

State of Iowa
LSA Projection of the General Fund Budget
(Dollars in Millions)

	<u>Actual FY 2013</u>	<u>Estimated FY 2014</u>	<u>Projected FY 2015</u>
Funds Available:			
Receipts	\$ 7,888.4	\$ 7,759.4	\$ 8,161.4
Refund (Accrual Basis)	- 830.5	- 900.0	- 934.0
School Infras. Refunds (Accrual)	- 419.2	- 425.5	- 451.9
Accruals (Net)	13.1	37.9	22.0
Transfers	117.0	210.4	185.7
Subtotal Receipts	<u>6,768.8</u>	<u>6,682.2</u>	<u>6,983.2</u>
Surplus Carryforward (Reserve Fund Excess)	572.1	679.3	718.4
Total Funds Available	<u>\$ 7,340.9</u>	<u>\$ 7,361.5</u>	<u>\$ 7,701.6</u>
Expenditure Limitation			\$ 7,631.8
Estimated Appropriations and Expenditures:			
Enacted Appropriations	\$ 6,222.6	\$ 6,490.1	\$ 5,643.9
Adjustments to Standing Appropriations	4.9	2.1	
Supplemental/Deappropriations	204.1	28.0 ^{1/}	
Restoration of 50% of Operating Budgets			1,161.6
Built-in and Anticipated Increases			301.0
Total Appropriations	<u>\$ 6,431.6</u>	<u>\$ 6,520.2</u>	<u>\$ 7,106.5</u>
Reversions	- 18.6	- 14.4	- 5.0
Net Appropriations	<u>\$ 6,413.0</u>	<u>\$ 6,505.8</u>	<u>\$ 7,101.5</u>
Ending Balance - Surplus	<u>\$ 927.9</u>	<u>\$ 855.7</u>	<u>\$ 600.1</u>

^{1/} The Medicaid Forecasting Group has estimated a shortfall of \$28.0 million in the Medicaid Program for FY 2014. The estimate represents the midpoint of a projected range of \$13.0 million and \$43.0 million.

State of Iowa Reserve Funds

(Dollars in Millions)

Cash Reserve Fund (CRF)	Actual	Estimated	Projected
	FY 2013	FY 2014	FY 2015
Funds Available			
Balance Brought Forward	\$ 450.3	\$ 466.8	\$ 487.2
Gen. Fund Appropriation from Surplus	688.1	927.9	855.7
Intrastate Receipts (credited after close of FY)	0.0	0.0	0.0
Total Funds Available	<u>\$ 1,138.4</u>	<u>\$ 1,394.7</u>	<u>\$ 1,342.9</u>
Appropriations & Transfers			
Appropriations	\$ 0.0	\$ 0.0	\$ 0.0
Total Appropriations & Transfers	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Reversions (credited after close of fiscal year)			
Excess Transferred to EEF	-671.6	-907.5	-819.2
Balance Carried Forward	<u>\$ 466.8</u>	<u>\$ 487.2</u>	<u>\$ 523.7</u>
<i>Maximum 7.5%</i>	\$ 466.8	\$ 487.2	\$ 523.7
Economic Emergency Fund (EEF)			
	Actual	Estimated	Projected
	FY 2013	FY 2014	FY 2015
Funds Available			
Balance Brought Forward	\$ 151.0	\$ 144.3	\$ 162.4
Excess from Cash Reserve	671.6	907.5	819.2
Other Receipts (credited after close of fiscal year)	0.0	0.0	0.0
Total Funds Available	<u>\$ 822.6</u>	<u>\$ 1,051.8</u>	<u>\$ 981.6</u>
Appropriations & Transfers			
Excess Transferred to Taxpayer Trust Fund	\$ -60.0	\$ -60.0	\$ -60.0
Bond Repayment Fund	0.0	-116.1	0.0
Transfer to RIIF	-20.0	0.0	0.0
SF 2071 - MH Property Tax Relief Fund	0.0	0.0	0.0
Missouri River Flood Damage	0.0	0.0	0.0
Exec Council - Performance of Duty Budget	-14.9	-34.0	-28.6
Performance of Duty (Accrual Period Adj)	-11.3	0.0	0.0
Excess Transferred to General Fund	-572.1	-679.3	-718.4
Balance Carried Forward	<u>\$ 144.3</u>	<u>\$ 162.4</u>	<u>\$ 174.6</u>
<i>Maximum 2.5%</i>	\$ 155.6	\$ 162.4	\$ 174.6
Combined Reserve Fund Balances			
	Actual	Estimated	Projected
	FY 2013	FY 2014	FY 2015
Cash Reserve Fund	\$ 466.8	\$ 487.2	\$ 523.7
Economic Emergency Fund	144.3	162.4	174.6
Total CRF and EEF	<u>\$ 611.1</u>	<u>\$ 649.6</u>	<u>\$ 698.3</u>

Taxpayer Trust Fund

(Dollars in Millions)

	Actual FY 2013	Estimated FY 2014	Projected FY 2015
Funds Available			
Balance Brought Forward	\$ 0.0	\$ 60.0	\$ 0.0
Economic Emergency Transfer	60.0	60.0	60.0
Reversion From Taxpayer Trust Fund Tax Credit Fund	0.0	0.0	31.9
Total Funds Available	<u>\$ 60.0</u>	<u>\$ 120.0</u>	<u>\$ 91.9</u>
Expenditures			
Transfer to Taxpayer Trust Fund Tax Credit Fund	\$ 0.0	\$ 120.0	\$ 91.9
Balance Carried Forward	<u>\$ 60.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

Taxpayer Trust Fund Tax Credit Fund

(Dollars in Millions)

	Actual FY 2013	Estimated FY 2014	Projected FY 2015
Funds Available			
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0
Transfer from Taxpayer Trust Fund (Transfer made in TY 2013)	0.0	120.0	91.9
Total Funds Available	<u>\$ 0.0</u>	<u>\$ 120.0</u>	<u>\$ 91.9</u>
Expenditures			
Transfer to General Fund (Reimb. for payment of tax credits)	\$ 0.0	\$ 88.1	\$ 67.5
Reversion to the Taxpayer Trust Fund		31.9	24.4
Total Expenditures	<u>\$ 0.0</u>	<u>\$ 120.0</u>	<u>\$ 91.9</u>
Balance Carried Forward	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

STATE OF IOWA
FY 2015 General Fund Built-in and Anticipated Expenditures
(Dollars in Millions)

	LSA
<u>Built-in Changes</u>	<u>Estimates</u>
Education - Education Reform (non-School Aid)	\$ 60.0
Education - K-12 School Foundation Aid	5.4
College Aid - College Work Study Standing	2.8
College Aid - Iowa Tuition Grant (for profit) Standing	-0.5
College Aid - Iowa Tuition Grant (non-profit) Standing	-1.0
Human Services - hawk-i	18.0
Human Services - Medical Assistance	139.1
Total Built-in Changes	<u>\$ 223.8</u>
<u>Anticipated Expenditure Changes</u>	
Salary Adjustment	\$ 33.7
Human Services - Mental Health Redesign Equalization	29.8
Corrections - Staff Additional Prison Beds at Mitchellville	9.2
Corrections - Staff Additional Prison Beds at Ft. Madison	3.7
Corrections – Elimination of One-time Costs	-0.6
Human Services - Civil Commitment Unit for Sex Offenders	0.5
Public Safety - Peace Officer Retirement	0.9
Subtotal	<u>\$ 77.2</u>
Total Expenditure Increases	<u>\$ 301.0</u>

Estimated Contingent Liabilities for State Tax Credits

(Dollars in Millions)

<u>Tax Credit Program</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
<u>Capped Programs</u>			
Historic Preservation and Cultural and Entertainment District Tax Credit	\$ -26.0	\$ -37.7	\$ -39.5
High Quality Job Program	-15.2	-20.3	-24.6
School Tuition Organization Tax Credit	-7.1	-9.1	-11.6
Enterprise Zone Program - Housing Component	-5.5	-7.9	-11.5
Renewable Energy Tax Credit	-3.6	-4.5	-8.9
Enterprise Zone Program	-7.7	-8.1	-6.5
Agricultural Assets Transfer Tax Credit	-2.6	-4.6	-5.1
Endow Iowa Tax Credit	-3.8	-4.8	-5.0
Accelerated Career Education Tax Credit	-4.0	-4.1	-4.1
Venture Capital Tax Credit - Iowa Fund of Funds	-11.3	-4.0	-4.0
Redevelopment Tax Credit	-0.2	-2.5	-3.7
Venture Capital Tax Credit - Qualified Bus. or Comm.-Seed Capital Fund	-0.2	-1.3	-2.7
Venture Capital Tax Credit - Innovation Fund	0.0	0.0	-2.5
Custom Farming Contract Tax Credit	0.0	-1.3	-2.0
Wind Energy Production Tax Credit	-0.8	-2.1	-1.5
Solar Energy System Tax Credit	-0.2	-0.8	-1.3
Film, Television, and Video Project Promotion Program - Awarded	-1.3	-0.4	-0.2
Venture Capital Tax Credit - Venture Capital Funds	-0.2	-0.2	-0.2
Wage-Benefits Tax Credit	-1.4	-0.8	0.0
Total Capped Programs	\$ -91.2	\$ -114.6	\$ -134.3
<u>Uncapped Programs</u>			
Earned Income Tax Credit	\$ -31.0	\$ -59.6	\$ -62.4
Research Activities Tax Credit	-38.4	-40.8	-47.9
Iowa Industrial New Job Training Program (260E)	-44.4	-49.7	-47.4
Supplemental Research Activities Tax Credit	-14.0	-14.0	-15.1
Tuition and Textbook Tax Credit	-15.3	-15.0	-14.9
Biodiesel Blended Fuel Tax Credit	-6.6	-11.2	-12.5
New Jobs and Income Program	-3.9	-8.9	-7.5
Targeted Jobs Tax Credit from Withholding	-3.0	-4.4	-6.2
Child and Dependent Care Tax Credit	-4.5	-3.3	-3.0
Geothermal Heat Pump Tax Credit	-1.0	-1.9	-2.0
Ethanol Promotion Tax Credit	-2.9	-2.0	-1.6
E85 Gasoline Promotion Tax Credit	-1.1	-1.4	-1.6
Charitable Conservation Contribution Tax Credit	-0.7	-1.1	-1.2
Early Childhood Development Tax Credit	-0.8	-0.9	-1.0
Volunteer Firefighter and EMS Tax Credit	0.0	-0.9	-0.9
New Capital Investment Program	-0.5	-0.7	-0.7
E15 Gasoline Promotion Tax Credit	0.0	-0.1	-0.1
Farm to Food Donation Tax Credit	0.0	0.0	-0.1
Total Uncapped Programs	\$ -168.0	\$ -215.9	\$ -226.2
Tax Credit Program Total	\$ -259.2	\$ -330.6	\$ -360.5

Notes:

Estimates are based on the Contingent Liabilities Report provided by the Department of Revenue in December 2013.

FY 2013 is based on actual claims made by taxpayers, although the amounts may not reflect the amount of awards issued. The FY 2013 numbers may increase as additional tax credit claims are verified.

The numbers may not equal totals due to rounding.

**Adjusted Revenue Estimate
and Reserve Fund Goal Calculations**

(Dollars in Millions)

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	Projected <u>FY 2015</u>
REC Estimates	\$ 6,031.3	\$ 6,251.6	\$ 6,739.8	\$ 6,983.2
Revenue Adjustments	-77.2	-27.3	-243.2 *	
Adjusted Revenue Estimate	<u>\$ 5,954.1</u>	<u>\$ 6,224.3</u>	<u>\$ 6,496.6</u>	<u>\$ 6,983.2</u>
Reserve Fund Goals				
Cash Reserve Fund	\$ 446.6	\$ 466.8	\$ 487.2	\$ 523.7
Economic Emergency Fund	148.9	155.6	162.4	174.6
Total	<u>\$ 595.5</u>	<u>\$ 622.4</u>	<u>\$ 649.6</u>	<u>\$ 698.3</u>

* Includes an adjustment to the Cigarette/Tobacco Tax reduction from \$ -118.4M to \$ -112.0M made by DOM.