

State of Iowa
Projected Condition of the General Fund Budget
(Dollars in Millions)

	<u>Actual FY 2016</u>	<u>Estimated FY 2017</u>	<u>Projection FY 2018</u>
Resources			
Receipts ¹	\$ 6,921.1	\$ 7,211.9	\$ 7,556.3
Surplus Carryforward	<u>367.3</u>	<u>24.6</u>	<u>0.0</u>
Total Resources	<u>\$ 7,288.4</u>	<u>\$ 7,236.5</u>	<u>\$ 7,556.3</u>
Expenditure Limitation			\$ 7,480.7
Appropriations			
Enacted Appropriations/FY 2018 Baseline	\$ 7,174.3	\$ 7,350.6	\$ 7,352.3
Adjustment to Standings	8.1	1.7 ²	0.0
Supplemental/Deappropriations	72.4	22.0 ³	0.0
Built-in and Anticipated Increases	<u>0.0</u>	<u>0.0</u>	<u>227.6</u>
Total Before Balance Adjustment	7,254.8	7,374.3	7,579.9
Adjustment to Balance Budget	<u>0.0</u>	<u>- 132.8</u>	<u>- 99.2</u>
Total Appropriations	<u>\$ 7,254.8</u>	<u>\$ 7,241.5</u>	<u>\$ 7,480.7</u>
Reversions	<u>- 10.5</u>	<u>- 5.0</u>	<u>- 5.0</u>
Net Appropriations	<u>\$ 7,244.3</u>	<u>\$ 7,236.5</u>	<u>\$ 7,475.7</u>
Ending Balance - Surplus	<u><u>\$ 44.1</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 80.6</u></u>

¹ The FY 2017 and FY 2018 revenue estimates represent increases of 4.2% and 4.8%, respectively. The estimates were established by the Revenue Estimating Conference on December 12, 2016.

² The FY 2017 appropriation for State Aid to Schools was adjusted by \$1.7 million to reflect changes in various factors that comprise the school aid formula including enrollment, property valuations, and special education.

³ The Medicaid Forecasting Group is estimating a \$22.0 million shortfall in the General Fund Medicaid appropriation for FY 2017.

State of Iowa Reserve Funds

(Dollars in Millions)

Cash Reserve Fund (CRF)	Actual	Estimated	Projection
	FY 2016	FY 2017	FY 2018
Funds Available			
Balance Brought Forward	\$ 523.3	\$ 539.0	\$ 553.5
Gen. Fund Transfer from Surplus	410.7	44.1	0.0
Total Funds Available	\$ 934.0	\$ 583.1	\$ 553.5
Excess Transferred to EEF	-395.0	-29.6	0.0
Balance	\$ 539.0	\$ 553.5	\$ 553.5
<i>Maximum 7.5%</i>	\$ 539.0	\$ 553.5	\$ 566.7
 Economic Emergency Fund (EEF)			
	Actual	Estimated	Projection
	FY 2016	FY 2017	FY 2018
Funds Available			
Balance Brought Forward	\$ 174.5	\$ 189.9	\$ 184.5
Excess from Cash Reserve	395.0	29.6	0.0
Total Funds Available	\$ 569.5	\$ 219.5	\$ 184.5
Appropriations & Transfers			
Excess Transferred to General Fund	\$ - 367.3	\$ - 24.6	\$ 0.0
Excess Transferred to Taxpayer Trust Fund	0.0	0.0	0.0
Executive Council - Performance of Duty	-12.3	-10.4	-10.4
Balance	\$ 189.9	\$ 184.5	\$ 174.1
<i>Maximum 2.5%</i>	\$ 179.7	\$ 184.5	\$ 188.9
 Combined Reserve Fund Balances			
	Actual	Estimated	Projection
	FY 2016	FY 2017	FY 2018
Cash Reserve Fund	\$ 539.0	\$ 553.5	\$ 553.5
Economic Emergency Fund	189.9	184.5	174.1
Total CRF and EEF	\$ 728.9	\$ 738.0	\$ 727.6

FY 2018 General Fund Built-in and Anticipated Expenditures

(Dollars in Millions)

	LSA
	<u>Estimates</u>
<u>Built-in Changes</u>	
1. Human Services – Medical Assistance	\$ 118.0
2. Education – K-12 School Foundation Aid	52.9
3. Natural Resources – REAP	20.0
4. Management – Technology Reinvestment Fund	17.5
5. Education – Instructional Support Program	14.8
6. Management – State Appeal Board Claims	4.7
7. College Aid – College Work Study Standing	2.8
8. Public Safety – Peace Officer Retirement Unfunded Liability	2.5
9. Education – Nonpublic School Transportation	2.0
10. Revenue – Homestead Property Tax Credit	0.4
11. Economic Development Authority – World Food Prize	0.3
12. Cultural Affairs – County Endowment Fund	0.1
13. Revenue – Military Service Tax Credit and Exemption	-0.1
14. Revenue – Commercial/Industrial Property Tax	-2.5
15. College Aid – Iowa Tuition Grant (nonprofit)	-3.4
Subtotal	<u>\$ 230.0</u>
<u>Anticipated Expenditure Changes</u>	
16. Management – Salary Annualization	\$ 26.3
17. Human Services – Child Care Assistance	11.4
18. Human Services – Child and Family Services	5.5
19. Human Services – Field Operations	4.5
20. Corrections – Drug Costs at Oakdale	2.2
21. Public Safety – Peace Officers' Retirement System	0.9
22. Corrections – County Billings	0.8
23. Education – Teacher Leadership Compensation System	-54.0
Subtotal	<u>\$ -2.4</u>
Total	<u><u>\$ 227.6</u></u>

Taxpayers Trust Fund

(Dollars in Millions)

	<u>Actual FY 2016</u>	<u>Estimated FY 2017</u>	<u>Projected FY 2018</u>
Funds Available			
Balance Brought Forward	\$ 8.1	\$ 8.1	\$ 8.1
Economic Emergency Transfer	0.0	0.0	0.0
Total Funds Available	<u>\$ 8.1</u>	<u>\$ 8.1</u>	<u>\$ 8.1</u>
Transfer to Tax Credit Fund	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Total Expenditures	\$ 0.0	\$ 0.0	\$ 0.0
Ending Balance	<u><u>\$ 8.1</u></u>	<u><u>\$ 8.1</u></u>	<u><u>\$ 8.1</u></u>

Taxpayers Trust Fund Tax Credit Fund

(Dollars in Millions)

	<u>Actual FY 2016</u>	<u>Estimated FY 2017</u>	<u>Projected FY 2018</u>
Funds Available			
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0
Transfer from Taxpayer Trust Fund	0.0	0.0	0.0
Total Funds Available	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Expenditures			
Transfer to General Fund	\$ 0.0	\$ 0.0	\$ 0.0
Reversion to the Taxpayer Trust Fund	0.0	0.0	0.0
Total Expenditures	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Ending Balance	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>

State Tax Credit Expected Claims Projection

(Dollars in Millions)

<u>Tax Credit Program</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
<u>Capped Programs</u>			
Accelerated Career Education Tax Credit	\$ 4.2	\$ 3.9	\$ 3.9
Agricultural Assets Transfer Tax Credit	3.4	4.6	5.0
Custom Farming Contract Tax Credit	0.0	0.1	0.2
Endow Iowa Tax Credit	5.4	5.1	5.1
Enterprise Zone Program	7.9	6.5	3.8
Enterprise Zone Program - Housing Component	13.0	16.6	11.2
High Quality Jobs Program	38.1	37.6	51.3
Historic Preservation and Cultural and Entertainment District Tax Credit	35.3	58.1	56.2
Redevelopment Tax Credit	2.6	6.8	6.9
Renewable Energy Tax Credit	5.3	9.0	13.0
School Tuition Organization Tax Credit	10.9	11.3	11.4
Solar Energy System Tax Credit	3.2	3.7	3.9
Venture Capital Tax Credit - Innovation Fund	2.1	1.0	2.1
Venture Capital Tax Credit - Iowa Fund of Funds	0.9	1.2	0.0
Venture Capital Tax Credit - Qualified Bus. or Comm.- Capital Fund	1.0	1.8	2.1
Venture Capital Tax Credit - Venture Capital Funds	0.0	0.0	0.0
Wind Energy Production Tax Credit	0.8	2.2	1.7
Workforce Housing Tax Incentive Program	0.0	6.2	10.6
Total Capped Programs	\$ 134.1	\$ 175.8	\$ 188.3
<u>Uncapped Programs</u>			
Adoption Tax Credit	\$ 0.4	\$ 0.5	\$ 0.9
Biodiesel Blended Fuel Tax Credit	15.4	17.8	17.0
Charitable Conservation Contribution Tax Credit	0.4	0.7	0.7
Child and Dependent Care Tax Credit	5.7	6.7	6.5
E15 Gasoline Promotion Tax Credit	0.1	0.4	0.4
E85 Gasoline Promotion Tax Credit	1.9	2.2	2.5
Early Childhood Development Tax Credit	0.7	0.7	0.7
Earned Income Tax Credit	71.8	70.9	71.8
Ethanol Promotion Tax Credit	1.8	1.4	1.1
Farm to Food Donation Tax Credit	0.0	0.0	0.0
Geothermal Heat Pump Tax Credit	1.6	2.4	0.4
Geothermal Tax Credit	0.0	0.0	1.5
Iowa Industrial New Job Training Program (260E)	37.5	42.5	43.8
New Capital Investment Program	0.0	0.0	0.0
New Jobs and Income Program	0.0	0.0	0.0
Research Activities Tax Credit	53.8	56.8	63.8
Supplemental Research Activities Tax Credit	7.0	4.0	5.6
Targeted Jobs Tax Credit from Withholding	5.0	4.9	5.2
Tuition and Textbook Tax Credit	15.4	15.2	15.3
Volunteer Firefighter and EMS Tax Credit	1.4	1.3	1.3
Total Uncapped Programs	\$ 219.7	\$ 228.5	\$ 238.6
Tax Credit Program Total	\$ 353.8	\$ 404.3	\$ 426.9

Notes:

These estimates are based on the Tax Credit Expected Claims Projection published by the Department of Revenue in December 2016. The table above reflects the tax credits that are likely to be claimed in a given fiscal year based on previous experience. The projected claims are incorporated in the FY 2017 and FY 2018 REC revenue estimates.

The numbers may not equal totals due to rounding.