

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

	Actual FY 2018	Estimated FY 2019	LSA Projection FY 2020
Funds Available:			
Net Receipts	\$ 7,383.9	\$ 7,728.6	\$ 7,868.4
Surplus Carryforward	0.0	79.2	105.5
Total Funds Available	<u>\$ 7,383.9</u>	<u>\$ 7,807.8</u>	<u>\$ 7,973.9</u>
Expenditure Limitation			<u>\$ 7,895.2</u>
Estimated Appropriations and Expenditures:			
Enacted Appropriations/FY 2020 Baseline	\$ 7,268.6	\$ 7,480.2	\$ 7,473.3 ³
Adjustments to Standings	15.8	- 6.9 ¹	0.0
Supplemental/Deappropriations	- 23.3	143.5 ²	0.0
Built-in and Anticipated Increases	<u>0.0</u>	<u>0.0</u>	<u>31.5</u>
Total Before Balance Adjustment	7,261.1	7,616.8	7,504.8
Adjustment to Balance Budget	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Appropriations	<u>\$ 7,261.1</u>	<u>\$ 7,616.8</u>	<u>\$ 7,504.8</u>
Reversions	- 4.5	- 5.2	- 5.0
Net Appropriations	<u>\$ 7,256.6</u>	<u>\$ 7,611.6</u>	<u>\$ 7,499.8</u>
Ending Balance – Surplus	<u>\$ 127.3</u>	<u>\$ 196.2</u>	<u>\$ 474.1</u>
Under (Over) Expenditure Limitation			<u>\$ 390.4</u>

¹ The FY 2019 appropriation for State Aid to Schools was adjusted by \$ -6.9 million to reflect changes in various factors that comprise the school aid formula including enrollment, property valuations, and special education.

² The State executed new contracts with the Medicaid managed care providers that will result in an increased cost of \$103.0 million for FY 2019. To fund the increase, it is assumed that a supplemental appropriation of \$143.5 million will be needed to fully fund the Program in FY 2019.

³ The FY 2020 Baseline appropriation is equal to the FY 2019 enacted appropriations plus the FY 2019 adjustments to standings.

State of Iowa Reserve Funds

(In Millions)

	Actual	Estimated	LSA Projection
	FY 2018	FY 2019	FY 2020
<u>Cash Reserve Fund</u>			
Funds Available			
Balance Brought Forward	\$ 422.4	\$ 442.4	\$ 571.6
General Fund Transfer from Surplus	0.0	127.3	196.2
Special General Fund Appropriation	20.0	113.1	0.0
Total Funds Available	\$ 442.4	\$ 682.8	\$ 767.8
Transfer to Economic Emergency Fund	0.0	-111.2	-177.7
Balance	\$ 442.4	\$ 571.6	\$ 590.1
<i>Maximum 7.5%</i>	\$ 552.8	\$ 571.6	\$ 590.1
<u>Economic Emergency Fund</u>			
Funds Available			
Balance Brought Forward	\$ 182.9	\$ 177.9	\$ 190.5
Excess from Cash Reserve	0.0	111.2	177.7
Executive Council – Performance of Duty	-18.0	-6.0	-6.0
Transfers to and from the General Fund	13.0	0.0	0.0
Total Funds Available	\$ 177.9	\$ 283.1	\$ 362.2
Excess Surplus	\$ 0.0	\$ -92.6	\$ -165.5
Balance	\$ 177.9	\$ 190.5	\$ 196.7
<i>Maximum 2.5%</i>	\$ 184.3	\$ 190.5	\$ 196.7
<u>Distribution of Excess Surplus</u>			
Transfer to General Fund	\$ 0.0	\$ 79.2	\$ 105.5
Transfer to Taxpayer Relief Fund	0.0	13.4	60.0
Total	\$ 0.0	\$ 92.6	\$ 165.5
<u>Combined Reserve Fund Balances</u>			
Cash Reserve Fund	\$ 442.4	\$ 571.6	\$ 590.1
Economic Emergency Fund	177.9	190.5	196.7
Total	\$ 620.3	\$ 762.1	\$ 786.8

FY 2020 General Fund Built-in and Anticipated Expenditures
December 2018
(In Millions)

		<u>LSA</u> <u>Estimate</u>
<u>Built-in Changes</u>		
1. Human Services – Medical Assistance	\$	80.0
2. Management – Technology Reinvestment Fund		17.5
3. Education – Instructional Support Program		14.8
4. Human Services – hawk-i		12.0
5. Education – K-12 School Foundation Aid		6.1
6. Human Services – Adoption Subsidy		3.6
7. Management – State Appeal Board Claims		2.9
8. College Aid – College Work Study Standing		2.8
9. Education – Nonpublic School Transportation		2.0
10. Human Services – Child and Family Services		1.4
11. Economic Development Authority – World Food Prize		0.6
12. Economic Development Authority – Tourism Marketing		0.3
13. Cultural Affairs – County Endowment Fund		0.1
14. Management – Transportation Equity Fund		-11.2
15. Management – FY 2019 One-time Cash Reserve Appropriation		-113.1
Subtotal	\$	<u>19.8</u>
<u>Anticipated Expenditure Changes</u>		
16. Management – Salary Annualization	\$	8.3
17. Human Services – Adoption Subsidy Program		2.9
18. Corrections – Pharmaceutical Costs at Oakdale		0.5
Subtotal	\$	<u>11.7</u>
Total	\$	<u>31.5</u>

State of Iowa
Adjusted Revenue Estimate
and Reserve Fund Goal Calculations

(In Millions)

	FY 2017	FY 2018	FY 2019	FY 2020
REC Estimate	\$ 7,357.4	\$ 7,364.5	\$ 7,527.0	\$ 7,868.4
Revenue Adjustments	22.6	6.0	94.9	0.0
Adjusted Revenue Estimate	<u>\$ 7,380.0</u>	<u>\$ 7,370.5</u>	<u>\$ 7,621.9</u>	<u>\$ 7,868.4</u>
<u>Reserve Fund Goals</u>				
Cash Reserve Fund	\$ 553.5	\$ 552.8	\$ 571.6	\$ 590.1
<i>Statutory Percentage</i>	7.5%	7.5%	7.5%	7.5%
Economic Emergency Fund	184.5	184.3	190.5	196.7
<i>Statutory Percentage</i>	2.5%	2.5%	2.5%	2.5%
Total	<u>\$ 738.0</u>	<u>\$ 737.1</u>	<u>\$ 762.1</u>	<u>\$ 786.8</u>

Taxpayer Relief Fund

(In Millions)

	<u>Actual FY 2018</u>	<u>Estimated FY 2019</u>	<u>Estimated FY 2020</u>
Funds Available			
Balance Brought Forward	\$ 8.3	\$ 8.4	\$ 13.4
General Fund Surplus Transfer	0.0	13.4	60.0
Interest	0.1	0.0	0.0
Total Funds Available	<u>\$ 8.4</u>	<u>\$ 21.8</u>	<u>\$ 73.4</u>
Expenditures			
Transfer to the General Fund	\$ 0.0	\$ - 8.4	\$ 0.0
Reversion of Tax Credit Fund	0.0	0.0	0.0
Ending Balance	<u>\$ 8.4</u>	<u>\$ 13.4</u>	<u>\$ 73.4</u>

Taxpayer Relief Fund Calculation

Calculation for Surplus Allocation

(In Millions)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Net General Fund Receipts Actual/Est.	\$ 7,240.0	\$ 7,383.9	\$ 7,728.6 *
Adjusted Revenue Estimate	- 7,380.0	- 7,370.5	- 7,621.9
Difference	<u>\$ - 140.0</u>	<u>\$ 13.4</u>	<u>\$ 106.7</u>

The calculation to determine the transfer of excess General Fund surplus dollars to the Taxpayer Relief Fund is determined by subtracting the adjusted revenue estimate for the previous fiscal year from the year-end actual net General Fund receipts of the previous fiscal year. If the result is positive, up to \$60.0 million is transferred to the Taxpayer Relief Fund. The \$60.0 million transfer limit is repealed beginning in FY 2021.

* FY 2019 net General Fund receipts number is based on the Revenue Estimating Conference (REC) estimate from October 2018.

State Tax Credit Expected Claims Projection

(In Millions)

Tax Credit Program	Actual FY 2018	Est FY 2019	Est FY 2020
<u>Capped Programs</u>			
Historic Preservation and Cultural and Entertain. Dist. Tax Credit	\$ 60.5	\$ 60.9	\$ 64.1
High Quality Jobs Program	37.5	53.4	47.0
Workforce Housing Tax Incentive Program	9.0	17.9	18.7
School Tuition Organization Tax Credit	11.4	11.5	12.2
Enterprise Zone Program – Housing Component	8.0	10.0	3.7
All Other Programs	35.0	45.6	42.1
Total Capped Programs	<u>\$ 161.3</u>	<u>\$ 199.2</u>	<u>\$ 187.9</u>
<u>Uncapped Programs</u>			
Earned Income Tax Credit	\$ 69.6	\$ 70.3	\$ 71.6
Research Activities Tax Credit	68.1	61.9	61.6
Iowa Industrial New Jobs Training Program (260E)	37.1	43.7	42.8
Biodiesel Blended Fuel Tax Credit	17.4	19.6	22.2
Tuition and Textbook Tax Credit	14.9	14.8	14.9
All Other Programs	22.7	29.8	25.7
Total Uncapped Programs	<u>\$ 229.9</u>	<u>\$ 240.2</u>	<u>\$ 238.9</u>
Tax Credit Program Total	<u>\$ 391.2</u>	<u>\$ 439.4</u>	<u>\$ 426.8</u>

Notes:

These estimates are based on the Tax Credit Expected Claims Projection published by the Department of Revenue in December 2018 in the Tax Credits Contingent Liabilities Report. The table above reflects the tax credits that are likely to be claimed in a given fiscal year based on previous year.

The numbers may not equal totals due to rounding.