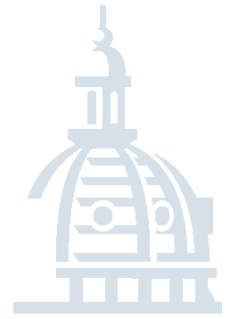


FISCAL UPDATE

Fiscal Services Division

August 19, 2014



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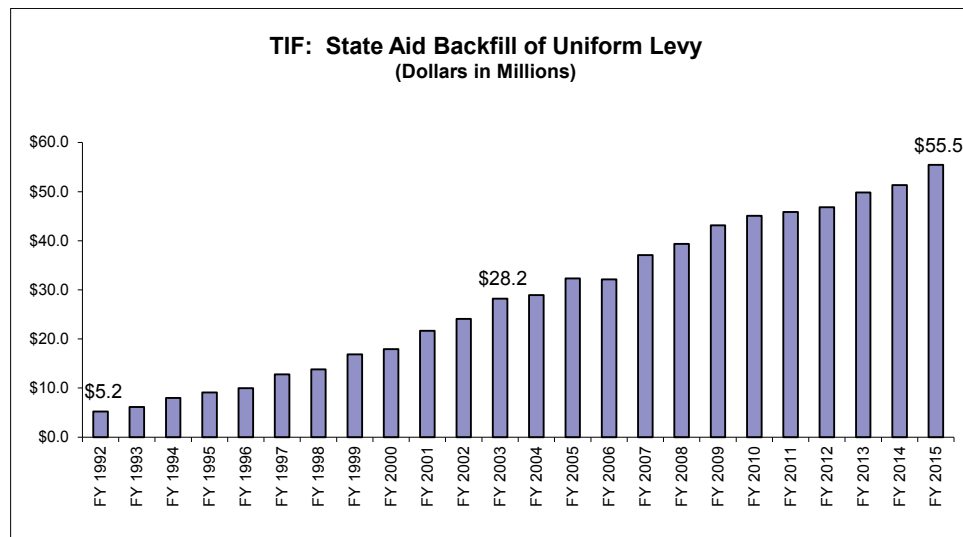
SCHOOL AID FUNDING – IMPACT OF TAX INCREMENT FINANCING

Formula. The Iowa school aid formula includes a per pupil foundation level composed of the base portion funded through a uniform levy (\$5.40/\$1,000 of assessed value) and State aid up to the foundation level (87.5% for the regular program per pupil amount); and an additional levy that provides the remaining portion of the per pupil amount. In general, school districts with a higher valuation per pupil will generate more funding from the uniform levy and less in State aid compared to districts with a lower valuation per pupil.

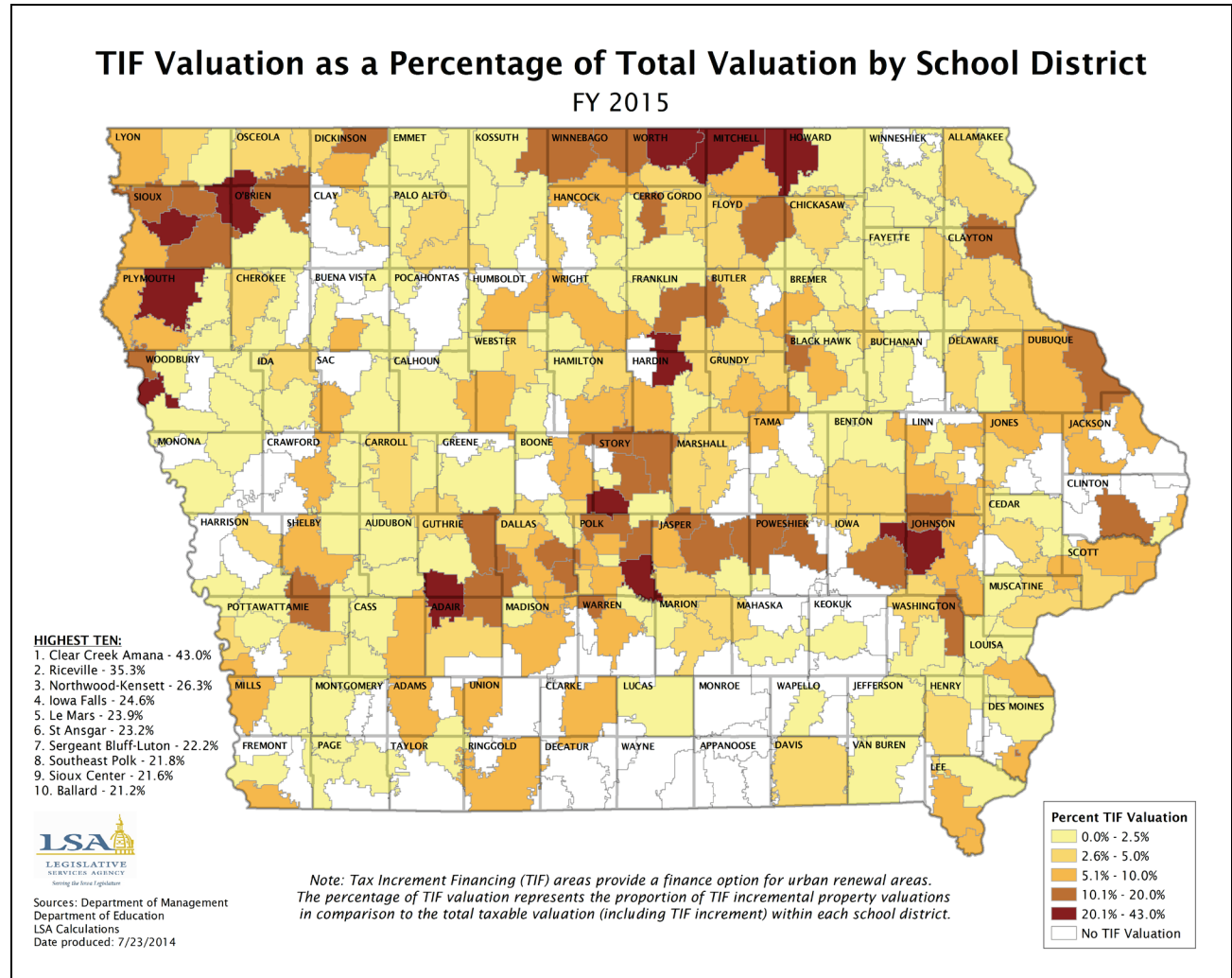
Taxable Valuation. Because the taxable valuation is a significant factor for determining the State aid and property tax mix to the foundation funding level, changes in taxable valuation will impact the state aid and property tax amounts required for the foundation funding level. For instance, a reduction in taxable valuation will lead to an increase in State aid and reduction in uniform levy to fund the foundation amount.

TIF. In Iowa, Tax Increment Financing (TIF) is an economic development tool that provides public financing for specific projects within a designated area in a local government jurisdiction (usually cities or counties). These projects are funded, in part, by local property taxes. In general, property taxes generated from the incremental value (this is valuation growth above the base year assessed value) within the project area are retained by the local jurisdiction for the specific project purposes. Because school districts do not receive the uniform levy amount that is generated from the TIF incremental valuation, State aid makes up for the difference in funding the foundation level amount for each school district.

State Aid and TIF. The following chart shows the amount of uniform levy made up by State aid due to the TIF incremental valuation. The amount has increased every year and totals \$55.5 million in FY 2015. The average annual growth rate between FY 1992 and FY 2003 was 16.6% but has since slowed, averaging 5.8% between FY 2003 and FY 2015.



Map. Of the 338 school districts in FY 2015, 262 (77.5%) had TIF increment valuation within the district boundaries and 76 (22.5%) had none. The following map provides the percentage of TIF incremental valuation to total taxable valuation for each school district in FY 2015. In general, total school revenue amounts are not directly reduced by TIF incremental values. However, for a portion of the total school district levy amounts (this includes the additional levy, management levy, and cash reserve levy), the tax rate required to attain the specific revenue level required is increased because the local jurisdiction keeps the revenue generated from that portion of the school district levy for TIF projects. The LSA has calculated that statewide, the average impact on school district levies was \$0.4295/\$1,000 of assessed valuation.



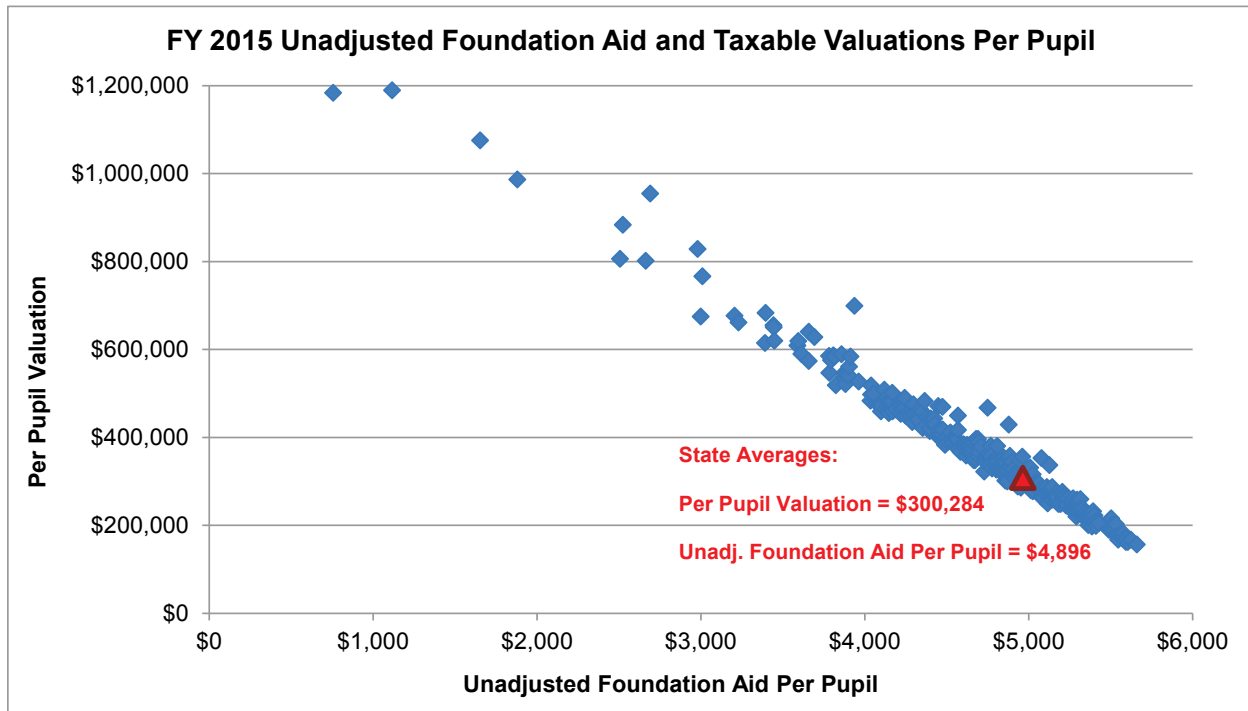
Additional Information. For additional information pertaining to the TIF impact on school district funding, please contact the LSA.

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SCHOOL AID FUNDING – FY 2015 MINIMUM AID PER PUPIL

State Aid. The school aid formula provides that each school district receive a minimum of \$300 per pupil in State aid. This provision ensures that property rich school districts receive State aid, even if the district has enough valuation to generate a uniform levy amount above the foundation level amount. The calculation includes the sum of all the foundation level amounts for each school aid provision minus the uniform levy total (this amount is referred to as unadjusted foundation aid per pupil), then divided by the district's weighted enrollment. If that calculation is less than \$300, the provision requires that the district receive additional state aid with a corresponding reduction in the district's additional levy.

Foundation Aid. To date, the minimum aid per pupil provision was used once (FY 1995), when the Amana school district received \$1,495 in minimum aid. In FY 2015, the minimum level of unadjusted foundation aid per pupil is \$757 received by the Okoboji School District that has the second highest valuation per pupil while the maximum amount of aid was \$5,661 received by the Sioux City school district (the district had the lowest per pupil valuation of all districts). The following graph provides a comparison of each school district's unadjusted foundation aid per pupil compared to their valuation per pupil. The following graph shows the correlation between the two variables: districts with a high valuation per pupil have the lowest unadjusted foundation aid per pupil and vice versa. The statewide averages are noted by the red triangle in the chart and include an average per pupil valuation of \$300,284 and an average unadjusted foundation aid per pupil amount of \$4,986.

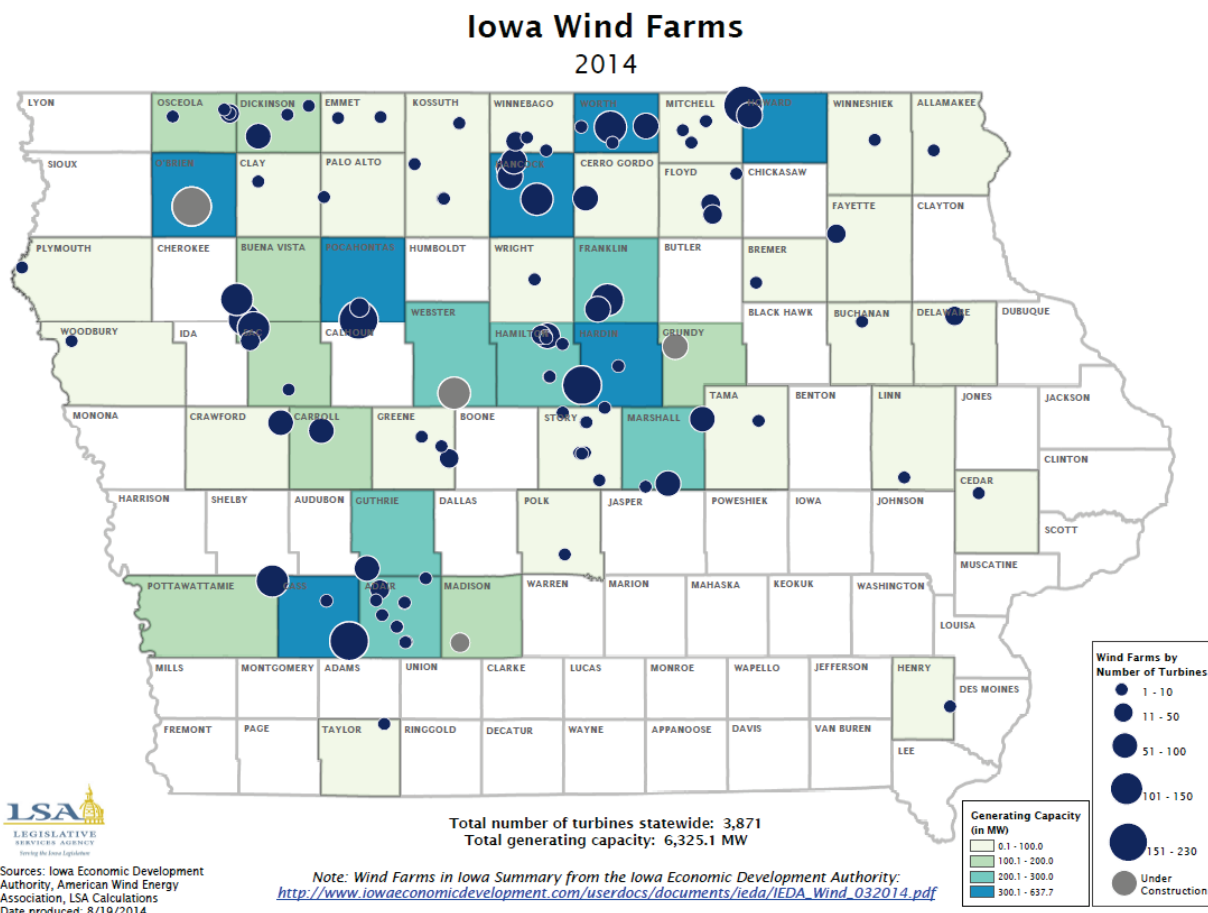


More information. For additional information pertaining to minimum per pupil aid, please contact the LSA.

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MAP – IOWA WIND FARMS

Map. The following map shows the locations of wind farms in Iowa. The size of the dot indicates the number of wind turbines on each farm - the statewide total is 3,871. The coloring of the counties indicates the generating capacity - the statewide total is 6,325.1 megawatts.



This map and others are available online at:

<https://www.legis.iowa.gov/resources/mappingResources/mapOfTheWeek>.

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E911 EFFICIENCY REPORT

Study. [House File 644](#) (E911 Surcharge Equalization Act) was enacted during the 2013 Legislative Session. The Act directed the Iowa Department of Homeland Security and Emergency Management (HSEMD) to complete a study and provide recommendations on potential areas in which efficiencies of operations and expenses of the State's E911 communications system could be achieved. The following six recommendations are being presented to the General Assembly based on this study:

- Until the submission of the E911 System Cost Study on January 1, 2016, the Department should offer incentives to encourage sharing of equipment among Public Safety Answering Points (PSAPs) in order to more effectively spend surcharge dollars. According to the report, the General Assembly may wish to explore the consolidation of PSAPs and the technology that supports the PSAPs.
- Each PSAP should use a staffing tool to determine the appropriate staffing needs based on that PSAP's individual needs.

- The Iowa Law Enforcement Academy (ILEA) should explore new avenues to deliver telecommunication training that leverage technology to limit cost and time management burdens.
- Develop basic procedures for PSAPs to use when handling text to 911 calls that will be delivered via the wireless E911 network.
- Engage groups involved with deregulation to explore ways to ensure the costs associated are manageable by the PSAPs and, if possible, negotiated up front.
- Wireline E911 calls should be delivered on the same statewide network used to carry wireless 911 calls.

Report. A copy of the full report is available upon request.

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FY 2015 BUDGETS APPROVED FOR REGENTS UNIVERSITIES

Board of Regents Meeting. At its August 6, 2014, meeting, the Board of Regents approved the FY 2015 budgets for the three universities, Iowa Public Radio (IPR), and the Board Office. This article highlights only the universities' general operating budgets and budgets for IPR and the Board Office. The full report with information on budgets for the universities' special purpose appropriations, restricted funds, athletics, housing and dining, and the University of Iowa Hospitals and Clinics can be found on the Regents' website at

http://www.regents.iowa.gov/Meetings/DocketMemos/14Memos/August2014/0814_ITEM06.pdf.

University of Iowa. The FY 2015 general university operating budget is \$699.6 million, an increase of \$19.2 million (2.8%) compared to FY 2014. The increase includes an increase in State funding of \$8.9 million (4.0%) and a projected increase of \$12.3 million (3.0%) in tuition revenue. Indirect cost recoveries and interest are projected to decrease by \$2.0 million (4.4%). In addition to the increase, the University plans to reallocate \$13.4 million from collegiate and administrative units to support strategic initiatives, including new faculty hires in high-demand areas, reducing time to degree, living-learning community expansion, research opportunities, classroom improvements, career advisement and placement, and graduate program alignment to market demand.

University of Iowa FY 2015 General University Operating Budget (\$ in thousands)		
	FY 2015	% of Total
Instruction	\$ 298,762	42.7%
Research	17,142	2.5%
Public Service	2,814	0.4%
Academic Support	103,325	14.8%
Student Services	24,404	3.5%
Institutional Support	55,706	8.0%
Operations & Maintenance of Plant	105,070	15.0%
Scholarships & Fellowships	92,372	13.2%
	<u>\$ 699,595</u>	<u>100.0%</u>

Iowa State University. The FY 2015 general university operating budget is \$584.6 million, an increase of \$32.5 million (5.9%) compared to FY 2014. The increase includes an increase in State funding of \$7.0 million (4.0%) and a projected increase of \$27.3 million (7.7%) in tuition revenue. Indirect cost recoveries and other revenue are projected to decrease by \$1.8 million (7.6%). In addition to the increase, the University plans to reallocate \$24.7 million to support additional student advising, supplemental instruction, support services, financial aid, faculty recruitment and retention in high demand areas, and competitive compensation plans for faculty and staff.

Iowa State University FY 2015 General University Operating Budget (\$ in thousands)		
	FY 2015	% of Total
Instruction	\$ 211,286	36.1%
Research	17,067	2.9%
Public Service	4,708	0.8%
Academic Support	102,050	17.5%
Student Services	33,364	5.7%
Institutional Support	38,861	6.6%
Operations & Maintenance of Plant	70,853	12.1%
Scholarships & Fellowships	106,398	18.2%
	<u>\$ 584,587</u>	<u>100.0%</u>

University of Northern Iowa. The FY 2015 general university operating budget is \$172.7 million, an increase of \$4.9 million (2.9%) compared to FY 2014. The increase includes an increase in State funding of \$6.0 million (7.2%) and a projected increase of \$0.9 million (1.2%) in tuition revenue. Other revenues are projected to increase by \$50,000 (0.5%). In addition to the increase, the University plans to reallocate \$0.8 million to faculty positions in high demand programs.

University of Northern Iowa FY 2015 General University Operating Budget (\$ in thousands)		
	FY 2015	% of Total
Instruction	\$ 73,590	42.6%
Research	257	0.1%
Public Service	1,664	1.0%
Academic Support	21,174	12.3%
Student Services	8,081	4.7%
Institutional Support	34,198	19.8%
Operations & Maintenance of Plant	20,002	11.6%
Scholarships & Fellowships	13,701	7.9%
	<u>\$ 172,667</u>	<u>100.0%</u>

Iowa Public Radio. The FY 2015 budget for IPR is \$7.5 million, a decrease of \$90,000 compared to FY 2014. The annual State appropriation remains at the FY 2014 level, while the Board of Regents has agreed to increase university support for IPR by \$118,000 (14.3%). Fundraising is projected to increase by \$257,000 (5.2%), primarily due to the anticipated hiring of a Director of Development. The increases will offset projected decreases of \$227,000 (26.4%) in federal support and \$239,000 (41.5%) in reliance on reserve funds.

Board of Regents Office. The FY 2015 budget for the Board Office is \$4.0 million, an increase of \$190,000 (5.0%) compared to FY 2014. The annual State appropriation remains at the FY 2014 level, while the agency anticipates increases in institutional reimbursements (4.9%), federal support (36.0%), and revenue from the Principal Financial Group demutualization (20.0%).

BOARD OF REGENTS EFFICIENCY STUDY

Recommendation Adopted. At its August 6, 2014, meeting, the Board of Regents received a recommendation from Deloitte Consulting, the firm under contract to conduct the Transparent, Inclusive Efficiency Review (TIER). The recommendation came in the form of a “business case” described as an analysis of a specific opportunity, the value it will create, and what will be necessary to implement it. The complete text of the recommendation is available at:

<http://www.regents.iowa.gov/Meetings/DocketMemos/14Memos/August2014/deloitte.pdf>

Sourcing and Procurement Business Case. The goals of the business case are:

- Use the strategic sourcing process to negotiate more favorable contracts for targeted spending categories.
- Strengthen the procurement functions at each university by aligning staff to standard expense categories and building analytical capability and technology infrastructure where applicable.
- Build analytical and cross-university coordination capability for identifying and driving systemwide procurement opportunities.

Estimated Savings. The Deloitte consultants estimate a cost savings between \$16.0 and \$40.0 million over the next 18 to 24 months. They recommend implementation in three phases occurring at 20-week intervals.

Board Approval. The Board unanimously approved implementation of the first phase, beginning August 2014, that will address office supplies, furniture, food, maintenance material, small package shipping, temporary labor, and lab supplies.

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STATE APPEAL BOARD MEETING

Meeting. The [State Appeal Board](#) met August 4, 2014, in Des Moines. The Board received an update from Meghan Gavin, [Office of the Attorney General](#), regarding a petition for rulemaking. The petitioner is requesting 21 changes to the State Appeal Board administrative rules; some proposed changes are beyond the authority of the Board while other proposed changes diminish the authority of local boards. The State Appeal Board denied the petition as recommended by the Office of the Attorney General. There is an appeal process for the petitioner to request a re-hearing from the Board before filing in District Court.

Claims. The Board approved the following claims.

- General claims filed under Iowa Code chapter [25](#). There were no general claims.
- Tort claims filed under Iowa Code chapter [669](#). The Board approved two claims totaling approximately \$310 and denied 20 claims totaling approximately \$31.6 million.

Settlement. The Board approved a medical negligence settlement resulting from a difficult birth at the University of Iowa Hospitals and Clinics (UIHC). The UIHC physicians will pay \$450,000 to the plaintiffs while the State Appeal Board approved \$50,000 from the General Fund (10.0% of the total settlement of \$500,000).

Next Meeting. The next meeting of the State Appeal Board is September 2, 2014, in Des Moines.

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NEW TAX CREDIT FOR COMMERCIAL, INDUSTRIAL, AND RAILROAD PROPERTY

Property Value Rollback Established. Senate File 295 (Property Tax Modification and Income Tax Credit Act of 2013) contained several provisions designed to reduce the property taxes owed by owners of commercial, industrial, and railroad (C/I/Rail) property. For assessment year 2013 (FY 2015), owners of C/I/Rail property benefit from a taxed value rollback of 95.0%. This means that C/I/Rail property will be taxed at 95.0% of its assessed value, instead of 100.0%.

New Property Tax Credit. In addition to the rollback, owners of C/I/Rail property will also be provided a tax credit equal to the difference between the taxes owed on residential property and the taxes owed on C/I/Rail property, up to a calculated maximum property value. The tax difference is calculated by subtracting the residential rollback for the year from the commercial and industrial rollback. The maximum property value that is eligible for the new credit is calculated annually by the Department of Revenue based on the amount of funding available for the credit that year, the number of property units eligible for the credit, and the property tax rates of the eligible property units.

Maximum Property Value Limit. For FY 2015, the maximum property unit value that may benefit through the credit is \$59,507, and the rollback multiplier is 40.5998%. Multiplying \$59,507 by 40.5998% yields \$24,160. That number, times the consolidated tax rate for the property, provides the tax credit for the property, assuming the property has an assessed value of \$59,507 or more. If the property unit is valued below that amount, the tax credit benefit is proportionally lower. The Department of Revenue reports that 70,444 C/I/Rail property units will receive tax credit benefits in FY 2015.

Funding for the Credit. The new tax credit is financed through a standing limited appropriation from the State General Fund equal to \$50.0 million for FY 2015. Local governments are also reimbursed through a General Fund appropriation for the tax revenue reduction associated with the new commercial and industrial rollback to 95.0%. Local governments are not reimbursed for the railroad property rollback.

Tax Impact Examples. The following examples illustrate the tax implications for four properties with different assessed values. In all instances, the FY 2015 average statewide property tax rate for C/I/Rail property is used (\$36.57 per thousand dollars of taxed value).

Business Property Tax Implications - FY 2015 Examples				
	Property 1	Property 2	Property 3	Property 4
Assessed (Market) Value	50,000	500,000	5,000,000	50,000,000
C/I/Rail Rollback	95.0000%	95.0000%	95.0000%	95.0000%
Taxed Value	47,500	475,000	4,750,000	47,500,000
Tax Rate (Statewide C/I/Rail Average)	36.57	36.57	36.57	36.57
Tax Owed on Property	1,737	17,371	173,708	1,737,075
Residential Rollback	54.40%	54.40%	54.40%	54.40%
C/I/Rail Rollback Minus Res. Rollback	40.5998%	40.5998%	40.5998%	40.5998%
Credit Base	50,000	59,507	59,507	59,507
Tax Credit - Paid by State Appropriation	742	884	884	884
Tax Paid by Property Owner, after Credit	995	16,487	172,824	1,736,191
Tax Owed Without Rollback or Credit	1,829	18,285	182,850	1,828,500
Tax Reduction (%)	45.6%	9.8%	5.5%	5.0%

WORKFORCE INVESTMENT ACT REAUTHORIZATION

Enactment. On July 22, 2014, the President signed the [Workforce Innovation and Opportunity Act](#) (WIOA) to reauthorize the Workforce Investment Act (WIA). The WIOA is the first major update to the federal job training programs in more than 15 years, and replaces the WIA that was passed in 1998 and also amends the Wagner-Peyser Program. Most changes take effect on July 1, 2015, the first full program year after enactment. The [U.S. Department of Labor](#) will continue to issue further guidance as implementation moves forward. The DOL and NCSL have compiled fact sheets to highlight changes. These can be found at:

- <http://doleta.gov/wioa/pdf/WIOA-Factsheet.pdf>
- http://www.ncsl.org/documents/standcomm/sclaborecon/WIOA_Summary_May2014.pdf

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AIR QUALITY STAKEHOLDER MEETING

Air Quality Stakeholder Meeting. The Air Quality Stakeholder Group met in Des Moines on July 17, 2014. The meeting was chaired by Darrell Hanson and the following information was presented:

- Introductions and charter of the workgroup by Director Chuck Gipp, Department of Natural Resources (DNR).
- Overview of the budget process, programs, and services provided by the Air Quality Bureau in the DNR.
- Questions and discussion on topics for future meetings.

Stakeholder Group. The Air Quality Stakeholder Group was created in HF 2473 (2015 Standings Appropriations Act) to study the funding of air quality programs and to make recommendations to the General Assembly in a written report by December 1, 2014.

Next Meeting. The next meeting will be held in August, but no date was set. Additional information and meeting materials are online at:

<http://www.iowadnr.gov/InsideDNR/RegulatoryAir/StakeholderInvolvement.aspx>

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BOARD OF CORRECTIONS MEETINGS

July Meeting. The Board of Corrections met July 11 at the Anamosa State Penitentiary (ASP). Warden John Fayram welcomed the Board to the Institution and provided a brief history of the facility. The design capacity of ASP is 913 beds and there are 1,035 offenders. The Institution's budget also includes funding for the Luster Heights Prison Camp in Yellow River Forest State Park in northeast Iowa. That facility has design capacity of 88 beds and has 73 offenders.

Director's Update. Director John Baldwin indicated it will be awhile before the new Iowa State Penitentiary (ISP) opens due to issues with the design of the heat pumps. The design of the heat pump system did not account for the weather extremes in Iowa; the system is being repaired. The Director said the [Department of Corrections](#) (DOC) received a grant from the [National Governor's Association](#) (NGA) to share data with [Eyerly Ball](#) in Des Moines through the [Iowa Corrections Offender Network](#) (ICON). This will enable the DOC to share data with providers on mentally ill offenders. The media toured the Iowa Correctional Institution for Women (ICIW) at Mitchellville and there was an article in the [Des Moines Register](#) regarding that facility. Legislative staff toured the ISP. There is staff in the Administration Building; the heat pump system works, but not adequately. Dr. Deol and Research Director Lettie Prell have met with representatives from the [University of Iowa Hospitals and Clinics](#) (UIHC) to offer the sharing of data from ICON to conduct research on what works to reduce recidivism.

Offender Dementia. Dr. Deol introduced Jennifer Becker who received her doctoral degree in nursing. Her dissertation was in regards to dementia of prison inmates. She presented her findings to the Board. Generally, offenders experience more head trauma and get dementia at a younger age compared to the general civilian population.

Sex Offender Registry. Deputy Director Dot Faust provided information on a recent court ruling that permits people to petition the court to get off the [Sex Offender Registry](#) (SOR). The Community-Based Corrections (CBC) District Departments are required to conduct a risk assessment if the person petitions the court. Some of these people may have been on the SOR while they were juveniles. The CBC District Departments may have limited knowledge of the person. It may take up to eight hours to conduct the assessment, including preparation and research of the person's records.

Inmate Telephone System. Assistant Deputy Director Fred Scaletta updated the Board on recent rate changes made by the [Federal Communications Commission](#) (FCC). In 2001, the DOC switched from a credit-based system to a debit-based system so offenders now pre-pay their telephone calls. The DOC is proposing new telephone call rates that will lower long distance charges and increase local call rates. The DOC charges an amount that recovers the cost of the system plus generates receipts to fund educational programs for offenders.

PREA. Director Baldwin updated the Board on the Prison Rape Elimination Act (PREA) audits of prison and CBC facilities. The CBC facility, Hope House in Cedar Rapids, passed its audit. It is doubtful the Institutions will pass any audit due to policy conflicts concerning:

- The requirement that an announcement be made every time an employee of a different gender comes onto the housing unit. The Iowa prison system has both men and women staff working on housing units that house only men or only women offenders.
- The disclosure of certain information when an Iowa DOC employee applies for correctional employment in another state.

PREA Audits. The Midwest Directors of corrections are trying to get staff trained as auditors so the states can audit each other. Once a facility passes an audit, it will be re-audited every three years. The Iowa DOC is scheduling a third of its facilities (state prisons and CBC residential facilities) for audits annually. Any facility that accepts federal prisoners has to comply with the PREA requirements. So this federal law impacts county jails as well as the state. Seven states have opted to not comply with the PREA standards; they may change that decision in the future due to liability issues for future inmate claims.

Braille Program. Plant Manager Al Reiter, [Iowa Prison Industries](#) (IPI), presented information on the Braille program at ASP. The program started in 1992 as a joint effort between the DOC, the Department for the Blind, the IPI, and ASP. It takes two years to be certified to work in braille transcription so offenders need to be dedicated. There are currently about 30 offenders working in the program at ASP, plus six offenders at Newton and one offender at Rockwell City. The offenders repair machines as well as transcribe books and manuscripts. The program is adding the transcription of braille electronic readers (e-readers) in FY 2015. There is a demand for this service across the country; offenders can do this work from home once they are released from prison.

Cognitive Training. Deputy Director Dot Faust updated the Board regarding the DOC's focus on cognitive training. This is a very cost effective, low cost program that has been shown to reduce recidivism. The DOC received two [National Institute of Corrections](#) (NIC) technical assistance grants to train program facilitators around the state. The DOC will receive another technical assistance grant this fall to train the trainers in cognitive programming. This will permit the DOC to train future staff. Every interaction with an offender is an opportunity to reduce risk and recidivism.

Re-Entry Grant. Deputy Director Jerry Bartruff explained the pending grant application to the Board. The [U.S. Department of Justice, Bureau of Justice Assistance](#) (BJA), will award three \$3.0 million grants; there are 13 states applying for this competitive grant. The BJA is focusing on creating system change and collaboration between agencies to reduce recidivism. Partners include [Iowa Workforce Development](#), the [Department of Public Health](#), and the [Criminal and Juvenile Justice Planning Division](#) (CJJPD) of the Department of Human Rights. The grant application includes one administrator and two quality assurance staff.

Budget Update. Director Baldwin updated the Board on tele-psychiatry. The DOC received funds and staff in FY 2014 to create a tele-psychiatry unit at Oakdale. There were technical issues when the [Iowa Communications Network](#) (ICN) could not keep up with demand for video services. The Information Technology Director granted the DOC a waiver from the ICN usage requirement. Oakdale bought hardware and developed software to provide tele-psychiatry services to CBC residential facilities. Other agencies, such as the [Department of Human Services](#), are very interested in using the service. The next

two Board meetings will be devoted to the budget request for FY 2016 and FY 2017. The DOC intends to request additional funds for Mitchellville and Fort Madison, offender re-entry services, mental health, and staff.

Public Comments. Angela McBride from the [Office of the Ombudsman](#) presented information on inmate telephone systems, pending litigation, and the FCC rates. The Ombudsman's Office recommends fair and reasonable rates for offenders.

Board Discussion. The Board discussed the history of the ASP; a retired employee published a pictorial book on the prison. There are highly skilled and artistic offenders that created paintings for the visiting room and pencil pictures of all the wardens. The Board recognized [Sixth CBC District](#) Director Bruce Vander Sanden and Board Chair Allan Thoms. The District Director indicated he is receiving conflicting advice from the [State Auditor's Office](#) and DOC Central office, and the [Office of the Attorney General](#) won't participate. Sixth CBC Board Chair Allan Thoms indicated the District has tried to comply with all recommendations. He is wondering what is the role and power of the CBC Board. DOC Director Baldwin indicated the CBC Districts are hybrids. They are not state agencies but they are close. They are all required to abide by certain guidelines. The Office of the Attorney General has represented the CBC Districts in the past; they are wondering if they should do so in the future. There could be a fundamental change in the CBC structure that may be unfortunate.

August Meeting. The Board met August 8 at the Iowa Correctional Institution for Women (ICIW) at Mitchellville. Warden Patti Wachtendorf welcomed the Board and guests to the ICIW. Staff and offenders moved to the new buildings in January. Construction of additional buildings is going on outside the perimeter fence on the east side of the prison. Demolition of existing buildings and construction of new buildings is occurring in FY 2015. Buildings Y (Minimum Live Out – MLO), Z (MLO support, including programming, dining area, and visiting area), and P (vocational training, education, gym, and library) are scheduled to be completed in FY 2015.

Director's Report. Director Baldwin reported that he and DOC Research Director Lettie Prell recently returned from New Mexico, from a conference sponsored by [The Pew Charitable Trusts](#) and the [MacArthur Foundation](#) regarding [Results First](#). This is a tool that calculates Return On Investment (ROI) for government programs. The government functions available for study using the Results First process are corrections, education, human services, and the juvenile justice system. The Director stated he believes over the next two to four years there will be a shift towards what works and ROI in government funding across the country. Pennsylvania and Iowa are working with the [Association of State Correctional Administrators](#) (ASCA) and the [Substance Abuse and Mental Health Services Administration](#) (SAMHSA) to model peer mentoring, where offenders mentor offenders that are mentally ill or substance abusers. The tele-psychiatry program was rolled out statewide this past week. The DOC continues to work with Eyerly Ball in Des Moines to share treatment data using the ICON.

Landscape Project. The Director introduced an Assistant Professor from the [Iowa State University](#) (ISU) along with students from the College of Landscape Architecture. Three years ago the ISU and the DOC started working together to provide outdoor classrooms, gardens, and trees at ICIW. The plants are donated, purchased through grants, or purchased at whole sale prices. The ISU also plans to design landscapes at the Iowa State Penitentiary. These projects provide hands-on learning opportunities for the students as well as improve the outdoor space at the prisons.

FY 2016 and FY 2017 Budget Requests. Deputy Directors Diann Wilder-Tomlinson, Jerry Bartruff, Dot Faust, and Brad Hier presented a draft of the proposed budget request to the Board. The draft budget focuses on providing services to high-risk offenders that are most likely to reoffend, and funding evidence-based practices to improve offender re-entry.

Public Comments. State Ombudsman Ruth Cooperrider presented information to the Board regarding the proposed telephone rates for offenders using the Inmate Telephone System. She recommends the Board consider a cost-based system for setting telephone rates for the offenders. Director Baldwin was recognized by the Board; he stated the FCC's recent rate-setting actions are being challenged in federal court by telephone companies. The Iowa DOC has implemented O-Mail, a secure electronic mail system that permits offenders to send electronic mail to an approved list of contacts for 25 cents per message. The DOC also encourages offenders to maintain family contact at the visiting rooms in the Institutions. Correctional Officer Marty Hathaway submitted a letter to the Board regarding [PREA](#). He stated the [American Federation of State, County, and Municipal Employees](#) (AFSCME) is requesting a meeting with

the [U.S. Attorney General](#) Eric Holder, Jr. to discuss the application of uniform PREA rules across the country.

Inmate Telephone System. Assistant Director Fred Scaletta presented the proposed Inmate Telephone Rebate Fund expenditures for the Board's approval. The expenditures totaled approximately \$414,000. The Board voted against this proposal and requested more information for next month's meeting. The Board deferred on the proposed flat fee rate of \$3.15 per call for local, intrastate, and interstate telephone calls. The Board indicated it will review the proposed rates at the next meeting. Iowa Code section [904.508A](#) authorizes the creation of an Inmate Telephone Fund and requires receipts to the Fund to be used for the benefit of inmates. Iowa Administrative Code [201 IAC](#) requires the Board of Corrections to approve expenditures from the Fund.

Next meeting. The next meeting of the Board of Corrections is scheduled for September 12, 2014, at the Fort Des Moines Residential Facility in Des Moines.

STAFF CONTACT: Beth Lenstra (515-281-6301) beth.lenstra@legis.iowa.gov

MEETINGS MONITORED

Meetings Monitored. The following meetings were monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
Natural Resource Commission Meeting	July 10, 2014	Deb Kozel (1-6767)
Board of Corrections	July 11, 2014 August 8, 2014	Beth Lenstra (1-6301)
Environmental Protection Commission Meeting	July 15, 2014	Deb Kozel (1-6767)
Air Quality Meeting	July 17, 2014	Deb Kozel (1-6767)
College Student Aid Commission	July 18, 2014	Robin Madison (1-5270)
Iowa Economic Development Authority Board	July 18, 2014	Kent Ohms (5-2200)
Iowa Innovation Council	July 24, 2014	Kent Ohms (5-2200)
Watershed Protection Planning Advisory Council	July 25, 2014	Deb Kozel (1-6767)
Water Resource Coordinating Council	July 29, 2014	Deb Kozel (1-6767)
Iowa Statewide Interoperable Communications System Board	July 30, 2014	Beth Lenstra (1-6301)
State Appeal Board Meeting	August 4, 2014	Beth Lenstra (1-6301)
Board of Regents	August 6, 2014	Robin Madison (1-5270)
State Soil Conservation Committee	August 7, 2014	Deb Kozel (1-6767)

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