result in additional nonstate revenues, decreasing the need for State funding. 	\$ -1.0	\$ -1.1	<ul style="list-style-type: none"> The DHS has revised its estimate since the request was submitted for the Glenwood portion of this calculation. 	\$-0.1
Human Services - Increased Individuals/Services Eligible for Federal Financial Participation Revenue	Each year the service categories and numbers of eligibles change regarding the federal reimbursement eligibility.	<ul style="list-style-type: none"> Determined by the federal government. 	\$ -3.0	\$ -4.5	<ul style="list-style-type: none"> The Governor has increased the estimate of the amount of federal funding which will be received. 	\$ -1.5

APPENDIX C



GLOSSARY OF BUDGET TERMS

Accrual: The basis of accounting under which revenues are recorded when earned and expenditures are recognized in the period in which benefit is derived. It provides for the matching of expense against related revenue.

Allocation: Funds and/or personnel which are apportioned or designated to a function, program, or activity.

Appropriation: A legislative allocation of money for a specific purpose.

75.0% Base Budgeting: A form of modified base budgeting used by the State in which agency managers assume for budgeting purposes that 75.0% of the current appropriation becomes the base for the next fiscal year's budget.

Budget Unit: A predetermined grouping of one or more organizations that indicates an individual entity within a department. There may be one or more budget units within a department. A budget unit generally equals an appropriation made by the General Assembly.

Budgeting for Results: A form of budgeting which ties the appropriation of resources to the outcomes or results expected from a program. A results-oriented performance budget is developed by defining desired program results and determining how many units of the desired outcomes can be achieved with the requested level of funding. Resources are then allocated based on the performance expected. Progress toward meeting the outcomes is tracked and analyzed, and department directors are held accountable for the performance.

Capital Appropriation: An appropriation for long term additions to, or betterment of State property, such as land, buildings, or equipment.

Cost-Of-Living Adjustment (COLA): An annual increase made in the personal services line-item at the start of the fiscal year to take account of increases in the cost-of-living. The adjustment is determined through the collective bargaining process.

Decision Package: An individual request for funding made by a department for personnel, services, equipment, capitals, or other items. Decision packages are either requests to return the budget to 100.0% of the previous year's appropriation from the 75.0% base budget, or new requests for funding, over and above the previous year's appropriation. Decision packages are normally listed in priority order for each budget unit.



Electronic Publishing of Information: A project to provide electronic access to information produced or provided by the Legislative Fiscal Bureau.

Estimated Revenues: A projection compiled by the Revenue Estimating Conference for General Fund receipts.

Expenditures: Disbursements and payables for services rendered and goods received including authorized encumbrances for a specific period.

Estimated Expenditures: A projection compiled according to legislative action, adjusted for salary, cost-of-living, and merit increases.

Family Investment Program (FIP): The Program in Iowa replacing the Aid for Families with Dependent Children (AFDC) Program, also referred to as Welfare. The FIP is administered by the Iowa Department of Human Services and receives federal funding from the Temporary Assistance for Needy Families (TANF) federal block grant.

Federal Fiscal Year (FFY): The 12-month financial period used for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management for the federal government. The fiscal year of the federal government is October 1 through September 30.

Fiscal Year (FY): The 12-month financial period used for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management. The fiscal year of the State of Iowa is July 1 to June 30.

Full-Time Equivalent (FTE) Positions: One full-time equivalent position represents 2,080 working hours, which is the regular number of hours one full-time person works in one fiscal year.

General Fund: The fiscal entity whose receipts are not earmarked for dedicated purposes and which supports the general functions of State government.

Generally Accepted Accounting Principles (GAAP): A method of accounting approved by the Governmental Accounting Standards Board.

Goal: A broad statement of purpose or intended achievement as established by policy makers or program administrators.

Grants and Aids: State money that passes through State departments for local needs.

Item Veto: The action by the Governor voiding a section of an appropriation bill.

Line-Item: A term to describe funds requested and/or appropriated on a detailed or itemized basis (personal services, travel, equipment, or other items).

Merit Increase: The normal pay increase granted at the time of an employee's review date. Currently, a merit increase is the equivalent of one merit step or approximately 4.0% of the employee's salary.

New/Expanded Programs: Departmental requests that are above and beyond current operations of the department.

Objective: A specific statement of intent or action that serves to achieve a stated goal.

Operations: An appropriation of funds for the performance of the normal functions of a department or a division.

Organization: A responsibility center within the management structure of a department.

Performance Measures: Criteria used to assess progress toward objectives in the implementation of a program.

Reversion: Following the close of a fiscal year, all unencumbered or unobligated balances revert to the State treasury and to the credit of the fund from which the appropriation was made.

Revolving Fund: A fiscal entity which has a designated revenue source and specific expenditure purpose, with stipulated State agency access to the fund as required. All balances in a revolving fund typically remain in the fund at the close of the fiscal year for expenditure in the future.

Salary Adjustment: Costs for raises, merit steps, and other expenses associated with a collective bargaining agreement. Because the costs of the collective bargaining agreement are unknown at the time of budget submission, departments do not include these costs in their budgets. An appropriation is made to fund the adjustment costs in an annual Salary Bill.

Salary Annualization: Costs due to merit steps which occur for only part of the first year and require additional funds to fully fund in the second year. For example, if a merit step is given halfway through the fiscal year, the first-year cost to the agency is only one-half the amount the department would incur if the step started on the first day of the fiscal year. The department would incur the entire amount in the second year and request the difference between the first and second year amounts in the budget request.

Standing Limited Appropriation: An appropriation of a specific dollar amount established by the Code of Iowa. An example is the Indian Settlement Officer, Section 331.660, Code of Iowa: "There is appropriated annually from the General Fund of the State to the County of Tama the sum of three-thousand, three-hundred, sixty-five dollars to be used by the County only for the payment . . .".

Standing Unlimited Appropriation: An appropriation of an unspecified dollar amount established by the Code of Iowa. An example reads as follows: "There is hereby appropriated out of any funds in the State treasury not otherwise appropriated a sum sufficient to pay for . . .".

Supplemental Appropriation: Additional funds appropriated for the current fiscal year in addition to the original appropriation.

Temporary Assistance for Needy Families (TANF): The federal block grant created by federal Welfare Reform in FFY 1997, allowing states flexibility in welfare programs and instituting a five-year limitation on aid to families. In Iowa, the TANF block grant provides funding for the Family Investment Program (FIP) and other programs supporting FIP recipients.

APPENDIX D

ISSUE REVIEW SERIES

As part of the continuing effort to provide legislative oversight, the staff of the Legislative Fiscal Bureau (LFB) monitors a variety of issues that develop in state agencies. Many of the issues are reported through the *Fiscal Update* newsletter, but some require more detailed review to present sufficient information and some may require legislative action. To meet the need, the LFB developed an *Issue Review* series in 1992, which presents selected issues to members of the General Assembly and the Fiscal Committee. Where appropriate, each paper contains a specific issue topic, a brief background on information related to the topic, the current situation, affected agencies, Code of Iowa authority, alternatives the General Assembly may wish to consider, and budgetary impacts.

The following *Issue Reviews* completed during the 1999 Legislative Session or Interim are available from the LFB (listed alphabetically).



- An Update of the Case Management Program
- Calculation of Residential Property Taxes and the Property Tax Rollback Amounts for Assessment Year 1999
- Community College Funding Overview
- Community College Management Information System
- Department of Corrections Program Backlogs and Waiting Lists
- Dietary Staffing at the Iowa Veterans Home
- Earthen Waste Storage Structures in Iowa
- Federal Education Assistance
- Financing Changes to the 260E Job Training Program
- Indigent Defense Update
- Iowa Finance Authority Low-Income Housing Tax Credits
- Iowa Recreational Trails Program
- John's Disease
- Linked Investments for Tomorrow Program Update
- Low-Income Home Energy Assistance Program (LIHEAP)
- Mental Health Expenditures
- Nursing Facility Direct Care Staff Turnover
- Overview of the Beverage Container Control Act
- Plant Science Initiative at Iowa State University
- Professional Licensing
- Reading Recovery Program Update
- Recent Changes in the Prison Population
- Recreation Infrastructure Grant Program
- Refugee and Immigrant Growth in the State of Iowa
- Review of Regents Infrastructure Projects
- Section 8.39 Appropriation Transfers
- Sex Offender Correctional Programming
- Sexually Violent Predator Commitment Program
- Social Services Block Grant Update
- State of Iowa Aviation Assistance Programs
- Student Loan Default Prevention Activities by the College Student Aid Commission
- Tourism Advertising
- Underground Storage Tank Insurance Program
- Update on Excursion Gambling Boats, Pari-Mutuel, and Slot Machines at Racetracks for FY 1999
- Water Quality and Total Maximum Daily Loads

In addition to the *Issue Review* series, the LFB staff provided the following information at all Fiscal Committee meetings:

- Revenue Update.
- Update of Appropriation Transfers.
- Update of Lease Purchase Notifications.

The LFB also provided the following updates periodically at Fiscal Committee meetings:

- Iowa Communications Network.
- General Fund Built-In Appropriation Increases.
- Update on School Finance Interim Committee.
- Update on the activities of the Oversight and Communications Committee.

The LFB provided written information on the following specifically requested topics to the Fiscal Committee (listed alphabetically with month presented in parentheses):

- Agricultural Finance Corporation (December)
- Community College Travel Issues (October)
- Department of Corrections Staff Issues (October)
- Followup on School Finance - Physical Plant and Equipment Levy (PPEL) and Federal Funds (December)
- Iowa State University Swine Research Center (September)
- Number of Prisoners in the Corrections System that are Mentally Ill (October)
- Prison Population Changes (August)
- Prison Population Forecasts (October)
- Rebuild Iowa Infrastructure Fund Resources and Appropriations (December)
- Rebuild Iowa Infrastructure Fund Status of Appropriations by Fiscal Year (December)
- Regents Capital Budget Requests (September)
- Regents Deferred Maintenance (September)
- Regents Fire and Environmental Safety Issues (September)
- Reinventing Iowa Government Leadership Team and the Governor's Strategic Planning Council (December)
- Sexual Predator FY 2000 Fiscal Information (September)
- Status of Prison Construction Projects - Rebuild Iowa Infrastructure Fund (RIIF) (August)
- Summary Report on State Indebtedness (December)
- Tobacco Settlement and Potential Iowa Recoupment (December)
- Update on School Finance Interim Committee (October)
- Update on Tax Interim Committee (October)

The LFB organized and coordinated the following visitations by the Fiscal Committee:

- Hawkeye Community College in Waterloo on July 12, 1999, to tour the facilities and review community college and other issues.
- Clarinda Correctional and Mental Health Facilities on August 25, 1999, to tour the facilities and review Department of Corrections and mental health issues.
- Iowa State University in Ames on September 30, 1999, for the following:
 - Review the Board of Regents and other issues.
 - Tour the campus to review new infrastructure, planned new infrastructure, and deferred maintenance and fire safety needs.
- Iowa Department of Public Safety in the Wallace Building in Des Moines on October 27, 1999, to tour the Department and review public safety and other issues.

APPENDIX E

ELECTRONIC PUBLISHING OF INFORMATION

The Legislative Fiscal Bureau (LFB) has a series of computer programs to allow legislators and legislative staff on-line access to LFB information. The information which is available includes:

1. A LFB staff directory with access to electronic mail and Committee and Subcommittee assignments.
2. Financial information including:
 - A. Appropriations Tracking - Viewing of appropriations status and amounts.
 - B. Balance Sheet - Viewing the most recent and past balance sheets.
 - C. Taxes and Receipts - Viewing of daily and historical revenue information.
 - D. Monthly Revenue Memo - Viewing of the Monthly Revenue Memo issued the first of each month.
3. Miscellaneous Information and Publications, including:
 - A. Searching and viewing of the Fiscal Update (the weekly LFB newsletter) and *Issue Reviews* published by the LFB.
 - B. Accessing an electronic version of the State Employee Salary Book. The program provides electronic searching capabilities.
 - C. Viewing a repository of miscellaneous information created by the LFB including on-going reports and information.
 - D. Accessing the Department Budget Requests and Governor's Budget Recommendations analysis created by the LFB.
 - E. Viewing the LFB Factbook, which is statistical summary information.
4. Fiscal Notes and Bill Summaries:
 - A. Viewing the executive summaries of Notes on Bills and Amendments (NOBA).

- B. The Fiscal Note System - Accessing the status of written and pending fiscal notes, displaying filed fiscal notes, and viewing a historical index of fiscal notes from past sessions.

Each computer program has a help file which is intended to assist the user in running each of the programs.

The LFB Electronic Publishing of Information operates in the Designer Workbench Mapper mainframe program. Please type the word "Fiscal" and the user will have access to the introductory menu. The button "Fiscal" in the main Computer Support Bureau program "Genmenu" will also access the LFB area.



The Legislative Fiscal Bureau has developed a logo to assist in the location of products associated with the Electronic Publishing of Information. Whenever the logo is displayed, that information is available on-line through the LFB's "Fiscal" Program.

The LFB is continuing development of the Electronic Publishing system during the session and the coming interim. If you have any suggestions, questions, or problems with the computer run or information, please do not hesitate to contact the LFB.

APPENDIX F



STAFF LISTING

LEGISLATIVE FISCAL BUREAU

Dennis C. Prouty, Director
Capitol, Second Floor
281-5279

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
DEPUTY DIRECTOR	Tim Faller	281-4615	Capitol - Room 217
FISCAL ANALYSIS	Holly Lyons	281-7845	Capitol - Room 217
POLICY ANALYSIS	Douglas Wulf	281-3250	Lucas - Room G23
DATABASE	Glen Dickinson	281-4616	Lucas - Room G23
APPROPRIATIONS SUBCOMMITTEES			
ADMINISTRATION & REGULATION			
Auditor	Christina Schaefer	281-6765	Lucas - Room G23
Commerce			
General Services			
Governor			
Management			
Secretary of State			
Ethics & Campaign Finance Disclosure	Ron Robinson	281-6256	Lucas - Room G23
Inspections & Appeals			

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
ADMINISTRATION & REGULATION (Continued)			
Personnel	Ron Robinson	281-6256	Lucas - Room G23
Revenue & Finance			
State/Federal Relations			
Treasurer			
AGRICULTURE & NATURAL RESOURCES			
Agriculture	Sherry Weikum	281-7846	Lucas - Room G23
State Fair Authority			
Iowa Family Farm Development Authority	Debra Kozel	281-6767	Lucas - Room G23
Natural Resources			
ECONOMIC DEVELOPMENT			
Economic Development	Jeff Robinson	281-4614	Capitol - Room 217
Iowa Finance Authority			
Public Employment Relations Board			
Workforce Development			
EDUCATION			
Board of Regents	Mary Shipman	281-4617	Capitol - Room 17
College Aid Commission			
Cultural Affairs	Paige Piper/Bach	281-7942	Lucas - Room G23
Education			
Iowa Public Television			
HEALTH & HUMAN RIGHTS			
Blind	Russ Trimble	281-4613	Lucas - Room G23
Elder Affairs			
Governor's Substance Abuse Coordinator			
Human Rights			
Civil Rights	Valerie Thacker	281-5270	Lucas - Room G23
Public Health			
Veterans Affairs			

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
HUMAN SERVICES			
Child Support Recovery Children's Health Insurance Program Family Investment Program, Promise Jobs, Food Stamps General Administration Medical Services Temporary Assistance for Needy Families (TANF) Block Grant	Deb Anderson	281-6764	Lucas - Room G23
Child Care County Based Services Field Operations Foster Care Institutions Juvenile Justice Mental Health/Mental Retardation/Developmental Disabilities Enhanced Services Social Services Block Grant	Sue Lerdal	281-7794	Capitol - Room 217
JUSTICE SYSTEM			
Corrections Iowa Law Enforcement Academy Parole Board Public Defense	Dwayne Ferguson	281-6561	Lucas - Room G23
Indigent Defense/Public Defender Judicial Department Justice Department Public Safety	Beth Lenstra	281-6301	Lucas - Room G23
OVERSIGHT & COMMUNICATION			
Iowa Telecommunications & Technology Commission	Douglas Wulf	281-3250	Lucas - Room G23
Technology Investment Account Information Technology Services	Glen Dickinson	281-4616	Lucas - Room G23

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
TRANSPORTATION, INFRASTRUCTURE, & CAPITALS	David Reynolds	281-6934	Lucas - Room G23
WAYS AND MEANS Standing Committees	Mike Lipsman Shawn Snyder	281-4611 281-7799	Capitol - Room 217 Capitol - Room 217
EDUCATION STANDING COMMITTEES School Finance	Shawn Snyder	281-7799	Capitol - Room 217
APPROPRIATIONS COMMITTEES	Holly Lyons	281-7845	Capitol - Room 217
DATABASE SUPPORT	David Kair Raymond Knapp Scott Miller	281-3685 281-5335 281-4612	Lucas - Room G23 Lucas - Room G23 Lucas - Room G23
ADMINISTRATIVE STAFF	Sandra Laust Charlotte Mosher Nicole Navara	281-4594 281-5279 281-6766	Capitol - Room 217 Capitol - Room 217 Lucas - Room G23