

# FISCAL UPDATE

June 15, 2005

## Legislative Services Agency

(515)-281-5279 FAX 281-8027

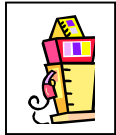
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### GOVERNOR SIGNS FUEL THEFT ACT – HF 440

#### Fuel Theft Act

The Governor signed HF 440 (Fuel Theft Act) on June 3. The Act permits a judge to suspend a driver's license upon a second or subsequent conviction for theft of motor fuel not exceeding \$200 from a retail dealer.

#### Correctional Impact



To the extent that judges impose this civil penalty and offenders drive with a suspended license, an increase in criminal convictions will occur. Any increase will impact criminal justice system costs, including indigent defense, court time, Community-Based Corrections (CBC), and county jails as offenders are cited for contempt of court or probation violation proceedings.

#### Fiscal Impact

The Act may result in increased convictions for driving while a license is suspended. There may be no more than 17 suspensions annually. The fiscal impact of hearings held before the Department of Transportation (DOT) is anticipated to be minimal. The DOT reprogramming costs of \$19,000 will be funded from the Road Use Tax Fund.

#### More Information

The Fiscal Note for HF 440 is available on the Legislative Services Agency (LSA) web site at: <http://www3.legis.state.ia.us/fiscalnotes/>.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

### DEPARTMENT OF CORRECTIONS – FY 2005 APPROPRIATIONS TRANSFERS AND REALLOCATIONS

#### Transfer of Funds

The Fiscal Services Division of the LSA received notification of a request to transfer funds within the Department of Corrections (DOC) for FY 2005, pursuant to Sections 8.39 and 904.116, Code of Iowa. The DOC is transferring or reallocating \$2.5 million, including \$300,000 in appropriation transfers and \$2.2 million in reallocations. Details are provided in the table below.

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**Department of Corrections FY 2004 Appropriation Transfers and Reallocations**

**Appropriation Transfers**

<b>Transfer From:</b>	<b>Transfer To:</b>	<b>Amount:</b>
Clarinda Correctional Facility	Eighth CBC District Department	\$ 150,000
	Second CBC District Department	<u>100,000</u>
		\$ 250,000
Newton Correctional Facility	First CBC District Department	\$ 50,000
<b>Total:</b>		<u>\$ 300,000</u>

**Allocation Transfers**

<b>Transfer From:</b>	<b>Transfer To:</b>	<b>Amount:</b>
Clarinda Correctional Facility	North Central Correctional Facility	\$ 100,000
	Iowa Medical Classification Center	200,000
	Iowa Correctional Institution for Women	400,000
		<u>\$ 700,000</u>
Anamosa State Penitentiary		\$ 159,000
Clarinda Correctional Facility		372,000
Iowa State Penitentiary at Fort Madison		169,000
Iowa Correctional Institution for Women at Mitchellville		213,000
Mount Pleasant Correctional Facility		137,000
North Central Correctional Facility at Rockwell City		76,000
Newton Correctional Facility		155,000
Iowa Medical Classification Center at Oak		<u>250,000</u>
	Fort Dodge Correctional Facility	<u>1,531,000</u>
<b>Total:</b>		<u>\$ 2,231,000</u>



**Transfers and Reallocations** Appropriation transfers occur when the DOC transfers funds between the prison and Community-Based Corrections (CBC) systems. The appropriation transfers listed above will be finalized on or after August 17, 2005. Reallocations occur when the Department moves funds within the prison or CBC systems.

**Clarinda Reallocation**



The Clarinda Correctional Facility reallocated or transferred out \$1.3 million. Funds were available to transfer due to the delayed opening of the 225-bed minimum-security lodge. The DOC received 12 months of operating funds (\$2.9 million) in FY 2005 for the lodge, as the original anticipated opening date was May 2004. The lodge opened in March 2005. The Facility also experienced savings in medical supply costs.

**Newton Reallocation**

The Newton Correctional Facility reallocated or transferred out \$205,000. Funds were available to transfer from various line items, including medical supplies and noninventoriable equipment.

**Medical Allotment Transfer**

The Fort Dodge Correctional Facility processed all payments for medical supplies for the State prison system in FY 2005. Centralized payment of medical supplies resulted in a cost reduction of approximately \$40,000. Each prison has its own supply budget within its allocation; therefore, approximately \$1.5 million needed to be reallocated from eight of the Institutions to the Fort Dodge Correctional Facility.

**CBC District Departments**

The First, Second, and Eighth CBC District Departments received appropriation transfers due to unanticipated cost increases in supplies and staff costs.


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<b>Rockwell City</b>	The North Central Correctional Facility at Rockwell City received \$100,000 in reallocations due to unanticipated increases in building repairs and supplies.
<b>Oakdale</b>	The Iowa Medical Classification Center at Oakdale received \$200,000 in reallocations due to increased costs in travel and supplies. The Center provides the majority of out-of-state travel costs for the State Prison System.
<b>Mitchellville</b>	The Iowa Correctional Institution for Women at Mitchellville received \$400,000 in reallocations due to increased costs associated with pharmacy, food, and building repairs.
<b>More Information</b>	Additional information is available from the LSA upon request.

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STAFF CONTACT: Beth Lenstra (Ext. 16301)

**DEPARTMENT OF HUMAN RIGHTS – FY 2005  
APPROPRIATIONS TRANSFER**

<b>Transfer Request</b>	The Fiscal Services Division of the LSA received notification of a request to transfer funds within the Department of Human Rights pursuant to Section 8.39, <u>Code of Iowa</u> . The Department is transferring \$20,000 from Central Administration to the Status of African-Americans Division for FY 2005.
<b>Salary Costs</b>	The Department projects salary costs in the Status of African-Americans Division will exceed the budget by an estimated \$8,200. In addition, the support budget will receive \$11,800.
	There is a projected surplus in Central Administration due to a vacancy in the Director's position for several pay periods and an underutilization of the information technology budget.
<b>More Information</b>	Additional information is available from the LSA upon request.

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STAFF CONTACT: Sam Leto (Ext. 16764)

**DEPARTMENT OF PUBLIC DEFENSE – FY 2005  
APPROPRIATIONS TRANSFER**

<b>Funds Transfers</b>	The Fiscal Services Division of the LSA received notification of two requests to transfer funds within the Department of Public Defense for FY 2005, pursuant to Section 8.39, <u>Code of Iowa</u> .
<b>Transfer Purpose</b>	The first notice transfers \$96,329 to the Department of Public Defense, Military Division, from the Department of Public Defense Compensation and Expense Fund to pay the Attorney General's Office for expert witness fees to the Executive Council in accordance with Section 7D.10, <u>Code of Iowa</u> . The cost is related to the lawsuit between the State and the federal government concerning the Consolidated Interactive Virtual Information Center (CIVIC) Program.
<b>Second Transfer</b>	The second notice transfers \$70,000 to the Department of Public Defense, Military Division, from the Department of Public Defense Compensation and Expense Fund to pay the Attorney General's Office for expert witness fees to the Executive Council in accordance with Section 7D.10, <u>Code of Iowa</u> . This

cost is related to a separate lawsuit between the State and International Simulation and Training Systems, LLC, concerning the CIVIC Program.

The Compensation and Expense Fund typically pays for State active duty expenses when National Guard troops are called up for natural disaster assistance, such as floods and tornadoes. The CIVIC Program was a high-tech military research laboratory located at Camp Dodge, which was financed with federal money and supported by a private partner.

**More Information**

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

**STATE LOTTERY REVENUE AND EXPENDITURES**

**March Rev./Exp.**



The FY 2005 Lottery game revenues through the month of March decreased \$6.7 million compared to the FY 2004 level. Lottery prize expenses decreased \$3.5 million; operating expenses increased \$1.5 million; and transfers to State funds decreased \$5.6 million. The following table provides the revenues, expenditures, and balances of the Lottery.

<b>STATE LOTTERY</b>				
July Through March (Dollars in millions)				
	FY 2004	FY 2005	Increase/ Decrease	% Increase
Fiscal Year Beginning Balance	\$ 1.8	\$ 1.4	\$ -0.4	
Game Revenues	\$ 158.8	\$ 152.1	\$ -6.7	-4.2%
Interest	0.5	0.3	-0.2	-40.2%
<b>Total Revenue</b>	<b>\$ 159.3</b>	<b>\$ 152.4</b>	<b>\$ -6.9</b>	<b>-4.3%</b>
Prize Expense	\$ 87.0	\$ 83.5	\$ -3.5	-4.0%
Operating Expense	30.4	31.9	1.5	4.8%
Transfer of Profits	41.9	36.3	-5.6	-13.3%
<b>Total Expense</b>	<b>\$ 159.3</b>	<b>\$ 151.7</b>	<b>\$ -7.6</b>	<b>-4.8%</b>
March Ending Balance	\$ 1.8	\$ 2.1	\$ 0.3	

**Comparison to FY 2004**



Fiscal year sales through March, compared to the same time period in FY 2004, were as follows:

- Instant ticket sales increased \$4.5 million (6.4%).
- Pick 3 sales decreased \$139,000 (2.9%).
- Multi-State Powerball sales decreased \$11.7 million (22.9%).
- Hot Lotto sales increased \$2.0 million (37.1%).
- Freeplay Replay sales decreased \$77,000 (100.0%).
- Pick 4 sales increased \$353,000 (30.3%)

- Daily Game sales decreased \$19,000 (0.6%).
- Pull-tab sales decreased \$1.8 million (9.2%).

**Ticket Sales**

Total Lottery sales through March were \$152.1 million, a decrease of \$6.7 million (4.2%) compared to March 2004. The FY 2005 sales for the Instant Tickets, Hot Lotto, Pick 4, and Daily Game are above sales for the same period during FY 2004.

**Touch Play Machine Sales**

Ticket sales through Monitor Vending Machines began in May 2003 on a trial basis. Monitor Vending Machines had sales through March 2004 of \$1.1 million. Touch Play has replaced Monitor Vending Machines. The sales amount reported for Touch Play is the amount left after the payment of prizes. Touch Play had net sales through March of \$2.3 million.

**Estimated Transfers**



The April Revenue Estimating Conference (REC) projected FY 2005 Lottery profit transfers to the General Fund would total \$53.1 million. Actual profit transfer was \$55.1 million for FY 2004; therefore, the REC is currently estimating General Fund Lottery transfers will be \$2.0 million (3.6%) less in FY 2005. The FY 2005 transfers payable to the General Fund through March were \$5.9 million (14.2%) below FY 2004.

The April REC also projected FY 2006 Lottery profit transfers to the General Fund would total \$58.4 million; therefore, the REC is currently estimating General Fund Lottery transfers will be \$5.3 million (10.0%) higher in FY 2006 compared to FY 2005.

House File 655 (FY 2004 Administration and Regulation Appropriations Act) required the Lottery to deduct \$500,000 from calculated retained earnings before making Lottery proceeds transfers to the General Fund during FY 2004. This is a continuation from FY 2003, and the impact was a one-time increased transfer of \$500,000 during FY 2003. The requirement was not continued for FY 2005, resulting in a one-time decreased transfer of \$500,000 during FY 2005.

**Unclaimed Prizes**

The proceeds transfers for FY 2004 included \$840,000 from unclaimed Free Play Replay prizes and \$498,000 from unclaimed Powerball prizes.

**More Information**

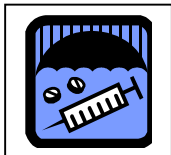
Additional information is available from the LSA upon request.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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**MEDICAID ESTIMATES FOR FY 2005 AND FY 2006**

**Medicaid Estimates**



Staff members from the Department of Management, the Department of Human Services (DHS), and the Fiscal Services Division of the LSA, met on June 3 to discuss estimated expenditures for the Medical Assistance (Medicaid) Program for FY 2005 and FY 2006. The three staffs meet monthly to discuss estimated expenditures for the current fiscal year and to agree on a range for expenditures.

**FY 2005**

Senate File 342 (FY 2005 Supplemental Appropriations Act) included a FY 2005 supplemental appropriation of \$70.0 million for Medicaid. The supplemental amount of \$70.0 million appears to be sufficient at this time, with the estimated range of a surplus of \$7.0 million to \$0.

**FY 2006 Estimate**

House File 825 (FY 2006 Health and Human Services Appropriations Act), as amended by HF 882 (FY 2006 Standings Act) and HF 841 (IowaCare Act), includes total State funding of \$704.4 million for Medicaid for FY 2006. It was discussed during the 2005 Legislative Session that this level of funding is likely not sufficient to fully fund Medicaid and that a shortfall is anticipated. The three staffs agreed to an estimated shortfall range of \$30.0 to \$45.0 million for FY 2006, which includes the following assumptions:

- Enrollment growth of 5.0% to 6.4%. The FY 2006 appropriation is based on 3.6% enrollment growth. This difference results in increased expenditures between \$10.0 and \$20.0 million. The FY 2005 enrollment growth is approximately 6.0%.
- Estimated net cost of \$12.4 million due to HF 841 (IowaCare Act).
- Shortage of \$6.4 million due to the FY 2005 supplemental not being fully incorporated into the FY 2006 appropriation.
- Items where savings were assumed but the corresponding statutory changes were eliminated totaled \$3.1 million, including \$1.0 million for Pay and Chase, \$110,000 for a technical adjustment, and \$2.0 million for a reduction in HF 882.

**Waiver Waiting Lists**



House File 825 included increased funding of \$6.0 million to eliminate the Home and Community-Based Services waiting lists. Since the waivers are not considered an entitlement, this would typically be delayed due to the shortfall in Medicaid; however, the legislative intent was clear that this funding should be allocated to the waiting lists, despite the known supplemental need.

The \$6.0 million was the estimate in January to eliminate the list as of that time. Since the waiting list may have increased or costs may have changed, the \$6.0 million may not fully eliminate the waiting list as of July 1, 2005. In addition, total elimination of waiting lists in the future is not the intent. The \$6.0 million will be used to add as many clients as possible. As new people become eligible, they will be added to a new waiting list.

**Other Issues**

In addition, there is a settlement pending with the Centers for Medicare and Medicaid Services (CMS) related to financial audits of the Adult Rehabilitation Option (ARO) service providers. The CMS report included findings against the State and providers of approximately \$6.0 million, which must be repaid to the federal government. This will likely be an additional cost to Medicaid in FY 2006, which was not included in the FY 2006 appropriation.

It was also discussed that if there is surplus in FY 2005, the DHS may commit the surplus to pay as much of the amount owed for the ARO settlement as possible in order to reduce the obligation in FY 2006.

**Additional Information**

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Vermeer (Ext. 14611)

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## DEPARTMENT OF HUMAN SERVICES SELECTS ADMINISTRATOR FOR DAVENPORT-BASED SERVICE AREA

### New Administrator

Denise Gonzales has been selected to administer the Davenport-based service area for the Department of Human Services (DHS). Ms. Gonzales will begin duties on June 10. She succeeds Wendy Rickman, who accepted a similar position in the Des Moines-based region earlier this year.

### Previous Experience



Ms. Gonzales holds a Masters Degree in Social Work from the University of Illinois and has prior experience as a social worker, consultant, and administrator. She began her career as an investigator for the Illinois Department of Children and Family Services in 1987 and advanced to numerous positions, including Special Assistant to the Director and Regional Director from 2000 to 2003. She became Director of Program Development for the Child Welfare Institute in 2003 and most recently served with the consulting firm, the Center for Support of Families, which has a contract with the Iowa DHS to streamline documentation for child welfare cases.

### More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Lisa Burk (Ext. 17942)

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## CONSOLIDATED INTERACTIVE VIRTUAL INFORMATION CENTER PROGRAM SETTLEMENT AGREEMENT

### Settlement Agreement



The federal National Guard Bureau and the State of Iowa entered into a cooperative agreement in September 2000 to support the Consolidated Interactive Virtual Information Center (CIVIC). The CIVIC cooperative agreement was terminated in September 2002. The CIVIC Program was financed through the federal government and supported by a private partner, International Simulation and Training Systems, LLC, of Urbandale, Iowa.

### Terms and Conditions

Under the terms and conditions of the settlement between the State and federal government, the State agrees to pay the federal government \$5.7 million (settlement amount), plus interest at a rate of 2.95% from February 10, 2005, until the settlement amount is paid in full. The State will pay the \$5.7 million in installments as follows:

- \$700,000 on or before June 30, 2005.
- At least \$1.0 million on or before June 30, 2006.
- At least \$1.0 million on or before June 30, 2007.
- The outstanding balance of the settlement amount, plus accrued interest on or before June 30, 2008. The State may pay the settlement amount, plus accrued interest, before June 30, 2008, without any penalty or charge.

### Payment Method

According to the Agreement, the State will make all payments by electronic funds transfer.

### More Information

Additional information is available from the LSA upon request.

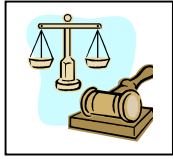
STAFF CONTACT: Jennifer Acton (Ext. 17846)

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## MAGISTRATES ADDED IN HF 807 – JUDICIAL BRANCH APPROPRIATIONS BILL

### Judgeship Formula



The Judicial Branch reallocated magistrates earlier this year, based on the judgeship formula set forth in Section 602.6401, Code of Iowa. As a result, 15 counties with two magistrates were reduced to one, including Delaware, Winneshiek, Floyd, Hardin, Sac, Cherokee, Mills, Montgomery, Clark, Iowa, Jones, Tama, Jackson, Appanoose, and Page Counties. Five counties received an additional magistrate, including Dubuque, Dallas, Jasper, Pottawattamie, and Johnson Counties. Polk County received six additional magistrates, and Linn and Scott counties each received two.

### HF 807

Assuming the Governor signs HF 807 (FY 2006 Judicial Branch Appropriations Bill), the 15 counties that were reduced to one magistrate will be increased to original numbers after July 1, 2005. The Bill increases the cap from 191 to 206 magistrates, adding back the 15 magistrate positions that were reallocated in 2005.

### More Information

Additional information is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

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## AUDIT REPORT – JUDICIAL BRANCH RETIREMENT SYSTEM

### Audit Findings

The LSA received a copy of the Judicial Branch Retirement System Audit Report for FY 2004. Chapter 602, Code of Iowa, requires that to be a member of the Judicial Retirement System, an individual must have a total of six years of service as a judge and be at least 65 years of age or have served 25 years of consecutive service as a judge.

### Contribution Rate

Judges contribute 5.0% of their basic salary to the System (\$1.0 million). For FY 2004, the State contributed an amount equal to 8.4% of the basic salary of all covered judges (\$2.0 million). There are 140 retirees and beneficiaries who currently receive benefits. Nine members have terminated employment but are not yet receiving benefits. There are 173 fully vested members and 20 non-vested active judges covered by the plan.

### 2004 System Highlights



The following is a list of highlights related to the Judicial Retirement System for FY 2004:

- At the end of FY 2004, there was approximately \$83.0 million in total plan assets and \$5.0 million in total liabilities. The net plan assets held in trust for pension benefits were approximately \$78.0 million, an increase of \$8.0 million (11.4%) compared to FY 2003.
- The total covered payroll for FY 2004 was \$20.9 million, an increase of \$182,000 compared to FY 2003.
- Member contributions increased \$29,000 (2.8%) compared to FY 2003.
- Pension benefits increased \$279,000 (6.1%) to members. Overall payments to members totaled \$4.9 million in FY 2004.
- Due to better market conditions, there was an increase in the net investment income. In FY 2004, this was \$9.8 million compared to \$3.9 million in FY 2003,



an increase of 153.8%. Investment management expenses also increased from \$281,000 in FY 2003 to \$544,000 in FY 2004, which is 0.7% of the market value of the net assets held in trust for pension benefits in FY 2004.



- There was a \$3,000 (40.0%) decrease in administrative expenses. In FY 2004, this was \$4,500 compared to \$7,500 in FY 2003.
- The total Judicial Retirement additions for FY 2004 resulted in a positive impact of \$12.9 million compared to \$6.9 million in FY 2003, an increase of \$6.0 million (86.3%).
- Benefits of \$4.9 million exceeded contributions of \$3.1 million by \$1.8 million (58.0%) for FY 2004 compared to the \$1.6 million by which benefits exceeded contributions in FY 2003. The investment rate of return for FY 2004 was 14.34%.
- The annual pension cost in FY 2004 was \$4.4 million. The employer contributions were \$2.0 million (46.0%), resulting in a \$4.0 million net pension obligation (\$1.6 million obligation from FY 2003 and a \$2.4 million obligation from FY 2004).
- The overall funded ratio for FY 2004 is 79.0%, an increase of 4.0% compared to FY 2003. This is primarily due to a higher than expected rate of return on investments and lower than expected salary increases.

**More Information**

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

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**AUDIT REPORT – IOWA LAW ENFORCEMENT ACADEMY**

**Audit Findings**



The LSA received a copy of the Iowa Law Enforcement Academy Audit Report for FY 2004. The Report cited an internal control finding related to segregation of duties. The Report recommends that there be only one individual with control over the accounting for capital assets and one individual able to initiate and approve payroll transactions. The Academy agreed to review internal control procedures, and the response was accepted.

**More Information**

A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

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**AUDIT REPORT – JUDICIAL BRANCH**

**Audit Findings**



The LSA received a copy of the Judicial Branch Audit Report for FY 2004. The Report cited an internal control finding related to the Generally Accepted Accounting Principles (GAAP) package. The GAAP package provides financial information that cannot be obtained from the State's Accounting System. The following corrections needed to be made to the GAAP package report:

- \$5.8 million was overstated for current year depreciation of capital assets.
- \$31.5 million was overstated for accounts receivable.
- \$8.4 million was overstated for the allowance of doubtful accounts.

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**Audit Response**                      The Judicial Branch acknowledged the errors and will make an effort to complete a more accurate GAAP package. The response was accepted.

**More Information**                      A copy of the Audit Report is available from the LSA upon request.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

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**EDUCATION TELECOMMUNICATIONS COUNCIL MEETING**

**ETC Meeting**                              The Education Telecommunications Council (ETC) met on June 2 at Iowa Public Television (IPTV). The Council approved scheduling deadlines for Iowa Communications Network (ICN) facilities and appointed a subcommittee to review administrative rules regarding the frequency of ETC meetings.

**RTC Funding**                              The Council approved a recommendation to the IPTV Board allocating the FY 2006 General Fund appropriation for the Regional Telecommunications Councils (RTCs) and selected ETC members to review the annual plans submitted by the RTCs. The Council also approved a recommendation to the IPTV Board that the FY 2007 budget request include restoration of funding for RTCs to the FY 2004 level of \$1.3 million.

**Educational Video Rates**



A recommendation to the Iowa Technology and Telecommunications Council setting educational video rates for FY 2007 at the same level as FY 2006 was also approved. The ETC agreed to discuss the FY 2008 rates at the next scheduled meeting in December.

The Council discussed possible sources of funding for the annual Educational Classes Survey, received a legislative update on the ICN, and elected Jim Bodensteiner, Board of Regents, to serve as Chair-Elect for the coming year.

**More Information**                      Additional information is available from the LSA upon request

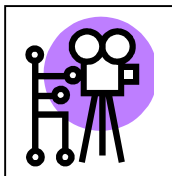
STAFF CONTACT: Robin Madison (Ext. 15270)

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**IOWA PUBLIC BROADCASTING BOARD MEETING**

**Board Meeting**                              The Iowa Public Broadcasting Board met on June 8 at Iowa Public Television (IPTV). The Board met jointly with the IPTV Foundation Board and then conducted the regular business meeting.

**IPTV Foundation**                              The Board approved a new fundraising plan for the IPTV Foundation and appointed the following individuals to the Foundation Board for three-year terms:



- John Cotton, Spencer
- Mark Critelli, West Des Moines
- Jerome Hoxton, Newton
- Robert Jester, Des Moines
- Mary Ellen Kimball, Osceola

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<b>Regional Councils</b>	The Board approved a recommendation from the Education Telecommunications Council allocating the FY 2006 General Fund appropriation to the Regional Telecommunications Councils (RTCs). The appropriation was the same as FY 2005, and the Board approved maintaining the FY 2005 allocations.
<b>Other Business</b>	The Board approved renewals of four leases of tower space, received a legislative update, discussed editorial integrity and the recent controversy involving the Corporation for Public Broadcasting, and reviewed the results of the February Nielsen Sweeps.
<b>More Information</b>	The next meeting is scheduled for August 10. Additional information is available from the LSA upon request.

STAFF CONTACT: Robin Madison (Ext. 15270)

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**SYSTEM DESIGN FOR CHILDREN WITH MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES OVERSIGHT COMMITTEE MEETING**

<b>Meeting</b>	The Oversight Committee for the System Design for Children with Mental Health and Developmental Disabilities met on May 27.
<b>Medical Model</b>	Dr. Jody Murph presented a medical approach model for serving children with special needs. Dr. Murph emphasized that the system needs to be designed specifically for children and for health development.
<b>Proposed Presentation</b>	Various Committee members explained the proposed PowerPoint presentation to be used for the upcoming public meetings that will be held to receive comments and information regarding the Committee's efforts.
<b>Local Public Meetings</b>	With Tom Slater serving as facilitator, Committee members discussed the framework for the 10 local meetings planned for "community conversations" between mid-June and mid-July. The Committee plans to use the information received as part of the report to the Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury Commission in October. Staff from the LSA will provide legislators who serve on the Human Resources Standing Committees and the Health and Human Services Appropriations Subcommittee with the locations and dates when available.
<b>More Information</b>	The next meeting is scheduled for June 24. Additional information is available from the LSA upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794)

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**AGING SERVICES CABINET MEETING**

<b>Cabinet Meeting</b>	The Aging Services Cabinet met May 26. Josh Mandelbaum, Governor's Office, provided an overview of the accomplishments achieved by the Governor for older Iowans during the 2005 Legislative Session, including: <ul style="list-style-type: none"><li>• Strengthening the continuum of care and furthering the rebalancing of long-term care.</li></ul>
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- A reimbursement rate increase for Home and Community-Based Services providers.
- Diversification of nursing facilities.
- Process for a federal waiver application for elderly case management services.
- Improvements in adult day care, assisted living, and elderly group home statutes.
- Process to permit significant public input.

**Budget Highlights**

Department representatives provided information regarding legislation and budgets for FY 2006, including:

- Department of Public Health - Provided updates for a Harkin Wellness Grant, a Senior Oral Health Grant, and a Nutrition and Physical Activity Grant.
- Department of Human Services (DHS) - Expressed satisfaction with the FY 2006 appropriations and various legislation providing improved services to Iowans.
- Department of Elder Affairs - Provided updates regarding seeking a waiver for case management in lieu of additional funding, an Aging Resources and Disabilities Grant, the Seamless Services Grant, being one of four states involved for an Employment Project, and receiving State funding for a Nutritionist FTE position. Although unsuccessful in legislation, Universal Assessments are expected to increase due to the enactment of HF 841 (Medicaid Reform Act).
- Department of Inspections and Appeals - Reviewed the development and benefit of a registry and data base for certified nurse aids, the Direct Care Worker Task Force enacted in HF 781 (Direct Care Worker Task Force Act), an application for adding Assisted Living Services to the Home and Community- Based Services Waiver required in HF 617 (Assisted Living Regulation Act), and permitting unemployment compensation decision makers to have access to adult dependent abuse information permitted in SF 335 (Dependent Adult Abuse Information Access Act).



**Medicaid Enterprise**

Mary Tavegia, DHS, provided an update on the implementation of the Iowa Medicaid Enterprise.

**Compliance**

Jim Chrisinger, Department of Management, provided information on changes in the services and compliance process undertaken by the Departments of Elder Affairs and Inspections and Appeals. This effort requires the Department of Inspections and Appeals to perform as both the federal inspector, as well as the State consultant in assisting various nursing facility categories in meeting federal and State regulations.

**IowaCare Act**

Director Kevin Concannon, DHS, provided the highlights of HF 841 (IowaCare Medicaid Reform Act), which was enacted during the 2005 Legislative Session.

**Next Meeting**

The next meeting is scheduled for September 22. Additional information is available from the LSA upon request.

STAFF CONTACT: Sue Lerdal (Ext. 17794) Jennifer Vermeer (Ext. 14611)  
Lisa Burk (Ext. 17942)