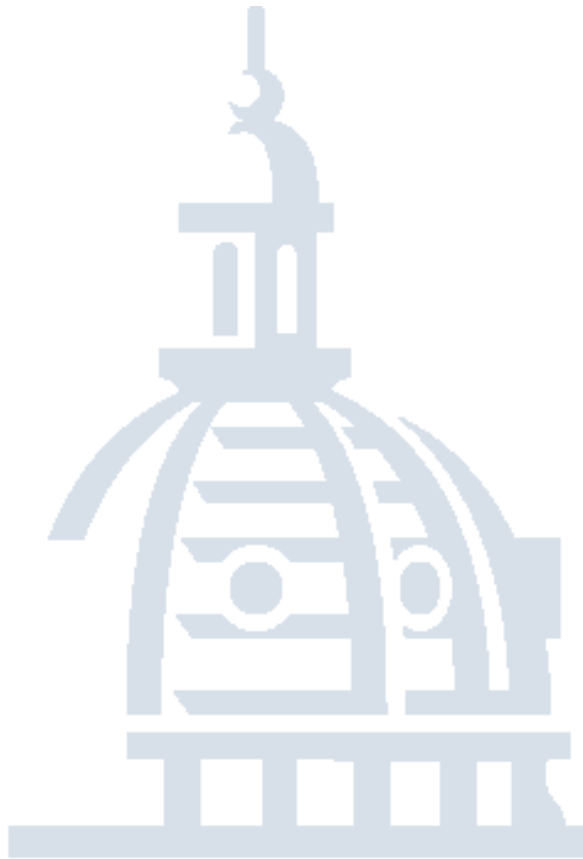

**SUMMARY OF FY 2010 BUDGET
AND
GOVERNOR'S RECOMMENDATIONS**



FISCAL SERVICES DIVISION

JANUARY 2009



FOREWORD

The purpose of this document is to provide the General Assembly with information concerning FY 2010 General Fund estimated receipts and the Governor's budget recommendations. The information provides an overall summary of the State budget and is intended to help the General Assembly take a proactive approach toward the budgetary process.

In addition, the document is intended to provide the General Assembly with an overview of the General Fund, including revenues and expenditures. Information regarding other State appropriated funds is also included.

If you need additional information regarding Department requests, Governor's recommendations, or other fiscal information, refer to the Fiscal Services Division staff listing. The staff listing will indicate the appropriate analyst to contact for detailed information by subcommittee and subject area.

Questions concerning this document should be directed to:

Holly M. Lyons, Fiscal Services Division Director

holly.lyons@legis.state.ia.us

Phone 515-281-5279

or

Mary Shipman, Publication Coordinator

mary.shipman@legis.state.ia.us

Phone 515-281-4617

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DOCUMENT NOTES

When Reviewing This Document, Please Note The Following:

The Fiscal Services Division obtained documents from the I/3 Budget System and from the Department of Management (DOM) to compile the information provided in this document. Additional details were provided through review of a draft of the Governor's budget document received on January 27, 2009.

Other items worth noting when reviewing this document include:

- Revenues and expenditures are estimated for FY 2009 and FY 2010. The statutory expenditure limitation was determined at the Revenue Estimating Conference meeting on December 12, 2008.
- Information regarding federal economic stimulus funds is preliminary and provided as known at the date of the publication of this document.
- When analyzing the FY 2010 Governor's recommendations, the FY 2010 appropriation recommendations are compared to the estimated net FY 2009 appropriations. Estimated net FY 2009 appropriations reflect the 1.5% across-the-board reduction ordered by Governor Culver.
- The Governor requested that all departments and agencies submit status quo (no increase) budget requests for FY 2010.
- **Appendix A** is an appropriations tracking document showing General Fund and other fund appropriations and the Governor's recommendations by Subcommittee.
- **Appendix B** is a listing of the projected FY 2010 built-in and anticipated increases and decreases.
- **Appendix C** provides a brief summary of the charges of the 2008 Interim Committees.
- **Appendix D** provides a summary of salary and collective bargaining information.
- **Appendix E** provides information about public retirement systems in Iowa.

2009 SESSION TIMETABLE	
JANUARY 12	First day of session. (Iowa Code Sec.2.1)
FEBRUARY 20 <i>(Friday of 6th week)</i>	Final day for individual legislator requests for bill drafts to the Legislative Services Agency (Senate Rule 27 and House Rule 29)
MARCH 13** <i>(Friday of 9th week)</i>	Final date for Senate bills to be reported out of Senate committees and House bills out of House committees. (Joint Rule 20)
MARCH 23 - 27 <i>(11th week)</i>	Senate considers only Senate bills and unfinished business and House considers only House bills and unfinished business. (Joint Rule 20)
MARCH 30 - APRIL 10 <i>(12th and 13th weeks)</i>	Debate not limited by rule.
APRIL 10** <i>(Friday of 13th week)</i>	Final date for House bills to be reported out of Senate committees and Senate bills out of House Committees. (Joint Rule 20)
APRIL 13 - 17 <i>(14th week)</i>	Senate considers only House bills and unfinished business and House considers only Senate bills and unfinished business. . (Joint Rule 20)
APRIL 20 <i>(Beginning of 15th week)</i>	Amendments need not be filed on the day preceding floor debate. (House Rule 31.8)
APRIL 20 <i>(Beginning of 15th week)</i>	Only the following bills are eligible for consideration by Joint Rule 20 unless otherwise indicated: <ul style="list-style-type: none"> • Appropriations Bills • Ways and Means Bills • Government Oversight Bills • Legalizing Acts • Bills co-sponsored by Majority and Minority Leaders of one House • Companion bills sponsored by Senate and House Majority Leaders • Conference Committee Reports • Concurrent or Simple Resolutions • Bills passed by both Houses in different forms • Bills on the Veto Calendar (Joint Rule 23) • Administrative Rules Review Committee Bills • Committee Bills related to delayed Administrative Rules [Iowa Code Sec. 17A.8 (9)] • Joint Resolutions nullifying Administrative Rules • Unfinished Business
MAY 1	110th calendar day of the Session (Per diem expenses end) [Iowa Code Sec.2.10(1)]
<p><i>**The March 13 and April 10 committee deadlines do not apply to Appropriations Bills, Ways and Means Bills, Government Oversight Bills, bills co-sponsored by Majority and Minority Leaders of one House, Companion Bills sponsored by the Majority Leaders of both Houses after consultation with the respective Minority Leaders, Conference Committee Reports, Concurrent or Simple Resolutions, Joint Resolutions nullifying Administrative Rules, Legalizing Acts, Administrative Rules Review Committee Bills, and Committee Bills related to delayed Administrative Rule [Iowa Code Sec. 17A.8 (9)].</i></p>	

STAFF LISTING

FISCAL SERVICES DIVISION LEGISLATIVE SERVICES AGENCY

Holly M. Lyons, Director
holly.lyons@legis.state.ia.us
 State Capitol, Room G01
 Telephone: 281-5279
 Fax: 281-8027
 Website: <http://staffweb.legis.state.ia.us/lfb>

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	EMAIL ADDRESS
DIVISION ADMINISTRATOR	Douglas Wulf	281-3250	douglas.wulf@legis.state.ia.us
APPROPRIATIONS SUBCOMMITTEES			
ADMINISTRATION & REGULATION			
Administrative Services	Joe Brandstatter	725-2062	joseph.brandstatter@legis.state.ia.us
Commerce			
Ethics & Campaign Finance Disclosure Board			
Governor's Office of Drug Control Policy			
Human Rights			
Inspections & Appeals			
Iowa Public Employees Retirement System			
Lottery			
Management			
Racing & Gaming			
Revenue			
Auditor	David Reynolds	281-6934	david.reynolds@legis.state.ia.us
Governor			
Secretary of State			
Treasurer			
AGRICULTURE & NATURAL RESOURCES			
Agriculture	Debra Kozel	281-6767	debra.kozel@legis.state.ia.us
Environment First Fund			
Natural Resources			

Staff Listing

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	EMAIL ADDRESS
ECONOMIC DEVELOPMENT			
Board of Regents – Economic Development	Ron Robinson	281-6256	ron.robinson@legis.state.ia.us
Cultural Affairs			
Economic Development			
Iowa Finance Authority			
Office of Energy Independence			
Public Employment Relations Board			
Workforce Development			
EDUCATION			
Board of Regents	Dwayne Ferguson	281-6561	dwayne.ferguson@legis.state.ia.us
College Aid Commission			
Blind	Robin Madison	281-5270	robin.madison@legis.state.ia.us
Community Colleges			
Education			
Iowa Public Television			
HUMAN SERVICES			
Child Care	Deborah Helsen	281-6764	deborah.helsen@legis.state.ia.us
Child Welfare			
Field Operations			
Foster Care			
General Administration			
Juvenile Justice			
Public Health			
Child Support Recovery	Jess Benson	281-4611	jess.benson@legis.state.ia.us
Children’s Health Insurance Program			
County Based Services			
Elder Affairs			
Family Investment Program (FIP), Promise Jobs, Food Stamps			
Institutions			
Medical Services/Medicaid			
Mental Health/Mental Retardation/Developmental Disabilities (MH/MR/DD) Enhanced Services			
Senior Living Trust Fund			
Social Services Block Grant			
Temporary Assistance for Needy Families (TANF) Block Grant			
Veteran’s Affairs	Sue Lerdal	281-7794	sue.lerdal@legis.state.ia.us
Veteran’s Home			

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	EMAIL ADDRESS
JUSTICE SYSTEM			
Iowa Communications Network	Jennifer Acton	281-7846	jennifer.acton@legis.state.ia.us
Iowa Law Enforcement Academy			
Judicial Branch			
Public Defense			
Public Safety			
Civil Rights	Beth Lenstra	281-6301	beth.lenstra@legis.state.ia.us
Corrections			
Indigent Defense/Public Defender			
Justice Department			
Parole Board			
TRANSPORTATION, INFRASTRUCTURE, and CAPITALS			
Transportation	Mary Beth Mellick	281-8223	marybeth.mellick@legis.state.ia.us
Capitals	Marcia Tannian	281-7942	marcia.tannian@legis.state.ia.us
Infrastructure			
APPROPRIATIONS STANDING COMMITTEES			
	Sue Lerdal	281-7794	sue.lerdal@legis.state.ia.us
	David Reynolds	281-6934	david.reynolds@legis.state.ia.us
EDUCATION STANDING COMMITTEES (School Finance)			
	Shawn Snyder	281-7799	shawn.snyder@legis.state.ia.us
	Dwayne Ferguson	281-6561	dwayne.ferguson@legis.state.ia.us
FISCAL COMMITTEE			
	Sue Lerdal	281-7794	sue.lerdal@legis.state.ia.us
	David Reynolds	281-6934	david.reynolds@legis.state.ia.us
GOVERNMENT OVERSIGHT			
	Douglas Wulf	281-3250	douglas.wulf@legis.state.ia.us
	Marcia Tannian	281-7942	marcia.tannian@legis.state.ia.us
WAYS AND MEANS STANDING COMMITTEES			
	Jeff Robinson	281-4614	jeff.robinson@legis.state.ia.us
	Shawn Snyder	281-7799	shawn.snyder@legis.state.ia.us
	Dwayne Ferguson	281-6561	dwayne.ferguson@legis.state.ia.us
PUBLICATION COORDINATOR/EDITOR			
	Mary Shipman	281-4617	mary.shipman@legis.state.ia.us
SUBCOMMITTEE STAFFING/TRAINING COORDINATOR			
	Sue Lerdal	281-7794	sue.lerdal@legis.state.ia.us
TRACKING/FINANCIAL DOCUMENT COORDINATOR			
	David Reynolds	281-6934	david.reynolds@legis.state.ia.us

BUDGET OVERVIEW

This section provides an overall summary of the following:

- Summary of the FY 2008 year-end budget.
- The economy and revenue estimates for FY 2009 and FY 2010.
- Summary of the Governor's recommendations for FY 2009 and FY 2010.
- Governor's recommended revenue adjustments and transfers to the General Fund from other funds.
- FY 2009 Governor's recommended appropriation adjustments.
- Summary of the Governor's FY 2010 Budget.
- Significant expenditure increases or decreases in the Governor's FY 2010 Budget.
- Governor's recommendations relating to the reserve funds and Senior Living Trust Fund repayment.
- Potential FY 2010 budget issues identified by the LSA.
- How the Governor addresses the projected FY 2010 General Fund "Spending Gap."
- "Spending gap" or budget gap.
- Spending gaps in other states.
- Charts showing historical trends of General Fund revenues and appropriations.

Summary of the Year-end FY 2008 Budget

Iowa's General Fund net revenue collections totaled \$6.084 billion for FY 2008, representing an increase of \$438.2 million (7.8%) compared to FY 2007. General Fund appropriations totaled \$5.898 billion for FY 2008. This represents an increase of \$505.5 million (9.4%) compared to FY 2007. The largest increase was associated with the establishment of the Health Care Trust Fund, created as part of the cigarette and tobacco tax increase enacted in SF 128 (Cigarette/Tobacco Tax Increases and Health Care Trust Fund Act). The legislation deposited the increased taxes into the General Fund and appropriated the first \$127.6 million to the Health Care Trust Fund. The FY 2008 General Fund budget ended with a surplus of \$196.4 million that was distributed as follows: \$99.8 million to the Property Tax Credit Fund, \$48.3 million to the Senior Living Trust Fund (SLTF), and \$48.3 million to the Cash Reserve Fund.

The combined balances in the Cash Reserve and Economic Emergency Funds reached the statutory maximum at \$592.4 million. This was an increase of \$57.3 million (10.7%) compared to the combined balances in FY 2007.

The Economy and Revenue Estimates for FY 2009 and FY 2010

The U.S. economy entered a recession in December 2007. Revenue growth in Iowa began to slow in April of 2008 and has continued to weaken. For the last two quarters, the Revenue Estimating Conference (REC) revised revenue projections downward for FY 2009 and 2010 to reflect the declining economic conditions. Pursuant to statute, the Governor's FY 2010 budget is based on the December 12, 2008, REC estimate. The projected net general fund growth rates are:

- **FY 2009:** -0.5%, a decrease of \$28.3 million compared to the actual FY 2008 revenues.

- **FY 2010:** -0.4%, a decrease of \$21.5 million compared to the estimated FY 2009 revenues.

As of January 1, 2009, estimated daily receipts for FY 2009 (excluding transfers) were running at negative 0.8% growth compared to FY 2008.

There is a separate section in this document entitled "Economic Outlook" that provides more detail on the national and Iowa economy.

Summary of the Governor's Recommendations for FY 2009 and FY 2010

FY 2009 Adjustments

The Governor is recommending \$119.9 million in FY 2009 reductions through deappropriations and across-the-board reductions. This includes \$30.8 million in deappropriations and a 1.5% across-the-board (ATB) reduction (\$89.1 million) made by Executive Order 10 in December 2008. The Governor is also recommending General Fund supplemental appropriations of \$63.3 million and supplemental appropriations of \$56.0 million from the Economic Emergency Fund for disaster-related programs.

FY 2010 Budget Recommendations

The Governor is recommending FY 2010 General Fund appropriations of \$6.211 billion. This is an increase of \$147.7 million (2.4%) compared to the estimated net FY 2009 appropriations (after the 1.5% across-the-board reduction). The Governor is also recommending additional deappropriations and supplemental appropriations that result in a net increase for FY 2009 of \$32.5 million. Enactment of these changes would result in an FY 2010 increase of \$115.2 million (1.9%) compared to the Governor's revised FY 2009 budget. The Governor is also recommending revenue adjustments of \$247.9 million, including a \$200.0 million transfer from the Cash Reserve Fund. The Governor does not include a recommendation to fund collective bargaining in FY 2010. In FY 2009, the General Assembly appropriated \$92.9 million for salary increases. The following table details the projected condition of the General Fund for FY 2009 and FY 2010.

State of Iowa				
Estimated Condition of the General Fund				
(Dollars in Millions)				
	Actual FY 2008	LSA Estimated FY 2009	Gov Rec FY 2009	Gov Rec FY 2010
Funds Available:				
Receipts and Transfers	\$ 6,783.2	\$ 7,180.2	\$ 7,180.2	\$ 7,240.2
Tax Refunds	- 674.8	- 755.0	- 755.0	- 821.0
School Infras. Refunds (Accrual)		- 388.1	- 388.1	- 412.0
Accruals	- 24.0	14.9	14.9	18.6
Governor Revenue Adjustments			66.0	247.9
Total Funds Available	<u>6,084.4</u>	<u>6,052.0</u>	<u>6,118.0</u>	<u>6,273.7</u>
Expenditure Limitation				6,211.0
Estimated Appropriations and Expenditures:				
Appropriations	5,898.4	6,133.0	6,130.9	6,230.5
Standing Appropriation Adjustments		18.5	21.0	
Supplemental Appropriations			63.3	
1.5% Across-the-Board Reduction			- 89.1	
Deappropriations			- 30.8	
Reorganization/Efficiencies/Disposition of Assets				- 20.0
Total Appropriations	<u>5,898.4</u>	<u>6,151.5</u>	<u>6,095.3</u>	<u>6,210.5</u>
Adjustment to meet Expenditure Limitation (Spending Gap)		- 87.0		
Reversions	- 10.4	- 12.5	- 12.5	- 12.5
Net Appropriations	<u>5,888.0</u>	<u>6,052.0</u>	<u>6,082.8</u>	<u>6,198.0</u>
Ending Balance - Surplus	<u>\$ 196.4</u>	<u>\$ 0.0</u>	<u>\$ 35.2</u>	<u>\$ 75.7</u>
Appropriations/Transfers to Other Funds				
Property Tax Credit Fund	\$ 99.8	\$ 0.0	\$ 0.0	\$ 0.0
Senior Living Trust Fund	48.3	0.0	17.6	37.9
Cash Reserve Fund	48.3	0.0	17.6	37.9
Total	<u>\$ 196.4</u>	<u>\$ 0.0</u>	<u>\$ 35.2</u>	<u>\$ 75.7</u>

Numbers may not equal totals due to rounding.

Governor's Recommended Revenue Adjustments and Transfers to the General Fund from Other Funds

The Governor is recommending \$66.0 million in revenue adjustments and fund transfers for FY 2009 and \$247.9 million for FY 2010.

Recommended Revenue Adjustments and Transfers		
(Dollars in Millions)		
	<u>FY 2009</u>	<u>FY 2010</u>
Revenue Adjustments		
Master Settlement Tobacco Payment	\$ 18.0	\$ 0.0
Innovation Fund Payments		0.8
Cap Tax Credits at \$200.0 million		15.0
Cap Research and Activities Tax Credit		13.0
Child Care Tax Credit		2.6
Total Revenue Adjustments	<u>\$ 18.0</u>	<u>\$ 31.4</u>
Transfers from Other Funds		
Innovations Fund	\$ 4.5	\$ 0.0
Local Government Innovations Fund	0.8	
Underground Storage Tank Fund	5.7	
Rebuild Iowa Infrastructure Fund	37.0	
Gamblers Assistance Fund		6.5
Federal Economic Stimulus and Jobs Holding Fund		10.0
Cash Reserve Fund		200.0
Total Transfers from Other Funds	<u>\$ 48.0</u>	<u>\$ 216.5</u>
Total Adjustments and Transfers	<u><u>\$ 66.0</u></u>	<u><u>\$ 247.9</u></u>

Revenue Adjustments

FY 2009 – The Governor is recommending a revenue adjustment of \$18.0 for the Master Settlement Tobacco Payment. The State will receive an estimated \$18.0 million in payments from the tobacco industry in accordance with the Master Settlement Agreement. In prior years, these payments were deposited into the Endowment for Iowa's Health Account.

FY 2010 – The revenue adjustments for FY 2010 include:

- \$0.8 million for Innovations Fund Payments. The Governor is recommending directing \$800,000 in Innovations Fund payments to the General Fund. The Innovations Fund is a self-supporting fund used to loan monies to State agencies for innovations that reduce expenditures or increase revenues.
- \$15.0 million to cap tax credits at \$200.0 million. The Governor is recommending an annual tax credit "Budget Cap" that would limit the total amount of tax credits that could be awarded each year through State business assistance tax credit programs. The Governor is estimating that limiting annual awards to no more than \$200.0 million would reduce tax credit redemptions in FY 2010 by \$15.0 million. The Department of Revenue has indicated that the cap applies only to tax credit programs that do not already have an annual maximum. The Department of Revenue produces an

annual report detailing the total volume of business assistance tax credits awarded. For FY 2007, the total was \$475.3 million and \$293.8 million for FY 2008. Tax credits awarded in a year are redeemed over several years.

- \$13.0 million to cap the Research and Activities Tax Credit. The Governor is recommending elimination of the Supplemental Research Activities Tax Credit. This Credit is awarded by the Department of Economic Development in qualified situations. The Supplemental Credit increases the regular Research Activities Credit by as much as 100.0% under the High Quality Jobs Creation Program and the Enterprise Zone Program. Both the regular Research Activities Credit and the Supplemental Credit are refundable. The Governor is estimating that elimination of the Supplemental Credit will reduce tax credit redemptions in FY 2010 by \$13.0 million.
- \$2.6 million for the Child Care Tax Credit. The Governor is recommending elimination of the transfer of funds from the General Fund to the Child Care Tax Credit Fund. The funds are used to subsidize childcare providers for care of children of eligible families. The Governor made this same recommendation for FY 2009.

Transfers of Other Funds

FY 2009 – The Governor is recommending the following transfers from other funds to the General Fund:

- \$4.5 million from the Innovations Fund. The Governor is recommending the transfer of \$4.5 million from the Fund balance for FY 2009.
- \$0.8 million from the Local Government Innovations Fund. The purpose of this Fund is to encourage innovation in local governments by providing grants to assist in the implementation of local government innovation and eliminate duplication of services.
- \$5.7 million from the balance of the Underground Storage Tank Fund (UST). The cash balance of the UST Fund, as of December 31, 2008, was \$22.7 million. The UST Program pays for the cleanup of qualified petroleum contaminated sites. The Program expends approximately \$12.0 to \$15.0 million on cleanup and administration each year and is funded by a \$17.0 million annual transfer from the Statutory Allocations Fund through FY 2016. The current estimate of cleanup costs remaining at known eligible sites is \$54.2 million.
- \$37.0 million from the Rebuild Iowa Infrastructure Fund. This transfer reflects funds that will be available if the Governor's recommended deappropriation of funds for a new State office building is approved.

FY 2010 – The Governor is recommending the following transfers from other funds to the General Fund:

- \$6.5 million from the Gamblers Assistance Fund. The Governor is recommending elimination of the Fund. The revenues and program expenditures associated with this Fund would also be transferred to the General Fund.
- \$10.0 million from the Federal Economic Stimulus and Jobs Holding Fund. The Department of Economic Development received appropriations during the Extraordinary Session of 2004 in SF 2311 (Economic Stimulus Act) from the Federal Economic Stimulus and Jobs Holding Fund (ESF). The Governor is recommending the transfer of the \$10.0 million unobligated balances of those appropriations.
- The following funds are being eliminated in FY 2009: The Gambler's Treatment Fund, the Child Care Tax Credit Fund, the Healthy Iowans Tobacco Trust Fund, and the Health Care Trust Fund.

Expenditures from these funds are being transferred to the General Fund. The Governor is recommending the elimination of the Senior Living Trust Fund in FY 2010, with expenditures from this fund transferred to the General Fund.

- \$200.0 million from the Cash Reserve Fund to balance the FY 2010 General Fund budget.

FY 2009 Governor's Recommended Appropriation Adjustments

The Governor is recommending changes to FY 2009 General Fund appropriations that will result in a total appropriation budget of \$6.095 billion. This represents a decrease of \$56.6 million (0.9%). The following table provides a summary of the adjustments to FY 2009:

Summary of FY 2009 Governor Recommendations					
(Dollars in Millions)					
Subcommittee	Est FY 2009	1.5% ATB Reduction	Gov Rec Deapprop	Gov Rec Supplemental	Gov Rec FY 2009
Administration & Regulation	\$ 100.1	\$ -1.5	\$ -1.8	\$ 0.0	\$ 96.8
Agriculture & Natural Resources	47.1	-0.7	-0.8	6.0	51.6
Economic Development	49.6	-0.8	-0.9	0.3	48.2
Education	1,297.8	-19.5	-7.6	0.0	1,270.7
Health & Human Services	1,246.0	-19.1	-4.7	48.0	1,270.2
Justice System	701.1	-8.2	-14.0	9.0	687.9
Unassigned Standings	2,710.2	-39.3	-1.0	0.0	2,669.9
TOTAL	\$ 6,151.9	\$ -89.1	\$ -30.8	\$ 63.3	\$ 6,095.3

- **Estimated FY 2009** – At the close of the 2008 Legislative Session, the General Assembly appropriated \$6.133 billion from the General Fund for FY 2009. Adjustments to standing appropriations have increased the FY 2009 appropriations by \$18.5 million. The adjustments include \$20.5 million approved by the Executive Council for disaster-related expenditures and a reduction of \$2.0 million to State aid to schools as a result of changes in property valuation data used in the school aid calculation.
- **1.5% Across-the-Board Reduction** – On December 22, 2008, the Governor signed Executive Order 10 that implemented a 1.5% across-the-board reduction totaling \$89.1 million to the FY 2009 appropriations.
- **Recommended Deappropriations** – The Governor is recommending selective reductions to FY 2009 appropriations totaling \$30.8 million. The recommended reductions include: \$12.6 million for a hiring freeze and reduced overtime; \$1.5 million reduction in out-of-state travel; \$5.0 million for reduced equipment purchases, service contracts, and office supplies; and \$11.7 million in reductions to the Board of Regents, and the Legislative and Judicial Branches of government. The table on page 16 provides additional detail of the deappropriations by State agency.
- **Supplemental Appropriations** – The Governor is recommending FY 2009 General Fund supplemental appropriations of \$63.3 million. The following table lists the supplemental recommendations by State agency:

Recommended FY 2009 Supplemental Appropriations	
(Dollars in Millions)	
	FY 2009
Human Services-Medical Assistance	\$ 47.0
Natural Resources-Operations	6.0
Public Health-Operations	1.0
Corrections-Operations	5.6
Public Safety-Operations	1.4
Workforce Development-Operations	0.3
Rebuild Iowa Office	2.0
Total Supplemental Appropriations	\$ 63.3

Recommended FY 2009 Deappropriations	
Administration and Regulation	
Department of Administrative Services	\$ -132,002
Auditor of State	-25,754
Ethics and Campaign Disclosure	-11,219
Department of Commerce	-534,014
Governor's Office	-70,307
Governor's Office of Drug Control Policy	-7,471
Department of Human Rights	-73,346
Department of Inspections and Appeals Admin	-337,139
Department of Management	-67,926
Department of Revenue	-550,404
Secretary of State	-73,099
Treasurer of State	-22,245
Total Administration and Regulation	\$ -1,904,926
Agriculture and Natural Resources	
Department of Agriculture and Land Stewardship	\$ -422,334
Department of Natural Resources	-420,289
Total Agriculture and Natural Resources	\$ -842,623
Economic Development	
Department of Cultural Affairs	\$ -109,920
Department of Economic Development	-315,377
Iowa Workforce Development	-410,368
Public Employment Relations Board	-25,617
Total Economic Development	\$ -861,282
Education	
Department of Blind	\$ -51,423
College Aid Commission	-7,956
Department of Education	-584,534
Board of Regents	-7,000,000
Total Education	\$ -7,643,913
Health and Human Services	
Department of Elder Affairs	\$ -110,135
Department of Public Health	-313,244
Department of Human Services	-3,879,424
Department of Veterans Affairs	-326,139
Total Health and Human Services	\$ -4,628,942
Justice Systems	
Department of Inspections and Appeals	\$ -448,115
Attorney General	-264,655
Iowa Civil Rights Commission	-32,258
Department of Corrections	-7,435,754
Judicial Branch	-3,785,890
Iowa Law Enforcement Academy	-26,630
Board of Parole	-26,146
Department of Public Defense	-179,001
Department of Public Safety	-1,805,755
Total Justice Systems	\$ -14,004,204
Standing Appropriations	
Legislative Branch	\$ -956,590
Total Deappropriations	\$ -30,842,480

Summary of the Governor's FY 2010 Budget

The Governor is recommending General Fund appropriations totaling \$6.211 billion, representing an increase of \$147.7 million (2.4%) compared to estimated net FY 2009 appropriations (after the 1.5% across-the-board reduction). The Governor is also recommending additional deappropriations and supplemental appropriations that result in a net increase for FY 2009 of \$32.5 million. Enactment of these changes would result in an FY 2010 increase of \$115.2 million (1.9%) compared to the Governor's revised FY 2009 budget.

The following table provides a summary of the Governor's recommendations for FY 2010 by appropriation subcommittee. The Governor's recommendation includes a proposal for State agency reorganization\efficiencies\possible disposition of assets, which is intended to reduce appropriations by \$20.0 million. However, the Governor's budget did not specifically identify the agencies or appropriations that would be reduced as a result of the proposal. The LSA will provide more detail as it becomes available from the Governor's Office.

A General Fund tracking document is attached to this document in **Appendix A**.

Summary of FY 2010 Governor Recommendations				
(Dollars in Millions)				
Subcommittee	Est Net FY 2009	Gov Rec FY 2010	Gov Rec vs. FY 2009	Percent Change
Administration & Regulation	\$ 98.6	\$ 90.7	\$ -7.9	-8.0%
Agriculture & Natural Resources	46.4	41.6	-4.8	-10.3%
Economic Development	48.8	47.6	-1.2	-2.5%
Education	1,278.3	969.4	-308.9	-24.2%
Health & Human Services	1,226.9	1,490.0	263.1	21.4%
Justice System	692.9	708.5	15.6	2.3%
Unassigned Standings	2,670.9	2,882.7	211.8	7.9%
Total	6,062.8	6,230.5	167.7	2.8%
Reorganization/Efficiencies	0.0	-20.0	-20.0	
TOTAL	\$ 6,062.8	\$ 6,210.5	\$ 147.7	2.4%

Significant Expenditure Increases or Decreases in the Governor's FY 2010 Budget

Of the total \$147.7 million increase in General Fund appropriations for FY 2010, the majority of the increases are for Medicaid, the Property Tax Credit Fund, numerous programs previously funded through the Healthy Iowans Tobacco Trust Fund, and School Aid/Student Achievement/Teacher Quality funding. The following is a list of the Governor's recommended General Fund appropriation increases and decreases of \$1.0 million or more.

Significant General Fund Appropriation Increases	
(Dollar in Millions)	
	FY 2010
DHS - Medical Assistance	\$ 237.8
DOM - Property Tax Credit Fund	62.4
Dept of Public Health - HITT Replacement	37.8
School Aid & Student Ach/Teacher Quality*	35.2
Executive Council - Perf of Duty (disaster exp)	18.3
Judicial Branch **	7.7
DHS - Child Welfare	5.6
DOC - HITT replacement funding	4.5
Victim Assistance Grants	4.0
DHS - MH/DD Growth Factor	3.6
DHS - Adoption Subsidy	3.0
DOC - Food, Fuel, Pharmacy	2.8
DOC - Offender Re-entry Programs	2.5
DOC - Sex Offender Treatment/Monitoring	2.5
DHS - State Children's Health Ins. (hawk-i)	1.7
TOTAL Increases	\$ 429.4
*net increase for School Aid/AEAs	
**as submitted by Supreme Court	

Significant General Fund Appropriation Decreases	
(Dollar in Millions)	
	FY 2010
DHS - State Supplementary Assistance	\$ -1.0
DHS - Eldora Training School	-1.0
DHS - MH/DD Community Services	-1.2
DHS - General Administration	-1.2
Iowa Veterans Home	-1.2
DHS - Child Support Recoveries Total	-1.3
DHS - Woodward Resource Center	-1.3
Community College Salaries	-1.5
ISU Coop Extension	-1.5
Office of Energy Iowa Power Fund	-1.6
Dept of Ag/Land Stewardship - Admin	-1.6
DNR - Operations	-1.7
DOC - General Reduction	-2.0
Revenue - Livestock Producers Credit	-2.0
Revenue - General Reductions	-2.3
ISU Ag Experiment Station	-2.3
College Aid - Tuition Grant	-3.3
Community Empowerment	-3.4
Inspections & Appeals - Indigent Defense	-4.1
DHS - Field Operations	-4.4
DHS - Mental Health Property Tax Relief	-6.2
Regents - UNI	-6.2
DHS - Family Investment Program/JOBS	-7.0
Community College General Aid	-10.3
Regents - ISU	-13.8
Regents - SUI	-17.5
Govt. Efficiencies/Reorganization	-20.0
Health Care Trust Fund (exp. moved to General Fund)	-125.7
Net Other Increases/Decreases	-35.1
TOTAL Decreases	\$ -281.7
Total General Fund Increase	\$ 147.7

Governor's Recommendations – Reserve Funds and Senior Living Trust Fund Repayment

The following table shows estimates based on the Governor's budget for the State's reserve funds as well as the repayment amounts to the Senior Living Trust Fund (SLTF). The Governor makes the following recommendations relative to the reserve funds:

- A \$56.0 million appropriation from the Economic Emergency Fund for disaster-related expenditures in FY 2009.
- A transfer of \$200.0 million from the Cash Reserve Fund in FY 2010.

Under the Governor's recommendation the combined reserve fund balance for FY 2010 is reduced to \$381.9 million. This is \$245.4 million below the statutory maximum balance of \$627.3 million. Under the Governor's recommendation, at the end of FY 2010, \$251.8 million of the required \$300.0 million will have been repaid to the SLTF.

State of Iowa Reserve Funds			
(Dollars in Millions)			
	Actual FY 2008	Estimated FY 2009	Gov Rec FY 2010
Senior Living Trust Fund (SLTF) Requirement			
Balance Brought Forward	\$ 110.7	\$ 183.1	\$ 251.8
Revenues:			
Gen. Fund Appropriation from Surplus	53.5	48.3	0.0
Economic Emergency Fund Excess	18.9	20.4	0.0
Cumulative Repayment Balance	<u>\$ 183.1</u>	<u>\$ 251.8</u>	<u>\$ 251.8</u>
<i>Maximum \$300.0 million</i>			
	Actual FY 2008	Estimated FY 2009	Gov Rec FY 2010
Cash Reserve Fund (CRF)			
Balance Brought Forward	\$ 401.3	\$ 444.3	\$ 465.2
Revenues:			
Gen. Fund Appropriation from Surplus	76.2	48.3	17.6
Total Funds Available	<u>477.5</u>	<u>492.6</u>	<u>482.8</u>
Transfer to General Fund			-200.0
Excess Transferred to EEF	- 33.2	- 27.4	
Balance Carried Forward	<u>\$ 444.3</u>	<u>\$ 465.2</u>	<u>\$ 282.8</u>
<i>Maximum 7.5%</i>	\$ 444.3	\$ 465.2	\$ 470.5
	Actual FY 2008	Estimated FY 2009	Gov Rec FY 2010
Economic Emergency Fund (EEF)			
Balance Brought Forward	\$ 133.8	\$ 148.1	\$ 99.1
Estimated Revenues:			
Excess from Cash Reserve	33.2	27.4	0.0
Total Funds Available	<u>167.0</u>	<u>175.5</u>	<u>99.1</u>
Excess Transferred to SLTF	-18.9	-20.4	
Rebuild Iowa Appropriation		-56.0	
Balance Carried Forward	<u>\$ 148.1</u>	<u>\$ 99.1</u>	<u>\$ 99.1</u>
<i>Maximum 2.5%</i>	\$ 148.1	\$ 155.1	\$ 156.8

Potential FY 2010 Budget Issues Identified by the LSA

Federal Economic Stimulus Plan – The Governor's budget does not include funding from the proposed Federal Economic Stimulus Act. The House in the U.S. Congress has passed an \$825.0 billion economic stimulus plan. The current plan combines \$550.0 billion in spending proposals and \$275.0 billion in targeted tax reductions. The most recent estimate of state allocations lists Iowa as receiving \$2.2 billion over a two-year time period. Much of the funding will include maintenance of effort requirements and may include other program matching requirements. Final passage and enactment of the plan is expected in mid-February.

According to the most recent information from Federal Funds Information for the States (FFIS), the estimated allocation of the \$1.9 billion to Iowa would be distributed as follows:

Federal Economic Stimulus Funds Estimated Allocations to Iowa	
Fiscal Stabilization	\$ 622.3
Title I	68.9
Special Education	139.2
Education Technology	5.3
K-12 Construction	74.2
Child Care	18.2
Community Services Block Grant	11.0
Highways	353.1
Clean Water	82.2
Drinking Water	24.9
Weatherization	116.2
State Energy Program	48.5
Medical FMAP Hold Harmless*	0.0
Medicaid 4.9% FMAP*	300.7
Total	<u>\$ 1,864.7</u>
*2 yr totals	
Source: FFIS 1/21/2009	

These estimated allocations are likely to change prior to final enactment of the Stimulus Plan. The Fiscal Services Division of the LSA is monitoring the federal action as closely as possible, since decisions on the federal level will most likely impact FY 2010 state budget decisions. Using a variety of resources, including participation in weekly conference calls with representatives of NCSL, the Fiscal Services Division will post relative documents and summaries of the legislation, including brief summaries of the conference calls, on our website under the heading **Federal Economic Stimulus Package**: <http://staffweb.legis.state.ia.us/lfb/>.

The Federal Economic Stimulus Plan fund allocation could impact FY 2010 budget decisions significantly. Also, a continued decline in State revenues could result in a lower REC revenue estimate this spring. If the REC estimate is lower, the Governor is required by statute to revise his budget. If this would occur, further budget reductions or revenue adjustments in FY 2010 may be necessary.

State Aid for School Districts and AEAs – For FY 2010, the Governor is recommending maintaining the 4.0% allowable growth rate set last session. However, his plan is to cap the standing unlimited appropriation at approximately \$2.531 billion. This is done by funding regular school aid at a 2.0% allowable growth level and applying an additional reduction of \$33.4 million (approximately equivalent to the FY 2009 1.5% ATB reduction). School districts will maintain the spending authority (\$85.9 million).

Overview of the Governor's Budget

The Governor keeps the AEA state aid reduction at \$10.0 million. This is \$2.5 million more than current law estimates for FY 2010. The Governor fully funds the State categorical supplements that have been added to the school aid formula for FY 2010. This is \$4.2 million above the FY 2009 adjusted amounts.

Medicaid – The Governor is recommending a decrease for Medicaid of \$22.9 million for FY 2010 compared to the FY 2009 net appropriation. This includes a recommended supplemental appropriation of \$47.0 million. Additionally, the recommendation is \$59.8 million below the estimated midpoint agreed upon by the Department of Human Services, Department of Management, and Legislative Services Agency. The unfunded need is due to the 6.5% reduction and no new funding for nursing facility and hospital rebasing. The Governor's funding recommendation is compared to net FY 2009 in the following table:

	Net FY 2009	FY 2010 Department Request	FY 2010 Gov's Recomm.	Difference: FY 09 vs. Gov's Rec
General Fund	\$ 648,060,330	\$ 729,751,864	\$ 885,673,988	\$ 237,613,658
Supplemental Approp	47,000,000	-	-	-
HCTF	114,351,496	114,943,296	0	-114,351,496
SLTF	111,753,195	111,753,195	16,784,483	-94,968,712
Carryforward	3,195,318	0	0	-3,195,318
Property Tax Relief	7,125,000	6,600,000	6,078,435	-7,125,000
Total	<u>\$ 931,485,339</u>	<u>\$ 963,048,355</u>	<u>\$ 908,536,906</u>	<u>\$ -22,948,433</u>
Total Estimated Need*	<u>\$ 931,485,339</u>	N/A	<u>\$ 968,385,339</u>	
Additional Need	\$ 0	N/A	\$ -59,848,433	

* The total estimated need is the midpoint of the Medicaid forecasting work group projections.

Health Care Trust Fund – The Governor recommends retaining the \$127.6 million from the FY 2008 increase in the cigarette and tobacco tax in the General Fund, rather than transferring the money to the Health Care Trust Fund. The Governor recommends General Fund appropriations in approximately the same amount appropriated for the programs funded in FY 2009 from the Health Care Trust Fund.

Property Tax Credits for FY 2010 – For the past several years the standing appropriations for the Homestead Property Tax Credit, Agricultural Land and Family Farm Tax Credit, Military Service Tax Credit, and the Elderly and Disabled Tax Credit and Reimbursement have been capped at \$159.9 million. For FY 2010, the Governor is recommending the Property Tax Credit Fund be funded by an appropriation of \$106.1 million from the General Fund and a \$3.8 million balance carry forward for a total of \$110.0 million. The Governor's reduction of \$49.9 million is achieved by reducing the Homestead Property Tax Credit. The recommendation funds the property tax credits as follows:

- \$49.3 million for the Homestead Property Tax Credit. This is a decrease of \$49.9 million compared to the FY 2009 appropriation. The Department of Revenue's projected FY 2010 demand for Homestead Property Tax Credit claims is \$139.1 million. This is \$89.2 million more than the recommended amount.

- \$34.6 million for the Agricultural Land and Family Farm Tax Credit. This is no change compared to the FY 2009 appropriation. The statutory funding for the Agricultural Land and Family Farm Tax Credit is \$39.1 million. This is \$4.5 million more than the amount being recommended.
- \$2.8 million for the Military Service Tax Credit. This is no change compared to the FY 2009 appropriation. This amount exceeds the projected FY 2010 demand of \$2.4 million by \$400,000.
- \$23.2 million for the Elderly and Disabled Tax Credit and Reimbursement. This is no change compared to the FY 2009 appropriation. This amount exceeds the projected FY 2010 demand of \$22.2 million by \$1.0 million.

Senior Living Trust Fund – The Governor recommends appropriating all available proceeds from the Senior Living Trust Fund in FY 2010. The appropriations include:

- \$16.8 million for Medicaid.
- \$8.4 million to the Department of Elder Affairs.
- \$1.3 million for Assisted Living/Adult Day Care Oversight.
- \$0.7 million to the Iowa Finance Authority for the Rent Subsidy Program.

6.5% General Reduction – This reduction is not an "across-the-board" reduction as suggested in the Governor's Budget-in-Brief. Budget items or programs that were not reduced include:

- Corrections - prison guard funding.
- Education - teacher quality and preschool education.
- Glenwood Resource Center - federal requirements.
- State FEMA match for federal disaster aid relief.
- Human Services - appropriations for Medicaid, Hawk-I, and Child and Family Services.
- Public Safety appropriations.
- Workforce Development - services for the unemployed.

Reorganization/Efficiencies – The Governor's recommendation includes a proposal for State agency reorganization/efficiencies. This is intended to reduce appropriations by \$20.0 million. The Governor's budget did not specifically identify the agencies or appropriations that would be reduced as a result of the proposal. This may include the sale of assets such as the Prison Farms. The LSA will provide more detail as it becomes available from the Governor's Office.

Livestock Producer's Tax Credit – This tax credit, funded at \$2.0 million in FY 2009, is eliminated in the Governor's proposal.

Collective Bargaining – The Governor does not include a recommendation to fund collective bargaining in FY 2010. In FY 2009, the General Assembly appropriated \$92.9 million for salary increases. The State is currently in negotiations with unions. The AFSCME union has asked for a 5.0% salary increase, and the State responded with an offer of 0.0%. It is estimated that a 1.0% across-the-board-adjustment will increase the cost for all funds by \$32.2 million, including \$17.4 million from the General Fund. The bargaining process should be finalized by mid-March.

Infrastructure Funds – The Governor is recommending the deappropriation of \$37.0 million from Endowment for Iowa's Health Restricted Capitals Fund (RC2) for a new state office building. Under the Governor's budget, \$37.0 million in Rebuild Iowa Infrastructure Fund (RIIF) projects are moved to the

RC2 Fund. The Governor recommends the transfer of \$37.0 million from RIIF to the General Fund. Additional detail regarding infrastructure funds is included in the Transportation, Infrastructure, and Capitals Appropriations Subcommittee section of this document.

The "Spending Gap"

Prior to the Governor's budget recommendation and 1.5% across-the-board reduction, the General Assembly was facing an \$87.0 million "spending gap" in FY 2009 and a \$759.4 million gap in FY 2010.

Calculation of the "Spending Gap"

Iowa law imposes an expenditure limitation of 99.0% on the adjusted revenue estimate. This results in an estimated expenditure limit of \$5.966 billion for FY 2010. The Governor and General Assembly are statutorily required to submit a budget that does not exceed the expenditure limitation. The Governor and General Assembly can change the expenditure limit by proposing changes to taxes and other revenues; however, all new revenues have a 95.0% expenditure limit applied to the estimated change.

For budget planning purposes, the Fiscal Services Division (FSD) uses the FY 2009 appropriation level of \$6.133 billion as the baseline number for FY 2010. The FSD then estimates the increases over the FY 2009 level to account for the automatic increases established by statute and the anticipated expenditures that will be experienced by State agencies. These incremental changes are referred to as built-in and anticipated expenditures. A detailed listing of the built-in and anticipated appropriation changes can be found in **Appendix B**. The current estimate for the FY 2010 built-in and anticipated expenditures is \$591.9 million. When added to the baseline appropriation of \$6.133 billion, the estimated appropriations for FY 2010 total \$6.725 billion. This is \$759.4 million more than the estimated expenditure limitation (also referred to as the "spending gap").

(Note: The FY 2010 gap number was revised downward after an adjustment to the built-in expenditures; the school aid number changed due to enrollment counts. Projected revenue increases were not enough to offset the projected growth in appropriations. The "spending gap" was exacerbated by declining revenues and increased expenditures due to severe storm damage in the spring and summer of 2008. Calculation of the gap assumes that the built-in expenditures and anticipated increases are fully funded. The spending gap is not intended to be a prediction of an FY 2010 deficit; instead, it is intended to assist lawmakers in measuring the effects of proposed changes to spending and revenue.

State of Iowa				
Estimated Condition of the General Fund				
(Dollars in Millions)				
	LSA Estimated FY 2009	Gov. Rec. FY 2009	LSA Est Prior Gov Rec FY 2010	Gov Rec FY 2010
Funds Available:				
Receipts and Transfers	\$ 7,180.2	\$ 7,180.2	\$ 7,240.2	\$ 7,240.2
Tax Refunds	- 755.0	- 755.0	- 821.0	- 821.0
School Infras. Refunds (Accrual)	- 388.1	- 388.1	- 412.0	- 412.0
Accruals	14.9	14.9	18.6	18.6
Governor Revenue Adjustments		66.0		247.9
Total Funds Available	<u>6,052.0</u>	<u>6,118.0</u>	<u>6,025.8</u>	<u>6,273.7</u>
Expenditure Limitation			5,965.5	6,211.0
Estimated Appropriations and Expenditures:				
Appropriations	6,133.0	6,130.9	6,133.0	6,230.5
Estimated Built-in And Anticipated Expenditures			591.9	0.0
Standing Appropriation Adjustments	18.5	21.0		
Supplemental Appropriations		63.3		
1.5% Across-the-Board Reduction		- 89.1		
Deappropriations		- 30.8		
Savings from Reorganization, efficiency				- 20.0
Total Appropriations	<u>6,151.5</u>	<u>6,095.3</u>	<u>6,724.9</u>	<u>6,210.5</u>
Adjustment to meet Expenditure Limitation (Spending Gap)	- 87.0		- 759.4	
Reversions	- 12.5	- 12.5	- 12.5	- 12.5
Net Appropriations	<u>6,052.0</u>	<u>6,082.8</u>	<u>5,953.0</u>	<u>6,198.0</u>
Ending Balance - Surplus	<u>\$ 0.0</u>	<u>\$ 35.2</u>	<u>\$ 72.8</u>	<u>\$ 75.7</u>
Appropriations/Transfers to Other Funds				
Property Tax Credit Fund	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Senior Living Trust Fund	0.0	17.6	36.4	37.9
Cash Reserve Fund	0.0	17.6	36.4	37.9
Total	<u>\$ 0.0</u>	<u>\$ 35.2</u>	<u>\$ 72.8</u>	<u>\$ 75.7</u>

Numbers may not equal totals due to rounding.

The Governor eliminates the FY 2010 gap by making further budget reductions in FY 2009, thereby reducing the base; transferring \$200.0 million from the Cash Reserve Fund to the General Fund; general budget reductions of 6.5% or more to many programs; transferring fund balances in the amount of \$16.5 million to the General Fund; "capping" selected tax credits; underfunding the Medicaid need; reducing funding for property tax credits; eliminating the Livestock Producer's Credit; and proposing savings of \$20.0 million for government reorganization and efficiencies. This list is not all inclusive. The Governor also moves appropriations that were previously funded from non-General Fund sources to the General Fund.

Spending Gaps in Other States

FY 2009 - According to information released January 29, 2009, by the National Conference of State Legislatures (NCSL), thirty-nine states are reporting spending or "budget gaps" ranging from 1.2% of the General Fund budget or \$426.0 million in Minnesota to 15.7% of the General Fund budget, or \$1.584 billion in Arizona. Dollar amounts range from \$52.2 million (3.1% of the GF budget) in Delaware to \$14.8 billion (14.1% of the GF budget) in California. Eight states are reporting no spending or budget gaps for FY 2009. Three states, including Iowa, resolved FY 2009 budget gaps through across-the-board reductions or other reductions.

The size of the budget gaps for FY 2009 reported has increased from a total of \$31.8 billion in November 2008 to \$46.6 billion in January 2009.

The following table shows the anticipated FY 2009 budget gaps of eight states surrounding Iowa.

FY 2009 Spending or "Budget Gaps" States Surrounding Iowa January 2009			
State	Estimate (in millions)	Percent of General Fund Budget	Comment
Illinois	\$2,800.0	9.9%	
Iowa	N/A	N/A	The Governor has taken action to close the FY 2009 gap and has recommended \$40.0 million in selected cuts that will have to be approved by the General Assembly. Iowa has also implemented a 1.5% across-the-board cut which is supposed to result in another \$90.7 million in cuts.
Kansas	\$185.8	2.9%	
Minnesota	\$426.0	1.2%	Minnesota does not have any changes in the forecast since the last November report. However, revenues for November and December are \$131.1 million below forecast.
Missouri	\$541.6	6.5%	
Nebraska	\$5.3	0.2%	Officially, no change; the next revenue forecast revision will not be made until February. However, it has become obvious from internal forecasts, year-to-date tracking of revenue through December, and significant downgrades to the economic outlook that the budget gaps in both years will get worse. The FY 2010 gap remains a planning estimate based on an ongoing current service budget. The budget for FY 2010 will not be enacted until near completion of the 2009 legislative session.
North Dakota	N/A	N/A	
South Dakota	\$52.2	4.4%	The latest estimate is based off of the governor's numbers as of Jan. 22, 2009. The legislature will release its own estimate in late February or early March.
Wisconsin	\$528.0	3.8%	
Source: LSA analysis of NCSL survey of state legislative fiscal offices, November 2008 and January 2009.			

FY 2010 - According to the same information released by NCSL on January 29, 2009, thirty-three states are reporting spending or budget gaps ranging from 4.4% of the General Fund budget or \$309.0 million in Oklahoma to 37.6% of the General Fund budget or \$1.067 billion in Nevada. Dollar amounts range from \$81.6 million (6.7% of the GF budget) in South Dakota to \$24.8 billion (22.3% of the GF budget) in California. Twelve states are reporting no spending or budget gaps for FY 2010. Five states report that it has not yet been determined if a FY 2010 budget gap exists.

Compared to those states reporting budget gaps, there were 20 states reporting a higher dollar gap than Iowa and 17 states reporting a gap representing a higher percentage of the General Fund budget than Iowa. Iowa ranks below the average compared to the other states reporting gaps.

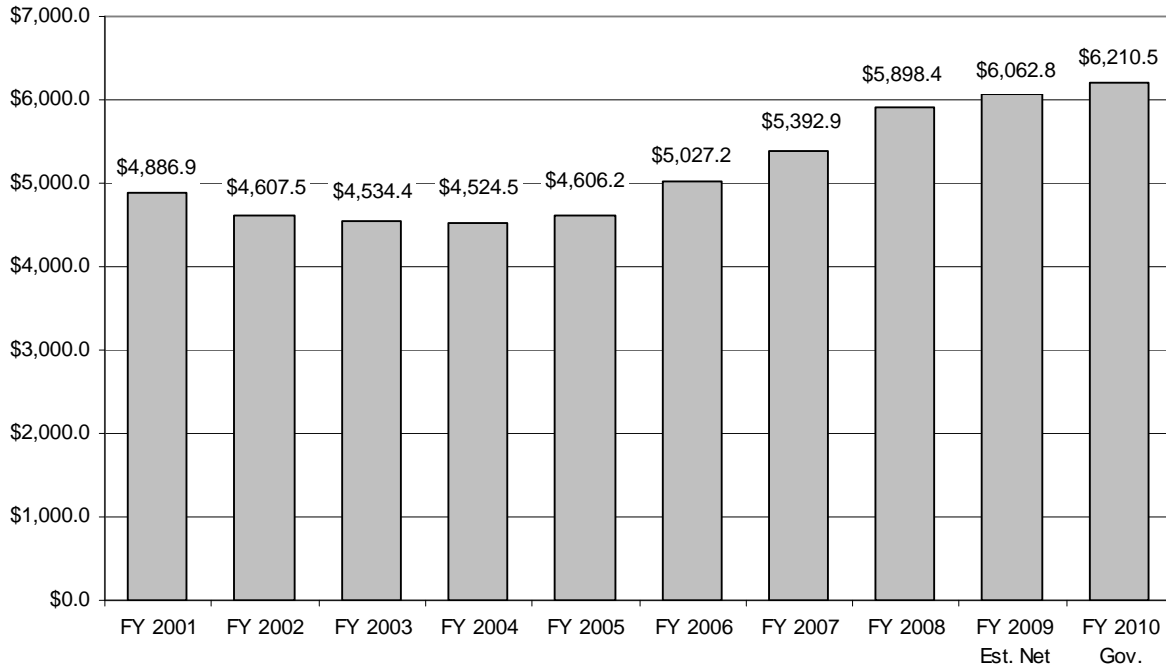
The size of the budget gaps reported for FY 2010 has increased from a total of \$64.7 billion in November 2008 to \$82.2 billion in January 2009. NCSL plans to repeat the survey in February or March 2009.

The following table shows the anticipated FY 2010 budget gaps of eight states surrounding Iowa.

FY 2010 Spending or "Budget Gaps"			
States Surrounding Iowa			
January 2009			
State	Estimate (in millions)	Percent of General Fund Budget	Comment
Illinois	N/A	N/A	Illinois reports that any official FY 2010 information will not be available until mid-March.
Iowa	\$762.0	11.3%	The Governor has taken action to close the FY 2010 gap. The Legislature must now act on the budget.
Kansas	\$1,110.2	17.0%	
Minnesota	\$2,600.0	14.7%	The Governor will present budget recommendations for FY 2010 and FY 2011 on January 27, 2009.
Missouri	N/A	N/A	
Nebraska	\$274.2	7.3%	Officially, no change; the next revenue forecast revision will not be made until February. However, it has become obvious from internal forecasts, year-to-date tracking of revenue through December, and significant downgrades to the economic outlook that the budget gaps in both years will get worse. The FY 2010 gap remains a planning estimate based on an ongoing current service budget. The budget for FY 2010 will not be enacted until near completion of the 2009 legislative session.
North Dakota	N/A	N/A	
South Dakota	\$81.6	6.7%	The latest estimate is based off of the governor's numbers as of Jan. 22, 2009. The legislature will release its own estimate in late February or early March.
Wisconsin	\$2,500.0	17.2%	
Source: LSA analysis of NCSL survey of state legislative fiscal offices, November 2008 and January 2009.			

Historical Trends – General Fund Revenues and Appropriations

State General Fund Appropriations (in millions)



Appendix A of this document contains the FY 2009 and FY 2010 General Fund Tracking Document reflecting the Governor's recommendations. **Appendix F** contains balance sheet for the following non-General funds:

- Rebuild Iowa Infrastructure Fund (RIIF)
- Environment First Fund (EFF)
- Vertical Infrastructure Fund (VIF)
- Tobacco Settlement Fund – Restricted Capital Fund (RCF)
- Endowment for Iowa's Health – Restricted Capitals Fund (RC2)
- FY 2009 Tax-Exempt Restricted Capital Fund (RC3)
- Technology Reinvestment Fund
- Prison Bonding Fund
- Property Tax Credit Fund (PTCF)
- Health Care Trust Fund (HCTF)
- Rebuild Iowa Infrastructure Bond Proceeds (RIIB)
- Senior Living Trust Fund

COMPARISON OF ALL APPROPRIATED FUNDS

The Governor is recommending a total of \$7.128 billion in appropriations from all State funding sources. This represents a decrease of \$478.9 million (6.3%) compared to estimated net FY 2009. The following table summarizes the appropriations by funding source. Because there are appropriations and transfers between funds, adjustments were made to the General Fund and Rebuild Iowa Infrastructure Fund to eliminate double counting. The significant changes are discussed below:

- In FY 2009, the General Assembly created the FY 2009 Restricted Capital Fund (RC3) and appropriated a total of \$182.9 million for infrastructure projects. The appropriations were predicated on the issuance of tobacco bonds; however, due to the financial crisis the bonds were not sold. The 2009 General Assembly will need to address the Fund's projects as the monies are still appropriated under current law.
- The Governor is recommending a reduction of \$49.9 million in appropriations from the Property Tax Credit Fund for property tax credits. The reduction is being applied to the Homestead Tax Credit. Under the Governor's recommendation, the Property Tax Credit Fund will be funded entirely from a \$110.0 million General Fund appropriation.
- In FY 2009, the General Assembly created the Prison Bond Fund and authorized the issuance of \$130.7 million in bonds for the construction of a new State penitentiary. The bonds will be backed by judicial fine revenue and the Treasurer's Office expects to issue the bonds in the spring of 2009.
- The Governor is recommending elimination of the Health Care Trust Fund (HCTF) that is currently funded entirely from a General Fund standing appropriation. The HCTF has been used to fund Medicaid, hawk-i, Mental Health growth, and other programs that have historically been funded from the General Fund. Many of the Governor's General Fund appropriation increases are the result of appropriating General Fund dollars directly to these programs.
- The Governor is recommending eliminating the Senior Living Trust Fund (SLTF) after FY 2010. Under the Governor's budget, appropriations from the SLTF are \$95.0 million less than was appropriated in FY 2009. Similar to the HCTF, the SLTF has been used to fund programs historically funded from the General Fund, including Medicaid, assisted living and adult day care oversight, and the Department of Elder Affairs. Under the Governor's budget, the Department of Elder Affairs, assisted living and adult day care oversight, and the Rent Subsidy Program would be funded entirely from the SLTF in FY 2010. The SLTF Medicaid appropriation would be reduced by \$95.0 million (from \$111.8 million in FY 2009 to \$16.8 million in FY 2010). The Governor's recommended General Fund appropriation is increased to make up the SLTF reduction.
- Due to the sunset of the Healthy Iowans Tobacco Trust (HITT) Fund at the end of FY 2009, the Governor shifts the funding for approximately \$36.0 million in health-related programs to the General Fund in FY 2010. The HITT Fund was a time-limited source of revenue that will not be available after FY 2009.
- The Governor is recommending the transfer of the Gambler's Treatment Fund to the General Fund for FYY 2010. This represents approximately \$7.3 million in revenue.

Comparison of All Appropriated Funds

Comparison of All Appropriated Funds					
(Dollars in Millions)					
Funding Sources	Actual FY 2008	Est. FY 2009	Gov. Rec. FY 2010	Gov. Rec. vs. FY 2009	Percent Change
GENERAL FUND					
Total General Fund Appropriations	\$ 5,898.4	\$ 6,062.8	\$ 6,210.5	\$ 147.7	2.4%
<i>General Fund Appropriations to Other Funds*</i>					
Mental Health Property Tax Relief Fund	-6.6	-6.6	-6.1	0.5	
Technology Reinvestment Fund	-17.5	0.0	0.0	0.0	
Grow Iowa Values Fund	-50.0	0.0	0.0	0.0	
Health Care Trust Fund	-127.6	-127.6	0.0	127.6	
Property Tax Credit Fund	-41.9	-44.4	-106.7	-62.3	
Total GF Appropriations to Other Funds	<u>-243.6</u>	<u>-178.6</u>	<u>-112.8</u>	<u>65.8</u>	
Net General Fund Appropriations	<u>\$ 5,654.8</u>	<u>\$ 5,884.2</u>	<u>\$ 6,097.7</u>	<u>\$ 213.5</u>	3.6%
APPROPRIATIONS FROM NON-GENERAL FUND STATE SOURCES					
Rebuild Iowa Infrastructure Fund	\$ 262.0	\$ 252.6	\$ 194.8	\$ -57.8	-22.9%
RIIF Appropriations to Other Funds	-90.0	-109.5	-104.0	5.5	
Net RIIF Appropriations	<u>\$ 172.0</u>	<u>\$ 143.1</u>	<u>\$ 90.8</u>	<u>\$ -52.3</u>	<u>-36.5%</u>
Primary Road Fund	\$ 291.6	\$ 288.7	\$ 302.4	\$ 13.7	4.7%
FY 2009 Restricted Capital Fund (RC3)	0.0	182.8	0.0	-182.8	-100.0%
Property Tax Credit Fund	159.9	159.9	110.0	-49.9	-31.2%
Temporary Assistance for Needy Families (TANF)	143.6	142.7	142.7	0.0	0.0%
Prison Bond Fund	0.0	130.7	0.0	-130.7	-100.0%
Health Care Trust Fund	127.6	129.7	0.0	-129.7	-100.0%
Senior Living Trust Fund	75.3	122.3	27.3	-95.0	-77.7%
Iowa Care Account	118.8	112.3	114.3	2.0	1.8%
Grow Iowa Values Fund	50.0	50.7	47.5	-3.2	-6.3%
Road Use Tax Fund	50.0	51.9	51.4	-0.5	-1.0%
Environment First Fund	40.0	42.0	42.0	0.0	0.0%
Fish and Game Fund	37.6	38.8	38.8	0.0	0.0%
Healthy Iowans Tobacco Trust (HITT) Fund	70.2	36.4	0.0	-36.4	-100.0%
Technology Reinvestment Fund	17.5	17.5	14.7	-2.8	-16.0%
IPERS Fund	17.3	17.8	18.0	0.2	1.1%
Gamblers Treatment Fund	7.5	7.3	0.0	-7.3	-100.0%
Mental Health Property Tax Relief Fund	6.6	7.2	6.1	-1.1	-15.3%
Unemployment Comp. Reserve Fund (Interest)	5.8	6.5	6.5	0.0	0.0%
Health Care Transformation Account	6.8	5.1	4.2	-0.9	-17.6%
Restricted Capitals Fund (RC2)	1.4	5.1	0.0	-5.1	-100.0%
Workforce Development Withholding Fund	4.0	4.0	4.0	0.0	0.0%
Groundwater Protection Fund	3.5	3.5	3.5	0.0	0.0%
Restricted Capital Fund (RCF)	0.0	3.3	0.0	-3.3	-100.0%
Federal Economic Stimulus & Jobs Holding Fund	0.0	3.1	0.0	-3.1	-100.0%
Endowment for Iowa's Health Account	5.0	0.0	0.0	0.0	
Vertical Infrastructure Fund	41.6	0.0	0.0	0.0	
Other Funds	13.3	10.7	6.5	-4.2	-39.3%
Total Non-General Fund	<u>1,466.9</u>	<u>1,723.1</u>	<u>1,030.7</u>	<u>-692.4</u>	<u>-40.2%</u>
SUBTOTAL OF ALL STATE FUNDS	<u>\$ 7,121.7</u>	<u>\$ 7,607.3</u>	<u>\$ 7,128.4</u>	<u>\$ -478.9</u>	<u>-6.3%</u>

* Appropriations between funding sources are adjusted to avoid double counting.

GENERAL FUND REVENUE

REVENUE ESTIMATING CONFERENCE

State General Fund revenues are estimated by a three-member Revenue Estimating Conference (REC) that meets quarterly. The REC was created by statute in 1987 during government reorganization. Current members are:

- Holly Lyons, Fiscal Services Division Director, LSA
- Charles Krogmeier, Director, Department of Management
- David Underwood, Door Group, Inc (retired CFO).

The December estimate must be used by the Governor in the preparation of the budget message and by the General Assembly in the budget process. If the REC reduces the December estimate at a later meeting held before the end of the Legislative Session (usually held in March or April), the Governor must adjust the budget recommendations to account for the reduction in revenue. In addition, the General Assembly is also required to use the lower estimate for establishing next year's budget.

If the REC increases the estimate above the December figure, the Governor and General Assembly are required to use the lower estimate established in December. This provision was notwithstanding for three of the last four fiscal years: FY 2006, 2007, and 2009, but not for FY 2008.

2005 Session: Used April 2005 REC for FY 2006 budget. Added \$85.0M (\$84.2M after expenditure limit)

2006 Session: Used March 2006 REC for FY 2007 budget. Added \$46.2M (\$45.7M after expenditure limit)

2007 Session: Used December REC for the FY 2008 budget.

2008 Session: Used April REC for the FY 2009 budget. Added \$49.1M (\$48.6M after expenditure limit)

On December 12, 2008, the REC estimated FY 2010 total State General Fund revenues, prior to transfers, accruals, and refunds, at \$5,969.8 billion. This reflects revenue growth of -0.4% compared to the December REC estimate for FY 2009.

Including transfers, accruals, and adjusting for tax refunds, the December REC estimated General Fund FY 2010 revenues at \$6.026 billion, \$26.2 million (-0.4%) below the estimated FY 2009 level.

FY 2009 AND FY 2010 REC GENERAL FUND REVENUE PROJECTIONS
(Dollars in Millions)

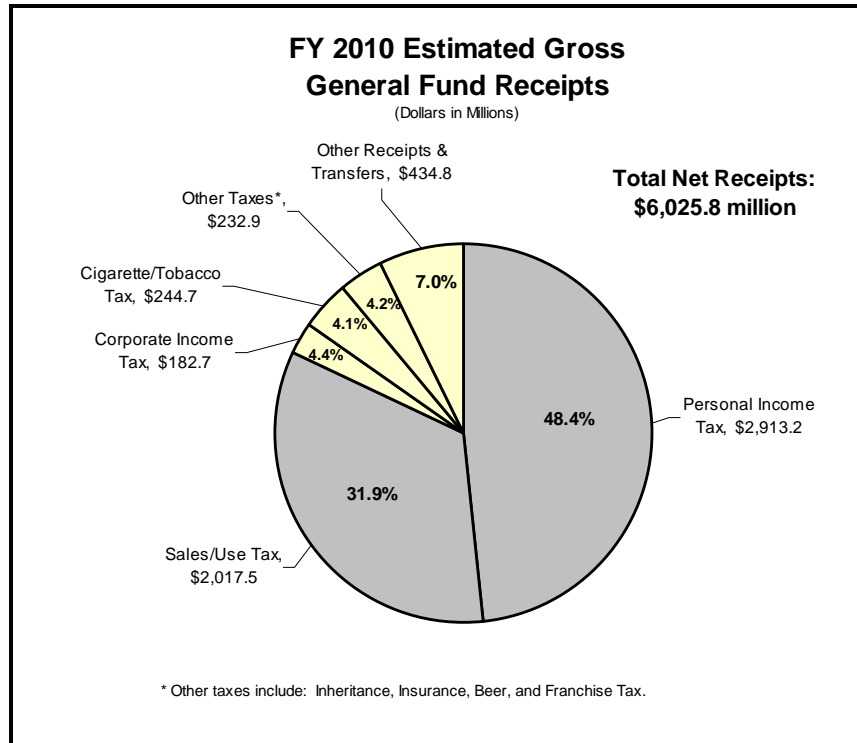
	% Change FY 08 vs. FY 07		REC FY 09	% Change FY 09 Est. vs. FY 08	REC FY 10	% Change FY 10 Est. vs. FY 09
	FY 08 Actual	FY 07 Actual	Estimate 12-Dec-08	Actual	Estimate 12-Dec-08	Estimate
Tax Receipts						
Personal Income Tax	\$3,359.7	8.9%	\$3,424.4	1.9%	\$3,485.2	1.8%
Sales/Use Tax	2,000.2	4.7%	2,418.8	20.9%	2,467.5	2.0%
School Infrastructure *			358.6		411.2	
Corporate Income Tax	483.8	13.9%	407.1	-15.9%	366.7	-9.9%
Inheritance Tax	78.4	3.2%	83.9	7.0%	83.9	0.0%
Insurance Premium Tax	111.7	6.2%	115.6	3.5%	115.6	0.0%
Cigarette Tax	229.5	88.1%	224.0	-2.4%	221.8	-1.0%
Tobacco Tax	21.2	75.2%	21.8	2.8%	23.0	5.5%
Beer Tax	14.5	1.4%	14.5	0.0%	14.6	0.7%
Franchise Tax	37.6	12.9%	32.2	-14.4%	29.3	-9.0%
Miscellaneous Tax	1.0	0.0%	1.0	0.0%	1.0	0.0%
Total Tax Receipts	\$6,337.6	9.6%	\$6,743.3	6.4%	\$6,808.6	1.0%
Other Receipts						
Institutional Payments	\$14.9	15.5%	\$13.5	-9.4%	\$13.5	0.0%
Liquor Profits	72.4	11.7%	81.6	12.7%	74.6	-8.6%
Interest	25.3	-11.8%	16.5	-34.8%	15.9	-3.6%
Fees	82.1	-3.1%	71.3	-13.2%	74.6	4.6%
Judicial Revenue	90.0	34.5%	95.0	5.6%	99.0	4.2%
Miscellaneous Receipts	36.1	1.1%	38.3	6.1%	38.0	-0.8%
Racing and Gaming	60.0	0.0%	60.0	0.0%	60.0	0.0%
Total Other Receipts	\$380.8	7.7%	\$376.2	-1.2%	\$375.6	-0.2%
Gross Tax & Other Receipts	\$6,718.4	9.5%	\$7,119.5	6.0%	\$7,184.2	0.9%
Accruals (Net)	\$-24.0		\$14.9		\$18.6	
Refund (Accrual Basis)	\$-674.8	12.9%	\$-755.0	11.9%	\$-821.0	8.7%
School Infr. Refunds (Accrual)			\$-388.1		\$-412.0	
Total Net Receipts	\$6,019.6	7.9%	\$5,991.3	-0.5%	\$5,969.8	-0.4%
Transfers (Accrual Basis) **						
Lottery	\$55.3	-6.7%	\$53.0	-4.2%	\$54.0	1.9%
Other Transfers	9.6	3.2%	7.7	-19.8%	2.0	-74.0%
Net Receipts Plus Transfers	\$6,084.5	7.8%	\$6,052.0	-0.5%	\$6,025.8	-0.4%
Estimated Gambling Revenues Deposited To Other Funds	\$220.7	5.7%	\$221.4	0.3%	\$222.0	0.3%

* Included in the Sales/Use Tax number above.

** Transfers estimated on an accrual basis starting FY 2009, October 2009 Estimate

Note: The Revenue Estimating Conference estimated FY 2009 and FY 2010 General Fund revenues on December 12, 2008. The individual revenue items are projected on a July 1 to June 30 gross cash year basis and do not reflect accrued revenues. The revenue total is adjusted for accruals by the Accrued Revenue (net) line at the bottom of the table. Tax refunds are reported on a fiscal year basis.

The following pie chart illustrates the breakdown of estimated FY 2010 General Fund receipts by category.



Staff Contact: Jeff Robinson (1-4614) (jeff.robinson@legis.state.ia.us)

ECONOMIC OUTLOOK

National Economy

National Recession – On December 1, 2008, the Economic Cycle Dating Committee of the National Bureau of Economic Research (NBER) announced the U.S. economy entered a recession in December 2007. The Committee noted the average recession in the post-World War II era has lasted ten months. The Committee has not announced an end to the recession and will not do so until the data indicate clearly the economic contraction has ended and an end month can be determined with certainty.

The Committee defines a recession as a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in production, employment, real income, and other indicators. The Committee does not define a recession as simply two consecutive quarters of decline in real Gross Domestic Product.

According to the Committee, a recession begins just after the economy reaches a peak of activity and ends as the economy reaches its trough. Between trough and peak, the economy is in expansion. Expansion is the normal state of the economy; most recessions are brief and have been rare in recent decades. The Committee waits until the data show whether or not a decline is large enough to qualify as a recession before declaring a turning point in the economy is a true peak marking the onset of a recession. Recession determinations by the Bureau occur well after the recession starts, and often after the recession is later determined to have ended.

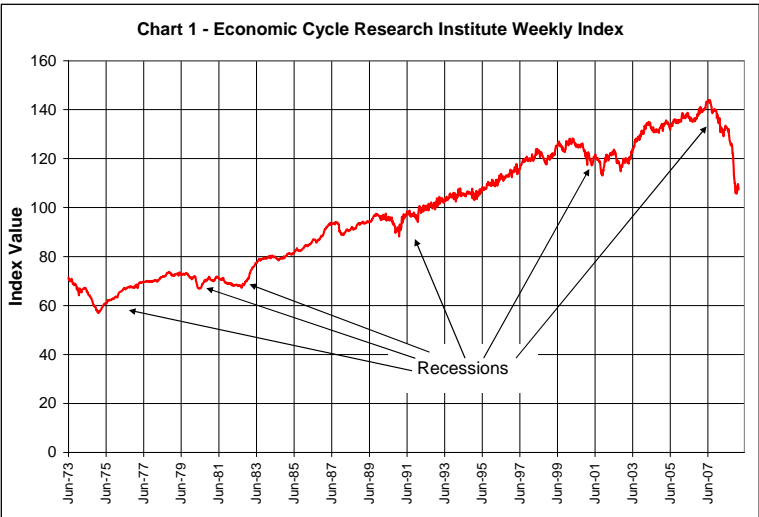
The following Table shows that over the 38 years prior to the start of the current recession in December 2007, there were six recessions lasting a total of 65 months, 14.3% of the total 456-month timeframe.

United States Business Cycle National Bureau of Economic Research Business Cycle Dating Committee Seven most recent recessions			
End of Expansion (Peak)	End of Contraction (Trough)	Length of Expansion in Months	Length of Recession in Months
Dec. 1969	Nov. 1970	106	11
Nov. 1973	Mar. 1975	36	16
Jan. 1980	Jul. 1980	58	6
Jul. 1981	Nov. 1982	12	16
Jul. 1990	Mar. 1991	92	8
Mar. 2001	Nov. 2001	120	8
Dec. 2007		73	

Contractions (recessions) start at the peak of a business cycle and end at the trough.

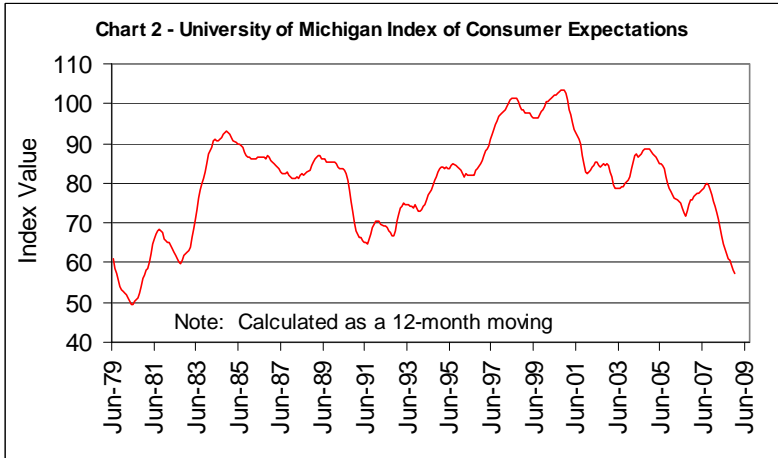
Economic Cycle Research Institute – The Economic Cycle Research Institute (ECRI) is an independent institute dedicated to economic cycle research. Their mission is to advance the tradition of business cycle research established at the National Bureau of Economic Research (NBER) and Center for International Business Cycle Research (CIBCR). The ECRI Weekly Leading Index is designed to be clearly cyclical and is constructed as a weighted average of seven key economic data series designed to predict economic conditions in the near term. The Index is designed to turn down before a recession and

turn up before an expansion. The Index is presented in **Chart 1**, with arrows indicating the current and five previous recessions. The Index is currently indicating an economic rebound is not likely in the near term.



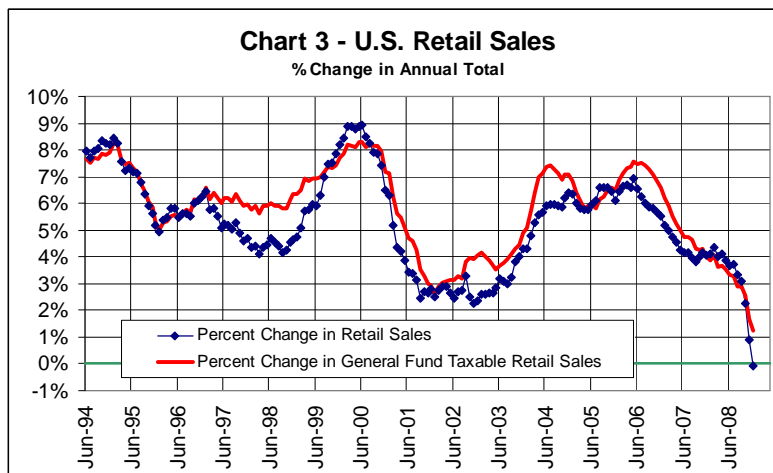
Consumer Confidence – Researchers at the University of Michigan conduct a monthly survey of consumers to determine the views and expectations of consumers concerning their sentiment for the present and future direction of the U.S. economy. One segment of the survey is called the Index of Consumer Expectations. The Index focuses on how consumers view prospects for the general economy over the long term.

Chart 2 presents a 12-month moving average of the Index. The chart shows consumer confidence as reported through the Index reached a peak in the second half of calendar year 2000. Since reaching that peak, consumer confidence has declined considerably and is now at a level not recorded since the late 1970s. The consumer confidence reading has now been below 80 since November 2005 (39 months). Previously, the reading had not been consistently below 80 since 1994.

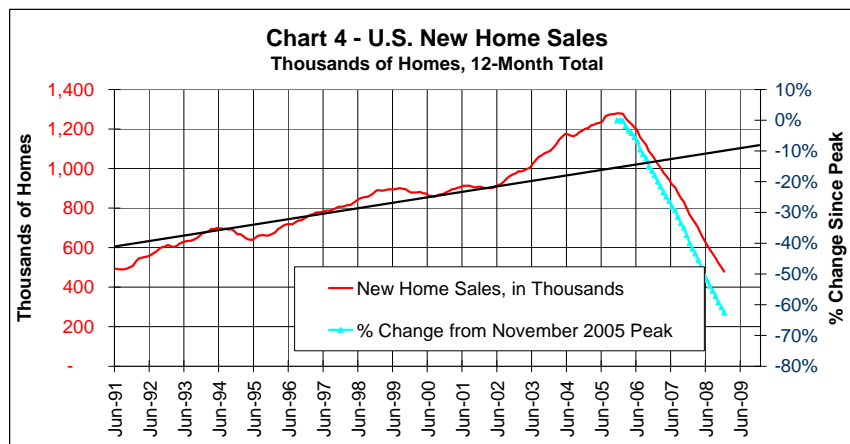


U.S. Retail Sales – The U.S. Census Bureau produces monthly estimates of total national retail sales, with subcategory detail showing a breakdown by type of retail establishment. The 12-month moving retail sales total peaked in July 2008 at \$4.566 trillion dollars. The 12-month total of retail sales has now fallen in four of the last five months and is 1.9% below the July peak. The dataset starts with 1992. Prior

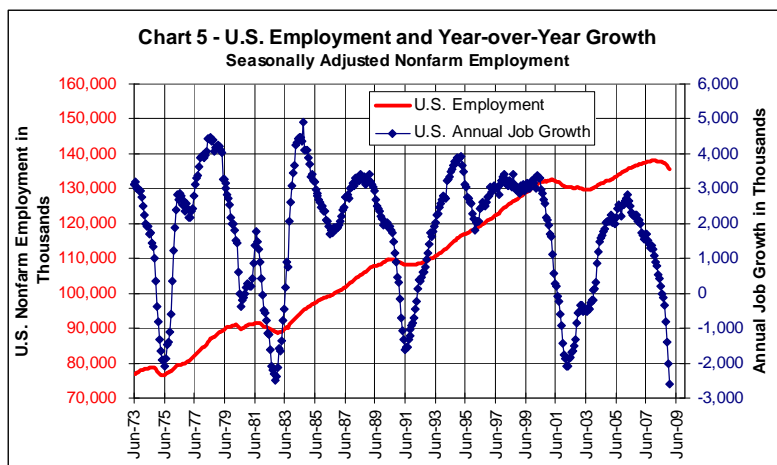
to the recent downturn, the series decreased in only three of 176 months. Iowa General Fund sales/use tax receipts depend on the retail sale of taxable items. Excluding three categories of retail sales that are not generally subject to General Fund sales/use tax (food stores, gasoline stations, and motor vehicle dealers); total national sales peaked in October 2008 and have decreased 0.6% since that time.



U.S. Home Sales – The U.S. Census Bureau produces monthly estimates of U.S. new home sales. The 12-month moving average peaked in November 2005 at 1,279,000 annual homes (**Chart 4**). Through December 2008, sales for the preceding 12 months totaled 479,000, or a drop of 62.5% from the 2005 peak. Sales of existing homes are estimated by the National Association of Realtors. According to that source, sales of existing homes peaked around January 2006 and have fallen 27.7% from that peak.



U.S. Employment – Using seasonally adjusted numbers, year-over-year job growth peaked in March 2006 at 2,843,000 jobs and U.S. nonfarm employment peaked in December 2007 at 138,078,000. Annual job growth turned negative in June 2008 and now stands at negative 2,589,000 jobs (December to December). This annual job loss exceeds the maximum annual loss shown in each of the past five recessions (see the blue line on **Chart 5**).



Iowa Economy

Iowa Employment – After recovering in the mid-1980s from the lingering effects of the farm crisis, Iowa total employment, as well as Iowa’s percent of total U.S. employment, increased each year for ten years (1987 through 1996). Iowa nonfarm employment continued to grow through 2000, although Iowa’s percent of total U.S. employment began to decline. After the 2000 employment peak, the Iowa economy lost almost 40,000 nonfarm jobs before rebounding in late 2003. Through December 2008, Iowa nonfarm employment exceeded the 2000 peak by 44,500 and the 2003 low-point by 83,300 (calculated on a 12-month moving average).

Iowa’s share of total U.S. nonfarm employment declined throughout the economic downturn of the early 2000s as well as the economic recovery that followed, indicating that employment gains in Iowa were not as strong as those of the entire nation. From the pre-recession peak (August 1996) through the start of the U.S. recession (December 2007), the Iowa/U.S. employment ratio fell from 1.16% of all U.S. nonfarm jobs to 1.10%. Essentially this ratio shows that in December 2007, 111 of every 10,000 jobs in the U.S. were Iowa jobs, down from 116 in 1996. With the recent downturn in the U.S. economy, the ratio has risen to 1.11%. **Chart 6** shows the 12-month average of Iowa nonfarm employment as well as the ratio of Iowa employment to U.S. employment since 1973.

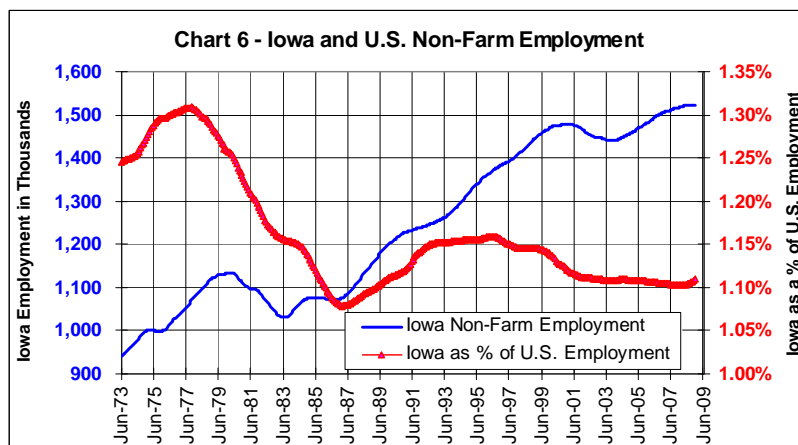
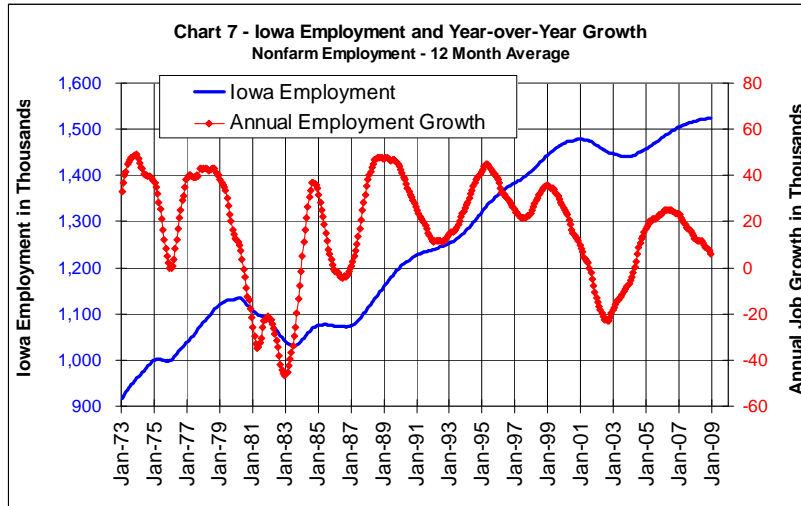
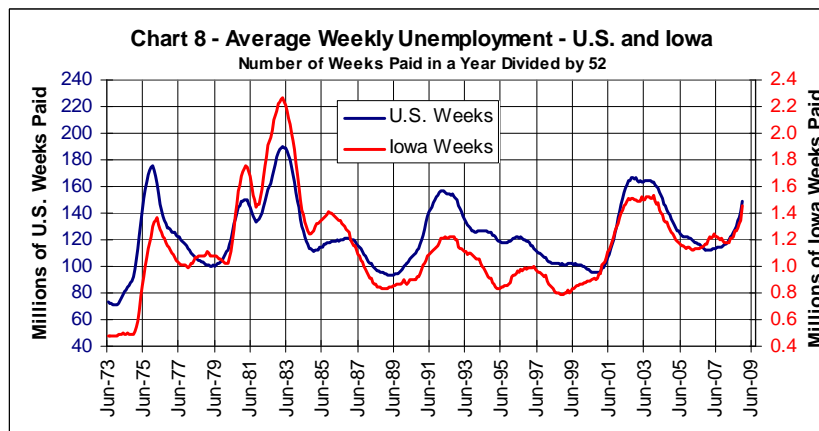


Chart 7 also shows the path of Iowa nonfarm employment since 1973 and includes the year-over-year growth in employment (red line). The chart shows clearly the severity of the farm crisis and the dual recessions of 1980 and 1981. Although the Iowa employment growth rate peaked in June 2006, the rate

decline has been much slower than the decline in U.S. employment growth and the rate of decline has been much slower than the farm crisis era and even the period around the 2001 U.S. recession. As a note of interpretive caution, monthly employment numbers as provided by the U.S. Department of Labor are subject to revision, with significant changes possible for the most recent calendar year. The revision takes place in the early spring.



Iowa and U.S. Unemployment Weeks Paid – Changes in the number of unemployment weeks paid can provide a useful insight into the current status of the economy, as people receiving unemployment benefits until recently had jobs. **Chart 8** once again shows the severity of the economic turmoil of the early 1980s, particularly for the Iowa economy. The chart also shows that after the recession of 2001 the level of unemployment weeks paid never returned to the pre-recession lows and that both Iowa and U.S. weeks paid is currently increasing at similar rates, but are currently far from the peak levels of the early 1980s.

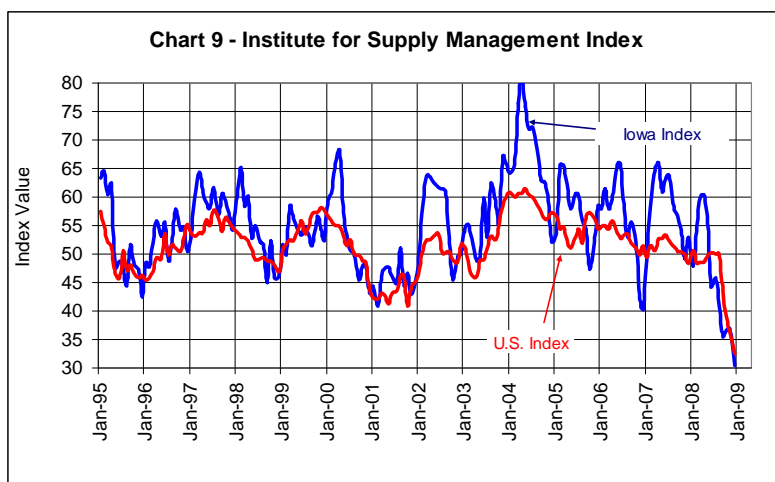


Iowa and U.S. Employment Indicators – The following table provides three comparative statistics for Iowa and surrounding states, as well as four States that have been experiencing the current economic downturn for much longer. The statistics show the Iowa employment picture is generally better than the experience in Minnesota, Wisconsin, Illinois, and Missouri, while it is similar to Kansas and not as positive as Nebraska and North and South Dakota. The employment picture in the states of Arizona, California, Nevada, and Florida is considerably more stressed, as those states started to turn down in late 2006.

Employment Indicators			
Employment = % Change in 12-Month Average			
Unemployment = % Change in 12-Month Total			
Unemployment Rate = December 2008			
State	Increase in Employment	Increase in Unemployment Weeks Paid	December Unemployment Rate
Iowa	0.4%	24.0%	4.6%
Minnesota	-0.2%	9.1%	6.9%
Wisconsin	-0.7%	14.9%	6.2%
Illinois	-0.1%	22.1%	7.6%
Missouri	-0.3%	25.6%	7.3%
Kansas	0.6%	32.7%	5.2%
Nebraska	1.0%	10.4%	4.0%
South Dakota	1.3%	8.5%	3.9%
North Dakota	1.3%	3.2%	3.5%
Nevada	-0.7%	61.6%	9.1%
Florida	-1.3%	62.8%	8.1%
California	-0.4%	34.6%	9.3%
Arizona	-1.6%	60.3%	6.9%
US	0.0%	28.4%	7.2%

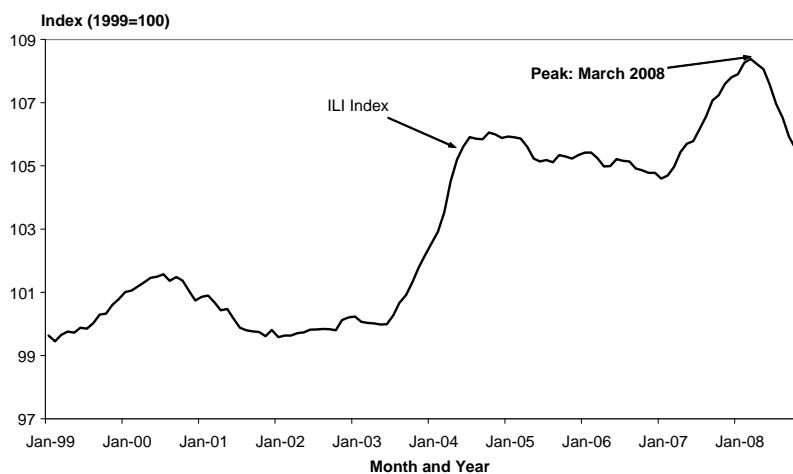
Iowa Purchasing Managers' Index – Creighton University produces a monthly index based on a survey of purchasing managers for businesses within the Mid-American region of the country. The Creighton survey produces index values for the region and for each state in the region. The survey methodology is the same as the national survey completed by the Institute for Supply Management. **Chart 9** shows the Iowa index value and the national value graphed together. The chart shows:

- The trend of the Iowa index is very similar to the trend of the national index.
- The Iowa index trends higher than the national index for a majority of the months. However, this could be a result of different researchers completing the two surveys.
- The Iowa index fell below a value of 50 in June 2008 while the national index did so in November 2007 and then again in September 2008. The national index has not been this low since 1980, while the Iowa Index, with history back to 1994, has never been this low.



Iowa Leading Indicators Index (ILII) – The Iowa Department of Revenue produces a monthly index of economic indicators. The ILII is derived from seven Iowa-specific economic indicators and one national indicator. The Department designed the ILII to forecast the likely future direction of economic activity in the State of Iowa. The techniques used to build the ILII follow those used by The Conference Board to construct the national leading indicators index. A movement in the ILII for only one month does not produce a clear signal; rather it is necessary to consider the direction of the index over several consecutive months. The Index indicates the Iowa economy reached a peak during March 2008. The Index has declined each of the last eight months.

**Chart 10 - Iowa Leading Indicators Index
January 1999–November 2008**

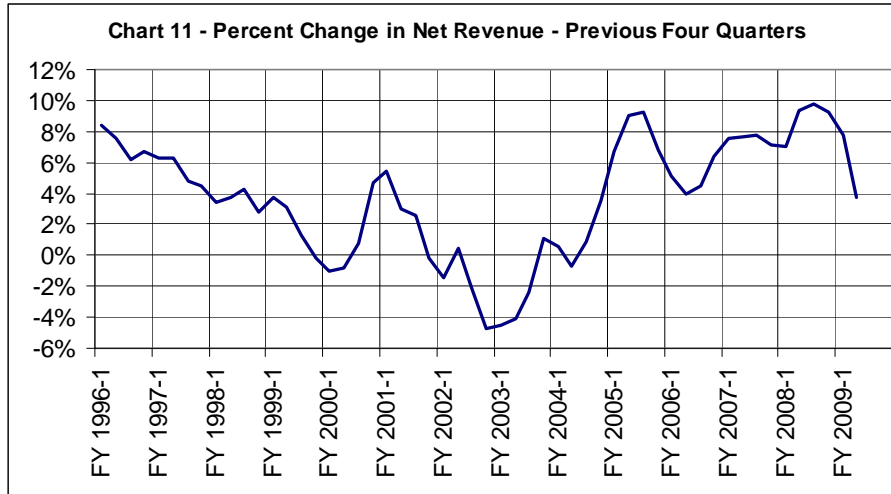


Iowa General Fund Revenues

Iowa's income, sales/use, and corporate taxes raise approximately 86.3% of the revenue deposited in the State General Fund each year (FY 2008 data – net fiscal year basis, excluding transfers). The amount of revenue generated by each of these funding sources depends on the level of economic activity in the State during a fiscal year (employment, consumer expenditures, business and government expenditures, etc.). Assuming other tax factors are equal (tax base and tax rates), a growing economy will produce more tax revenues than a static economy.

The previous paragraphs on the recent condition of the national and Iowa economy show the economy slowed in the fall of 2000, with an official U.S. recession starting in March 2001 and ending in November of the same year. Iowa General Fund revenue declined during that period and for two and one-half years after the recession ended. The previous information also shows the national economy entered a recession in December 2007. The information also indicates that over the most recent year, Iowa employment growth has fared better than the national experience; while unemployment claims would indicate the Iowa and national situations are similar.

Chart 11 shows annual Iowa General Fund net revenue growth calculated on a moving four-quarter basis. The numbers do not include transfers, but are net of tax refunds. Most evident in the graph is the abrupt downturn starting with the second quarter of FY 2001 (Oct-Dec 2000), when receipt growth fell from a positive annual value of 5.5% in the first quarter of FY 2001 to a value of negative 4.7% by the end of the fourth quarter of FY 2002. More recently, net revenue growth peaked around March 2008 at 9.8% year-over-year. This growth was aided somewhat by an increase in the cigarette and tobacco tax rates. Through December 2008, the rate of growth has fallen to 3.7%.



Economic factors and tax rate and base reductions contributed to the revenue growth downturn experienced since FY 1998. Had net receipts grown at a rate similar to the prior five years, net revenues for FY 2008 would have totaled \$6.479 billion, approximately \$459.0 million more than actual net receipts (see **Chart 12**).

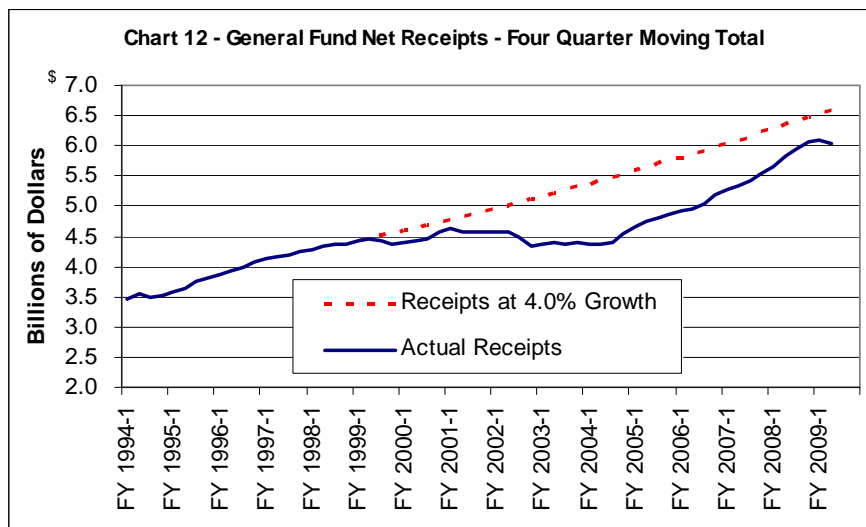


Chart 13 provides the one year moving total of net General Fund revenue, excluding transfers. The chart also provides REC estimates for FY 2009 and FY 2010. The last recession officially started March 2001, but Iowa net General Fund revenue reached a peak in October 2000 and did start to show positive growth until December 2003, 38 months later and well after the end of the recession. The current recession officially started December 2007, but the rate of net General Fund revenue continued to increase through March 2008.

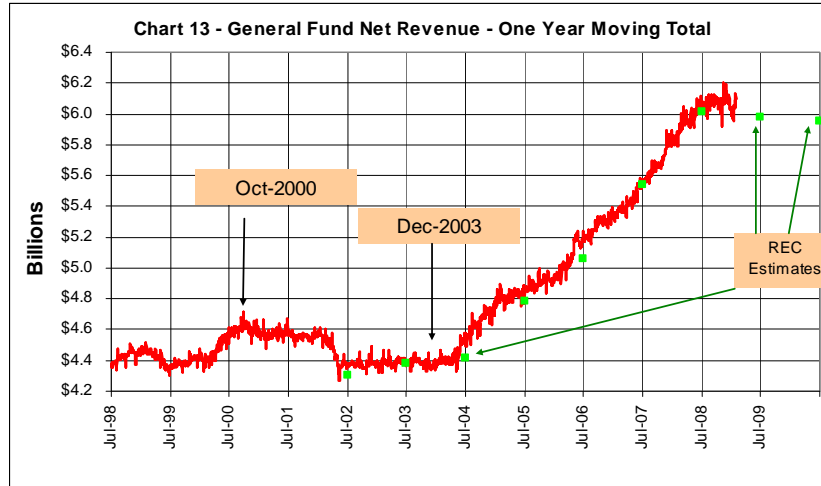


Chart 13 also provides REC estimates for net General Fund revenue, with the FY 2009 and FY 2010 estimates marking the path revenue must travel over the next 17 months to achieve the estimates.

In December 2008, the Revenue Estimating Conference (REC) established an FY 2009 net General Fund revenue growth rate of negative 0.5% (excluding transfers).

For FY 2010, the REC estimates growth will be negative 0.4%.

In dollar terms, net revenue is projected to decrease \$28.3 million for FY 2009 and decrease \$21.5 million for FY 2010.

Staff Contact: Jeff Robinson (281-4614) jeff.robinson@legis.state.ia.us

GOVERNOR'S BONDING PROPOSALS

Overview

The Governor is recommending the Rebuild Iowa Infrastructure Investment Program, a \$700.0 million initiative to create jobs and address infrastructure needs. The recommendation includes the creation of a five-member Rebuild Iowa Infrastructure Authority to issue tax-exempt revenue bonds that are guaranteed by \$56.0 million of the State's wagering tax revenue. The Iowa Finance Authority (IFA) would staff the new Authority, as well as oversee the expenditure of the bond proceeds and distribution of the grants.

State's Wagering Taxes and Budget Impact

Section 8.57, Code of Iowa, provides the current distribution of the State's wagering taxes. Currently, the allocation is \$60.0 million to the General Fund, \$15.0 million to the Vision Iowa Fund, \$5.0 million to the School Infrastructure Fund, and the remainder of moneys to the Rebuild Iowa Infrastructure Fund (RIIF). The moneys for Vision Iowa and School Infrastructure are to pay debt service on bonds that were issued in FY 2002. Wagering tax allocations for Vision Iowa and School Infrastructure are expected to end in FY 2020 and FY 2021, respectively.

For FY 2010, estimated gambling revenue to the State is \$281.4 million, with \$201.4 million expected for deposit in the RIIF. The Governor's proposal adds another allocation of the wagering taxes before the remainder is deposited in the RIIF. This would reduce revenue to the RIIF by \$56.0 million annually for the 20 years of the debt service. For FY 2010, that impact is a 27.8% decrease of expected wagering tax revenue that will be deposited in the RIIF.

Any revenue bonds pledged with wagering tax revenue must include a secondary source of funds because of a concern that there could be a loss of revenue due to potential changes in county laws. Every 10 years, the counties with casinos must vote whether or not to authorize continued gambling. For Vision Iowa and School Infrastructure bonds, the secondary pledge is Lottery revenue. Under the Governor's proposal, the secondary pledge is a moral obligation that would consist of a pledge from the Governor to request money in his annual budget to repay the debt service if payments from the wagering tax revenue are not sufficient. Although this obligation is not legally binding, it effectively acts as binding because if the State is unable to pay its debt service, it may have a negative effect on the State's bond ratings and credit quality. In addition, the Governor's proposal indicates an additional pledge of State appropriations may be necessary as this secondary source of funds.

Proposed Use of Bond Proceeds

The \$700.0 million in tax-exempt bond proceeds would need to meet restrictions in accordance with the Internal Revenue Code. Specifically, the projects need to be for depreciable assets with relatively long useful lives, may not be used for private activity, and would need to be spent within the timeframe specified in the tax certificate, which is typically five years.

The Governor is recommending using the initial \$156.0 million in bond proceeds to provide funding for FY 2009 projects in the RC3 that were delayed because the planned securitization of the remaining tobacco payments has not occurred due to market conditions. For a detailed discussion of the status of the RC3, see the *Issues* section in the *Transportation, Infrastructure, and Capitals Appropriation Subcommittee*

Governor's Bonding Proposals

chapter of this publication. The following table shows the distribution proposed for the initial \$156.0 million.

Rebuild Iowa Infrastructure Investment Bond Proceeds	
(Dollars in Millions)	
	Estimated FY 2009
Resources	
Beginning Balance	\$ 0.0
Bond Proceeds	700.0
Total Available Resources	\$ 700.0
Appropriations	
Department of Administrative Services	\$ 31.5
Department of the Blind	0.9
Department of Corrections	77.5
Department of Education	2.0
Department of Natural Resources	9.8
Board of Regents	2.0
State Fair Authority	8.0
Department of Transportation	3.7
Department of Veterans Affairs	20.6
Total Distributions	\$ 156.0
Ending Balance	\$ 544.0

The Governor is recommending that the remaining \$544.0 million in bond proceeds be distributed through the Rebuild Iowa Infrastructure Investment Program grant mechanism administered by IFA. According to the Governor's proposal, this Program would be geared toward a variety of public infrastructure projects that meet specific criteria. It is not clear from the proposal whether there will be a formula for distributing the grants among the State agencies.

Concerns

Although the IFA has experience administering grants, this has primarily been for local entities. It would be unusual for a State agency to be a part of this type of grant process, as normally their budget requests go to the Governor for review and recommendation and then to the Legislature for appropriations. If the IFA is given authority to administer grants that are used for capital projects for State agencies, the Legislature may be taken out of the equation. State capital projects typically are reviewed by the Transportation, Infrastructure, and Capitals Appropriation Subcommittee for consideration to receive appropriations from existing infrastructure funds. If the General Assembly decides to go ahead with the bonding proposal, it may wish to consider changing the structure of the plan so that the bond proceeds become another infrastructure funding source for State appropriations rather than part of a separate grant process.

Staff Contact: Marcia Tannian (281-7942) marcia.tannian@legis.state.ia.us

DISASTER RECOVERY

Rebuild Iowa Office and Rebuild Iowa Advisory Commission

In response to the severe weather, tornadoes, and flooding that impacted the majority of the State during the summer months of 2008, Governor Chet Culver and Lt. Governor Patty Judge published Executive Order Seven. The Order authorized the creation of the Rebuild Iowa Office (RIO) and the Rebuild Iowa Advisory Commission (RIAC). The purpose of the RIO is to serve as the coordinator of State recovery and rebuilding activities. Other duties of the RIO include establishing and realizing short-term priorities for recovery and long-term plans for redevelopment, establishing a legislative agenda at the federal and State level, and providing technical assistance to State and local governments for recovery efforts. The Office is funded with federal grants and initially, was staffed using other State agency employees that were “borrowed” for their expertise. As of September, most of these employees had returned to their respective State agencies and new employees were hired using federal grant money. The RIO is currently housed in the Wallace Building of the Capitol Complex.

The purpose of the RIAC was to provide the RIO with one short-term report and one long-term report that included recommendations for recovery. The first task was to create subject area task forces that would assist the Commission in creating an Immediate Needs report for the Governor, Lt. Governor, the General Assembly, and the RIO. The RIAC 45-Day Report was published on September 2, 2008, 45 days after the Commission first met. The report contained seven Immediate Recommendations and subsequent Action Steps. Six Commission meetings and 11 Task Force meetings were held in the 45-day period. In addition to the 45-Day Report, the Commission completed a subsequent 120-Day Report that summarizes the long-term recovery recommendations. The 120-Day Report can be accessed on the RIO website at: http://www.rio.iowa.gov/assets/RIO_120_DAY_REPORT.pdf

The Jumpstart Iowa Recovery Initiative

The **Jumpstart Iowa Recovery Initiative** is a housing and economic development program developed to address the financial needs of Iowans affected by the 2008 storms, flooding, and tornadoes. The Initiative contains two programs: one to address housing needs in storm-impacted communities and one to help small businesses damaged by the severe weather. Initially, the State redirected \$40.0 million in funds for this effort. Additional federal grant money that has been approved by the US Housing and Urban Development (HUD) agency is expected to be directed to these programs as it is released to the State.

The **Jumpstart Iowa Housing Assistance Program** is administered through the Iowa Finance Authority and the Iowa Department of Economic Development. This program will help homeowners make a down payment on a new house, repair their current home, or maintain their mortgages while waiting for a potential buyout from the Federal Emergency Management Agency (FEMA). The maximum award is a \$50,000 loan, up to \$12,000 for interim-mortgage assistance, plus an additional \$10,000 for energy-efficient appliances, all of which will be forgiven if the homeowner stays in the house for 10 years.

Administered through the Iowa Department of Economic Development, the **Jumpstart Iowa Small Business Assistance Program** will provide forgivable loans to small businesses. The funds will help pay down Small Business Association (SBA) loans from the federal government, and will provide funding to promote sustainable rebuilding efforts. The maximum award is a \$50,000 loan, plus an additional \$5,000 for energy-efficient appliances. The loans will be forgiven if the business opens its doors within 12 months of receiving the funds.

90/10 State to Federal Funding Percentages

On September 8, 2008, Governor Culver announced that President George Bush had granted his request to cover 90.00% of Iowa's eligible disaster-related expenses in all categories of Public Assistance program work. This includes debris removal, emergency protective services, and "hard" infrastructure rebuilding projects like roads, bridges, and other infrastructure. This is effective for the entire incident, from May 25 through August 13, 2008. The remaining 10.00% will be covered by the State so there will be no local match for the Public Assistance program.

Legislative Initiatives

The General Assembly created two new Committees to study and propose legislation regarding disaster recovery. The Senate created the Rebuild Iowa Standing Committee and the House of Representatives created the Rebuild Iowa and Disaster Recovery Standing Committee. As of January 28, 2009, both the House and Senate had approved HF 64 (Disaster Recovery Appropriations Bill) and the Governor had scheduled signing of the Bill for February 2, 2009. The Bill appropriates \$56.0 million for FY 2009 from the Economic Emergency Fund for three Programs for individuals and businesses impacted by natural disasters between May 24, 2008, and August 13, 2008. These include:

- \$24.0 million for the Jumpstart Housing Assistance Program within the Iowa Finance Authority in three priorities based upon not being originally eligible for the Program by increasing the family income limitations.
- \$10.0 million for the Disaster Aid Individual Assistance Grant Program within the Department of Human Services by increasing the percentage of Federal Poverty Level (FPL) and including mental health expenditures as a reimbursable expense.
- \$22.0 million for the Community Disaster Grants within the Department of Management for cities and counties impacted by the natural disasters.
- The House Committee created the Rebuild Iowa Office with a sunset of June 30, 2011.

The enrolled version of HF 64 can be accessed at:

<http://coolice.legis.state.ia.us/Legislation/83rdGA/enrolled/HF64.html>

The Notes on Bills and Amendments (NOBA) can be accessed at:

http://www3.legis.state.ia.us/noba/data/83_HF64_HFA.pdf

As of January 29, 2009, both the House and Senate had approved SF 44 (Local Option Sales Tax for Disasters). The Bill permits a city or unincorporated area, located in a Presidential disaster area for 2008 that does not currently have a Local Option Sales Tax (LOST), to expedite the process of voting on and implementing a local option sales tax. The Bill requires the election for the LOST to be held on March 3, 2009, or May 5, 2009, and if approved, be effective on April 1, 2009, or July 1, 2009. The Bill also specifies that the 25.0% portion of the distribution formula use property tax data from FY 2005 through FY 2007.

The enrolled version of SF 44 can be accessed at: <http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=billinfo&Service=Billbook&frame=1&GA=83&hbill=SF44> and the fiscal note is available at: http://www3.legis.state.ia.us/fiscalnotes/data/83_1746SZv0_FN.pdf.

Discussion at both Committees indicates that additional legislation will be studied and proposed relating to disaster recovery.

Governor's Recommendations for FY 2010

The Governor is recommending \$43.0 million be appropriated from the Economic Emergency Fund for long-term disaster recovery efforts. This includes:

- \$20.0 million to create a funding source for communities to help replace lost revenues and property taxes by creating either an application process or means of distribution among disaster-impacted communities.
- \$10.0 million additional for the Jumpstart Housing Assistance Program.
- \$5.0 million for a forgivable loan program for non-profits and cultural venues impacted by the disaster that rebuild and continue to operate for five years at pre-disaster wages and benefits for employees.
- \$5.0 million for financial assistance for the "unmet needs" of disaster-impacted individuals and families. This assistance could work through the case management system to ensure that eligible individuals have maximized other State and federal assistance and would be available in the form of up to \$5,000 or other identified amount of grants.
- \$2.0 million for the Rebuild Iowa Office to maintain the Office as the clearinghouse for the State's flood-recovery efforts and coordination of day-to-day rebuilding plans.
- \$1.0 million to create an accelerated Skills Training Fund of \$1.0 million and funding for one staff member to administer the Fund. Monies from the Fund would be used for short-term skills training programs, particularly to prepare for a construction workforce in the rebuilding phase.

The Governor is recommending approval of the Rebuild Iowa Advisory Commission recommendations made after last summer's storms. Recommendations include improvements for flood plain mapping, land use planning, disaster insurance, regional watershed management, first responders, and local emergency management departments.

The Governor is recommending Rebuild Iowa Infrastructure Investment Bonds, a \$700.0 million initiative to create jobs and address the State's infrastructure needs. Additional information is available in the Governor's Bonding Proposals section of this document.

More Information

For more information about the Floods of 2008 and disaster recovery in Iowa visit:

<http://www.rio.iowa.gov/>.

Staff Contacts: Sue Lerdal (281-7794) (sue.lerdal@legis.state.ia.us)
Deborah Helsen (281-6764) (deborah.helsen@legis.state.ia.us)

FEDERAL FUNDS AND ECONOMIC STIMULUS PLAN

Federal Funds Received by Iowa (in millions)

	Actual FY 2008	Est FY 2009	Est FY 2010
Human Services	\$ 2,405.9	\$ 2,647.5	\$ 2,860.3
Education	422.9	449.7	453.1
Transportation	421.5	259.5	259.3
Workforce Development	422.4	476.9	457.4
Regents	401.2	412.0	415.6
Public Defense	103.7	144.2	201.8
Public Health	107.8	108.6	105.8
Other	279.1	276.0	239.4
	\$ 4,564.5	\$ 4,774.4	\$ 4,992.7

Notes:

Estimated FY 2010 is prior to passage of Federal Economic Stimulus Bill.

Other includes all State agencies reporting federal funds that are not individually identified above.

Source: Fiscal Services, LSA

Federal Economic Stimulus Plan 2009

The Governor's budget does not include funding from the proposed Federal Economic Stimulus Act. House Leadership in the U.S. Congress has released an \$825.0 billion economic stimulus plan. The current plan combines \$550.0 billion in spending proposals, and \$275.0 billion in targeted tax reductions. The most recent estimate of state allocations lists Iowa as receiving \$1.9 billion over a two-year time period. Much of the funding will include maintenance of effort requirements and may include other program matching requirements. *At the time of publication of this document, the House passed its version of the economic stimulus plan (H.R. 1) (244Y/188N) on January 28, 2009. The Senate was expected to commence floor debate on Monday, February 2, with the first votes most likely on Tuesday, February 3. The deadline for Senators to file amendments is February 2.*

The estimated allocations listed below are likely to change prior to final enactment of the Stimulus Plan. Preliminary total estimates from FFIS indicate that the version approved by the House allocates an estimated \$2.2 billion over a two-year time period to Iowa, a \$300 million increase from the earlier House version. The Fiscal Services Division of the LSA is monitoring the federal action as closely as possible since decisions on the federal level will most likely impact FY 2010 state budget decisions. Using a variety of resources, including participation in weekly conference calls with representatives of the National Conference of State Legislatures (NCSL), the Fiscal Services Division will post relative documents and summaries of the legislation, including brief summaries of the conference calls on our website, under the heading **Federal Economic Stimulus Package**: <http://staffweb.legis.state.ia.us/lfb/>. Additional information, if known, is included in each appropriations subcommittee section of this document.

Federal Funds and Economic Stimulus

According to the most recent detailed information from Federal Funds Information for the States (FFIS), the estimated allocation of the \$1.9 billion to Iowa would be distributed as shown in the table below. An updated table with the revised estimate will be posted on the website as more details become available.

Estimated Iowa Funds for Selected Allocations House Stimulus Fund as of 1/22/2009

<u>Selected Allocations</u>	<u>Iowa Estimate*</u>	<u>All State Total*</u>
Fiscal Stabilization*	\$ 622,296	\$ 63,975,000
Title I	68,968	13,000,000
Special Education	139,184	13,000,000
Education Technology	5,305	1,000,000
K-12 Construction*	74,242	13,994,000
Child Care	18,229	2,000,000
CSBG	11,605	1,000,000
Byrne JAG	29,296	3,000,000
WIA-Adult	1,745	500,000
WIA-Youth	5,395	1,200,000
Dislocated Workers	4,967	1,000,000
Highways*	353,096	29,354,200
Clean Water	82,235	6,000,000
Drinking Water	24,915	2,000,000
Weatherization	116	6,200,000
State Energy Program	48,487	3,400,000
Medicaid FMAP Hold Harmless**	0	1,973,782
Medicaid+4/9% FMAP**	300,755	35,183,338
Total	<u>\$ 1,906,362</u>	<u>\$ 197,780,781</u>

*Allocations for fiscal stabilization, school construction, and highways do not add to the total appropriation due to provisions for reserves, training, or federal costs.

**This constitutes a partial evaluation of the impacts of the federal medical assistance percentage (FMAP) Medicaid provisions. Additional allocations would flow from the funding based on increased state unemployment rates, as shown in Issue Brief 09-02, FFIS.

Source: Federal Funds Information Service (FFIS)

Staff Contact: Doug Wulf (281-3250) douglas.wulf@legis.state.ia.us

IOWA SCHOOL FOUNDATION AID

SCHOOL AID ALLOWABLE GROWTH ESTIMATES

FY 2009 1.5% Across-the-Board Reduction

In December 2008, the Governor signed Executive Order 10 that implemented a State General Fund expenditure reduction of 1.5% for FY 2009. School aid reductions totaled \$33.6 million. Reduced State funding included:

- A reduction of \$31.9 million in State school aid to school districts. Although this reduction decreases school aid, school districts maintain the spending authority.
- A reduction of \$1.4 million in State school aid to Area Education Agencies (AEAs). The AEAs do not maintain spending authority for the reduction amount.
- A reduction of \$216,000 to school districts for the Instructional Support Program. Although this reduction decreases school aid, school districts maintain the spending authority.

In addition to the State school aid formula reductions, State funding for school district and AEA categorical items was also reduced. The FY 2009 categorical State General Fund reduction totaled \$4.4 million. Current estimates of these include:

- A reduction of \$787,000 to school districts and \$34,000 to AEAs for the Educational Excellence Program.
- A reduction of \$3.0 million to school districts and \$183,000 to AEAs for the Student Achievement Teacher Quality (SATQ) teacher compensation allocations.
- A reduction of \$403,000 to school districts and \$25,000 to AEAs for the SATQ professional development allocations.
- No reductions were made to the Early Intervention/Class Size Reduction allocations because State payments to school districts were completed prior to the across-the-board reduction.

Across-the-board reduction estimates by school district and AEA are available on the LSA website at: http://staffweb.legis.state.ia.us/lfb/docs/k-12_ed/FY09_ATB_Summary_ByDist_AEA.pdf

FY 2010 School Aid Allowable Growth

The 1.5% across-the-board reduction implemented in FY 2009 does not impact the per pupil funding for FY 2010. Comparisons between FY 2009 and FY 2010 do not include the FY 2009 1.5% across-the-board reduction.

During the 2008 Legislative Session, there were three bills enacted that directly impacted the school aid allowable growth amount for FY 2010 and future years. They include:

- House File 2140 (FY 2010 School Aid Allowable Growth Act) established an increase in the cost per pupil allowable growth rate of 4.0%. This increased the FY 2010 State cost per pupil by \$222 to \$5,768. The current estimate for this portion of State aid is \$2,314.4 million, an increase of \$90.0 million (4.0%) compared to estimated FY 2009 State aid. Of the increase, an estimated \$16.4 million is increased funding for State preschool aid.

- House File 2679 (FY 2009 Education Appropriations Act) required funding for Student Achievement/Teacher Quality (SATQ) teacher compensation and professional development, Educational Excellence Phase II, and Early Intervention/Class Size Reduction to be funded on a per pupil basis through the school aid formula beginning in FY 2010. Beginning in FY 2011, the per pupil amounts will increase by a categorical allowable growth rate established by the General Assembly. Per pupil amounts will be funded as follows :
 - Teacher Salary Supplement – includes the SATQ Teacher Compensation and Educational Excellence Phase II programs and will total \$251.3 million in FY 2010.
 - Professional Development Supplement – includes the SATQ Professional Development Program and will total \$28.5 million in FY 2010.
 - Early Intervention Supplement – includes the Early Intervention/Class Size Reduction program and will total \$29.3 million in FY 2010.
 - These supplements will be funded entirely through State aid. The FY 2010 school aid total will increase by \$309.0 million due to the roll-in of these supplements, and the programs will no longer be funded through State categorical appropriations.
- House File 2679 also reauthorized supplementary weightings for regional academies in FY 2010 and beyond. The legislation also increased the previous statutory minimum and maximum supplementary weightings to 15.0 (up from 10.0) and 30.0 (up from 15.0), respectively. The current estimated fiscal impact is an increase of \$450,000 in State aid and \$67,000 in local property tax.
- House File 2700 (FY 2009 Standing Appropriations Act) reduced the weighting generated by resident students receiving competent private instruction through a school district home school assistance program from 0.6 to 0.3. This weighting is included in the school district budget enrollment and is estimated to annually decrease the State budget enrollment total by 1,440 student full-time equivalents. The legislation required the reduction to begin in FY 2009 and was implemented by the Department of Management through an enrollment audit adjustment. This adjustment reduced State aid by \$7.0 million and local property taxes by \$1.0 million. The impact in FY 2010 is an estimated decrease in State aid of \$7.5 million and an increase in local property taxes of \$120,000 (due to an increase in the budget adjustment).

NOTE: Final school district taxable valuations for FY 2010 were not available at the time of publication. That data may be available in April 2009 and will impact all FY 2010 and FY 2011 estimates noted in this section.

Tables 1 and 2 provide the estimated school aid changes for FY 2010 based on the 4.0% allowable growth rate. Factoring in all statutory changes, overall State aid through the school aid formula is estimated to increase by \$399.0 million (17.9%) in FY 2010. Of the increase, regular school aid accounts for \$73.6 million, preschool State aid accounts for \$16.4 million, and the roll-in of the State categorical supplements account for \$309.0 million. Other changes for FY 2010 include:

- School aid property taxes are estimated to increase by \$43.0 million (3.6%). Property tax adjustment aid increases by \$6.0 million in FY 2010 and will provide \$24.0 million in property tax relief (included in the State aid and property tax totals presented in **Table 1**) to 78 districts.

- The sixth year of the phase-out of the budget adjustment (also referred to as the budget guarantee) has a reduction in both the amount of the budget adjustment (a decrease of \$0.6 million) and the number of districts receiving budget adjustment funding (a decrease of 12 districts). The budget adjustment provides additional funds for school districts that may have had a reduction in their budget enrollment from the previous year. The budget adjustment is funded entirely through local property taxes and is included in the property tax totals displayed in **Table 1**.

	State Aid Before Preschool and Supplements	Preschool State Aid	Total State Aid*	Property Tax	Budget Adjustment	# of Districts Receiving Budget Adj.
FY 2010	\$ 2,280.9	\$ 33.5	\$ 2,314.4	\$ 1,221.7	\$ 11.5	143
FY 2009	\$ 2,207.4	\$ 17.1	\$ 2,224.4	\$ 1,178.7	\$ 12.1	155
Change	\$ 73.6	\$ 16.4	\$ 90.0	\$ 43.0	\$ -0.6	-12

*Does not include teacher salary supplement, professional development supplement, or early intervention supplement.
Change may not sum due to rounding.

	Teacher Salary	Professional Development	Early Intervention	Total
FY 2010	\$ 251.3	\$ 28.5	\$ 29.2	\$ 309.0
FY 2009*	\$ 251.3	\$ 28.5	\$ 29.2	\$ 309.0
Change	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0

*FY 2009 totals were not funded through the school aid formula and include appropriations made for SATQ teacher compensation, Educational Excellence Phase II, SATQ professional development, and Early Intervention/Class Size Reduction.

Although the Legislature established the FY 2010 allowable growth rate at 4.0%, the growth rate may be modified with Legislative approval. **Table 3** provides the estimated school aid changes for FY 2010 based at various allowable growth rates. In general a 1.0% change in allowable growth rate is equivalent to approximately \$28.5 million in State aid. However, the lower the allowable growth rate, the higher the budget adjustment total.

Table 3
Estimated FY 2010 School Aid Amounts at Various Allowable Growth Rates
(Dollars in Millions)
FY 2010 Allowable Growth Rate is Currently Set at 4.0%

Allowable Growth Rate	Total State Aid*	Total State Aid Change vs Est. FY 2009*	Estimated Preschool State Aid**	School Aid Property Tax***	Property Tax Change vs Est. FY 2009	Budget Adjustment	# of School Districts Receiving Budget Adjustment
0.0%	\$ 2,201.5	\$ -22.9	\$ 32.2	\$ 1,248.9	\$ 70.2	\$ 59.2	305
1.0%	\$ 2,229.4	\$ 5.0	\$ 32.5	\$ 1,234.0	\$ 55.3	\$ 39.5	269
2.0%	\$ 2,257.9	\$ 33.5	\$ 32.8	\$ 1,223.7	\$ 45.0	\$ 24.2	229
3.0%	\$ 2,285.9	\$ 61.5	\$ 33.2	\$ 1,221.2	\$ 42.5	\$ 16.4	184
4.0%	\$ 2,314.4	\$ 90.0	\$ 33.5	\$ 1,221.7	\$ 43.0	\$ 11.5	143

*Totals and comparison to FY 2009 total does not include funding for the teacher salary supplement, professional development supplement, or the early intervention supplement.

**Estimated Preschool State Aid is included in the Total State Aid Column.

***Property Tax Adjustment Aid will total \$24.0 million with approximately 80 districts receiving the aid in FY 2010.

Governor's Recommendations for FY 2010 School Aid Funding

The Governor is recommending maintaining the FY 2010 allowable growth rate at 4.0% but capping the standing unlimited appropriation based on the following:

- Reduce State aid to school districts and Area Education Agencies (AEAs) by funding at the 2.0% allowable growth rate rather than the 4.0% allowable growth rate for FY 2010. The current estimate of this reduction to FY 2010 is \$59.0 million (see **Table 3A**).
- Apply the 1.5% FY 2009 across-the-board State aid reduction that totaled \$33.4 million to school districts and Area Education Agencies (AEAs) for FY 2010.
- Fully fund the State categorical supplements for FY 2010 at \$309.0 million.
- Maintain the FY 2009 State aid reduction to AEAs of \$10.0 million. The AEA State aid reduction for FY 2010 totals \$7.5 million under current law.

Table 3A provides information pertaining to the Governor's recommendation for FY 2010. Based on current estimates, State school aid is estimated to increase \$31.0 million (1.4%) compared to the adjusted FY 2009 amount. The State categorical supplements are estimated to increase \$4.2 million (1.4%) compared to the adjusted FY 2009 appropriated amount. Overall, State aid to school districts and AEAs is estimated to total \$2.531 billion in FY 2010, an increase of \$35.2 million (1.4%) compared to the adjusted FY 2009 total. Maintaining the FY 2010 allowable growth rate of 4.0% allows school districts to maintain the spending authority for the \$85.9 million State aid reduction.

	FY 2009	FY 2010 Governor's Recommendation	Difference
State School Aid - Unadjusted	\$ 2,224.4	\$ 2,314.4	\$ 90.0
State School Aid Reduction to School Districts	-31.9	-85.9	-53.9
State School Aid Reduction to AEAs	-1.4	-6.5	-5.1
State School Aid Total After Reduction	\$ 2,191.1	\$ 2,222.0	\$ 31.0
State Categoryals - Unadjusted	\$ 309.0	\$ 309.0	\$ 0.0
State Categoryal Reduction Amount	-4.2	0.0	4.2
State Categoryal Total After Adjustment	\$ 304.8	\$ 309.0	\$ 4.2
Total State Aid After Adjustment	\$ 2,495.9	\$ 2,531.0	\$ 35.2

FY 2011 School Aid Allowable Growth

The 2009 General Assembly is required to establish the school aid cost per pupil allowable growth rate for FY 2011. In general, a 1.0% change in allowable growth is equivalent to approximately \$29.0 million. Comparisons made to FY 2010 are based on the 4.0% allowable growth rate.

Table 4 provides estimates at various allowable growth rates (does not include the teacher salary supplement, professional development supplement, or early intervention supplement):

Allowable Growth Rate	Total State Aid*	Total State Aid Change vs Est. FY 2010*	Estimated Preschool State Aid**	School Aid Property Tax***	Property Tax Change vs Est. FY 2010	Budget Adjustment	# of School Districts Receiving Budget Adjustment
0.0%	\$ 2,311.1	\$ -3.4	\$ 52.5	\$ 1,295.7	\$ 74.0	\$ 52.7	254
1.0%	\$ 2,340.9	\$ 26.5	\$ 53.0	\$ 1,286.3	\$ 64.6	\$ 38.2	224
2.0%	\$ 2,370.2	\$ 55.8	\$ 53.5	\$ 1,279.9	\$ 58.3	\$ 26.6	193
3.0%	\$ 2,399.6	\$ 85.2	\$ 54.0	\$ 1,276.0	\$ 54.4	\$ 16.6	162
4.0%	\$ 2,429.5	\$ 115.1	\$ 54.6	\$ 1,275.1	\$ 53.4	\$ 10.1	124
5.0%	\$ 2,458.8	\$ 144.4	\$ 55.1	\$ 1,277.9	\$ 56.2	\$ 7.2	93
6.0%	\$ 2,488.7	\$ 174.3	\$ 55.6	\$ 1,281.8	\$ 60.1	\$ 5.5	78

FY 2011 estimates are based on a FY 2010 allowable growth rate of 4.0%. Any change to that rate will impact the FY 2011 amounts displayed in this table.

*Totals and comparison to FY 2010 total does not include funding for the teacher salary supplement, professional development supplement, or the early intervention supplement.

**Estimated Preschool State Aid is included in the Total State Aid Column.

***Property Tax Adjustment Aid will total \$24.0 million with approximately 80 districts receiving the aid in FY 2011 (not including remaining PTER Funds).

Current estimates provided in **Table 4** will be adjusted with sales/use tax revenues remaining from the FY 2009 sales/use tax for school infrastructure formula distribution (referred to as the Secure an Advanced Vision for Education (SAVE) Fund). These excess funds will be deposited in the Property Tax Equity Relief (PTER) Fund to be used for property tax relief in FY 2011. Current estimates indicate that there will be \$32.1 million in the PTER Fund to provide property tax relief in FY 2011 that is not included in **Table 4**.

Categorical Allowable Growth Increase for FY 2011

The 2009 General Assembly is required to establish an allowable growth rate for the teacher salary supplement, the professional development, and the early intervention supplement for FY 2011. This is referred to as categorical allowable growth. The rates for these supplements can be the same for each or they can differ.

Table 5 provides categorical allowable growth funding amounts at various allowable growth rates for FY 2011 for each of the supplements. All funding for the school aid supplements is funded entirely through State aid. Much of the increases at the lower allowable growth rates can be attributed to the budget guarantee. The budget guarantee insures that each school district will receive no less than they received in FY 2010 for each of the supplements.

Table 5
Estimated FY 2011 Categorical Allowable Growth Rate Estimates
(Dollars in Millions)

Allowable Growth Rate	Teacher Salary Supplement			Professional Development Supplement			Early Intervention Supplement			Total for All Supplements*		
	Total	FY 2011 vs. FY 2010	Budget Guarantee**	Total	FY 2011 vs. FY 2010	Budget Guarantee**	Total	FY 2011 vs. FY 2010	Budget Guarantee**	Total**	FY 2011 vs. FY 2010	Budget Guarantee**
0.0%	\$ 254.6	\$ 3.3	\$ 3.4	\$ 28.9	\$ 0.4	\$ 0.4	\$ 29.6	\$ 0.4	\$ 0.4	\$ 313.1	\$ 4.1	\$ 4.1
1.0%	\$ 256.0	\$ 4.8	\$ 2.3	\$ 29.0	\$ 0.5	\$ 0.3	\$ 29.8	\$ 0.5	\$ 0.3	\$ 314.8	\$ 5.8	\$ 2.8
2.0%	\$ 257.6	\$ 6.4	\$ 1.4	\$ 29.2	\$ 0.7	\$ 0.2	\$ 30.0	\$ 0.7	\$ 0.2	\$ 316.8	\$ 7.8	\$ 1.7
3.0%	\$ 259.6	\$ 8.3	\$ 0.8	\$ 29.4	\$ 0.9	\$ 0.1	\$ 30.2	\$ 1.0	\$ 0.1	\$ 319.2	\$ 10.2	\$ 1.0
4.0%	\$ 261.8	\$ 10.6	\$ 0.5	\$ 29.7	\$ 1.2	\$ 0.1	\$ 30.5	\$ 1.2	\$ 0.0	\$ 322.0	\$ 12.9	\$ 0.6
5.0%	\$ 264.2	\$ 12.9	\$ 0.4	\$ 29.9	\$ 1.4	\$ 0.0	\$ 30.7	\$ 1.5	\$ 0.0	\$ 324.9	\$ 15.9	\$ 0.4
6.0%	\$ 266.6	\$ 15.3	\$ 0.3	\$ 30.2	\$ 1.7	\$ 0.0	\$ 31.0	\$ 1.8	\$ 0.0	\$ 327.8	\$ 18.8	\$ 0.3

*Total for all supplements represents the amount of all three supplements at the specified allowable growth rate. However, a separate allowable growth rate may be established for each of the supplements.
**Budget Guarantee amounts are included in the total column.

Governor’s Recommendations for FY 2011 School Aid Funding

At the time of publication of this document, the Governor had not made a recommendation for the FY 2011 allowable growth rate.

Individual School District Estimates

The Legislative Services Agency models the school finance formula and provides estimates of State aid and property tax at the school district level. Estimates of various school aid factors for FY 2010 and FY 2011 are available on the LSA website at:

http://staffweb.legis.state.ia.us/lfb/docs/k-12_ed/k-12_ed.htm

In addition to the data available on the LSA website, additional school finance estimates may be requested. Please contact the LSA for additional information.

School Aid *Issue Reviews* and *Fiscal Topics* Published during the 2008 Interim

The Legislative Services Agency (LSA) published two *Issue Reviews* that focused on school finance issues. These include:

- [School Aid Law Changes](#) – provides an overview and the estimated fiscal impact of recent school aid law changes.
- [Income Surtaxes](#) – examines the history and current use of income surtax as a property tax replacement revenue source.

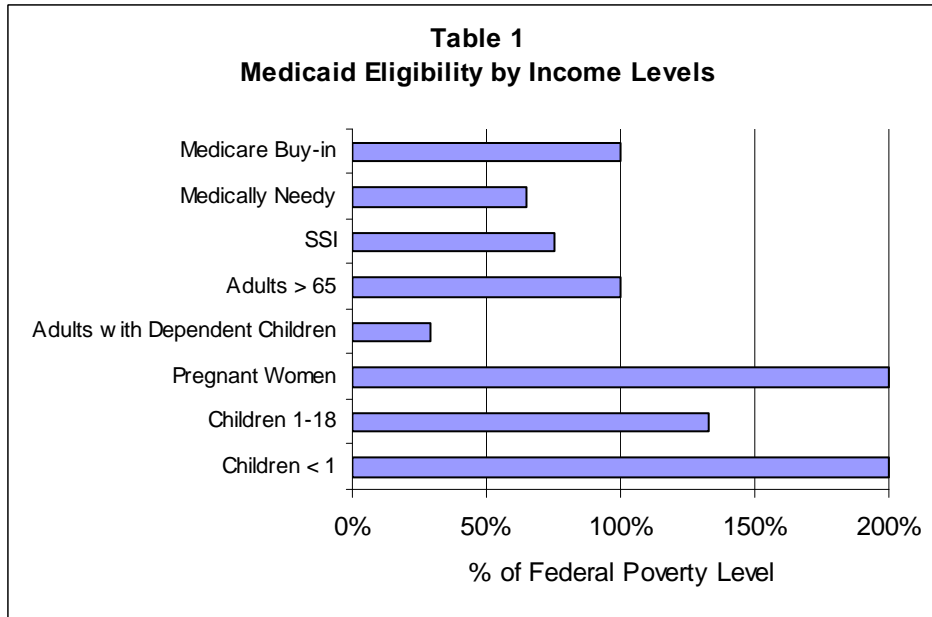
In addition, the LSA published three *Fiscal Topics* that provided information on school finance issues. These include:

- [School Finance Formula - State Categorical Roll-In](#) – provides an overview and fiscal impact of the State Categorical Roll-in legislation that was passed during the 2008 Legislative Session.
- [School Finance: Budget Guarantee Phase-out](#) – provides background and fiscal information regarding the phase-out of the budget guarantee provision.
- [School Finance - Property Tax Relief](#) – reviews the potential of providing property tax relief through the school aid formula and provides the fiscal impact of potential alternatives.

Staff Contact: Shawn Snyder (281-7799) (shawn.snyder@legis.state.ia.us)

MEDICAL ASSISTANCE PROGRAM (MEDICAID)

Medicaid is funded jointly by State and federal funds to provide health care services to low-income persons that are elderly, blind, disabled, pregnant, children under age 21, or members of families with dependent children. For Federal Fiscal Year (FFY) 2008, the federal matching rate for Iowa is 61.73%. The estimated match rate for FFY 2009 is 62.62%.

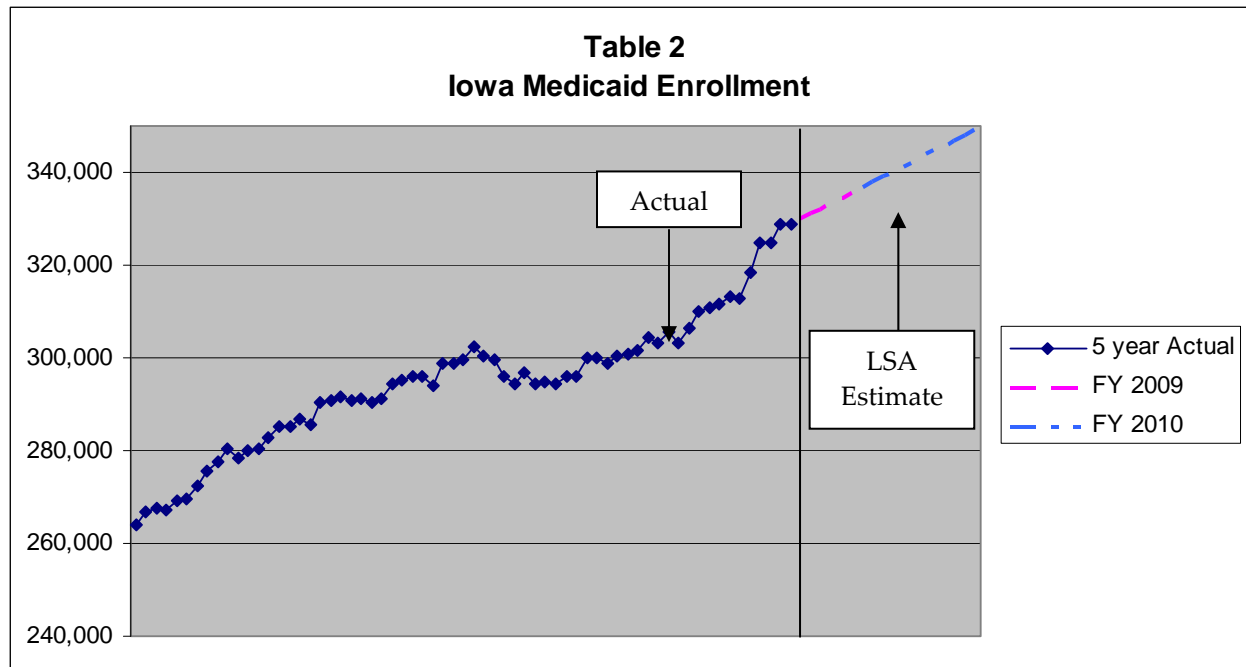


The Iowa Medicaid Program covers individuals at various levels of income as allowed under federal law. **Table 1** shows the maximum income level for children, pregnant women, adults with dependent children, recipients of Supplemental Security Income (SSI), the Medicare Buy-in Program, and the Medically Needy Program. The income levels are based on the percentage of the Federal Poverty Level (FPL) calculated annually by the federal government and varies by the size of the household. The FPL for a family of four is \$22,050 for 2009.

In December 2008, 328,710 Iowans were enrolled in Medicaid. Of this amount, 54.8% were children, 15.9% were adults with dependent children, 20.1% were disabled, and 9.2% were over age 65. Fiscal Year 2008 State expenditures totaled \$849.0 million. This was matched by approximately \$2.0 billion in federal funds, for a total of approximately \$2.8 billion in expenditures. Of the total expenditures, 16.9% was for children, 11.4% was for adults with dependent children, 50.9% was for the disabled, and 20.8% was for adults over age 65. While children account for approximately half of the enrollment, they consume less than 17.0% of Medicaid expenditures. Adults over age 65 and the disabled account for 29.6% of enrollment but utilize 71.7% of expenditures.

State Medicaid Enrollment

Table 2 shows the enrollment growth in Iowa over the past five years. Average enrollment increased by 5.8% in FY 2005 and 3.4% in FY 2006. In FY 2007 there was negligible growth as a result of additional citizenship requirements at the federal level and in FY 2008 the Program increased by 3.0%.



With weakening economic conditions, enrollment is projected to continue to increase steadily in FY 2009 and FY 2010. The Fiscal Services Division of the Legislative Services Agency (LSA) estimates Medicaid enrollment will increase by 6.6% in FY 2009 and 4.4% in FY 2010.

State Medicaid Expenditures

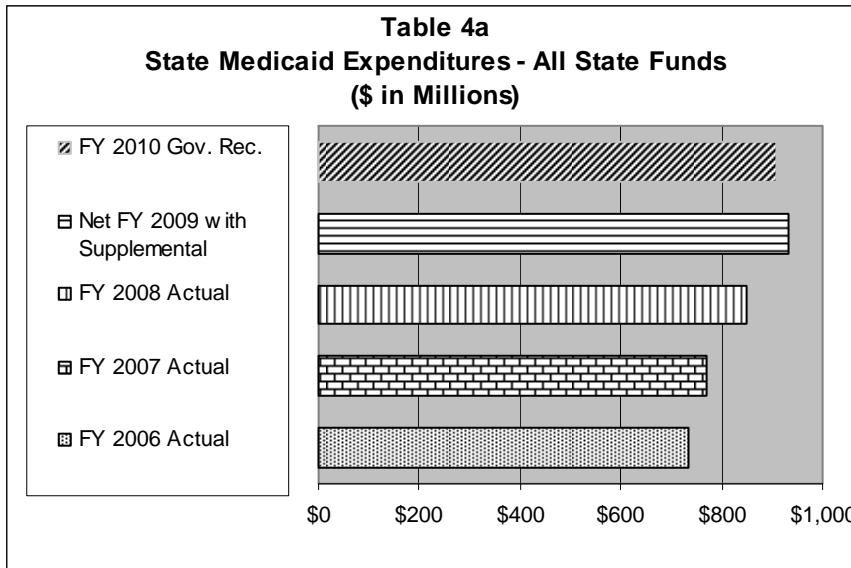
Table 3 shows current year-to-date expenditures for FY 2009 compared to actual FY 2008 expenditures.

**Table 3
State Expenditures for FY 2008 and FY 2009**

	Actual FY 2008	Year-to-Date FY 2009
July	\$ 16,379,832	\$ 17,089,044
August	48,508,909	55,816,607
September	63,394,006	82,001,324
October	73,328,600	65,394,815
November	65,468,081	74,136,268
December	79,000,079	81,162,559
January	64,311,641	-
February	71,990,610	-
March	78,370,087	-
April	68,738,401	-
May	69,120,021	-
June	80,228,369	-
June +60	70,201,726	-
Total State Expenditures	\$ 849,040,362	\$ 375,600,617

Tables 4 and 4a show actual State expenditures for Medicaid for FY 2005 through FY 2008 and the appropriation for FY 2009.

	State Expenditures
FY 2006 Actual	\$ 732.6
FY 2007 Actual	771.7
FY 2008 Actual	849.0
Net FY 2009 with Gov Rec. Supp.	931.5
FY 2010 Gov. Rec.	908.5



FY 2009 Estimate

A Medicaid forecasting group consisting of staff from the Department of Management, the DHS, and the Fiscal Services Division of the LSA meet monthly to discuss current enrollment and expenditure data in the Medicaid Program and set a range for projected FY 2009 and FY 2010 expenditures. At the January 23, 2009, meeting, the group agreed to an FY 2009 estimate ranging from a supplemental need of \$32.0 million to a supplemental need of \$62.0 million, with a midpoint supplemental need of \$47.0 million. The FY 2009 range reflects the 1.5% across-the-board (ATB) General Fund reduction of \$10.6 million. *The Governor is recommending a \$47.0 million General Fund supplemental for FY 2009.*

FY 2010 Estimate

The forecasting group also agreed the increased need for Medical Assistance for FY 2010 will fall in a range between \$68.0 and \$116.0 million, with a midpoint of \$92.0 million. This increase is compared to the FY 2009 appropriation after the ATB reduction and it includes the midpoint of a \$47.0 million

Medical Assistance Program (Medicaid)

supplemental. The estimate includes \$9.0 million for the Mental Health Institutes (MHIs) resulting from the phase-out of federal funds negotiated with the IowaCare agreement.

The Governor is recommending a decrease of \$22.9 million for FY 2010 compared to the FY 2009 net appropriation (includes the recommended supplemental appropriation of \$47.0 million). The Governor's recommendation for FY 2010 is \$59.8 below the estimated midpoint agreed upon by the Medicaid forecasting group. The unfunded need reflects a general reduction of 6.5% and includes no new funding for nursing facility and hospital rebasing. The Governor's funding recommendation is compared to Net FY 2009 in Table 5 below.

	Net FY 2009	FY 2010 Department Request	FY 2010 Gov's Recomm.	Difference: FY 09 vs. Gov's Rec
General Fund	\$ 648,060,330	\$ 729,751,864	\$ 885,673,988	\$ 237,613,658
Supplemental Approp	47,000,000	-	-	-
HCTF	114,351,496	114,943,296	0	-114,351,496
SLTF	111,753,195	111,753,195	16,784,483	-94,968,712
Carryforward	3,195,318	0	0	-3,195,318
Property Tax Relief	7,125,000	6,600,000	6,078,435	-7,125,000
Total	<u>\$ 931,485,339</u>	<u>\$ 963,048,355</u>	<u>\$ 908,536,906</u>	<u>\$ -22,948,433</u>
Total Estimated Need*	<u>\$ 931,485,339</u>	N/A	<u>\$ 968,385,339</u>	
Additional Need	\$ 0	N/A	\$ -59,848,433	

* The total estimated need is the midpoint of the Medicaid forecasting work group projections.

Other Issues

Federal Stimulus – As of the print date of this publication, the Department anticipates receipt of additional federal funds of \$275.0 to \$400.0 million as a result of the Federal Economic Stimulus Plan 2009. These funds will come as an adjustment to the Federal Medical Assistance Matching Percentage (FMAP). The FMAP is the percentage of every dollar spent on Medicaid that the federal government pays versus what the State pays. It is estimated the federal share of the FMAP rate will be increased 4.9% decreasing the amount of State dollars needed to pay for Medicaid by \$300.0 million over two fiscal years. There will also be additional relief available based on the State's unemployment rate, but there are no estimates available at this time of how much Iowa might be able to access.

Medical Assistance Projections and Assessment Council – The FY 2006 IowaCare Medicaid Reform Act established the Medical Assistance Projections and Assessment Council (MAPAC) to oversee the implementation of the Act. The Council members include:

- Chairpersons and Ranking Members of the Health and Human Services Appropriations Subcommittee.
- Chairpersons and Ranking Members or a Committee member appointed by the Chairpersons of the Human Resources Standing Committees of the House and Senate.

- Chairpersons and Ranking Members or a Committee member appointed by the Chairpersons of the Appropriations Committees of the House and Senate.

The Council meets at least annually and is charged with:

- Reviewing quarterly reports on design, development, and implementation of the IowaCare Medicaid Reform Act and making annual recommendations for reform.
- Reviewing the providers' audited financial statements related to the expansion population on an annual basis.
- Reviewing financial performance of the Iowa Medicaid Enterprise (IME) on an annual basis.
- Ensuring that the expansion population is managed within funding limitations.
- With assistance of the DHS, the Department of Management (DOM), and the LSA, agree to a projection of Medical Assistance expenditures each fiscal year.

Iowa Medicaid Enterprise – The DHS formerly contracted with a private entity for the majority of the administrative functions within the Medicaid Program (known as the “fiscal agent”). Historically, this was one contract. Beginning in FY 2006, a new contracting strategy was implemented with eight separate contracts. This new administrative structure is called the “Iowa Medicaid Enterprise” (IME). A few key points include:

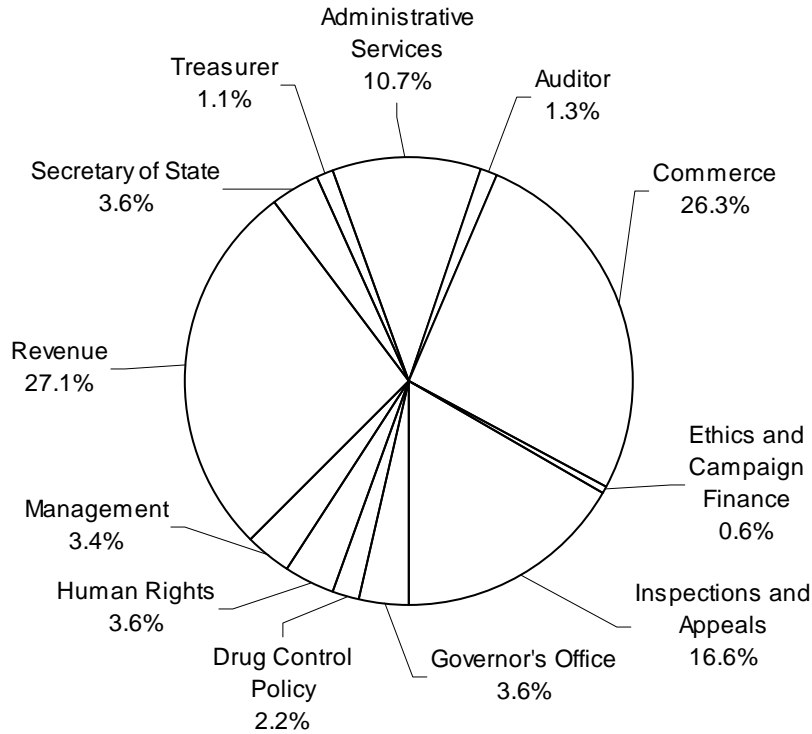
- All of the contractors and the DHS staff are now in one physical location.
- The new contracts require additional services to members, providers, and the DHS, and the contracts have significantly more performance requirements.

For additional information, please see the *Fiscal Topic* titled [Medicaid](#).

Staff Contact: Jess Benson (281-4611) (jess.benson@legis.state.ia.us)

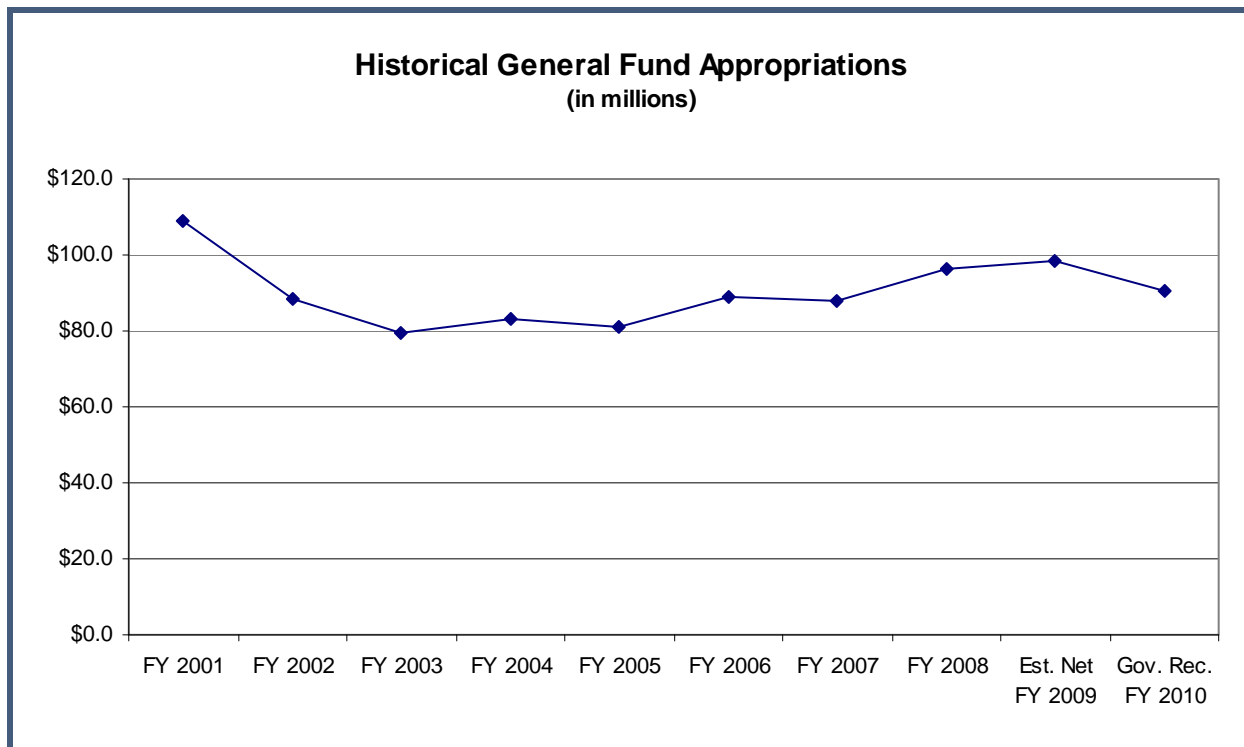
ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE

FY 2010 General Fund Governor's Recommendations



FY 2010 General Fund Governor's Recommendations

Administrative Services	\$ 9,712,695
Auditor	1,153,501
Commerce	23,904,707
Ethics and Campaign Finance	502,334
Inspections and Appeals	15,091,798
Governor's Office	3,222,503
Drug Control Policy	1,951,979
Human Rights	3,272,765
Management	3,042,135
Revenue	24,620,697
Secretary of State	3,274,038
Treasurer	995,449
Total	\$ 90,744,601



FY 2010 GOVERNOR’S RECOMMENDATIONS

FY 2010 Budget Changes – The Governor is recommending across-the-board decreases for all Departments with the exception of the Iowa Public Employees Retirement System (IPERS). Reductions range from 3.8% to 9.1% compared to estimated net FY 2009. The Governor’s total recommended reductions for all Departments within the Subcommittee for FY 2010 is a decrease of \$7.8 million compared to estimated net FY 2009. The Governor’s specific recommendation for each Department’s reduction is listed in this section.

Department of Administrative Services

Established in 2003 by legislative action, the Department of Administrative Services (DAS) consists of four enterprises that provide infrastructure and facilities services to other agencies of State government. These enterprises include the Information Technology Enterprise (ITE), the General Services Enterprise (GSE), the Human Resources Enterprise (HRE), and the State Accounting Enterprise (SAE).

The Governor is recommending FY 2010 General Fund appropriations totaling \$9.7 million. This is a decrease of \$379,000 (3.8%) compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Administrative Services, Dept. of</u>			
Administrative Services, Dept.	\$ 6,448,907	\$ 5,906,306	\$ -542,601
Utilities	3,643,197	3,806,389	163,192
Total Administrative Services, Dept. of	\$ 10,092,104	\$ 9,712,695	\$ -379,409

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Administrative Services was \$166,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$132,000.

I/3 System Funding – The Department requested \$4.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2010 for increased operating costs associated with the I/3 System. *The Governor is recommending \$3.0 million for I/3 System costs. The Department received a \$2.0 million appropriation from the RIIF in FY 2009. The majority of the I/3 operating costs are funded by fees charged to other agencies that use the System. The fees are typically paid from the agencies’ General Fund operating budgets. Since the Governor has not recommended the full \$4.0 million request, State agencies will likely be billed for the additional costs that are currently not included in their FY 2010 budgets.* The cost to operate the I/3 System in FY 2010 is estimated at \$6.9 million. Because this appropriation is being requested from the RIIF, the line-item appropriation is included in the Transportation, Infrastructure, and Capitals Appropriations Subcommittee section of this document.

Human Resources Payroll Implementation – The Department requested a total of \$34.6 million to implement the Human Resources Payroll System. *The Governor is recommending that no funding from the Rebuild Iowa Infrastructure (RIIF) or the General Fund be used.* This is the final phase of the I/3 System development that began in 2004. The Department request included \$23.2 million for FY 2010 and \$11.4 million for FY 2011. Replacement of the current Human Resources Information System (HRIS) has become a critical issue from a technical standpoint due to the program language dating to the 1970s and a shortage of programmers that can work with the outdated system. Because this appropriation is being requested from the RIIF, the line-item appropriation is included in the Transportation, Infrastructure, and Capitals Appropriations Subcommittee section of this document.

Auditor of State

The Auditor’s Office provides independent audits of the financial operations of State and local governments. The Office also reviews government activities to help ensure they are conducted in an effective, efficient, and legal manner.

The Governor is recommending FY 2010 General Fund appropriations of \$1.2 million. This is a decrease of \$106,000 (8.4%) compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Auditor of State			
Auditor of State - General Office	\$ 1,259,445	\$ 1,153,501	\$ -105,944
Total Auditor of State	\$ 1,259,445	\$ 1,153,501	\$ -105,944

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Auditor of State was \$19,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$26,000.

Department of Commerce

The Department of Commerce is comprised of six divisions including: the Iowa Alcoholic Beverages Division, the Iowa Division of Banking, the Iowa Credit Union Division, the Iowa Insurance Division, Professional Licensing and Regulation, and the Iowa Utilities Board. Each division is responsible for regulation of an industry or group of industries. Each division’s budget is prepared independently and then combined with the other divisions’ budgets for submission to the Governor and General Assembly for consideration.

The Governor is recommending FY 2010 General Fund appropriations totaling \$23.9 million. This is a decrease of \$2.2 million (8.4%) compared to estimated net FY 2009. The Governor is also recommending an FY 2010 other fund appropriation of \$62,000. This is no change compared to estimated FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Commerce, Dept. of			
Alcoholic Beverages			
Alcoholic Beverages Operations	\$ 2,123,793	\$ 1,945,135	\$ -178,658
Banking Division			
Banking Division	\$ 8,531,092	\$ 7,813,429	\$ -717,663

Administration and Regulation Appropriations Subcommittee

	<u>Est. Net FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
<u>Commerce, Dept. of, cont.</u>			
Professional Licensing and Reg.			
Professional Licensing Bureau	\$ 953,009	\$ 872,842	\$ -80,167
Credit Union Division			
Credit Union Division	\$ 1,701,898	\$ 1,558,732	\$ -143,166
Insurance Division			
Insurance Division	\$ 4,986,002	\$ 4,563,937	\$ -422,065
Utilities Division			
Utilities Division	\$ 7,666,852	\$ 7,021,696	\$ -645,156
Insurance Division			
Senior Health Insurance Information Program	\$ 59,100	\$ 55,258	\$ -3,842
Health Insurance Oversight	78,800	73,678	-5,122
Total Insurance Division	<u>\$ 137,900</u>	<u>\$ 128,936</u>	<u>\$ -8,964</u>
Total Commerce, Dept. of	<u>\$ 26,100,546</u>	<u>\$ 23,904,707</u>	<u>\$ -2,195,839</u>

Other Fund Recommendations

	<u>Estimated FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
<u>Commerce, Dept. of</u>			
Professional Licensing and Reg.			
Housing Improvement Fund_Field Auditor	\$ 62,317	\$ 62,317	\$ 0
Total Commerce, Dept. of	<u>\$ 62,317</u>	<u>\$ 62,317</u>	<u>\$ 0</u>

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Commerce was \$412,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$534,000.

Department of Commerce and General Fund Reductions – The Divisions within the Department of Commerce regulate private industry. Each Division receives a General Fund appropriation and then bills the industry for the cost of regulation. The revenue collected from the private institutions is deposited in the General Fund. Budget reductions for these agencies do not necessarily result in savings to the General Fund. Reductions in agency budgets may reduce regulatory activities and save no General Fund dollars since the reimbursement from industries are reduced.

Senate File 2400 (FY 2009 Administration and Regulation Appropriation Act) permits the Insurance Division and the Utilities Division to have expenditures exceeding revenues if the expenditures are reimbursable. The Division is required to notify the Department of Management, the Legislative Services Agency, and the Fiscal Committee of the need for examination expenses to exceed revenues and requires justification and an estimate of the excess expenditures.

Ethics and Campaign Disclosure Board

The Iowa Ethics and Campaign Disclosure Board administers the State campaign, lobbying, and ethics laws. The Board also reports on all gifts, bequests, and grants received by an Executive Branch agency other than a Regents university.

The Governor is recommending FY 2010 General Fund appropriations of \$502,000. This is a decrease of \$46,000 (8.4%) compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Ethics and Campaign Disclosure</u>			
Ethics & Campaign Disclosure Board	\$ 548,475	\$ 502,334	\$ -46,141
Total Ethics and Campaign Disclosure	\$ 548,475	\$ 502,334	\$ -46,141

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Ethics and Campaign Disclosure Board was \$8,500. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$11,000.

Department of Inspections and Appeals

The Department of Inspections and Appeals (DIA) is a regulatory agency charged with protecting the health, safety, and well-being of Iowans. The Department consists of four major divisions: the Administration Division, the Administrative Hearings Division, the Health Facilities Division, and the Investigations Division. The Department also includes five administrative units including, the Child Advocacy Board, the Employment Appeal Board, the Hospital Licensing Board, the Iowa Racing and Gaming Commission, and the State Public Defender. For the purposes of this document, the State Public Defender budget is included under the Justice System Appropriation Subcommittee.

The Governor is recommending FY 2010 General Fund appropriations totaling \$15.1 million. This is a decrease of \$1.4 million (8.4%) compared to estimated net FY 2009. The Governor is also recommending other fund appropriations totaling \$1.6 million for FY 2010. This is no change compared to estimated FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Inspections & Appeals, Dept. of</u>			
Inspections and Appeals, Dept. of			
Administration Division	\$ 2,295,806	\$ 2,102,679	\$ -193,127
Administrative Hearings Division	775,556	710,310	-65,246
Investigations Division	1,663,690	1,523,738	-139,952
Health Facilities Division	2,559,651	2,344,271	-215,380
Employment Appeal Board	58,933	53,972	-4,961
Child Advocacy Board	2,920,367	2,674,696	-245,671
Total Inspections and Appeals, Dept. of	\$ 10,274,003	\$ 9,409,666	\$ -864,337
Racing Commission			
Pari-Mutuel Regulation	\$ 2,885,883	\$ 2,643,108	\$ -242,775
Riverboat Regulation	3,318,213	3,039,024	-279,189
Total Racing Commission	\$ 6,204,096	\$ 5,682,132	\$ -521,964
Total Inspections & Appeals, Dept. of	\$ 16,478,099	\$ 15,091,798	\$ -1,386,301

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Inspections & Appeals, Dept. of</u>			
DIA-Use Tax/RUTF	\$ 1,623,897	\$ 1,623,897	\$ 0
Total Inspections & Appeals, Dept. of	\$ 1,623,897	\$ 1,623,897	\$ 0

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Inspections and Appeals was \$260,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$337,000.

Nursing Home Inspections – The Department’s inspections of nursing facilities has generated discussion of the severity of fines assessed against facilities. Nursing facilities claim that the Department is focusing on punitive measures rather than working with nursing facilities to improve the quality of care

Office of Governor and Lieutenant Governor

The Governor’s Office is responsible for managing the Executive Branch and implementing policies and programs in accordance with State law.

The Governor is recommending FY 2010 General Fund appropriations totaling \$3.2 million. This is a decrease of \$296,000 (8.4%) compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Governor</u>			
Governor/Lt. Governor's Office	\$ 2,605,289	\$ 2,370,208	\$ -235,081
Terrace Hill Quarters	515,367	481,868	-33,499
Administrative Rules Coordinator	175,552	164,141	-11,411
National Governor's Association	80,600	74,231	-6,369
State-Federal Relations	141,235	132,055	-9,180
Total Governor	\$ 3,518,043	\$ 3,222,503	\$ -295,540

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Governor’s Office was \$53,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$70,000.

Governor’s Office of Drug Control Policy

The Governor’s Office of Drug Control Policy (GODCP) coordinates agencies and stakeholders involved with drug enforcement and substance abuse treatment and prevention. The Office creates the drug control policy and strategy for the State and identifies, pursues, and administers federal and other grants.

The Governor is recommending FY 2010 General Fund appropriations totaling \$2.0 million. This is a decrease of \$143,000 (6.8%) compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Governor's Office of Drug Control Policy</u>			
Drug Policy Coordinator	\$ 365,337	\$ 339,868	\$ -25,469
Drug Task Forces	1,729,812	1,612,111	-117,701
Total Governor's Office of Drug Control Policy	\$ 2,095,149	\$ 1,951,979	\$ -143,170

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Governor’s Office of Drug Control Policy was \$41,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$7,000.

Edward Byrne Memorial Justice Assistance Grant – In FY 2008, \$1.4 million of General Fund money was appropriated to cover a projected shortfall of federal funds from the Edward Byrne Memorial Justice

Assistance Grant (Byrne/JAG Grant). The Department was authorized to carry forward any unspent funding to FY 2009. The amount carried forward was \$598,000 for FY 2009. Additionally, the Department received a General Fund appropriation of \$1.8 million for a total of \$2.3 million. The Department is not authorized to carry forward unspent funds from FY 2009 to FY 2010.

Department of Human Rights

The Iowa Department of Human Rights is comprised of seven divisions, one commission, and an administrative support unit. The divisions include: the Division on the Status of African Americans, the Commission on the Status of Asian and Pacific Islanders, the Division of Latino Affairs, the Division of Persons with Disabilities, the Division on the Status of Women, the Division of Deaf Services, the Division of Community Action Agencies, the Division of Criminal and Juvenile Justice Planning, and the Status of Native Americans. The divisions promote self-sufficiency of their constituency population by providing training, developing partnerships, and advocating on their behalf.

The Governor is recommending FY 2010 General Fund appropriations totaling \$3.3 million. This is a decrease of \$326,000 (9.1%) compared to estimated net FY 2009. The Governor is not recommending an appropriation from other funds for the Division of Community Action Agencies. This is a decrease of \$150,000 compared to FY 2009.

General Fund Recommendations

	<u>Est. Net FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
<u>Human Rights, Dept. of</u>			
Human Rights Administration	\$ 366,585	\$ 321,721	\$ -44,864
Deaf Services	433,736	397,243	-36,493
Asian and Pacific Islanders	152,782	139,930	-12,852
Persons with Disabilities	238,431	218,374	-20,057
Latino Affairs	203,929	186,775	-17,154
Status of Women	361,695	331,270	-30,425
Status of African Americans	190,991	174,920	-16,071
Criminal & Juvenile Justice	1,634,571	1,497,006	-137,565
Development, Assessment & Resolution Program	9,850	0	-9,850
Status of Native Americans	5,910	5,526	-384
Total Human Rights, Dept. of	\$ 3,598,480	\$ 3,272,765	\$ -325,715

Other Fund Recommendations

	<u>Estimated FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
<u>Human Rights, Dept. of</u>			
Division of Community Action Agencies	\$ 150,000	\$ 0	\$ -150,000
Total Human Rights, Dept. of	\$ 150,000	\$ 0	\$ -150,000

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Human Rights was \$59,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$73,000.

Department of Management

The Department of Management (DOM) is the planning and budgeting agency within the Executive Branch. The director of the Department serves as the Governor’s chief financial advisor.

The Governor is recommending FY 2010 General Fund appropriations of \$3.0 million. This is a decrease of \$279,000 (8.4%) compared to estimated net FY 2009. The Governor is also recommending an FY 2010 other fund appropriation of \$56,000. This is no change compared to estimated FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Management, Dept. of</u>			
Department Operations	\$ 3,321,546	\$ 3,042,135	\$ -279,411
Total Management, Dept. of	\$ 3,321,546	\$ 3,042,135	\$ -279,411

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Management, Dept. of</u>			
RUTF DOM Operations	\$ 56,000	\$ 56,000	\$ 0
Total Management, Dept. of	\$ 56,000	\$ 56,000	\$ 0

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Management was \$51,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$68,000.

Department of Revenue

The Department of Revenue is comprised of six divisions, including: Taxpayer Services and Policy, Compliance, Property Tax, Revenue Operations, Technology and Information Management, and Internal Services. The Department of Revenue collects all taxes in Iowa that are required by law. The Department also provides taxpayers with information that supports tax filing and payments.

The Governor is recommending FY 2010 General Fund appropriations totaling \$24.6 million. This is a decrease of \$2.3 million (8.4%) compared to estimated net FY 2009. The Governor is also requesting an appropriation of \$1.3 million from the Motor Vehicle Fuel Tax for FY 2010. This is no change compared to estimated FY 2009.

General Fund Recommendations

<u>Revenue, Dept. of</u>	<u>Est. Net FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
Revenue, Department of	\$ 26,882,700	\$ 24,620,697	\$ -2,262,003
Total Revenue, Dept. of	\$ 26,882,700	\$ 24,620,697	\$ -2,262,003

Other Fund Recommendations

<u>Revenue, Dept. of</u>	<u>Estimated FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
Motor Fuel Tax Admin.-MVFT	\$ 1,305,775	\$ 1,305,775	\$ 0
Total Revenue, Dept. of	\$ 1,305,775	\$ 1,305,775	\$ 0

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Revenue was \$419,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$550,000.

Secretary of State

The Secretary of State is responsible for filing documents such as Uniform Commercial Code (UCC) financing statements, trademarks, business entity documents, and other statutorily required special filings. The Office also coordinates and supervises elections, and maintains and operates the voter registration program.

The Governor is recommending FY 2010 General Fund appropriations totaling \$3.3 million. This is a decrease of \$301,000 (8.4%) compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Secretary of State			
Admin/Elections/Voter Registration	\$ 1,547,039	\$ 1,416,903	\$ -130,136
Secretary of State-Business Services	2,027,705	1,857,135	-170,570
Total Secretary of State	\$ 3,574,744	\$ 3,274,038	\$ -300,706

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Secretary of State was \$54,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$73,000.

IVOTER Maintenance – *The Governor is not recommending an appropriation of \$285,000 to fund the maintenance costs of the IVOTER System.* The Help America Vote Act (HAVA) of 2002 required each state to implement a single, uniform, centralized, interactive, computerized statewide voter registration system (IVOTERS). The total estimated cost to maintain the IVOTER System is \$950,000 for FY 2010. The Secretary of State proposes using \$380,000 in federal HAVA funds and \$285,000 from county reimbursements to help fund the System maintenance in FY 2010.

Treasurer of State

The Treasurer of State provides financial services to the State of Iowa by maintaining records of the receipts and disbursements in the State treasury. The Treasurer is responsible for reporting the bonding activities of all political subdivisions and agencies, and makes recommendations to the General Assembly and the Governor on modifications to the bonding authority.

The Governor is recommending an FY 2010 General Fund appropriation of \$995,000 for operation of the Office. This is a decrease of \$91,000 (8.4%) compared to estimated net FY 2009. The Governor is also recommending a Road Use Tax Fund appropriation of \$93,000 for FY 2010 to fund I/3 budget system expenses. This is no change compared to estimated FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Treasurer of State			
Treasurer - General Office	\$ 1,086,896	\$ 995,449	\$ -91,447
Total Treasurer of State	\$ 1,086,896	\$ 995,449	\$ -91,447

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Treasurer of State</u>			
I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 0
Total Treasurer of State	\$ 93,148	\$ 93,148	\$ 0

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Treasurer of State was \$17,000. The Department has indicated that the General Fund reduction will be achieved by holding open vacant positions and reducing administrative costs such as travel and equipment purchases. The Department was also included in the Governor’s additional selective reductions totaling \$22,000.

Iowa Public Employees Retirement System

The Iowa Public Employees’ Retirement System (IPERS) administers the retirement benefits for many of Iowa’s public employees. Iowa’s public employers use IPERS benefits to attract and retain qualified public personnel in public service. The benefits help public employees care for themselves during retirement.

The Governor is recommending an appropriation of \$18.0 million from the IPERS Trust Fund for FY 2010 for administration of the Fund. This is a increase of \$157,000 (0.9%) compared to estimated net FY 2009 to cover additional DAS I/3 budget system expenses.

Issues

DAS I/3 Budget System Expenses – The IPERS believes they are overcharged by the Department of Administrative Services for I/3 budget system costs. The I/3 fees pay for a portion of the operational costs of the I/3 System and the fees are set by the Customer Council. The IPERS has presented their disagreement to the Customer Council and the Council has not agreed with their position. The IPERS is requesting an increase in the appropriation from the IPERS Trust Fund in the amount of \$157,000 to cover increased DAS I/3 budget system expenses.

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>IPERS Administration</u>			
IPERS Administration	\$ 17,844,663	\$ 18,001,480	\$ 156,817
Total IPERS Administration	\$ 17,844,663	\$ 18,001,480	\$ 156,817

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

Energy Efficiency Plans and Programs Study Committee

The Committee is charged with examining the existence and effectiveness of energy efficiency plans and programs implemented by gas and electric public utilities, with an emphasis on results achieved by current plans and programs from the demand, or customer, perspective, and make recommendations for additional requirements applicable to energy efficiency plans and programs that would improve such results. In conducting the study and developing recommendations, the Study Committee is to consider testimony from the Iowa Utilities Board, rate and nonrate-regulated gas and electric utilities, the Consumer Advocate, state agencies involved with energy efficiency program administration, environmental groups and associations, and consumers.

The Energy Efficiency Plans and Programs Study Committee met twice during the 2008 legislative interim. The Committee received information and input from a variety of organizations involved in the generation and distribution of energy and organizations interested in energy efficiency measures. The Committee did not make any recommendations. The following is a list of presenters that provided testimony to the Committee.

- Iowa Utilities Board
- MidAmerican Energy
- Alliant Energy
- Iowa Association of Electric Cooperatives
- Iowa Association of Municipal Utilities
- Iowa Policy Project
- Office of Consumer Advocate
- Office of Energy Independence
- Iowa Environmental Council
- Plains Justice
- Regulatory Assistance Project
- Commission of Energy Efficiency Standards and Practices
- Iowa State Association of Counties and Iowa League of Cities
- Black Hills Energy Efficiency Plans
- Iowa Propane Gas Association
- Climate Change Advisory Council

Additional information is available on the website at
<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=237>

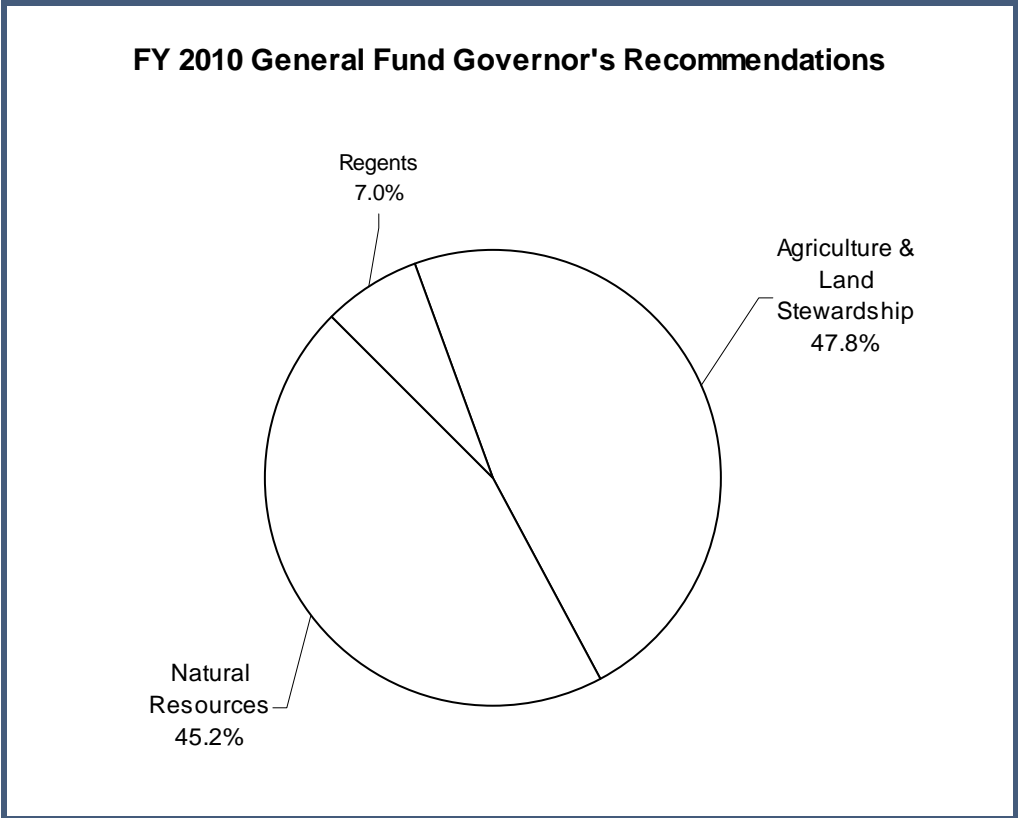
LSA Publications

The following *Fiscal Topics* have been published by the LSA that relate to the Administration and Regulation Appropriations Subcommittee:

- [Community Action Agencies](#)
- [Performance of Duty Appropriations](#)
- [State Appeal Board Appropriations](#)
- [Iowa Public Employees Retirement System \(IPERS\)](#)

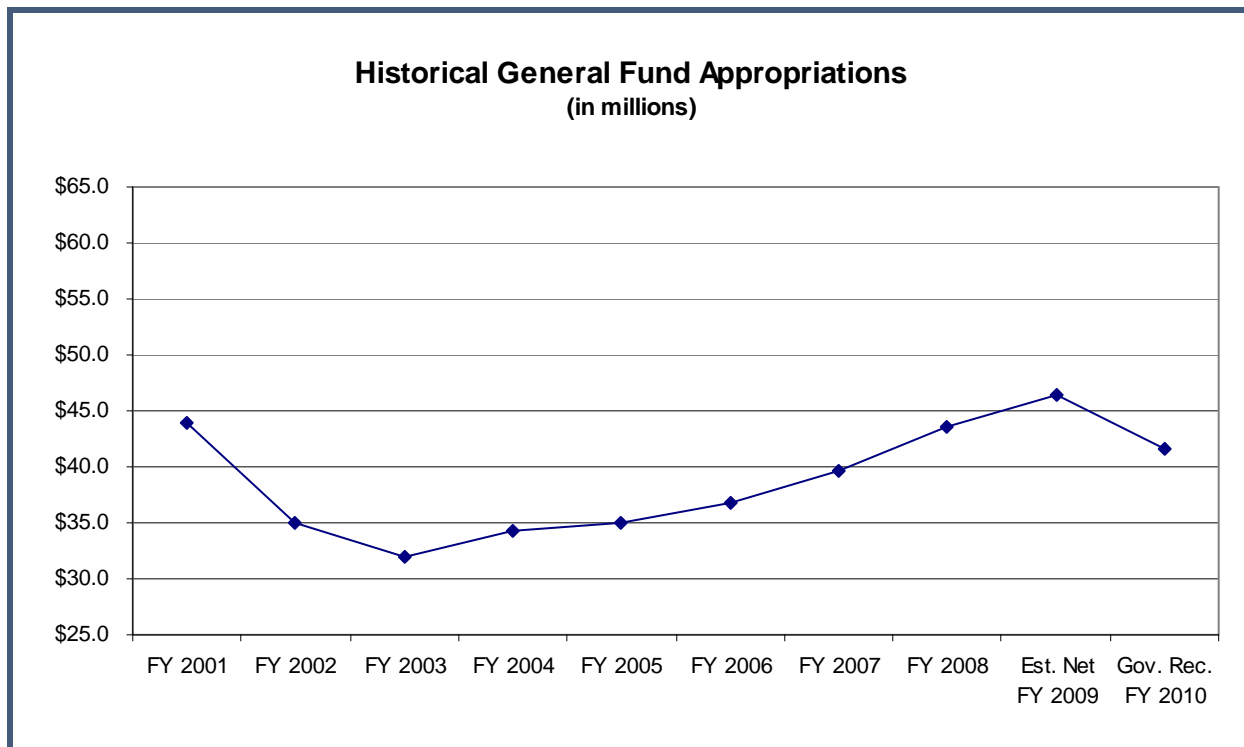
Staff Contacts: David Reynolds (1-6934); Joe Brandstatter (5-2062)

**AGRICULTURE AND NATURAL RESOURCES
APPROPRIATIONS SUBCOMMITTEE**



FY 2010 General Fund Governor's Recommendations

Agriculture & Land Stewardship	\$	19,889,964
Natural Resources		18,824,401
Board of Regents		2,910,313
	\$	<u>41,624,678</u>



FY 2010 GOVERNOR’S RECOMMENDATIONS

Department of Agriculture and Land Stewardship

The Department of Agriculture and Land Stewardship (DALs) was created in 1923 to oversee agriculture in the State. Land stewardship functions were added in 1986. The Department has two operating divisions: the Consumer Protection and Industry Services Division and the Soil Conservation Division.

The Governor is recommending FY 2010 General Fund appropriations totaling \$19.9 million. This is a decrease of \$1.8 million (8.3%) compared to estimated net FY 2009. The Governor is also recommending FY 2010 other fund appropriations totaling \$16.5 million. This is a decrease of \$15,000 (0.1%) compared to estimated FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Agriculture and Land Stewardship</u>			
Administrative Division	\$ 19,441,738	\$ 17,806,307	\$ -1,635,431
Chronic Wasting Disease	98,500	92,097	-6,403
Regulatory Dairy Products	935,750	857,035	-78,715
Avian Influenza	46,885	43,837	-3,048
Apiary Program	73,875	69,073	-4,802

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Agriculture and Land Stewardship, cont.</u>			
Gypsy Moth Control - GF	49,250	46,049	-3,201
Emerald Ash Borer Public Awareness	49,250	46,049	-3,201
Soil Commissioners Expense	394,000	368,390	-25,610
Sr. Farmers Market Program	73,875	69,073	-4,802
Emergency Veterinarian Rapid Response	128,050	119,727	-8,323
Organic Agricultural Products	49,250	46,049	-3,201
Grape & Wine Development Fund	275,800	252,600	-23,200
Farm to School Program	78,800	73,678	-5,122
Total Agriculture and Land Stewardship	\$ 21,695,023	\$ 19,889,964	\$ -1,805,059

Changes include:

- Three appropriations were decreased by 8.4%. They include:
 - \$1.6 million and 1.0 FTE position for the Administrative Division.
 - \$79,000 for Regulatory Dairy Products.
 - \$23,000 for the Grape and Wine Program.
- The remaining appropriations were reduced by 6.5%. They include:
 - \$6,000 for the Chronic Wasting Disease Program.
 - \$3,000 for the Avian Influenza Program.
 - \$5,000 for the Apiary Program.
 - \$3,000 for the Gypsy Moth Program.
 - \$3,000 for the Emerald Ash Borer Program.
 - \$26,000 for reimbursement of District Soil and Water Commissioners expenses.
 - \$5,000 for the Senior Farmer’s Market Program.
 - \$8,000 for the Emergency Veterinarian Rapid Response Program.
 - \$3,000 for Organic Agricultural Products Program.
 - \$5,000 for the Farm-To-School Program.

The Department was also included in the Governor’s additional selective reductions totaling \$422,000 from administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.*

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Agriculture and Land Stewardship</u>			
Agriculture and Land Stewardship			
Native Horse and Dog Program	\$ 305,516	\$ 305,516	\$ 0
Motor Fuel Inspection-RFIF	300,000	300,000	0
Open Feedlots-Ag Remediation	50,000	50,000	0
Conservation Reserve Enhance-EFF	1,500,000	1,500,000	0
Watershed Protection Fund-EFF	2,550,000	2,550,000	0
Farm Management Demo.-EFF	850,000	850,000	0
Agricultural Drainage Wells-EFF	1,500,000	1,500,000	0
Cost Share-EFF	7,000,000	7,000,000	0
Conservation Reserve Prog.-EFF	1,500,000	1,500,000	0
So. Iowa Conservation & Dev.-EFF	300,000	300,000	0
Soil & Water Conservation Needs Assessment	15,000	0	-15,000
Total Agriculture and Land Stewardship	\$ 15,870,516	\$ 15,855,516	\$ -15,000
Loess Hills Dev. and Conservation			
Loess Hills-EFF	\$ 600,000	\$ 600,000	\$ 0
Total Agriculture and Land Stewardship	\$ 16,470,516	\$ 16,455,516	\$ -15,000

Changes include a decrease of \$15,000 related to one-time funding received in FY 2009 for the soil and water conservation needs assessment of the Little Sioux River.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Agriculture and Land Stewardship was \$333,000 for General Fund appropriations. The Department has indicated that the General Fund reduction will be achieved by holding open vacant funded positions and reducing administrative costs. The Department was also included in the Governor’s additional selective reductions totaling \$422,000 from administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.*

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department is uncertain as to amount of additional federal funds that will be received from the Federal Economic Stimulus Plan 2009. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website: <http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>. The Department plans to use additional funding for the following:

- **Integrated Drainage and Wetland Landscape Systems Initiative** – This initiative will replace subsurface drainage district systems while restoring highly functional wetlands to remove nitrates, improving wildlife habitat, reducing surface runoff and phosphorus to streams, optimizing crop yields, and reducing emissions, greenhouse gases, and hypoxia. The Iowa Drainage Districts installed in the early 1900s are at the end of their service life and were not designed to serve modern ecological and environmental stewardship needs such as reduction of nutrients to water resources and limitations of Iowa’s contribution to the hypoxic zone in the Gulf of Mexico. The initial 25 pilot project areas will serve as demonstrations for developing and monitoring nutrient removal wetlands

and redesigned drains through existing locally-led drainage districts. Total State funding needed is \$31.0 million and would be matched with local funds.

- **Abandoned Mines** – The State is responsible for the reclamation of abandoned coal mines, affecting approximately 13,000 acres and 185 sites. Funding would be used to implement on-the-ground construction activities for completed designs, and for those able to be finalized within 60 days. The cost for construction work is estimated at \$11.6 million and the cost for engineering firms at \$1.2 million. The total injection to local economies would be \$12.8 million. Reclamation activities include general grading to return the site to the approximate original contour and establishing stable vegetation. The existing Department reclamation efforts aim to mitigate “features” posing a threat to the health, safety, and welfare of the general public and to address environmental concerns. These include clogged streams, clogged stream land, dangerous highwalls, hazardous water bodies, industrial and residential waste, and acid mine drainage. Water quality and the biotic community are adversely affected by the related acid forming materials and acidic water activity.
- **Soil Conservation Maintenance and Restoration Activities** – The Department is requesting \$6.7 million for the following soil conservation activities:
 - \$1.5 million to assist landowners in maintaining flood protection practices not directly affected by the 2008 flood with low-interest loans.
 - \$3.7 million is needed for technical support for landowners that need to repair practices caused by flooding.
 - \$1.5 million is requested for cost share moneys in targeted watersheds to build up and increase capacity in water retention basins and terraces.

Flood Damage – The Rebuild Iowa Office was established in June 2008 to be the State operational component to coordinate flood recovery activities. The Agriculture and Environment Task Force held three meetings to discuss flood and storm damage and to make recommendations to the Rebuild Iowa Office. During the first meeting, it was reported the damage to soil conservation practices was estimated at \$40.0 million.

Department of Natural Resources

The Department of Natural Resources (DNR) is responsible for maintaining State parks and forests, protecting the environment, and managing energy, fish, wildlife, and land and water resources in Iowa.

The Governor is recommending FY 2010 General Fund appropriations totaling \$18.8 million. This is a decrease of \$2.7 million (12.6%) compared to estimated net FY 2009. The Governor is recommending other fund appropriations of \$43.2 million. This is a decrease of \$1.7 million (3.8%) compared to estimated FY 2009. The Governor is also recommending \$25.7 million for capital projects. This is a decrease of \$445,000 (1.7%) compared to estimated FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Natural Resources, Dept. of</u>			
Natural Resources Operations	\$ 20,553,338	\$ 18,824,401	\$ -1,728,937
Redemption Center	985,000	0	-985,000
Total Natural Resources, Dept. of	\$ 21,538,338	\$ 18,824,401	\$ -2,713,937

Agriculture and Natural Resources Appropriations Subcommittee

Changes include:

- A decrease of \$1.7 million and an increase of 2.0 FTE positions for DNR operations.
- A decrease of \$985,000 to reflect a one-time appropriation received in FY 2009 for redemption center grants.

The Department was also included in the Governor's additional selective reductions totaling \$420,000 from administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.*

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Natural Resources, Dept. of</u>			
Snowmobile Fund Transfer	\$ 950,000	\$ 0	\$ -950,000
ATV Fund Transfer	775,000	0	-775,000
Fish & Game-DNR Admin Expenses	38,793,154	38,793,154	0
NPDES Permit Application Processing	700,000	700,000	0
Snowmobile Registration Fees	100,000	100,000	0
UST Administration Match	200,000	200,000	0
GWF-Storage Tanks Study-DNR	100,303	100,303	0
GWF-Household Hazardous Waste-DNR	447,324	447,324	0
GWF-Well Testing Admin 2%-DNR	62,461	62,461	0
GWF-Groundwater Monitoring-DNR	1,686,751	1,686,751	0
GWF-Landfill Alternatives-DNR	618,993	618,993	0
GWF-Waste Reduction and Assistance	192,500	192,500	0
GWF-Solid Waste Authorization	50,000	50,000	0
GWF-Geographic Information System	297,500	297,500	0
Total Natural Resources, Dept. of	\$ 44,973,986	\$ 43,248,986	\$ -1,725,000
<u>Natural Resources Capital</u>			
REAP-EFF	\$ 18,000,000	\$ 18,000,000	\$ 0
Volunteers and Keepers of Land-EFF	100,000	100,000	0
Park Operations & Maintenance-EFF	2,470,000	2,470,000	0
GIS Information for Watershed-EFF	195,000	195,000	0
Water Quality Monitoring-EFF	2,955,000	2,955,000	0
Water Quality Protection-EFF	500,000	500,000	0
Air Quality Monitoring-EFF	325,000	625,000	300,000
Water Quantity-EFF	495,000	495,000	0
Resource Conservation and Dev.-EFF	250,000	0	-250,000
Global Climate Change-EFF	50,000	0	-50,000
Animal Feeding Operations-EFF	360,000	360,000	0
Ambient Air Quality-FES	195,000	0	-195,000
Water Trails & Low Head Dam	250,000	0	-250,000
Total Natural Resources Capital	\$ 26,145,000	\$ 25,700,000	\$ -445,000

Changes include:

- A decrease of \$950,000 to the Snowmobile Fund and \$775,000 to the All-Terrain Vehicle Fund. In FY 2009, the General Assembly replaced funding that was deappropriated in FY 2002. Funding was from the Unassigned Revenue Fund of the Underground Storage Tank Fund.
- An increase of \$300,000 for the Ambient Air Quality Monitoring Program with funding from the Environment First Fund and a decrease of \$195,000 for the Program with funding from the Federal Economic Stimulus and Jobs Holding Account.
- A decrease of \$250,000 for the Resource Conservation and Development Program with funding from the Environment First Fund.
- A decrease of \$50,000 for the Global Climate Change Program funding from the Environment First Fund.
- A decrease of \$250,000 for the Water Trails and Low Head Dam Program with funding from the Federal Economic Stimulus Fund.

Issues

FY 2009 Supplemental Appropriation – The Governor is recommending a supplemental appropriation of \$6.0 million for FY 2009 for the Conservation and Recreation Division for the following:

- \$2.0 million for the Parks Bureau for the following:
 - \$900,000 for loss of camping receipts due to the inclement weather.
 - \$533,000 for damage to parks not covered by the Federal Emergency Management Agency (FEMA).
 - \$525,000 for law enforcement retirement payouts.
- \$4.1 million for the Fisheries, Wildlife, and Law Enforcement Bureaus for the following:
 - \$1.5 million for loss of hunting and fishing license receipts.
 - \$1.3 million for crop damage on State-owned land.
 - \$470,000 for damage to fisheries, wildlife areas, and other land not covered by FEMA.
 - \$800,000 for law officer retirement payouts.

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Natural Resources was \$ 328,000 for General Fund appropriations. The Department has indicated that the General Fund reduction will be achieved by:

- Holding open vacant funded positions.
- Reducing administrative costs.
- Reducing seasonal employees.
- Delaying information services upgrades.

The Department was also included in the Governor's additional selective reductions totaling \$420,000 from administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.*

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department is uncertain as to the amount of additional federal funds that will be received from the Federal Economic Stimulus Plan 2009. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website: <http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>. The Department plans to use additional funding for the following:

- **Floodplain Mapping** – The total project cost is \$23.0 million with the State portion being \$8.0 million. Of that amount, \$5.0 million has been dedicated by various State agencies. Personnel and contracts could be in place in 90 days and it is estimated this project would create 24 jobs.
- **Honey Creek Destination Park Pedestrian Bridge** – The total project cost is \$4.5 million with no funding currently available for the project. Contracts could be in place by May 2009, and it is estimated this project would create 30 jobs lasting five years.
- **Storm Lake Water Quality Improvement Project** – The total project cost is \$5.0 million and the State portion is \$2.4 million. Contracts could be in place by May 2009, and it is estimated this project would create 30 jobs.
- **Lake Darling Restoration Project** – The total project cost is \$4.8 million and the State portion is \$2.3 million. Contracts could be in place by May 2009, and it is estimated this project would create 35 jobs lasting 18 months.
- **Iowa Cabin and Park Infrastructure** – The total project cost is \$6.0 million and the State portion is \$3.0 million. Contracts could be in place by May 2009, and it is estimated this project would create between 10 and 40 jobs per project.
- **Lake Restoration Projects** – The total project cost is \$12.7 million and the State portion is \$6.1 million. Contracts could be in place by May 2009, and it is estimated this project would create 130 jobs lasting 18 months.
- **Interpretive Center at Mines of Spain** – The total project cost is \$1.5 million and the State portion is \$700,000. Contracts could be in place by May 2009, and it is estimated this project would create 20 construction jobs for six months and two permanent jobs at the Center.

Floodplain Mapping – The Rebuild Iowa Office was established in June to be the State operational component to coordinate flood recovery activities. The Agriculture and Environment Task Force and the Floodplain Management and Hazard Mitigation Task Force held five meetings and made recommendations to the Rebuild Iowa Office. Presenters discussed the lack of detailed floodplain maps for many communities in Iowa. *The Governor is recommending \$3.0 million for a Floodplain Management/Dam Safety Program with funding from the Rebuild Iowa Infrastructure Fund.*

Air Quality Monitoring – The National Ambient Air Quality Standard (NAAQS) for fine particles was lowered from 65 to 35 micrometers per cubic meter of air on December 18, 2006. The DNR compares the past three years of data against the federal standard each year. The most recent comparison found that Iowa meets the standard with the exception of two areas in Scott and Muscatine counties. *The Governor is recommending \$625,000 from the Environment First Fund for air quality monitoring functions.*

Board of Regents

The Board of Regents oversees the three State universities, including Iowa State University (ISU). The Veterinary Diagnostic Laboratory at ISU historically received funding through the Agriculture and Natural Resource Appropriations Subcommittee. *The Governor is recommending a \$2.9 million appropriation for FY 2010 for the Veterinary Diagnostic Laboratory. The recommendation is included in the Education Appropriations Subcommittee.*

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Regents, Board of</u>			
ISU Veterinary Diagnostic Laboratory	\$ 3,112,634	\$ 2,910,313	\$ -202,321
Total Regents, Board of	\$ 3,112,634	\$ 2,910,313	\$ -202,321

Department of Economic Development

The Department of Economic Development (DED) promotes economic development policies and practices that stimulate and sustain Iowa's economic growth and climate and that integrate efforts across public and private sectors. The Agriculture and Natural Resource Appropriations Subcommittee appropriated funds to DED in FY 2009 from the Environment First Fund for the Brownfields Redevelopment Program. *The Governor is recommending an FY 2010 appropriation from the Environment First Fund of \$500,000. This is no change compared to estimated FY 2009.*

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Economic Development, Dept. of</u>			
Brownfields Redevelopment-EFF	\$ 500,000	\$ 500,000	\$ 0
Total Economic Development, Dept. of	\$ 500,000	\$ 500,000	\$ 0

Environment First Fund

The Environment First Fund was created by the 2000 General Assembly to provide funding for environmental programs. A standing appropriation of \$35.0 million was established in FY 2001 for the Fund from the Rebuild Iowa Infrastructure Fund (RIIF). The standing appropriation was increased to \$40.0 million for FY 2008 and \$42.0 million for FY 2009. The Agriculture and Natural Resources Appropriations Subcommittee made recommendations to the General Assembly regarding programs that should receive appropriations from the Fund. The following is a summary of the Governor's recommendations for FY 2010:

Agriculture and Natural Resources Appropriations Subcommittee

	Estimated Net FY 2009	Gov. Rec. FY 2010	FY 2010 vs. FY 2009
<u>Dept. of Agriculture and Land Stewardship</u>			
Conservation Reserve Enhancement	\$ 1,500,000	\$ 1,500,000	\$ 0
Watershed Protection Fund	2,550,000	2,550,000	0
Farm Management Demonstration	850,000	850,000	0
Agricultural Drainage Wells	1,500,000	1,500,000	0
Cost Share	7,000,000	7,000,000	0
Conservation Reserve Program	1,500,000	1,500,000	0
So. Iowa Conservation & Dev. Authority	300,000	300,000	0
Loess Hills Authority	600,000	600,000	0
Total Dept. Agriculture and Land Steward.	\$ 15,800,000	\$ 15,800,000	\$ 0
<u>Dept. of Natural Resources</u>			
REAP	\$ 18,000,000	\$ 18,000,000	\$ 0
Volunteers and Keepers of Land	100,000	100,000	0
Park Operations & Maintenance	2,470,000	2,470,000	0
GIS Information for Watershed	195,000	195,000	0
Water Quality Monitoring	2,955,000	2,955,000	0
Water Quality Protection	500,000	500,000	0
Air Quality Monitoring	325,000	625,000	300,000
Animal Feeding Operations	360,000	360,000	0
Global Climate Change	50,000	0	-50,000
Water Quantity	495,000	495,000	0
Resource Conservation and Development	250,000	0	-250,000
Total Dept. of Natural Resources	\$ 25,700,000	\$ 25,700,000	\$ 0
<u>Economic Development, Department of</u>			
Env DED Brownfields	\$ 500,000	\$ 500,000	\$ 0
Total Economic Development, Dept. of	\$ 500,000	\$ 500,000	\$ 0
Total Environment First Fund	\$ 42,000,000	\$ 42,000,000	\$ 0

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

Effects of Flooding on Livestock Industry Study Committee

The Livestock Odor Interim Study Committee was created with the charge to consider the effects of the 2008 flooding, tornadoes, and severe weather on the Iowa livestock industry, including financing issues and effects on businesses associated with the industry. The Interim Study Committee met on November 19 and 20 and made the following recommendations to the General Assembly:

- Allow employees from a State agency to enter a landowner's property to rescue livestock after the Governor has issued an emergency declaration.
- Allow a landowner to clean up severe weather debris before the waste develops into a health hazard.

Deer Study Advisory Committee

The Deer Study Advisory Committee was created in SF 2328 (FY 2009 Deer Depredation Program Act). The Deer Study Advisory Committee began meeting in September 2008 to identify and discuss the costs and benefits of Iowa's deer herd. The final meeting was held on December 30, 2008. A report with recommendations will be submitted to the General Assembly on January 30, 2009. The Farm Advisory Committee will meet with the Department twice a year to discuss farm issues related to deer.

Water Resources Coordinating Council

The Water Resources Coordinating Council was established in HF 2400 (FY 2009 Watershed Quality Task Force Policy Act). The Council is under the Office of the Governor with the purpose to preserve and protect Iowa's water resources, and to coordinate the management of those resources in a sustainable and fiscally responsible manner. The first meeting was held on December 18, 2008. The Council will continue to meet during 2009, however, the meeting dates have not been scheduled at this time.

Climate Change Advisory Council

The Climate Change Advisory Council was created in SF 485 (FY 2008 Greenhouse Gas Regulations Act). The Council consists of 23 voting members and four nonvoting members. The Council is charged with developing scenarios to reduce Statewide greenhouse gas emissions while considering cost-effectiveness and establishing a baseline year for purposes of calculating reductions in Statewide greenhouse gas emissions. The Council submitted the final report to the General Assembly on January 2, 2009, with two scenarios for reducing Statewide greenhouse gas emissions by 50.0% and 90.0% from a 2005 baseline by the year 2050. They include:

- Reduction of 50.0% by 2050 would include a 1.0% reduction by 2012 and an 11.0% reduction by 2020.
- Reduction of 90.0% by 2050 would include a 3.0% reduction by 2012 and a 22.0% reduction 2020.

For more information on the Climate Change Advisory Council, refer to the following website: <http://www.iowadnr.com/iccac/index.html>.

Watershed Improvement Review Board

The Watershed Improvement Review Program was established during the 2005 General Assembly in SF 200 (Agriculture Powers, Duties, and Watershed Improvement Act). The legislation also created a Watershed Improvement Review Fund and a Watershed Improvement Review Board. The purpose of the Board is to review applications and award grants for projects that will encourage public participation and input for determining priorities to improve the State's water quality. Beginning in FY 2006, \$5.0 million has been appropriated each year for grants.

Funding for the Watershed Improvement Review Fund is appropriated to the State Treasurer each year. *The Governor is not recommending funding for FY 2010.*

For more information on the Watershed Improvement Review Board, refer to the following website: <http://www.iowaagriculture.gov/IWIRB.asp>.

Farm-To-School Council

The Farm-To-School Program and the Farm-To-School Council were created in SF 601 (FY 2008 Standings Appropriations Act). The goal of the Program is to link Iowa elementary and secondary public and nonpublic schools with Iowa farms to provide schools with fresh and minimally processed food that will be served for meals and snacks. In addition, the Program is charged with encouraging children to develop healthy eating habits, and providing Iowa farmers access to consumer markets. The DALs has developed an online information packet available to schools to implement a Farm-To-School Program. For more information, refer to the following website:

<http://www.iowaagriculture.gov/AgDiversification/farmToSchoolProgram.asp>.

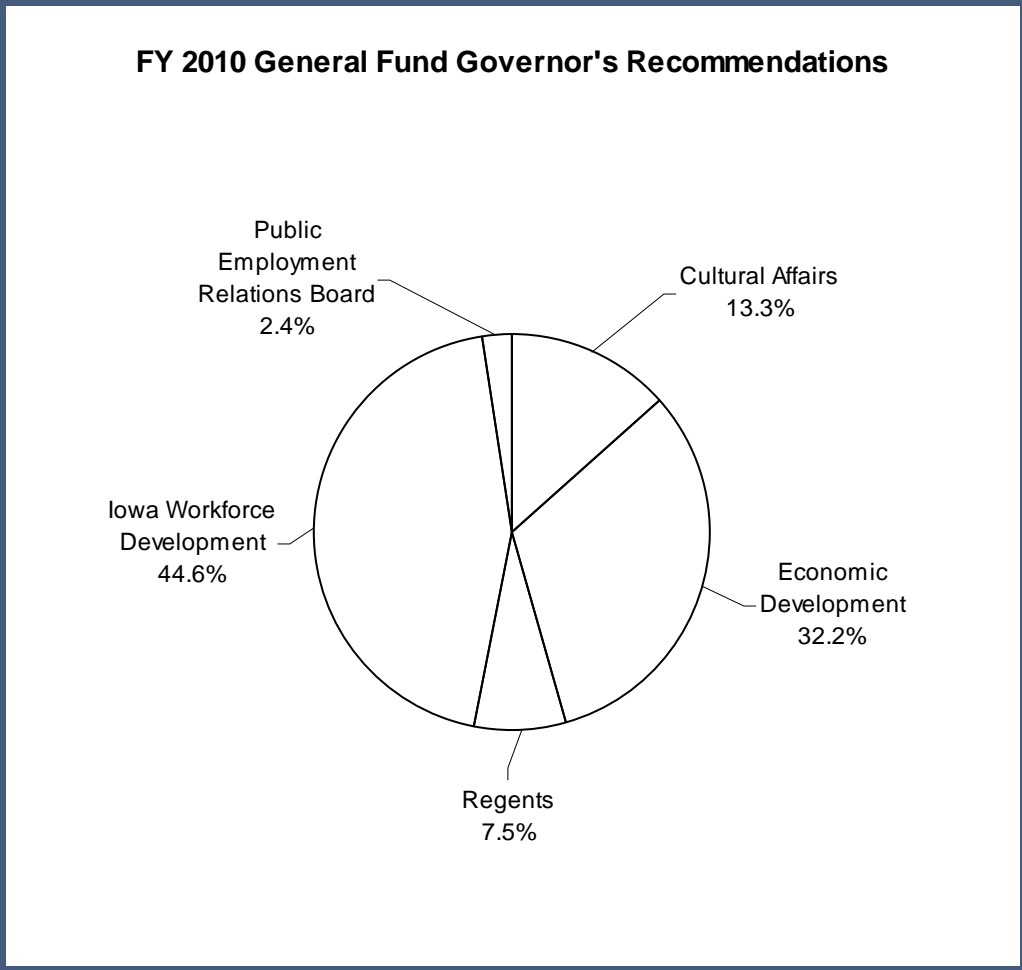
LSA Publications

The following *Fiscal Topics* have been published by the LSA that relate to the Agriculture and Natural Resources Appropriations Subcommittee:

- [Groundwater Protection Fund](#)
- [Resource Enhancement and Protection Fund](#)

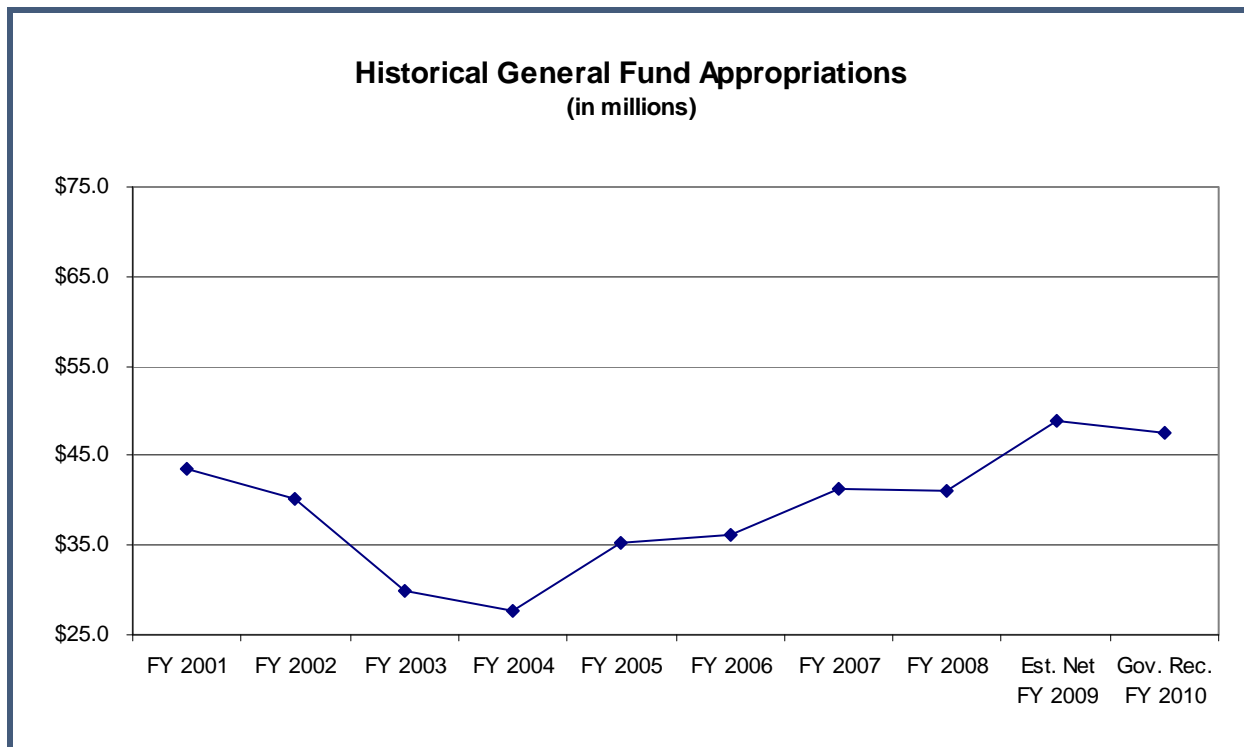
Staff Contact: Debra Kozel (1-6767)

**ECONOMIC DEVELOPMENT APPROPRIATIONS
SUBCOMMITTEE**



FY 2010 General Fund Governor's Recommendations

Cultural Affairs	\$ 6,357,599
Economic Development	15,323,447
Regents	3,576,057
Iowa Workforce Development	21,229,713
Public Employment Relations Board	1,147,363
	\$ 47,634,179



FY 2010 GOVERNOR'S RECOMMENDATIONS

Department of Cultural Affairs

The Iowa Department of Cultural Affairs provides cultural leadership and direction for the State through the Iowa Arts Council and the State Historical Society of Iowa.

The Governor is recommending FY 2010 General Fund appropriations totaling \$6.4 million. This is a decrease of \$570,000 compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Cultural Affairs, Dept. of</u>			
Administration Division	\$ 257,274	\$ 235,632	\$ -21,642
Community Cultural Grants	299,240	279,159	-20,081
Historical Division	3,876,182	3,550,119	-326,063
Historic Sites	585,930	547,845	-38,085
Arts Division	1,241,929	1,137,458	-104,471
Great Places	328,804	307,432	-21,372
Archiving Former Governor's Papers	83,354	77,936	-5,418
Records Center Rent	237,452	222,018	-15,434
Hist. Resource Dev. Emerg. Grants	-1,470	0	1,470
Cultural Grants	-674	0	674
Iowa Cultural Caucus	19,700	0	-19,700
Total Cultural Affairs, Dept. of	\$ 6,927,721	\$ 6,357,599	\$ -570,122

Significant changes include:

- A decrease of \$22,000 for the Administrative Division. The changes include:
 - A decrease of \$5,000 for administrative savings from vacant positions and reduced travel.
 - A decrease of \$17,000 to implement a 6.5% general reduction.
- A decrease of \$20,000 for Community Cultural Grants to implement a 6.5% general reduction.
- A decrease of \$326,000 for the Historical Division. The changes include:
 - A decrease of \$79,000 for administrative savings from vacant positions and reduced travel.
 - A decrease of \$247,000 to implement a 6.5% general reduction.
- A decrease of \$38,000 for Historic Sites to implement a 6.5% general reduction.
- A decrease of \$104,000 for the Arts Division. The changes include:
 - A decrease of \$25,000 for administrative savings from vacant positions and reduced travel.
 - A decrease of \$79,000 to implement a 6.5% general reduction.
- A decrease of \$21,000 for Great Places to implement a 6.5% general reduction.
- A decrease of \$5,000 for Archiving Former Governor's Papers to implement a 6.5% general reduction.
- A decrease of \$15,000 for Records Center Rent to implement a 6.5% general reduction.
- A decrease of \$20,000 for the Iowa Cultural Caucus to reflect one-time funding for the Iowa Cultural Caucus. The Caucus will not take place again until FY 2013.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Cultural Affairs was \$103,000 for General Fund appropriations. The Department has indicated that the General Fund reduction will be achieved by:

- Eliminating all out-of-state travel and reduced in-state travel, including elimination of face-to-face meetings for the Iowa Arts Council's board.
- Eliminating most memberships in state, regional, and national associations.
- Reducing budgets for Historical Museum exhibits, operating expenses at historic sites, microfilming of newspapers, and restorative binding of historic books.
- Reducing planned expenditures for website improvements, replacements of out-dated computers and other equipment, office supplies, and outside repairs.
- Reducing planned expenditures to advertise historic sites, Arts Council programs, and printing and mailing of informational materials.

The Governor is recommending a deappropriation of \$110,000 for administrative savings for FY 2009 as part of the selective reductions ordered in December 2008.

Iowa Cultural Trust – When the principal balance in the Iowa Cultural Trust Grant Account equals or exceeds \$3.0 million, the Board of Trustees of the Iowa Cultural Trust may use moneys for a Statewide educational program to promote participation in, expanded support of, and local endowment building for, Iowa nonprofit arts, history, and sciences and humanities organizations. The current balance in the Account, as of January 23, 2009, is \$4.3 million.

Department of Economic Development

The main products and services offered by the Iowa Department of Economic Development generally involve business development or community development. The types of products and services in both categories include the following:

- Marketing and promotion to encourage customers and partners to help achieve common development goals.
- Financial assistance to communities and businesses for specific development.
- Technical assistance to communities and community organizations and businesses.

The Governor is recommending FY 2010 General Fund appropriations totaling \$15.3 million. This is a decrease of \$1.4 million compared to estimated net FY 2009. The Governor is also recommending other fund appropriations totaling \$51.5 million for FY 2010. This is a decrease of \$5.8 million compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Economic Development, Dept. of</u>			
Economic Dev. Administration	\$ 2,232,465	\$ 2,044,671	\$ -187,794
Business Development	6,649,668	6,090,227	-559,441
Community Development Division	6,506,268	5,958,379	-547,889
World Food Prize	1,000,000	920,975	-79,025
TSB Marketing and Compliance	-2,173	0	2,173
TSB Process Improvement & Admin.	-3,374	0	3,374
TSB Advocacy Centers	-13,104	0	13,104
ICVS-Promise	0	125,000	125,000
Center for Citizen Diplomacy	147,750	0	-147,750
Historic Preservation Challenge Grants	197,000	184,195	-12,805
Total Economic Development, Dept. of	\$ 16,714,500	\$ 15,323,447	\$ -1,391,053

Significant changes include:

- A decrease of \$188,000 for Economic Development Administration. The changes include:
 - A decrease of \$46,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
 - A decrease of \$142,000 to implement a 6.5% general reduction.
- A decrease of \$559,000 for Business Development. The changes include:
 - A decrease of \$136,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
 - A decrease of \$423,000 to implement a 6.5% general reduction.
- A decrease of \$548,000 for the Community Development Division. The changes include:
 - A decrease of \$134,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.

- A decrease of \$414,000 to implement a 6.5% general reduction.
- A decrease of \$79,000 for the World Food Prize to implement a 7.9% general reduction. The 1.5% ATB reduction was not applied to this item during FY 2009 because all of the funds had been distributed.
- A decrease of \$148,000 for the Center for Citizen Diplomacy to deduct an FY 2009 one-time appropriation for the Center for Citizen Diplomacy
- An increase of \$125,000 for Iowa Community Volunteer Services (ICVS) Promise to provide resources to the Program from the General Fund. The Program was funded from the Healthy Iowa Tobacco Trust (HITT) Fund in past years.

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Economic Development, Dept. of</u>			
River Enhan. Comm. Attract. & Tourism-FES	\$ 2,000,000	\$ 0	\$ -2,000,000
Comm. Microenterprise Dev. Grants-FES	475,000	0	-475,000
Sustainable Community Development-GIVF	500,000	0	-500,000
Councils of Government (COGs - GIVF Int)	160,000	0	-160,000
Workforce Development Fund	4,000,000	4,000,000	0
Renewable Fuels Infrastructure-GIVF	2,000,000	2,000,000	0
DED Programs-GIVF	30,000,000	27,500,000	-2,500,000
Regents Institutions-GIVF	5,000,000	5,000,000	0
State Parks-GIVF	1,000,000	1,000,000	0
Cultural Trust Fund-GIVF	1,000,000	1,000,000	0
Workforce and Econ. Dev.-GIVF	7,000,000	7,000,000	0
Regional Financial Assistance-GIVF	1,000,000	1,000,000	0
Iowa Comm Volunteer Ser.-HITT	125,000	0	-125,000
Innovation & Commercialization-GIVF	3,000,000	3,000,000	0
Total Economic Development, Dept. of	\$ 57,260,000	\$ 51,500,000	\$ -5,760,000

Changes include:

- River Enhancement Community Attraction and Tourism (RE-CAT) – Federal Economic Stimulus (FES) Interest: A decrease of \$2.0 million to eliminate the RE-CAT Program. The FY 2009 appropriation was used for the Jumpstart Housing Program. Also, the Rebuild Iowa Infrastructure Fund (RIIF) appropriation of \$10.0 million for FY 2009 was used for Program.
- Community Microenterprise Development Grants – FES Interest: A decrease of \$475,000 to eliminate the Community Microenterprise Development Grants.
- Sustainable Community Development Program – Grow Iowa Values Fund (GIVF): A decrease of \$500,000 to eliminate the Sustainable Community Development Program.
- Councils of Government (COGs) – GIVF Interest: A decrease of \$160,000 to eliminate the COGs appropriation.
- Department of Economic Development Programs – GIVF: A decrease of \$2.5 million to reduce the funds available for the Department of Economic Development Programs. A total of \$10.0 million of the FY 2009 original appropriation of \$50.0 million was used for the Jumpstart Business Program.

- Iowa Community Volunteer Services (ICVS)-Promise – HITT Fund: A decrease of \$125,000. The Governor is recommending funding for the Program from the General Fund.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Economic Development was \$293,000 for General Fund appropriations. The Department has indicated that the General Fund reduction will be achieved by the following:

- Moving current General Fund salaries to permissible non-General Fund funding sources.
- Cancelling trade missions, client prospecting trips, and conference trips.
- Modifying travel plans.
- Delaying upgrades to a computer system.

The Governor is recommending implementing the recommended FY 2010 administrative savings during FY 2009 for an additional FY 2009 reduction of \$315,000.

The Department's appropriation from the RIIF was reduced by \$1.9 million and those funds were used for the Jumpstart Housing Program. Those funds have now been replaced with a transfer of unobligated funds from the Loan Guarantee Program that was originally funded with Federal Economic Stimulus funds.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department anticipates receipt of additional federal funds as a result of the Federal Economic Stimulus Plan 2009. The Department is uncertain as to the amount of additional federal funds that will be received. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website: <http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>. Anticipated funds include:

- **HOME Investment Partnership** – A total of \$1.5 billion in additional HOME funds is anticipated to be allocated to the states according to the FY 2008 distribution formula to rehabilitate and construct housing, as well as fill financing gaps caused by the credit freeze. Recipients are given priority to projects that can award contracts based on bids within 120 days from when funds become available to them. The U.S. Department of Housing and Urban Development (HUD) can waive most statutory or regulatory provisions necessary to move the funds quickly, except those for fair housing, non-discrimination, labor standards, and the environment. Iowa's share is estimated to be \$8.0 million.
- **Neighborhood Stabilization Program** – A total of \$4.2 billion in additional funds is anticipated to be allocated to the states for this Program authorized by the Housing and Economic Recovery Act of 2008, with \$3.4 billion awarded competitively to states, local governments, non-profit entities or consortia, to purchase and rehabilitate foreclosed vacant properties and help create affordable housing and stabilize neighborhoods, and \$750.0 million awarded competitively to non-profit entities, or consortia, for community stabilization assistance. Iowa's share is estimated to be \$21.0 million.
- **Community Development Block Grant (CDBG)** – A total of \$1.0 billion in additional CDBG funds for community and economic development projects is anticipated to be allocated to states and local governments according to the FY 2008 distribution formula. Recipients must give priority to capital projects that can award contracts based on bids within 120 days from when funds become available

to them. The HUD may waive most statutory or regulatory provisions necessary to move the funds quickly, except those for fair housing, non-discrimination, labor standards, and the environment. Iowa's share is estimated to be \$6.3 million.

Vision Iowa and Community Attraction and Tourism – The Subcommittee may want to review the operation, administration, and current status of the Vision Iowa and Community Attraction and Tourism (CAT) Programs. The Programs were created to provide financial assistance to communities for the construction of recreational, cultural, educational, or entertainment facilities that enhance the quality of life in Iowa. The projects have taken place in 92 counties and 215 communities. A total of 319 projects have been funded as of January 26, 2009, and \$343.9 million has been invested in projects totaling \$1.786 billion. The Programs have funded approximately 19.3% of the total project costs. Eleven Vision Iowa and CAT recipients received 2009 CAT Marketing funds totaling \$85,000 to assist in the marketing efforts of facilities funded by Vision Iowa or CAT. *The Governor is recommending reducing the RIIF appropriation for the Program by \$2.0 million, down to \$10.0 million.*

Targeted Small Business (TSB) Funding – The Subcommittee may want to review the historic funding for TSB programs. House File 890 (Targeted Small Business FY 2007 Supplemental Appropriations Act) made General Fund appropriations totaling \$4.0 million for efforts to support the Targeted Small Business (TSB) Taskforce recommendations. The funding was allocated as follows:

- \$900,000 to the Department of Economic Development (DED) for the establishment of TSB advocate service providers.
- \$2.5 million to the DED for deposit in the TSB Financial Assistance Program Account of the Strategic Investment Fund.
- \$225,000 and 1.0 FTE position to the DED for marketing, compliance activities, and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act.
- \$225,000 to the DED for process improvement and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act.
- \$150,000 and 1.0 FTE position to the Department of Inspections and Appeals (DIA) for a dedicated TSB Certification Employee.

Approximately half of the TSB appropriations are being used during FY 2009 and all of the appropriations will be exhausted by the end of FY 2009.

Board of Regents

The Economic Development Appropriations Subcommittee appropriates funds to the Board of Regents universities for the following purposes:

- The University of Iowa (SUI) Economic Development appropriation includes Advanced Drug Development, Oakdale Research Park, and the Technology Innovation Center.
- The Iowa State University (ISU) Economic Development appropriation includes the Institute for Physical Research and Technology, Small Business Development Centers, and the ISU Research Park.
- The University of Northern Iowa (UNI) Economic Development appropriation includes the Institute for Decision Making, Metal Casting Center, and MyEntrenet.

The Governor is recommending FY 2010 General Fund appropriations totaling \$3.6 million. This is a decrease of \$249,000 to implement a 6.5% general reduction compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Regents, Board of			
ISU - Economic Development	\$ 2,974,154	\$ 2,780,834	\$ -193,320
SUI - Economic Development	267,113	249,751	-17,362
UNI - Economic Development	583,393	545,472	-37,921
Total Regents, Board of	\$ 3,824,660	\$ 3,576,057	\$ -248,603

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Board of Regents was \$58,000 for General Fund appropriations. The Board has not responded with an explanation of how they will implement the reduction.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Board anticipates receipt of additional federal funds for the Board of between \$46.0 million and \$78.0 million as a result of the Federal Economic Stimulus Plan 2009. These funds will be used for modernizing, renovating, and repairing facilities used for instruction, research, or student housing. Projects that increase energy efficiency and comply with energy efficiency certifications will have more weight, as will those institutions with Title III and Title V needs and those impacted by a major disaster or emergency declared by the President. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website: <http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>.

Iowa Workforce Development

The Department of Iowa Workforce Development (IWD) strives to improve the income, productivity, and safety of all Iowans. In conjunction with State and local economic development efforts, the IWD also assists businesses in fulfilling workforce needs. The IWD major products and services include:

- Workforce Center Services
- Compliance Assistance and Enforcement
- Unemployment Insurance
- Workforce Information and Analysis
- Adjudication, Compliance, and Education
- Resource Management

The Governor is recommending FY 2010 General Fund appropriations totaling \$21.2 million. This is an increase of \$1.2 million compared to estimated net FY 2009. The Governor is also recommending other fund appropriations totaling \$7.0 million for FY 2010. This is no change compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Iowa Workforce Development</u>			
IWD Workers Comp Operations (GF)	\$ 2,899,322	\$ 2,884,187	\$ -15,135
IWD General Fund - Operations	3,865,082	3,851,643	-13,439
Workforce Development Field Offices	12,435,124	12,370,209	-64,915
Statewide Standard Skills Assessment	492,500	970,074	477,574
Security Employee Training Program	14,775	15,000	225
Offender Reentry Program	369,375	367,447	-1,928
Employee Misclassification	0	771,153	771,153
Total Iowa Workforce Development	\$ 20,076,178	\$ 21,229,713	\$ 1,153,535

Significant changes include:

- A decrease of \$15,000 for IWD Workers Compensation Operations (General Fund). The changes include:
 - A decrease of \$2,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
 - An increase of \$44,000 to restore the FY 2009 1.5% ATB reduction.
- A decrease of \$13,000 for IWD General Fund - Operations. The changes include:
 - A decrease of \$79,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
 - An increase of \$66,000 to restore the FY 2009 1.5% ATB reduction.
- A decrease of \$65,000 for Workforce Development Field Offices. The changes include:
 - A decrease of \$254,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
 - An increase of \$189,000 to restore the FY 2009 1.5% ATB reduction.
- An increase of \$478,000 for Statewide Standard Skills Assessment. The changes include:
 - A decrease of \$10,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
 - An increase of \$8,000 to restore the FY 2009 1.5% ATB reduction.
 - An increase of \$480,000 to provide additional support for the Statewide Standard Skills Assessment. The Assessment is to determine the employability of adult workers throughout the State. The Assessments are required to be provided at One-Stop Field Offices and other service access points in the State.
- An increase of \$200 for Security Employee Training Program to restore the FY 2009 1.5% ATB reduction.
- A decrease of \$2,000 for Offender Reentry Program. The changes include:

Economic Development Appropriations Subcommittee

- A decrease of \$8,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
- An increase of \$6,000 to restore the FY 2009 1.5% ATB reduction.
- An increase of \$771,000 for Employee Misclassification for the investigation and enforcement of employee classification requirements and to implement the recommendations of the Governor's Misclassification Taskforce. While the recommendation does not include any additional FTE positions, the Department estimates the recommendation would require an additional 9.0 FTE positions.

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Iowa Workforce Development</u>			
Workers' Comp. Div.-Sp. Cont. Fund	\$ 471,000	\$ 471,000	\$ 0
IWD Field Offices (UI Reserve Interest)	6,500,000	6,500,000	0
Total Iowa Workforce Development	\$ 6,971,000	\$ 6,971,000	\$ 0

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department was \$313,000 for General Fund appropriations. The Department is utilizing resources from vacant positions, reducing travel, utilizing other funds to pay salaries that had been funded from the General Fund, reducing the Bouncer Training Program implemented as a pilot, and delaying the start of both the Offender Re-entry and the Career Readiness Certificate Programs.

The Governor is recommending an FY 2009 supplemental for IWD Operations in the amount of \$313,000 to restore the 1.5% ATB reduction. The Governor stated this restoration is to avoid disruption of services to the unemployed.

The Governor is recommending implementing the recommended FY 2010 administrative savings during FY 2009 for an additional FY 2009 reduction of \$410,000.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department anticipates receipt of additional federal funds as a result of the Federal Economic Stimulus Plan 2009. The Department is uncertain as to the amount of additional federal funds that will be received. Iowa may receive 1.0% of the funding or less. Estimates are not currently available to determine how much of the funding can be used for administration. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website:

<http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>. Anticipated funds include:

- **Employment Services Grants:** A total of \$500.0 million is anticipated to be allocated to the states to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized services.
- **Unemployment Insurance Benefits Extension:** A total of \$27.0 billion is anticipated to be allocated to the states to continue the current extended unemployment benefits program. That Program provides up to 33 weeks of extended benefits through December 31, 2009, to address rising unemployment.

- Unemployment Insurance Increased Benefits: A total of \$9.0 billion is anticipated to be allocated to the states to increase the current average unemployment insurance benefit from roughly \$300 per week, paid out of State trust funds, by \$25 per week using Federal funds through December 2009. There are currently 5.3 million workers receiving regular Unemployment Insurance (UI) and an additional 1.9 million receiving extended benefits.
- Unemployment Insurance Modernization: Provides funds to states through a “Reed Act” distribution, tied to state compliance with specific reforms to increase unemployment insurance coverage for low-wage, part-time, and other jobless workers.
- Training and Employment Services: A total of \$4.0 billion is anticipated to be allocated to the states for job training including formula grants for adults, dislocated workers, and youth services, including \$1.2 billion to create up to one million summer jobs for youths. The needs of workers also will be met through dislocated worker national emergency grants, new competitive grants for worker training in high growth and emerging industry sectors, with priority consideration to “green” jobs and healthcare, and increased funds for the YouthBuild Program. Green jobs training will include preparing workers for activities supported by other economic recovery funds, such as retrofitting of buildings, green construction, and the production of renewable electric power.
- Vocational Rehabilitation State Grants: A total of \$500.0 million is anticipated to be allocated to the states for state formula grants for construction and rehabilitation of facilities to help persons with disabilities prepare for gainful employment.
- Community Service Employment for Older Americans: A total of \$120.0 million is anticipated to be allocated to the states to provide subsidized community service jobs to an additional 24,000 low-income older Americans.

Workforce Development Field Offices Funding – The Subcommittee may want to review the funding streams for the Workforce Development Field Offices. The total estimated net FY 2009 appropriation, and the FY 2010 Governor’s recommendation, is \$18.9 million, with \$12.4 million appropriated from the General Fund and \$6.5 million from interest on the Unemployment Compensation Reserve Fund. The current balance in the fund is approximately \$149.6 million. The current projections indicate that the payment of benefits will not require the use of the Reserve Fund balance. The estimated FY 2009 interest revenue on the balance is \$5.5 million and the estimate for FY 2010 is \$5.0 million. If the annual appropriation of \$6.5 million continues each year, interest rates do not change substantially, and the balance in the fund is not needed to pay benefits, the IWD estimates the interest revenue balance in the fund will be \$7.4 million at the close of FY 2009 and \$5.8 million at the close of FY 2010. Therefore, the interest revenue balance in the Fund will continue to be depleted at the rate of approximately \$1.6 million annually.

Public Employment Relations Board

The Public Employment Relations Board (PERB) is responsible for implementing the provisions of the Public Employment Relations Act (PERA), and for adjudicating and conciliating labor/management disputes involving public employers and employee organizations throughout the State.

The Governor is recommending an FY 2010 General Fund appropriation of \$1.1 million. This is a decrease of \$105,000 compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Public Employment Relations Board</u>			
PER Board - General Office	\$ 1,252,743	\$ 1,147,363	\$ -105,380
Total Public Employment Relations Board	<u>\$ 1,252,743</u>	<u>\$ 1,147,363</u>	<u>\$ -105,380</u>

Changes include:

- A decrease of \$25,000 for administrative savings from vacant positions and reduced travel.
- A decrease of \$80,000 to implement a 6.5% general reduction.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Board was \$19,000 for General Fund appropriations. The Department has indicated the reduction will be achieved by holding open vacant funded positions.

The Governor is recommending a deappropriation of \$26,000 for administrative savings for FY 2009 as part of the selective reductions ordered in December 2008.

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

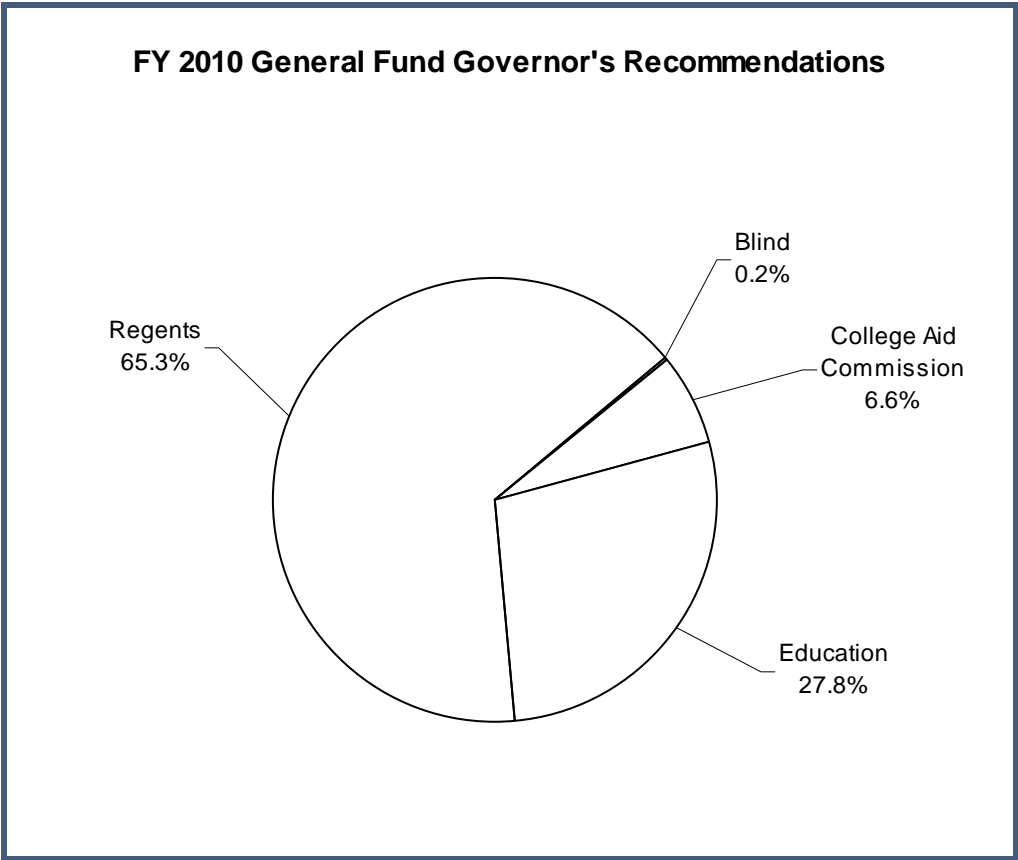
LSA Publications

The following *Fiscal Topics* related to the Economic Development Appropriations Subcommittee have been published by the LSA:

- [Iowa’s Gross State Product](#)
- [Workforce Development Training Programs](#)

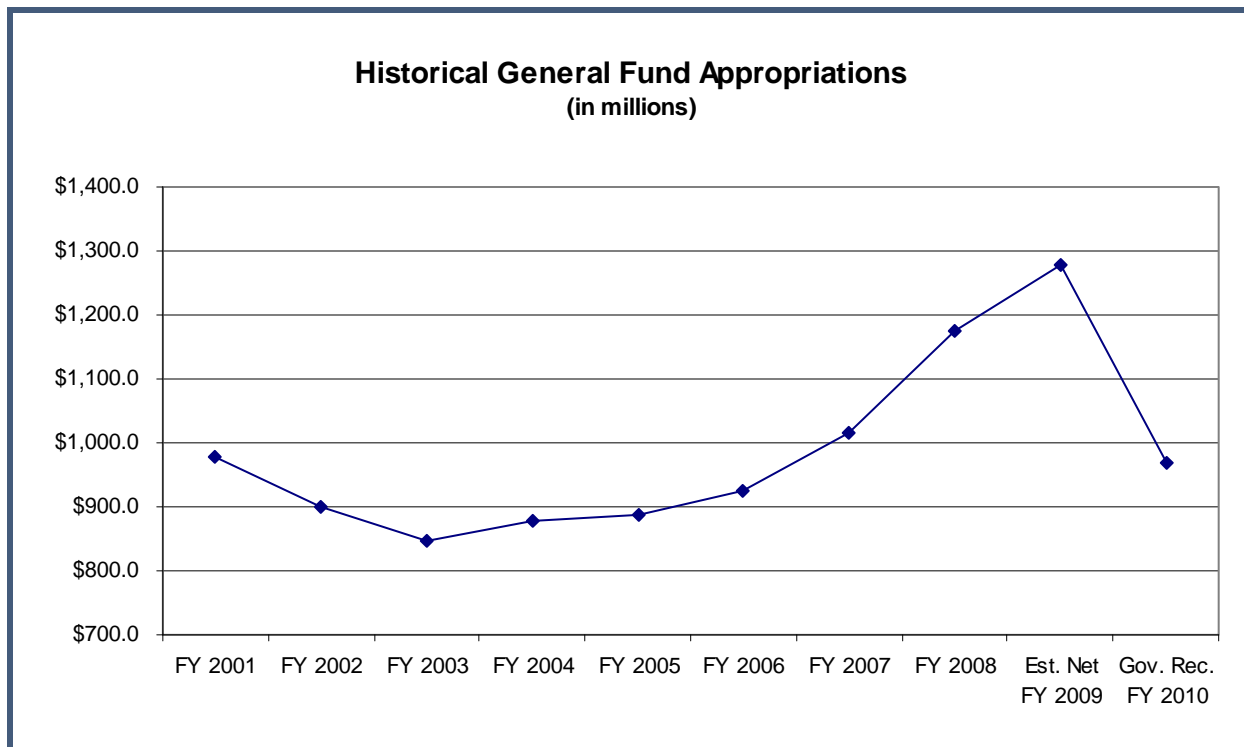
Staff Contact: Ron Robinson (1-6256)

EDUCATION APPROPRIATIONS SUBCOMMITTEE



FY 2010 General Fund Governor's Recommendations

Blind	\$ 2,303,199
College Student Aid	64,298,863
Education	269,494,447
Regents	633,248,411
	<u>\$ 969,344,920</u>



FY 2010 GOVERNOR’S RECOMMENDATIONS

Department for the Blind

The Department for the Blind provides vocational rehabilitation, independent living skills, library services, and other essential services to blind Iowans. The Department consists of four organizational divisions: Field Operations, Adult Orientation and Adjustment Center, Business Enterprises Program, and Library for the Blind and Physically Handicapped.

The Governor is recommending an FY 2010 General Fund appropriation of \$2.3 million, a decrease of \$212,000 compared to estimated net FY 2009.

General Fund Recommendation

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Blind, Dept. of the</u>			
Department for the Blind	\$ 2,514,737	\$ 2,303,199	\$ -211,538
Total Blind, Dept. of the	\$ 2,514,737	\$ 2,303,199	\$ -211,538

Changes include:

- A decrease of \$160,000 to implement a 6.5% general reduction.
- A decrease of \$51,000 for administrative savings from not filling vacant positions and reducing travel expenditures.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board (ATB) reduction for the Department for the Blind was \$38,000. The Department has indicated that \$30,000 will be saved by leaving two vacant vocational rehabilitation counselor FTE positions unfilled. Current data shows a drop in referrals, and it is anticipated that the vacant FTE positions will have little impact on services to existing clients during FY 2009. In addition, the Department anticipates significant savings in FY 2009 due to no longer operating the Lucas and Capitol cafeterias. The Department will cease operations of the cafeteria in the Woodbury County Courthouse on April 10, 2009, and this will result in additional savings. The Department has also restricted hiring and routine administrative expenditures such as travel.

Federal Economic Stimulus Plan 2009 – The Department anticipates that the 2009 federal economic stimulus package may include \$500.0 million for vocational rehabilitation programs that will not be subject to maintenance of efforts requirements but may require State matching dollars. The amount that would be available to Iowa and to the Department for the Blind is not yet known. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website: <http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>.

State Match Requirements for Federal Funds – Of the estimated FY 2009 General Fund appropriation for the Department for the Blind, 86.6% (\$2.2 million) serves as State match to draw down federal funds at a ratio of 21%/79%. This funding is also subject to a maintenance of effort requirement. Reduction in this State funding can lead to audits, sanctions, delays in funding, or total loss of funding.

Another 1.8% (\$46,000) of the appropriation serves as State match at a ratio of 10%/90%, without maintenance of effort requirement.

College Student Aid Commission

The College Student Aid Commission, under the direction of a 12-member commission, administers a variety of State and federal programs to connect students with resources and services to finance a college education. The Commission offers need-based scholarships, grants, work study, and loans and serves as Iowa’s student loan guarantee agency. It provides school and lender services, borrower and collections services, communications services to assist students and families in planning and paying for college, and data collection and management.

The Governor is recommending FY 2010 General Fund appropriations totaling \$64.3 million, a decrease of \$4.5 million compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>College Aid Commission</u>			
College Aid Commission	\$ 389,093	\$ 356,363	\$ -32,730
Iowa Grants	1,070,976	986,342	-84,634
DSM University-Osteopathic Loans	100,000	92,097	-7,903
DSM University-Physician Recruit.	341,254	319,072	-22,182
National Guard Benefits Program	3,742,629	3,499,358	-243,271
Teacher Shortage Loan Forgiveness	478,119	447,041	-31,078
All Iowa Opportunity Scholarships	3,940,000	3,683,900	-256,100
College Work Study	980,075	916,370	-63,705

Education Appropriations Subcommittee

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>College Aid Commission, cont.</u>			
Tuition Grant Program-Standing	49,322,612	46,116,642	-3,205,970
Vocational Technical Tuition Grant	2,741,368	2,563,179	-178,189
Washington DC Internships	100,000	92,097	-7,903
Tuition Grant - For-Profit	5,441,985	5,088,256	-353,729
Nurse & Nurse Educator Loan Program	98,500	92,097	-6,403
Barber & Cosmetology Tuition Grant Program	50,000	46,049	-3,951
Total College Aid Commission	\$ 68,796,611	\$ 64,298,863	\$ -4,497,748

Changes include:

- A decrease of \$4.5 million to implement a 6.5% general reduction for all budget units.
- A decrease of \$8,000 for administrative savings.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the College Student Aid Commission was \$1.1 million. The Commission has indicated it will revert \$1.8 million from the Tuition Grant Program. These are uncommitted funds that remain after the initial grant awards. Normally, the granting parameters are relaxed so more students will qualify for grants, and there is another round of grants. The second round of awards was not made so that the uncommitted funds could revert.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Commission does not anticipate receiving additional federal funds as a result of the Federal Economic Stimulus Plan 2009.

Federal Maintenance of Effort – The Commission must spend an aggregate of approximately \$57.0 million in student financial aid through the Tuition Grant Program - Standing, Tuition Grant - For-Profit, Iowa Grants, and Vocational Technical Tuition Grant to receive federal funding through the Leveraging Educational Assistance Program (LEAP) and Supplemental Leveraging Educational Assistance Program (SLEAP). *The Governor's recommendation provides \$54.8 million for these four programs, so the Commission will not receive LEAP and SLEAP funding in FY 2010. This federal funding totaled \$739,000 in FY 2009.*

Iowa Student Loan Liquidity Corporation – The Attorney General issued a report evaluating Iowa Student Loan (ISL) and its practices and presented the information to the Government Oversight Committee. A number of concerns were resolved with the enactment of HF 2690 (Lending Practices and College Student Loans Act) during the 2008 Legislative Session. The report identified problems with Iowa Student Loan's marketing practices, including:

- Inadequate promotion of federal loans.
- Lending to students that had lower cost options through other entities.
- Misleading advertising regarding borrower benefits related to loan consolidation.
- The ISL's operation of the Iowa College Access Network (ICAN) that provided inadequate objective information for college planning.
- Accountability and oversight of ISL.

Disaster Relief Grants – The Iowa College Student Aid Commission (ICSAC) created a new, one-time grant program to help Iowa students financially affected by this summer’s flooding and tornadoes. The Commission committed \$500,000 from the Scholarship and Tuition Grant Reserve Fund. At the beginning of FY 2009, the Reserve Fund had a balance of \$555,000. This is \$10,000 less than the statutory cap on the Fund. The moneys in the Reserve Fund may “be used to alleviate a current fiscal year shortfall in appropriations for scholarship or tuition grant programs that have the same nature as the programs for which the moneys were originally appropriated.” (Section 261.20, Code of Iowa)

College students affected by this summer’s weather-related disasters could apply for assistance of up to \$5,000. The Commission awarded 414 grants averaging \$1,200 per recipient. Of these students, 112 are attending Regents institutions; 99 are attending private non-profit colleges; 169 are attending community colleges; and 34 are attending proprietary colleges.

Postsecondary Registration Study Group – The College Student Aid Commission authorized the Advisory Committee on Postsecondary Registration to establish criteria for a study to review postsecondary registration and renewal procedures. The Commission appointed a study group that met during the 2008 interim to identify problems and gaps in the procedure, examine best practices, and develop recommendations. A *Fiscal Topic* discussing postsecondary registration is available on the LSA website ([Postsecondary Registration: Limiting Diploma Mills](#)).

Department of Education

The Department of Education oversees K-12 education in Iowa, as well as the community college system. In addition, the Department’s budget includes early childhood programming, the State Library and local library support, Iowa Public Television (IPTV), and Iowa Vocational Rehabilitation Services (IVRS). Direct aid to local schools is not part of the Subcommittee’s budget. For more information on school aid, see the Standing Appropriations section of this document.

The Governor is recommending FY 2010 General Fund appropriations totaling \$269.5 million. This is a decrease of \$253.3 million compared to estimated net FY 2009. Most of the reduction is a result of the shift of funding for the Student Achievement and Teacher Quality Program to a standing appropriation subject to allowable growth. Most of the funding for the Program will no longer be appropriated by the Education Appropriations Subcommittee. Instead, it will be reported under Unassigned Standing Appropriations.

The Governor is recommending no other fund appropriations for FY 2010. This is a decrease of \$2.7 million compared to estimated net FY 2009.

General Fund Recommendations

<u>Education, Dept. of</u>	<u>Est. Net FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
Education, Dept. of			
Administration	\$ 8,878,098	\$ 8,525,386	\$ -352,712
Vocational Education Administration	625,091	584,460	-40,631
State Library	1,907,426	1,783,443	-123,983
State Library - Enrich Iowa	1,796,081	1,679,336	-116,745

Education Appropriations Subcommittee

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Education, Dept. of, cont.			
State Library - Library Service Areas	1,562,210	1,460,666	-101,544
Vocational Education Secondary	2,892,850	2,704,815	-188,035
Food Service	2,472,038	2,311,356	-160,682
Early Child - Comm. Empowerment	21,967,476	20,220,242	-1,747,234
Early Child - Early Care, Health & Ed.	9,850,000	8,523,624	-1,326,376
Early Child - Family Support & Parent Ed.	4,925,000	4,604,875	-320,125
Early Child - Spec. Ed. Services Birth to 3	1,695,579	1,585,366	-110,213
Early Child - Voluntary Preschool	14,769,449	14,769,449	0
Nonpublic Textbook Services	682,500	635,625	-46,875
Jobs For America's Grads	591,000	552,585	-38,415
Before/After School Grants	0	547,980	547,980
Administrator Mentoring	246,250	230,244	-16,006
Model Core Curriculum	2,159,466	2,019,101	-140,365
Senior Year Plus	1,871,500	960,347	-911,153
Merged Area Schools-Gen Aid	180,316,478	169,977,369	-10,339,109
Student Achievement/Teacher Quality	245,193,706	10,666,019	-234,527,687
Comm College Interpreters for Deaf	197,000	0	-197,000
Private Instruction	146,000	0	-146,000
Community College Salaries - Past Years	1,477,500	0	-1,477,500
Total Education, Dept. of	\$ 506,222,698	\$ 254,342,288	\$ -251,880,410
Vocational Rehabilitation			
Vocational Rehabilitation	\$ 5,745,626	\$ 5,258,540	\$ -487,086
Independent Living	55,717	52,095	-3,622
Entrepreneurs with Disabilities Program	197,000	184,195	-12,805
Independent Living Center Grant	246,250	230,244	-16,006
Total Vocational Rehabilitation	\$ 6,244,593	\$ 5,725,074	\$ -519,519
Iowa Public Television			
Iowa Public Television	\$ 8,948,864	\$ 8,170,392	\$ -778,472
Regional Telecom. Councils	1,344,057	1,256,693	-87,364
Total Iowa Public Television	\$ 10,292,921	\$ 9,427,085	\$ -865,836
Total Education, Dept. of	\$ 522,760,212	\$ 269,494,447	\$ -253,265,765

Significant changes include:

- A net decrease of \$353,000 for Department Administration, including:
 - An increase of \$500,000 for administration of the Four-Year-Old Preschool Program. In FY 2008 and FY 2009, the Department was authorized to use \$330,000 from the \$15.0 million annual Preschool Program appropriation for administration.
 - A decrease of \$600,000 for a general reduction.
 - A decrease of \$253,000 for administrative savings.
- A decrease of \$41,000 for Vocational Education Administration for a general reduction. The Governor's recommendation of \$584,000 falls short of the \$595,000 needed to meet the maintenance of effort (MOE) requirement for federal funding. Failure to meet MOE can lead to audits, sanctions, delays in funding, or total loss of funding.
- A decrease of \$124,000 for the State Library for a general reduction.

- A decrease of \$117,000 for the Enrich Iowa Libraries Program for a general reduction.
- A decrease of \$102,000 for the Library Service Areas for a general reduction.
- A decrease of \$188,000 for Vocational Education Secondary for a general reduction. The Governor's recommendation of \$2.7 million falls short of the \$2.9 million needed to meet the MOE requirement for federal funding.
- A decrease of \$161,000 for School Food Service for a general reduction. This funding serves as State match to draw down federal funding. While there is no MOE involved, a reduction in this funding may result in fewer federal dollars available for the program.
- A total decrease of \$3.4 million for Community Empowerment, including:
 - A decrease of \$1.7 million in the main Community Empowerment appropriation. This includes shifting \$347,000 to the Student Achievement and Teacher Quality (SATQ) Program for professional development. The remaining \$1.4 million is a general reduction.
 - A decrease of \$1.3 million in the Early Care, Health, and Education appropriation. This includes shifting \$595,000 to Before and After School Grants and \$150,000 to the SATQ Program for professional development. The remaining \$593,000 is a general reduction. Before and After School Grants were funded by a transfer of \$595,000 from this appropriation in FY 2009.
 - A decrease of \$320,000 in the Family Support and Parent Education appropriation for a general reduction.
- A decrease of \$110,000 for Special Education Services Birth to 3 for a general reduction. The Governor's recommendation of \$1.6 million falls short of the \$1.7 million required to meet the MOE requirement for federal funding.
- A decrease of \$47,000 for Nonpublic Textbook Services for a general reduction.
- A decrease of \$38,000 for Jobs for America's Graduates for a general reduction.
- A net increase of \$548,000 for Before and After School Grants for a general increase. The Governor shifts \$595,000 from Community Empowerment and then applies a 6.5% ATB reduction. In FY 2009, the Grants were funded with a transfer of \$595,000 from Community Empowerment and \$505,000 from the Healthy Iowans Tobacco Trust Fund (HITT). As a result, the \$548,000 in FY 2010 is effectively a decrease of \$552,000 compared to total FY 2009 funding for the Grants.
- A decrease of \$16,000 for Administrator Mentoring for a general reduction.
- A decrease of \$140,000 for Model Core Curriculum for a general reduction.
- A decrease of \$911,000 for Senior Year Plus, including:
 - A decrease of \$857,000 to reflect the completion of articulation and data collection in FY 2009. The Governor shifts this funding to the SATQ Program for professional development and to the Department Administration appropriation for preschool administration.
 - A decrease of \$54,000 for a general reduction.
- A decrease of \$10.3 million for Community College (Merged Area Schools) General Aid for a general reduction.

- A decrease of \$234.5 million for the Student Achievement and Teacher Quality (SATQ) Program, including:
 - A decrease of \$238.5 million to reflect the shift of Program funding for salaries and professional development to a standing appropriation subject to allowable growth. That funding is now included in the School Aid appropriation under Unassigned Standing Appropriations.
 - An increase of \$1.2 million for professional development.
 - An increase of \$2.8 million to restore the portion of the FY 2009 1.5% ATB reduction attributable to the teacher compensation and professional development portions of the Program. The funding for those portions of the Program has been shifted to school aid under Unassigned Standing Appropriations.
- A decrease of \$197,000 to eliminate the funding for Community College Interpreters for the Deaf. The Governor shifts this funding to the SATQ Program for professional development.
- A decrease of \$146,000 to eliminate the funding for Private Instruction. The Governor shifts this funding to the SATQ Program for professional development.
- A decrease of \$1.5 million for Community College Salaries. The salary funds appropriated in FY 2009 become part of the base for Community College General Aid in FY 2010. The Governor is not recommending additional salary funding for FY 2010.
- A decrease of \$487,000 for Vocational Rehabilitation, including:
 - A decrease of \$366,000 for a general reduction.
 - A decrease of \$122,000 to reflect administrative savings.

This funding serves as State match to draw down federal funding and is subject to MOE requirements. Failure to meet MOE can lead to audits, sanctions, delays in funding, or total loss of funding.

- A decrease of \$4,000 for Independent Living for a general reduction. This funding serves as State match to draw down federal funding. While there is no MOE involved, a reduction in this funding may result in fewer federal dollars available for the program.
- A decrease of \$13,000 for the Entrepreneurs with Disabilities Program for a general reduction. This funding serves as State match to draw down federal funding and is subject to MOE requirements.
- A decrease of \$16,000 for Independent Living Center Grants for a general reduction.
- A decrease of \$778,000 for Iowa Public Television, including:
 - A decrease of \$568,000 for a general reduction.
 - A decrease of \$210,000 to reflect administrative savings.
- A decrease of \$87,000 for Regional Telecommunications Councils (RTCs) for a general reduction.

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Education, Dept. of</u>			
Before/After School Grants-HITT	\$ 505,000	\$ 0	\$ -505,000
Community Empowerment-HITT	2,153,250	0	-2,153,250
Total Education, Dept. of	<u>\$ 2,658,250</u>	<u>\$ 0</u>	<u>\$ -2,658,250</u>

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Education was \$8.0 million. The Department has indicated that much of the reduction in administrative funding will result in vacant positions remaining unfilled, restrictions on travel and hiring, and restrictions on supply purchases. Funding to local entities and grant programs will be reduced, and the recipients will determine how to manage the reductions.

Several of the FY 2009 reductions to appropriations put federal funding at risk. A plan to transfer funds between appropriations to avoid the loss of federal funds is explained in the following item.

Appropriation Transfer to Backfill FY 2009 Appropriations – The Department of Management has notified the Chairpersons of the Senate and House Education Committees and the Co-chairpersons of the Education Appropriations Subcommittee of a plan to transfer funds, under Section 8.39, Code of Iowa. The plan would shift \$2.8 million from the FY 2009 General Fund appropriation for Voluntary Preschool to backfill the following appropriations for the purposes indicated

- Vocational Education Administration – \$10,000 – to avoid the loss of federal funds
- School Food Service – \$38,000 – to avoid the loss of federal funds
- Vocational Education Secondary – \$44,000 – to avoid the loss of federal funds
- Core Curriculum – \$33,000 – identified priority for the Department
- Special Education Services Birth to 3 – \$26,000 – to avoid the loss of federal funds
- Community College Salaries – \$23,000 – salary enhancement funding
- Student Achievement and Teacher Quality – \$2.6 million – salary enhancement funding

The transfer is scheduled to be finalized February 10, 2009. The transfer does not address potential loss of federal dollars for Iowa Vocational Rehabilitation Services (see the following item).

Federal Funding for Iowa Vocational Rehabilitation Services (IVRS) and Impact of FY 2009 ATB Reduction – The IVRS received \$25.6 million in federal funds in FFY 2008. This required a non-federal match that included State and third-party funding. The IVRS was able to match all available federal funds for FFY 2007 and 2008, after being unable to for the previous three years. For FFY 2009, the IVRS is estimating a 2.0% increase in available federal funding compared to FFY 2008. The FY 2009 1.5% ATB reduction for IVRS totaled \$95,000. Of that amount, \$91,000 served as State match for federal funds. The reduction may result in the loss of federal funding and possibly violation of maintenance of effort (MOE) requirements.

Impact of FY 2010 Reductions on Federal Funding – The Governor is recommending a total decrease of \$520,000 in General Fund appropriations to IVRS and decreases totaling \$500,000 to budget units in the Department of Education that draw down federal funds. These reductions may result in the loss of federal funding. In some cases, these reductions could result in failure to meet maintenance of effort (MOE) requirements for federal funds. Failure to meet MOE can lead to audits, sanctions, delays in funding, or total loss of funding.

Federal Economic Stimulus Plan 2009 – The Department anticipates that the 2009 federal economic stimulus package will include substantial funding for education. However, until more information is available in regard to maintenance of effort requirements, timelines for disbursement and expenditure of the funds, and other issues, the potential benefit to Iowa cannot be determined.

The Division of Vocational Rehabilitation Services anticipates that the 2009 federal economic stimulus package may include \$500.0 million for vocational rehabilitation programs that will not be subject to maintenance of efforts requirements but may require State matching dollars. The amount that would be available to Iowa and to the Division is not yet known. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website:

<http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>

Student Achievement and Teacher Quality Program – Beginning in FY 2010, the salary and professional development funding within the Program, that totaled \$238.5 million in FY 2009, is shifted to a standing appropriation that is subject to allowable growth. This funding is discussed in greater detail in the “Unassigned Standing Appropriations” section of this document.

Funding for the remaining portions of the Program totaled \$10.5 million in FY 2009. This included \$335,000 for the final year of the pay-for-performance and career ladder pilot projects and \$250,000 for the Institute for Tomorrow’s Workforce. The funding also included \$1.6 million to fulfill the commitment to National Board Certification awards approved prior to January 1, 2008. That commitment will decrease each year until the commitment expires in FY 2018. The amount required in FY 2010 is \$1.1 million.

Due to the completion of the pilot projects and the declining obligation to National Board Certification awards, the amount of funding needed in FY 2010 to maintain the remaining portions of the program at current levels is \$9.6 million. This includes status quo funding for the Institute for Tomorrow’s Workforce.

The Governor is recommending \$10.7 million for FY 2010 for the remaining allocations in the Student Achievement and Teacher Quality Program. The table below reflects the Department of Education’s original budget request. The Governor did not specify allocations in his FY 2010 recommendation.

Student Achievement and Teacher Quality Program Allocations of the Annual Appropriation			
	FY 2008	FY 2009	FY 2010 Dept. Request
National Board Certification	\$ 1,002,500	\$ 1,622,500	\$ 1,142,500
Ambassador to Education	85,000	85,000	85,000
Mentoring and Induction	4,650,000	4,650,000	5,400,000
Career Dev. and Evaluator Training	695,000	695,000	695,000
Praxis II Pilot	0	0	0
Variable Pay	0	0	0
Professional Development	20,000,000	28,500,000	0 *
Additional Prof. Development	0	0	1,500,000
Early Childhood Prof Dev	0	915,000	930,000
Teacher Development Academies	1,845,000	1,845,000	1,845,000
Market Factor Incentives	3,390,000	0	0
Pay for Performance	1,000,000	335,000	0
Institute for Tomorrow's Workforce	0	250,000	0
Salaries or Prof. Dev.	0	0	0
Teacher Compensation	<u>141,276,394</u>	<u>210,046,394</u>	<u>0 *</u>
Totals	<u>\$ 173,943,894</u>	<u>\$ 248,943,894</u>	<u>\$ 11,597,500</u>

* Funded in FY 2010 by standing appropriation that is subject to allowable growth.

The LSA has published a *Fiscal Topic* about the Student Achievement and Teacher Quality Program, including a complete funding history, at:

http://www.legis.state.ia.us/lsadocs/Fiscal_Topics/2009/FTRKM000.PDF.

Elimination of Healthy Iowans Tobacco Trust Fund – The Healthy Iowans Tobacco Trust Fund will be eliminated after FY 2009. Community Empowerment has received an annual appropriation from the HITT Fund of \$2.2 million. *The Governor’s recommendations for Community Empowerment funding do not replace the \$2.2 million HITT appropriation.*

In FY 2009, the Before and After School Grant Program received an appropriation of \$505,000 from the HITT Fund, in addition to a General Fund transfer of \$595,000 from Community Empowerment (see next item). *The Governor is recommending an FY 2010 General Fund appropriation of \$547,980 for Before and After School Grants.*

FY 2009 Reallocation of Community Empowerment Funds – House File 2679 (FY 2009 Education Appropriations Act) amended an FY 2009 appropriation to the Community Empowerment Program that was enacted in 2006. The original appropriation allocated \$1.0 million for purposes of the Business Community Investment Advisory Council. That allocation was amended in HF 2679 to reallocate \$750,000 to the following:

- \$595,000 to the Before and After School Grant Program.
- \$100,000 to the Early Head Start Projects (in addition to \$300,000 appropriated elsewhere in the Act).
- \$50,000 for the Future Farmers of America Foundation.
- \$5,000 to the College Student Aid Commission for the College Work Study Program (in addition to \$699,000 appropriated elsewhere in the Act).

Because these reallocations are within an appropriation, rather than separate appropriations, these amounts are not reflected in FY 2009 appropriations tracking.

Community Empowerment Accountability Issues – In FY 2009, 15 of the 58 local Empowerment areas were required to reduce their spending by a statewide total of \$1.5 million due to FY 2007 ending balances in excess of 30.0%. House File 2679 (FY 2009 Education Appropriations Act) also amended statutory language to limit the future carryforward of ending balances to 20.0%, effective with FY 2009. The Act also required the Iowa Empowerment Board (IEB) to develop and implement a plan to strengthen fiscal accountability of local areas and to submit a report to the General Assembly and Legislative Services Agency by January 1, 2009.

At the close of FY 2008, two areas had ending balances in excess of the 30.0%. Winnebago County exceeded the limit by \$5,900, and the Buchanan-Delaware-Fayette Counties area exceeded it by \$8,600. The Office of Empowerment has determined that both areas failed to take into account interest income when budgeting for FY 2008. The overages will be deducted from future allocations.

The Office of Empowerment, with input from the State Technical Assistance Team and the Fiscal Accountability Work Group (FAWG), implemented changes to the FY 2009 budget process required of local Empowerment areas. Changes to the annual report process are also being implemented. In addition, the State Technical Assistance Team has recommended to the IEB that local Boards be required annually to submit a mid-year financial update to the Office of Empowerment by January 31. The IEB adopted this recommendation at the November 21 meeting.

Board of Regents

The Board of Regents is a nine-member board that oversees the University of Iowa, Iowa State University, University of Northern Iowa, Iowa School for the Deaf, and the Iowa Braille and Sight Saving School. The Board establishes policy for the institutions; hires the university presidents and special school superintendents; approves budgets, tuition and fees, bonding, investment policies, and other business and finance matters; reviews and approves academic programs; and serves as the trustees for the University of Iowa Hospitals and Clinics.

The Governor is recommending FY 2010 General Fund appropriations totaling \$633.2 million. This is a decrease of \$51.0 million compared to estimated net FY 2009. The Governor is not recommending other fund appropriations for general operations or special purposes for FY 2010. The Governor is recommending continued funding of \$24.3 million for tuition replacement from the Rebuild Iowa Infrastructure Fund (RIIF), the same level as FY 2009. The Governor is also recommending total funding of \$74.3 million for the University of Iowa Hospitals and Clinic from IowaCares funds, which is an increase of \$11.1 million compared to estimated FY 2009. These other fund appropriations are under the purview of the Transportation, Infrastructure, and Capitals Appropriations Subcommittee and the Human Services Appropriations Subcommittee, respectively.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Regents, Board of			
Regent Board Office	\$ 1,339,523	\$ 1,238,429	\$ -101,094
Southwest Iowa Resource Center	110,018	102,867	-7,151
Tri State Graduate Center	83,769	77,149	-6,620
Quad Cities Graduate Center	163,228	152,618	-10,610
Midwestern Higher Ed Consortium	90,000	82,888	-7,112
University of Iowa - General	272,370,274	251,814,456	-20,555,818
Center for Disabilities and Development	6,911,889	6,462,616	-449,273
University of Iowa - Oakdale Campus	2,750,171	2,571,410	-178,761
University of Iowa - Hygienic Laboratory	4,448,350	4,159,207	-289,143
Family Practice Program	2,249,213	2,103,014	-146,199
SCHS - Spec. Child Health	829,438	775,525	-53,913
State of Iowa Cancer Registry	187,471	175,285	-12,186
SUI - Substance Abuse Consortium	69,842	65,302	-4,540
Biocatalysis	910,277	851,109	-59,168
Primary Health Care	816,200	763,147	-53,053
Iowa Birth Defects Registry	48,158	45,028	-3,130
SUI - Iowa Nonprofit Resource Center	204,435	191,147	-13,288
SUI Ag Health & Safety	128,050	119,727	-8,323
Iowa State: Gen. University	214,429,655	197,766,201	-16,663,454
ISU - Ag Experiment Station	35,358,066	33,059,792	-2,298,274
ISU - Cooperative Extension	22,560,138	21,093,729	-1,466,409
ISU - Leopold Center	499,857	467,366	-32,491
Livestock Disease Research	217,397	203,266	-14,131
ISU - George Washington Carver	246,250	230,244	-16,006
University of Northern Iowa - General	96,812,085	89,565,599	-7,246,486
Recycling and Reuse Center	220,430	206,102	-14,328
UNI - Real Estate Education Program	157,600	147,356	-10,244
Iowa School for the Deaf	9,974,495	9,326,153	-648,342
Iowa Braille and Sight Saving	5,640,062	5,273,458	-366,604
Tuition and Transportation	14,795	13,833	-962
Science, Technology, Engineering and Math.	3,940,000	3,683,900	-256,100
BOR - Iowa Public Radio	492,500	460,488	-32,012
Total Regents, Board of	\$ 684,273,636	\$ 633,248,411	\$ -51,025,225

Significant changes include:

- A reduction of \$7.0 million to continue the selected FY 2009 reductions requested by the Governor. The specific amounts are:
 - University of Iowa general operations budget – \$3.1 million.
 - Iowa State University general operations budget – \$2.9 million.
 - University of Northern Iowa general operations budget – \$1.0 million.
 - Board Office – \$15,000.
- A general 6.5% reduction to all budget units totaling \$44.0 million compared to estimated net FY 2009.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Board of Regents was \$10.5 million. The Board of Regents was also included in the Governor's list of selected appropriation reductions. The additional reduction for the Board was \$7.0 million for a total budget reduction of \$17.5 million. The Board has indicated the following reductions will be made.

- Board Office – The 1.5% reduction is \$20,000 and the selective reduction is \$15,000 for a total of \$35,000. Savings will come from not filling a vacant position.
- University of Iowa – The 1.5% reduction is \$4.4 million and the selective reduction is \$3.1 million for a total of \$7.5 million. Reductions are being made where funds are available to reach the total. Anticipated reductions include:
 - \$509,000 from non-General Education Fund units through hiring deferrals and redirection in non-personnel expenses.
 - \$2.8 million from tuition-revenue-supported building repairs that would have gone toward Federal Emergency Management Agency (FEMA) flood recovery match. This requires Governor's and legislative approval of the reallocation. This does not necessarily reduce FEMA reimbursements since FEMA only makes payments after the funds have been expended and approved. Delaying the expenditures for repairs delays the reimbursements.
 - \$2.1 million from various non-flood-recovery capital project deferrals, cost shifts, and capital project savings from delays in project completions and occupancy dates.
 - \$2.0 million from budget reductions to the General Education Fund budget units. No cuts will be made to student financial aid, library acquisitions, utility non-labor budget (fuel and debt service), and departments still substantially engaged in flood recovery. Personnel hirings, classroom replacements, lab equipment replacements, and computer technology upgrades will be delayed.
- Iowa State University – The 1.5% reduction is \$4.3 million and the selective reduction is \$2.9 million for a total of \$7.2 million. Reductions will be applied to the budget units receiving General Fund appropriations and each unit leader will decide how best to make the reduction. Unit leaders are delaying classroom and laboratory renovations, purchases of equipment, and facility repairs. Vacant faculty and staff positions are not being filled. Some funding for research and other projects is being eliminated. Expenditures for travel, general supplies, and selected upgrades are being eliminated. Voluntary furloughs are being used.
- University of Northern Iowa – The 1.5% reduction is \$1.5 million and the selective reduction is \$1.0 million for a total of \$2.6 million. The selective reduction of \$1.0 million will come from deferring planned upgrades for information technology systems, security, library materials, and building maintenance. For the 1.5% reduction, \$812,000 comes from available one-time funds, and \$737,000 from proportionate reductions to the general fund budget and special purpose line-item appropriations, but without reducing student financial aid and campus security and safety. Specific reduction decisions will be made by the affected vice presidents.

- Iowa School for the Deaf – The 1.5% reduction is \$152,000, and no selective reductions were required. Two vacant positions will not be filled and expenditures for travel, supplies, general services expenses, utilities, and fuel will be curtailed.
- Iowa Braille and Sight-Saving School – The 1.5% reduction is \$86,000 and no selective reductions were required. A vacant administrative position will not be filled and out-of-state travel and professional development will be reduced.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Board of Regents anticipates receipt of additional federal funds between \$46.0 million and \$78.0 million as a result of the Federal Economic Stimulus Plan 2009. These funds are from the State Grants for Higher Education Modernization, Renovation, and Repair and will be used for modernizing, renovating, and repairing institutions of higher education facilities used primarily for instruction, research, or student housing. The Grant covers a variety of repairs and renovations such as repairs to roofs, electrical wiring, plumbing, energy-efficient retrofits, renewable energy generation, asbestos removal, heating, air-conditioning, and ventilating systems and fire and safety code upgrades. A portion must be used for Green School upgrades. Repairs and renovations to stadiums and varsity athletic fields or religious worship facilities are not permitted.

Other reports indicate that the Regents universities will be eligible for State Fiscal Stabilization Funds to be used for general operating budgets and to mitigate the need for tuition and fee increases for in-state students. The amounts from this source have not been determined.

The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website: <http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>

University of Iowa Flooding – On June 10, 2008, the Iowa River began to flood parts of the University of Iowa campus eventually closing 19 buildings. Summer classes closed for one week and resumed to complete the summer session. The immediate problem was loss of classroom space. After flood waters receded in early July, work began to clean and reopen classroom buildings or to find alternative space. Before the beginning of fall semester, the Mayflower Residence Hall and three classroom buildings had been reopened. The Art Department had leased space in a former Menard's building south of campus, and the Music Department located space in a variety of locations. The estimated damage to the campus totaled \$231.8 million. All but \$25.0 million is covered by insurance and federal funding provided through the Federal Emergency Management Agency (FEMA). Currently, insurance has been renewed at a higher rate and for a lower amount of coverage. The University has begun mitigation planning and is working with the insurance company and other consultants to reduce the likelihood of future damage.

Tuition and Student Debt – The Project on Student Debt recently issued its third annual report on college student debt trends for the class of 2007. Iowa ranks first in the nation for college student debt with a \$26,208 average, up from last year's second place ranking and average debt of \$24,769. The percentage of Iowa students graduating with debt declined from 74.0% to 73.0%, and its national ranking for students graduating with debt declined from second to fourth place.

Nationwide, college student debt levels continue to rise overall. The average debt for students graduating with loans rose from \$18,976 to \$20,098, a 6.0% increase. For comparison, the earnings for 18- to 24-year-olds with bachelor degrees rose 3.0%, or half the growth rate for student debt. The increase in student debt was roughly the same for public and private colleges. For the class of 2007, the average debt at public colleges was \$18,482 and \$23,065 at private colleges.

The Board of Regents approved a base tuition increase for undergraduate students at the three universities of 4.2% for the 2009-2010 academic year. Nonresident tuition is set with the intent of

recouping the total cost of the student's education and base tuition will increase by 7.6% at the University of Iowa, 2.8% at Iowa State University, and 2.0% at the University of Northern Iowa. A number of fees were increased reflecting increased costs for the services covered by those fees.

The University of Iowa tuition rate is historically the lowest among Big Ten institutions. The Iowa State University tuition rate historically ranks in the middle of the Big Twelve institutions, although it was second lowest for the last academic year. The University of Northern Iowa tuition rate is similar to those of the other two Iowa Regents universities. In spite of the relatively low tuition, Iowa graduates consistently rank near the top of the nation for average student debt upon graduation and for the percentage of graduates with debt. The Subcommittee may want to examine the funding for grants and scholarships compared to that available to comparable institutions in other states.

Sexual Assault Policies – In October 2007, a female student-athlete reported being sexually assaulted in a University of Iowa dormitory. The Board hired an outside special counsel to investigate the situation, because the University of Iowa failed to provide all relevant information to the Board of Regents' inquiry into the handling of the assault. The investigation found "numerous and substantial flaws in not only the response of the University of Iowa to the alleged sexual assault at issue, but also in its policies, procedures and practices regarding the same," according to the special counsel's report. "However, the investigators uncovered no evidence of any attempt by officials associated with the University to cover up the alleged assault." (Stolar Partnership's Special Counsel's Report: <http://www2.state.ia.us/regents/News/news.html>) Two administrators were dismissed from the University for their handling of the incident. Currently, all three Regents universities are revising their sexual assault policies in an effort to address the problems found at the University of Iowa and have received a Department of Justice grant to help fund the process.

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

Postsecondary Education Rigor Analysis Study Committee

House File 2679 (FY 2009 Education Appropriations Act) directed the Legislative Council to commission a study of the rigor of the first two years of study at community colleges and Regents' institutions. A Request for Proposals was issued for an independent entity to provide the analysis, and proposals were received from three companies. On December 8, 2008, the Legislative Council canceled the interim study committee, noting that the economic conditions the State finds itself in preclude a study and leave the State without the necessary revenues to address the results of such a study.

LSA Publications

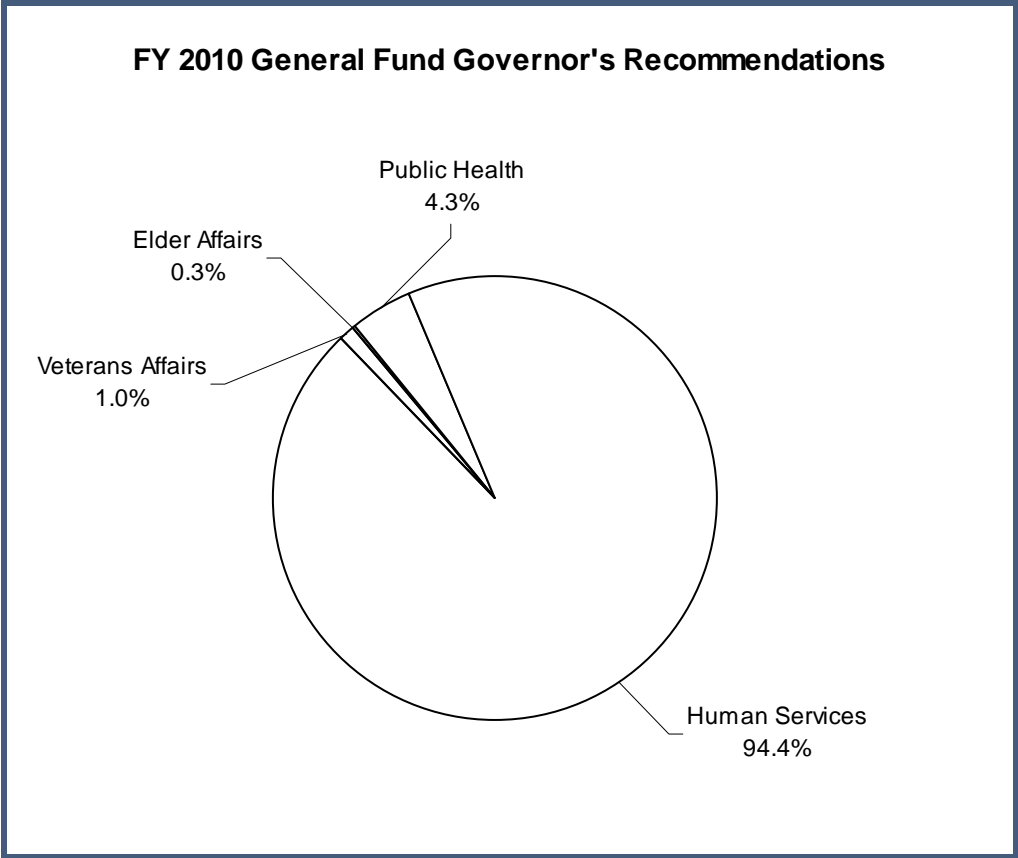
The following publications have been published by the LSA that relate to the Education Appropriations Subcommittee:

- *Fiscal Topic:* [Board of Educational Examiners](#)
- *Fiscal Topic:* [National Board Certification of Iowa Teachers](#)
- *Fiscal Topic:* [Post-Secondary Registration: Limiting Diploma Mills](#)
- *Issue Review:* [Regents Universities and the 2008 Summer Floods](#)

- *Issue Review:* [School Aid Law Changes](#)
- *Fiscal Topic:* [School Finance – Budget Guarantee Phase-Out](#)
- *Fiscal Topic:* [School Finance – Property Tax Relief](#)
- *Fiscal Topic:* [School Finance Formula – State Categorical Roll-In](#)
- *Fiscal Topic:* [Statewide System for Vision Services](#)
- *Fiscal Topic:* [Student Achievement and Teacher Quality Program](#)

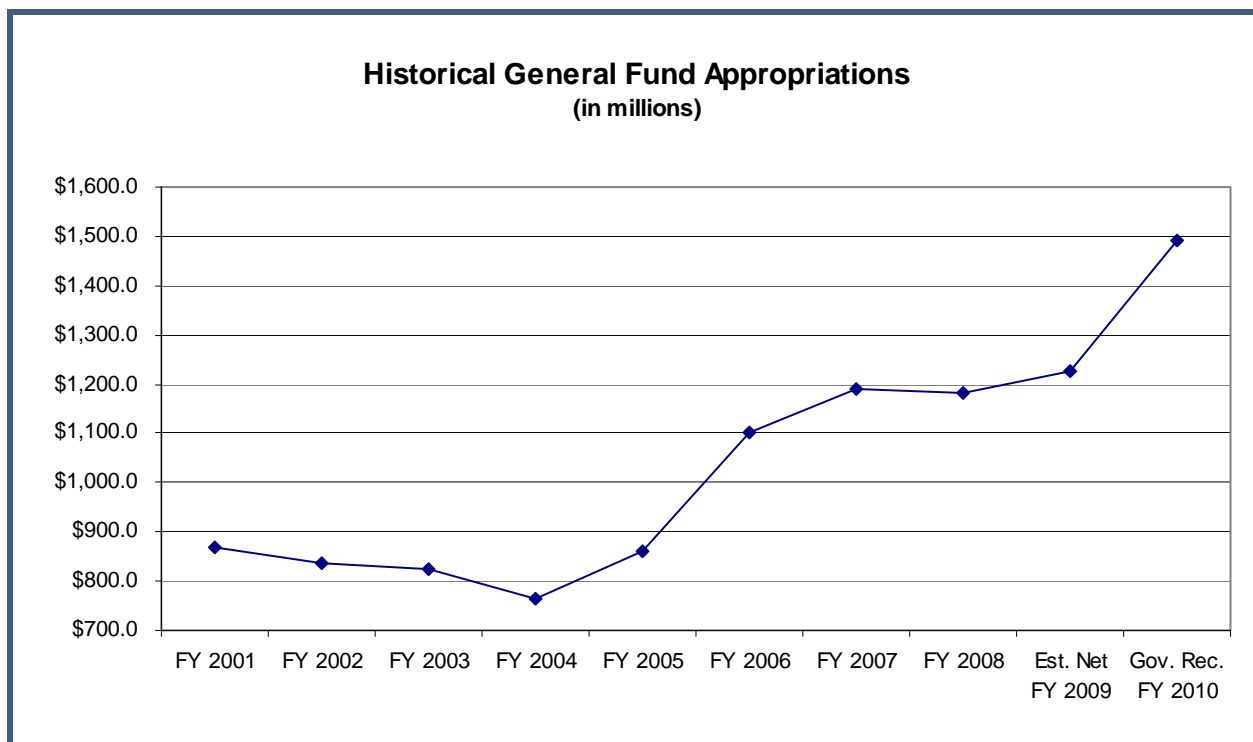
Staff Contacts: Dwayne Ferguson (1-6561); Robin Madison (1-5270)

**HEALTH AND HUMAN SERVICES
APPROPRIATIONS SUBCOMMITTEE**



FY 2010 General Fund Governor's Recommendations

Elder Affairs	\$ 4,931,605
Public Health	63,794,276
Human Services	1,406,114,930
Veterans Affairs	15,149,009
	<u>\$ 1,489,989,820</u>



FY 2010 GOVERNOR’S RECOMMENDATIONS

Department of Elder Affairs

The Department of Elder Affairs is designated as the State Unit on Aging. The Department advocates for Iowans age 60 and older and is responsible for developing a comprehensive and coordinated system of services and activities for older Iowans through the 13 local Area Agencies on Aging (AAAs) across the State.

The Governor is recommending an FY 2010 General Fund appropriation of \$4.9 million. This is a decrease of \$453,000 (8.4%) compared to estimated net FY 2009. The Governor is also recommending a Senior Living Trust Fund appropriation of \$8.5 million for FY 2010. This is no change compared to estimated FY 2009.

General Fund Recommendation

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Elder Affairs, Dept. of</u>			
Aging Programs	\$ 5,384,579	\$ 4,931,605	\$ -452,974
Total Elder Affairs, Dept. of	\$ 5,384,579	\$ 4,931,605	\$ -452,974

Significant changes include:

- **Aging Programs** – A decrease of \$453,000 including:
 - A decrease of \$110,000 for administrative savings.
 - A decrease of \$343,000 for an additional reduction of 6.5% for FY 2010.

Other Fund Recommendation

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Elder Affairs, Dept. of</u>			
Elder Affairs Operations-SLTF	\$ 8,486,698	\$ 8,486,698	\$ 0
Total Elder Affairs, Dept. of	\$ 8,486,698	\$ 8,486,698	\$ 0

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Elder Affairs was \$83,000 for the General Fund appropriation. The Department has indicated that the General Fund reduction will be achieved by holding open vacant funded positions and reducing administrative costs. The Department was also included in the Governor's list of selected appropriation reductions. The additional reduction for the Department was \$164,000. The Department indicated this reduction will be achieved by:

- Eliminating the new End of Life Planning Initiative.
- Eliminating funding for the Livable Communities Initiative.
- Decreasing funding for the Resident Advocate Committee volunteer recruitment and training efforts.
- Capturing contract savings from the Area Agency on Aging Board training.

Senior Living Trust Fund – The Governor recommends depleting the Senior Living Trust Fund with several appropriations in FY 2010 and transferring the majority of the Medicaid obligation in the Fund to the General Fund. The Governor recommends \$8.5 million to the Department of Elder Affairs from the Senior Living Trust Fund in FY 2010. This is no change from the estimated net FY 2009 appropriation.

Department of Public Health

The Department of Public Health (DPH) works with local public health agencies to ensure quality health services in Iowa communities through contracts with all 99 counties to provide population-based health services and a limited number of personal health services. The Department assists in the prevention of epidemics and the spread of disease; protection against environmental hazards; preventing injuries; promoting and encouraging healthy behaviors and mental health; preparing for and responding to public health emergencies and assisting communities in recovery; and assuring the quality and accessibility of health services.

The Governor is recommending FY 2010 General Fund appropriations totaling \$63.8 million. This is an increase of \$36.3 million (132.4%) compared to estimated net FY 2009. The Governor is not recommending other fund appropriations for the Department for FY 2010. This is a decrease of \$39.9 million compared to estimated FY 2009. The significant change reflects the Governor’s proposal that

Health and Human Services Appropriations Subcommittee

appropriations for DPH programs formerly funded by the Healthy Iowans Tobacco Trust (HITT) fund, the Health Care Trust Fund (HCTF), and the Gambling Treatment Fund be funded with General Fund appropriations.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Public Health, Dept. of			
Addictive Disorders	\$ 3,035,917	\$ 34,046,889	\$ 31,010,972
Healthy Children and Families	2,638,795	2,776,543	137,748
Chronic Conditions	2,215,291	3,750,280	1,534,989
Community Capacity	1,758,317	7,086,651	5,328,334
Elderly Wellness	9,095,475	8,504,269	-591,206
Environmental Hazards	736,804	1,051,202	314,398
Infectious Diseases	1,840,262	1,713,484	-126,778
Public Protection	3,180,247	3,748,476	568,229
Resource Management	1,219,025	1,116,482	-102,543
Prevention and Chronic Care Management	192,093	0	-192,093
Medical Home System	166,790	0	-166,790
Healthy Communities Initiative	892,941	0	-892,941
Gov. Council on Physical Fitness and Nutrition	110,418	0	-110,418
Iowa Health Information Technology System	191,995	0	-191,995
Health Care Access	175,555	0	-175,555
Total Public Health, Dept. of	\$ 27,449,925	\$ 63,794,276	\$ 36,344,351

Significant changes include:

- **Addictive Disorders** – A net increase of \$31.0 million. This includes:
 - An increase of \$21.8 million to replace funding as a result of the elimination of the Healthy Iowan’s Tobacco Trust (HITT) Fund. This includes:
 - \$6.9 million for tobacco use prevention and control
 - \$13.8 million for substance abuse treatment
 - \$1.1 million for substance abuse prevention for children and youth
 - A decrease of \$197,000 for a general reduction of 6.5%.
 - An increase of \$2.9 million to move the Health Care Trust Fund (HCTF) addictive disorders appropriation to the General Fund.
 - An increase of \$2.2 million to move the Gambling Treatment fund substance abuse treatment appropriation to the General Fund.
 - An increase of \$4.3 million to move the Gambling Treatment Fund to the General Fund.
- **Healthy Children and Families** – A net increase of \$138,000. This includes:
 - A decrease of \$100,000 to eliminate the Mother’s Milk Bank to fund the Department’s proposed 2009 Health Modernization Bill.

- A decrease of \$53,000 to eliminate the Perinatal Program to fund the Department's proposed 2009 Health Modernization Bill.
 - A decrease of \$37,000 to eliminate the Child Death Review Team to fund the Department's proposed 2009 Health Modernization Bill.
 - A decrease of \$54,000 for the implementation of administrative savings.
 - A decrease of \$12,000 for an adjustment to the across-the-board reduction of 1.5%.
 - A decrease of \$168,000 for a general reduction of 6.5%.
 - An increase of \$562,000 to move the HCTF healthy children and families appropriation to the General Fund.
 - **Chronic Conditions** – A net increase of \$1.5 million. This includes:
 - An increase of \$501,000 to replace funding as a result of the elimination of the HITT Fund. This includes:
 - \$100,000 for phenylketonuria (PKU) assistance
 - \$26,000 for the Stillbirth Surveillance Project
 - \$275,000 for the AIDS Drug Assistance Program (ADAP)
 - \$100,000 for the Epilepsy Education Program
 - An increase of \$364,000 for funding from HF 2539 (FY 2009 Health Care Reform Act). Funds would be transferred from the separate Health Care Reform Act appropriation into this existing appropriation within the Department.
 - A decrease of \$26,000 to eliminate the Stillbirth Surveillance Project to fund the Department's proposed 2009 Health Modernization Bill.
 - A decrease of \$100,000 to eliminate the Epilepsy Education Program to fund the proposed 2009 Health Modernization Bill.
 - A decrease of \$53,000 for the implementation of administrative savings.
 - A decrease of \$46,000 for an adjustment related to the across-the-board reduction of 1.5%.
 - A decrease of \$164,000 for a general reduction of 6.5%.
 - An increase of \$1.0 million to move the HCTF chronic conditions appropriation to the General Fund.
 - **Community Capacity** – A net increase of \$5.3 million. This includes:
 - An increase of \$1.2 million to replace funding for local boards of health as a result of the elimination of the HITT Fund.
 - An increase of \$1.4 million for funding from HF 2539 (FY 2009 Health Care Reform Act). Funds would be transferred from the separate Health Care Reform Act appropriation into this existing appropriation within the Department.
 - A decrease of \$100,000 to eliminate the Child Vision Program to fund the Department's proposed 2009 Health Modernization Bill.
 - An increase of \$962,000 to fund the proposed 2009 Health Modernization Bill.
-

- A decrease of \$64,000 for the implementation of administrative savings.
- A decrease of \$56,000 to continue the across-the-board reduction of 1.5%.
- A decrease of \$199,000 for a general reduction of 6.5%.
- An increase of \$2.2 million to move the HCTF community capacity appropriation to the General Fund.
- **Elderly Wellness** – A decrease of \$591,000 for a general reduction of 6.5%.
- **Environmental Hazards** – An increase of \$314,000. This includes:
 - An increase of \$365,000 to replace funding as a result of the elimination of the HITT Fund. This includes:
 - \$289,000 for environmental epidemiology
 - \$76,000 for the Childhood Lead Poisoning Prevention Program
 - A decrease of \$4,000 for the implementation of administrative savings.
 - A decrease of \$47,000 for a general reduction of 6.5%.
- **Infectious Diseases** – A decrease of \$127,000. This includes:
 - A decrease of \$10,000 for the implementation of administrative savings.
 - A decrease of \$117,000 for a general reduction of 6.5%.
- **Public Protection** – A net increase of \$568,000. This includes:
 - An increase of \$987,000 to replace funding as a result of the elimination of the HITT Fund. This includes:
 - \$387,000 for Emergency Medical Services
 - \$600,000 for the State Poison Control Center
 - A decrease of \$200,000 to eliminate of the Plumbing Board start-up funds to fund the Department’s proposed 2009 Health Modernization Bill.
 - A decrease of \$17,000 for the implementation of administrative savings.
 - A decrease of \$202,000 for a general reduction of 6.5%.
- **Resource Management** – A decrease of \$103,000. This includes:
 - A decrease of \$25,000 for the implementation of administrative savings.
 - A decrease of \$78,000 for a general reduction of 6.5%.

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Public Health, Dept. of			
Ad. Dis.-Substance Abuse Treatment-GTF	\$ 2,215,000	\$ 0	\$ -2,215,000
Ad. Dis.-Gambling Treatment Prog.-GTF	5,068,101	0	-5,068,101
Ad. Dis.-Tobacco Use Prev.-HITT	6,928,265	0	-6,928,265
Ad. Dis.-Sub. Abuse Treatment-HITT	13,800,000	0	-13,800,000
Ad. Dis.-Sub. Abuse Prev. for Kids-HITT	1,050,000	0	-1,050,000
Chr. Con-PKU Assistance-HITT	100,000	0	-100,000
Chr. Con.-Iowa Stillbirth Eval.-HITT	26,000	0	-26,000
Chr. Con.-AIDS Drug Assist. Prog.-HITT	275,000	0	-275,000
Healthy Iowans 2010-HITT	2,509,960	0	-2,509,960
Epilepsy Education-HITT	100,000	0	-100,000
Addictive Disorders-HCTF	3,195,164	0	-3,195,164
Healthy Children and Families-HCTF	667,700	0	-667,700
Chronic Conditions-HCTF	1,164,181	0	-1,164,181
Community Capacity-HCTF	2,790,000	0	-2,790,000
Total Public Health, Dept. of	\$ 39,889,371	\$ 0	\$ -39,889,371

The Governor has recommended transferring all appropriations made from the Gambling Treatment Fund, the Healthy Iowans Tobacco Trust (HITT) fund, and the Health Care Trust Fund (HCTF) to the General Fund.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Public Health was \$418,000 for General Fund appropriations and \$40,000 for other fund appropriations. The Department has indicated that the General Fund reduction will be achieved by:

- Holding open vacant positions
- Reducing administrative costs
- Requesting appropriation transfers

The Department was also included in the Governor's list of selected appropriation reductions. The additional reduction for the Department was \$500,000. The Department indicated this reduction will be achieved by accrued savings from vacant positions and reductions made to tobacco contracts.

The Department has not indicated from what funding sources or budget line-items these savings will be realized.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department anticipates receipt of additional federal funds of an unknown amount as a result of the Federal Economic Stimulus Plan 2009. These funds will be used for:

- Health information technology
- Women, Infants and Children (WIC) program
- Public health and social services

- Prevention and wellness services including:
 - Immunizations
 - Chronic disease and health promotion
 - HIV/AIDS, viral hepatitis, STD, and TB prevention
 - Environmental health programs
 - Injury prevention

At this time, it is unclear how much Iowa will be eligible to receive through each of these programs or if the State will qualify for aid in all of the areas listed.

Supplemental Recommendation – *The Governor is recommending a supplemental appropriation of \$993,000 for flu and other winter-related vaccines in FY 2009. The majority of the Department’s vaccination funding was depleted during the 2008 disaster recovery efforts for tetanus and other related vaccines. This supplemental would replace funding that the Federal Emergency Management Agency (FEMA) cannot reimburse.*

Health Modernization Bill – The Department of Public Health has proposed legislation for the 2009 Session entitled the Public Health Modernization Bill. The intent of the Bill is to allow boards of health, designated local public health agencies, and the Department to increase system capacity, improve the equitable delivery of public health services, address quality improvement, improve system performance, and provide a foundation to measure outcomes through a voluntary accreditation program. In addition to at least one board and one committee, the Bill would establish a Governmental Public Health System Development Fund. *The Governor is recommending \$962,000 from the General Fund for FY 2010 for this initiative.*

Health Care Trust Fund – *The Governor is recommending retaining the \$127.6 million from the FY 2008 increase in the tobacco tax in the General Fund rather than transferring the money to the Health Care Trust Fund (HCTF). The Governor recommends General Fund appropriations in approximately the same amount for the programs funded in FY 2009 from the HCTF. The major change relates to the general reduction of 6.5% recommended for most of the programs.*

Department of Human Services

The Department of Human Services (DHS) is responsible for administering cash assistance for needy families (Family Investment Program), food assistance, Medicaid, child support enforcement, subsidized adoption, child abuse assessments, dependent adult abuse assessments, foster care, various family preservation and strengthening programs, child care registration and subsidy, two institutions for juveniles, refugee services, and services for the mentally ill and developmentally disabled, including the operation of four mental health institutes, and two resource centers for people with mental retardation.

The Governor is recommending FY 2010 General Fund appropriations totaling \$1.406 billion. This is an increase of \$228.6 million (19.4%) compared to estimated net FY 2009. The Governor is also recommending other fund appropriations totaling \$289.9 million for FY 2010. This is a decrease of \$261.2 million compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Human Services, Dept. of			
General Administration			
General Administration	\$ 17,200,246	\$ 16,027,217	\$ -1,173,029
Field Operations			
Child Support Recoveries	\$ 15,397,334	\$ 14,102,101	\$ -1,295,233
Field Operations	70,680,435	66,234,344	-4,446,091
Total Field Operations	\$ 86,077,769	\$ 80,336,445	\$ -5,741,324
Toledo Juvenile Home			
Toledo Juvenile Home	\$ 7,749,750	\$ 7,097,841	\$ -651,909
Eldora Training School			
Eldora Training School	\$ 12,296,550	\$ 11,262,156	\$ -1,034,394
Cherokee CCUSO			
Civil Commit. Unit for Sex Offenders	\$ 6,841,722	\$ 6,928,144	\$ 86,422
Cherokee			
Cherokee MHI	\$ 6,236,820	\$ 5,712,181	\$ -524,639
Clarinda			
Clarinda MHI	\$ 7,450,903	\$ 6,824,127	\$ -626,776
Independence			
Independence MHI	\$ 10,917,129	\$ 9,986,265	\$ -930,864
Mt Pleasant			
Mt Pleasant MHI	\$ 2,065,250	\$ 1,886,750	\$ -178,500
Glenwood			
Glenwood Resource Center	\$ 19,298,627	\$ 18,515,453	\$ -783,174
Woodward			
Woodward Resource Center	\$ 12,824,232	\$ 11,484,307	\$ -1,339,925
Assistance			
Family Investment Program/JOBS	\$ 42,060,901	\$ 35,036,216	\$ -7,024,685
Medical Assistance	645,302,330	883,095,255	237,792,925
Health Insurance Premium Payment	582,846	533,814	-49,032
Medical Contracts	13,953,067	14,344,879	391,812
State Children's Health Ins. (hawk-i)	13,660,852	15,372,897	1,712,045
State Supplementary Assistance	18,332,214	17,323,001	-1,009,213
Child Care Assistance	40,483,732	40,452,289	-31,443
Child and Family Services	88,971,729	94,546,404	5,574,675
Adoption Subsidy	33,656,339	36,655,458	2,999,119
Family Support Subsidy	1,907,312	1,783,337	-123,975
Conners Training	41,984	39,255	-2,729

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Human Services, Dept. of, cont.			
MI/MR/DD State Cases	12,863,806	12,027,659	-836,147
MH/DD Community Services	17,745,572	16,592,110	-1,153,462
MH/DD Growth Factor	53,270,090	56,857,019	3,586,929
Volunteers	107,924	98,845	-9,079
Medical Assistance, Hawk-i, Hawk-i Expansion	4,728,000	4,420,680	-307,320
Family Planning	738,750	690,731	-48,019
Pregnancy Counseling	197,000	184,195	-12,805
Total Assistance	\$ 988,604,448	\$ 1,230,054,044	\$ 241,449,596
Total Human Services, Dept. of	\$ 1,177,563,446	\$ 1,406,114,930	\$ 228,551,484

Significant changes include:

- **Economic Assistance** – A decrease of \$8.3 million. This includes:
 - A decrease of \$7.0 million for the Family Investment Program, including:
 - A decrease of \$3.6 million to reflect a decrease in caseloads.
 - A decrease of \$691,000 to reflect the elimination of Electronic Benefits Transfer (EBT) retailer fees.
 - A decrease of \$2.7 million for a general reduction of 6.5%.
 - A decrease of 1.3 million for the Child Support Recovery Unit including:
 - A decrease of \$315,000 for administrative savings.
 - A decrease of 980,000 for a general reduction of 6.5%.
- **Medicaid** – A net increase of \$237.8 million, including:
 - An increase of \$48.9 million for enrollment and utilization increases.
 - An increase of \$9.0 million to replace funding for the Mental Health Institutes to reflect an expected loss in federal matching funds from the IowaCare Program agreement.
 - An increase of \$7.1 million for payments to the federal government for Medicare dual eligibles.
 - An increase of \$6.0 million to annualize the Home and Community Based Waiver buy down from FY 2009 and funding to purchase additional slots for FY 2010.
 - An increase of \$3.8 million to restore carryforward funds from FY 2008.
 - An increase of \$2.3 million to reflect increased utilization of mental health services including, remedial services, the Iowa Plan, habilitation services, Psychiatric Medical Institute for Children (PMIC), and Psychiatric Services.
 - An increase of \$989,000 to reflect increases in both utilization and growth for Targeted Case Management Services.
 - A decrease of \$5.9 million to reflect changes in the Federal Medical Assistance Percentage (FMAP) rate.

- A decrease of \$2.1 million to reflect recoveries from the Iowa Plan (Magellan).
- An increase of \$10.2 million to add funds towards the most recent FY 2010 estimated need estimated by the Medicaid forecasting group.
- An increase of \$95.0 million to replace the majority of the FY 2009 Senior Living Trust Fund appropriation with General Fund in FY 2010.
- An increase of \$104.5 million to replace the majority of the FY 2009 Health Care Trust Fund appropriation with General Fund in FY 2010.
- A decrease of \$41.9 million for a general reduction of 6.5%.

For further information regarding Medicaid, see the overview in the front of this document. The Governor's recommendation underfunds the January Medicaid Estimating Workgroup amount by \$59.8 million for FY 2010.

- **Medical Contracts** – An increase of \$392,000, including:
 - An increase of \$17,000 for contract procurement for the Iowa Medicaid Enterprise (IME).
 - An increase of \$500,000 to procure a vendor for the Medicaid Management Information System (MMIS).
 - An increase of \$174,000 for contract and other inflation costs.
 - An increase of \$340,000 for upgrades related to the Health Insurance Portability and Accountability Act (HIPAA).
 - An increase of \$268,000 for electronic attachment activity that will begin in FY 2009 and continue in FY 2010.
 - A decrease of \$907,000 for a general reduction of 6.5%.
- **State Children's Health Insurance Program (SCHIP)** – A net increase of \$1.7 million, including:
 - An increase of \$7.8 million to maintain services and replace carryforward from FY 2008.
 - An increase of \$277,000 to fund an additional 780 children.
 - An increase of \$129,000 to continue outreach through the Department of Public Health.
 - An increase of \$90,000 to continue expanded outreach efforts.
 - A decrease of \$2.5 million to reflect funds available from the healthy and well kids in Iowa (hawk-i) Trust Fund.
 - A decrease of \$234,000 to reflect changes in the FMAP rate.
 - A decrease of \$3.0 million for revised need projections and carryforward amounts.
 - A decrease of \$888,000 for a general reduction of 6.5%.
- **Medical Assistance, hawk-i, hawk-i Expansion** – A decrease of \$307,000 for a general reduction of 6.5%. This would include the recommendation to eliminate the enacted increase of \$10.0 million to expand enrollment for children as appropriated for FY 2010 by HF 2539 (FY 2009 Health Care Reform Act).

- **State Supplementary Assistance Program** – A net decrease of \$1.0 million. This includes:
 - An increase of \$182,000 to replace funding as a result of the elimination of the Healthy Iowan’s Tobacco Trust (HITT) Fund.
 - A decrease of \$1.2 million for a general reduction of 6.5%.
- **Child and Family Services** – A net increase of \$6.7 million. This includes:
 - **Child Care Assistance** – A net decrease of \$31,000, including:
 - An increase of \$1.1 million for annual caseload growth.
 - A decrease of \$445,000 in State General Funds for increased funding at the federal level for the Temporary Assistance for Needy Families (TANF) program.
 - A decrease of \$350,000 for the elimination of one-time funding for the Exceptional Children Grant Program.
 - A decrease of \$161,000 to reflect the reduction of Quality Rating System (QRS) costs.
 - A decrease of \$179,000 to reflect changes in the FMAP rate.
 - An increase of \$2.6 million to replace funding from the Child Care Tax Credit Fund.
 - A decrease of \$2.6 million for a general reduction of 6.5%.
 - **Toledo Juvenile Home** – A decrease of \$652,000, including:
 - A decrease of \$157,000 for the implementation of administrative savings.
 - A decrease of \$493,000 for a general reduction of 6.5%.
 - **Eldora Training School** – A decrease of \$1.0 million, including:
 - A decrease of \$251,000 for the implementation of administrative savings.
 - A decrease of \$783,000 for a general reduction of 6.5%.
 - **Child Welfare** – A net increase of \$5.6 million, including:
 - An increase of \$3.8 million to replace general funding as a result of the elimination of the HITT Fund.
 - An increase of \$465,000 to reflect an adjustment to foster care recovery funds based on current and projected recovery rates.
 - An increase of \$1.8 million to restore Decategorization funding from FY 2008.
 - A decrease of \$98,000 to reflect adjustments to Title IV-E Eligibility and the FMAP rate.
 - An increase of \$1.5 million for family foster care and supervised apartment living maintenance rates.
 - An increase of \$51,000 for Preparation for Adult Living (PALs) maintenance rates.
 - A decrease of \$25,000 for an autism and Asperger syndrome pilot project to redirect the funding to be used for children with autism spectrum disorder and their families.

- A decrease of \$1.5 million to notwithstanding Section 234.38, Code of Iowa, that directs the Department to pay reimbursement rates to foster parents based on 65.0% of the United States Department of Agriculture (USDA) estimate of the cost to raise a child in the calendar year immediately preceding the fiscal year.
- A decrease of \$51,000 for Preparation for Adult Living (PALs) maintenance rates.
- A decrease of \$205,000 for elimination of the Multidimensional Treatment Level Foster Care Program Pilot Projects.
- A decrease of \$154,000 for elimination of the Diversion and Mediation Pilot Project.
- **Adoption Subsidy** – A net increase of \$3.0 million. This includes:
 - An increase of \$1.4 million to reflect supplemental funding from FY 2009 in FY 2010.
 - An increase of \$2.1 million for caseload growth.
 - An increase of \$720,000 for adoption subsidy maintenance rates.
 - A decrease of \$438,000 to reflect adjustment to the FMAP rate.
 - A decrease of \$720,000 to notwithstanding Section 234.38, Code of Iowa, that directs the Department to pay reimbursement rates to foster parents based on 65.0% of the United States Department of Agriculture (USDA) estimate of the cost to raise a child in the calendar year immediately preceding the fiscal year.
- **Family Support Subsidy** – A decrease of \$124,000 for a general reduction of 6.5%. The Governor is also recommending elimination of the Children-At-Home Program to redirect funding to reduce the Family Support Subsidy waiting list.
- **Mental Health/Mental Retardation/Developmental Disabilities/Brain Injury** – A net decrease of \$2.7 million, including:
 - A decrease of \$525,000 for the Cherokee Mental Health Institute (MHI), including:
 - A decrease of \$128,000 for the implementation of administrative savings.
 - A decrease of \$397,000 for a general reduction of 6.5%.
 - A decrease of \$627,000 for the Clarinda MHI, including:
 - A decrease of \$152,000 for the implementation of administrative savings.
 - A decrease of \$475,000 for a general reduction of 6.5%.
 - A decrease of \$931,000 for the Independence MHI, including:
 - A decrease of \$223,000 for the implementation of administrative savings.
 - A decrease of \$695,000 for a general reduction of 6.5%.
 - A decrease of \$13,000 to reflect changes in the FMAP rate.
 - A decrease of \$179,000 for the Mt. Pleasant MHI, including:
 - A decrease of \$42,000 for the implementation of administrative savings.
 - A decrease of \$132,000 for a general decrease of 6.5%.
 - A decrease of \$5,000 to reflect changes in the FMAP rate.

- A net decrease of \$783,000 for the Glenwood Resource Center, including:
 - A decrease of \$388,000 to reflect changes in the FMAP rate.
 - A decrease of \$395,000 for the implementation of administrative savings.
 - A net decrease of \$1.3 million for the Woodward Resource Center, including:
 - A decrease of \$261,000 to reflect changes in the FMAP rate.
 - A decrease of \$263,000 for the implementation of administrative savings.
 - A decrease of \$817,000 for a general decrease of 6.5%.
 - A decrease of \$836,000 for the State Cases Program for a general decrease of 6.5%.
 - A decrease of \$1.2 million for MH/DD Community Services for a general decrease of 6.5%.
 - A net increase of \$86,000 for the Civil Commitment Unit for Sexual Offenders, including:
 - An increase of \$662,000 to add eight additional clients for FY 2010.
 - A decrease of \$140,000 for the implementation of administrative savings.
 - A decrease of \$436,000 for a general decrease of 6.5%.
 - A net increase of \$3.6 million for the Mental Health Growth Factor, including:
 - An increase of \$147,000 to replace funding as a result of the elimination of the Healthy Iowan's Tobacco Trust (HITT) Fund.
 - A decrease of \$3.5 million for a general decrease of 6.5%.
 - An increase of \$6.9 million to reflect moving the Health Care Trust Fund FY 2009 appropriation for Mental Health Allowed Growth to a General Fund appropriation in FY 2010.
 - **Field Operations** – A net decrease of \$4.4 million. This includes:
 - An increase of \$1.5 million to restore carryforward funds from FY 2008.
 - A decrease of \$1.4 million for the implementation of administrative savings.
 - A decrease of \$4.5 million for a general reduction of 6.5%.
 - **General Administration** – A net decrease of \$1.2 million. This includes:
 - An increase of \$274,000 for the transfer of general administration dollars to reflect elimination of the HITT Fund.
 - A decrease of \$352,000 for the implementation of administrative savings.
 - A decrease of \$1.1 million for a general reduction of 6.5%.
 - **Volunteers** – A decrease of \$9,000. This includes:
 - A decrease of \$2,000 for the implementation of administrative savings.
 - A decrease of \$7,000 for a general reduction of 6.5%.
-

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Human Services, Dept. of			
General Administration			
FIP-TANF	\$ 26,101,513	\$ 25,656,513	\$ -445,000
Promise Jobs-TANF	13,334,528	13,334,528	0
FaDDS-TANF	2,998,675	2,998,675	0
Field Operations-TANF	18,507,495	18,507,495	0
General Administration-TANF	3,744,000	3,744,000	0
Local Admin. Cost-TANF	2,189,830	2,189,830	0
State Day Care-TANF	18,986,177	18,986,177	0
MH/DD Comm. Services-TANF	4,894,052	4,894,052	0
Child & Family Services-TANF	32,084,430	32,084,430	0
Child Abuse Prevention-TANF	250,000	250,000	0
Training & Technology-TANF	1,037,186	1,037,186	0
HOPES - Transfer to DPH-TANF	200,000	200,000	0
0-5 Children-TANF	7,350,000	7,350,000	0
Child Support Recovery-TANF	200,000	200,000	0
Child Care Direct Assistance-TANF	8,900,000	9,345,000	445,000
Total General Administration	\$ 140,777,886	\$ 140,777,886	\$ 0
Assistance			
Pregnancy Prevention-TANF	\$ 1,930,067	\$ 1,930,067	\$ 0
Medical Supplemental-SLTF	111,753,195	16,784,483	-94,968,712
Medical Contracts-Pharm. Settlement	1,323,833	1,323,833	0
Broadlawns Hospital-ICA	40,000,000	40,000,000	0
State Hospital-Cherokee-ICA	3,164,766	0	-3,164,766
State Hospital-Clarinda-ICA	687,779	0	-687,779
State Hospital-Independence-ICA	3,146,494	0	-3,146,494
State Hospital-Mt Pleasant-ICA	2,000,961	0	-2,000,961
Medical Examinations-HCTA	556,800	556,800	0
Medical Information Hotline-HCTA	150,000	100,000	-50,000
Health Partnership Activities-HCTA	900,000	600,000	-300,000
Audits, Perf. Eval., Studies-HCTA	400,000	125,000	-275,000
IowaCare Admin. Costs-HCTA	1,132,412	1,132,412	0
Dental Home for Children-HCTA	1,000,000	1,000,000	0
Mental Health Trans. Pilot-HCTA	250,000	0	-250,000
MH/DD Workforce Development	500,000	500,000	0
Medical Assistance-HCTF	114,943,296	0	-114,943,296
MH/MR/DD Growth-HCTF	7,592,099	0	-7,592,099
General Administration-HITT	274,000	0	-274,000
POS Provider Increase-HITT	146,750	0	-146,750
Other Service Providers Inc.-HITT	182,381	0	-182,381
Child and Family Services-HITT	3,786,677	0	-3,786,677
Broadlawns Admin-HCTA	230,000	230,000	0
MH PTRF Medical Asst.	624,000	0	-624,000
Total Assistance	\$ 296,675,510	\$ 64,282,595	\$ -232,392,915
Total Human Services, Dept. of	\$ 437,453,396	\$ 205,060,481	\$ -232,392,915

Significant changes include:

- A decrease of \$445,000 from Temporary Assistance for Needy Families (TANF) to reflect actual utilization of the Diversion Program.
- An increase of \$445,000 from TANF for the Child Care Assistance Program.
- A decrease of \$9.0 million for the four mental health institutes (MHI) from the IowaCare Program appropriation to reflect the phase-out of federal funding. Under the federal terms and conditions of creating the IowaCare Program, the State was required to phase out federal matching funds to the MHIs.
- A decrease of \$50,000 from the Health Care Transformation Account for the Medical Information Hotline to reflect actual usage.
- A decrease of \$300,000 from the Health Care Transformation Account for Health Partnership Activities to reflect actual usage.
- A decrease of \$275,000 from the Health Care Transformation Account for Audits, Performance Evaluations, and Studies to reflect actual usage.
- A decrease of \$250,000 from the Health Care Transformation Account to eliminate the Mental Health Transformation Pilot.
- A decrease of \$114.4 million from the Health Care Trust Fund for Medicaid to reflect the elimination of the Fund. All funding requests for the Fund have been transferred to the General Fund and were subject to the 6.5% general reduction.
- A decrease of \$7.6 million from the Health Care Trust Fund for Mental Health Allowed Growth to reflect the elimination of the fund. All funding requests for the Fund have been transferred to the General Fund and were subject to the 6.5% general reduction in FY 2010.
- A decrease of \$95.0 million from the Senior Living Trust Fund for Medicaid. The Governor is recommending funding this decrease with General Fund dollars.
- A decrease of \$4.4 million from the Healthy Iowan's Tobacco Trust Fund to various appropriations to reflect the elimination of the Fund. All funding requests for the Fund have been transferred to the General Fund.
- A decrease of \$624,000 to eliminate the appropriation from the Property Tax Relief Fund. This was a one-time appropriation for FY 2009.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Human Services was \$18.3 million for General Fund appropriations and \$631,000 for other fund appropriations. The Department has indicated that the General Fund reduction will be achieved by holding open vacant funded positions and reducing administrative costs. The Department was also included in the Governor's list of selected appropriation reductions. The additional reduction for the Department was \$5.8 million. The Department indicated this reduction will be achieved by:

- Accrued savings from vacant positions
 - Delay in filling vacancies
 - Review and reproject all costs
-

- Limit travel
- Delay replacing equipment and supplies
- Utilize \$1.0 million surplus in TANF for approved uses supplanting General Fund dollars

The Department has not indicated from what funding sources or budget line-items these savings will be realized.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department anticipates receipt of additional federal funds ranging from \$250.0 million to \$400.0 million as a result of the Federal Economic Stimulus Plan 2009. These funds will be used for:

- Medicaid FMAP adjustment
- Child Care assistance for low income families
- Foster Care FMAP adjustment
- Child Support collection incentives
- TANF emergency funding.

At this time, it is unclear how much Iowa will be eligible to receive through each of these programs or if the State will qualify for aid in all of the areas listed.

State Children's Health Insurance Program – Congress is in the process of reauthorizing the State Children's Health Insurance Program. With reauthorization, there will be changes to Program requirements, an opportunity to cover additional children, and an increase in federal funding. The Subcommittee may wish to review the federal changes and adjust State priorities.

Mental Health Funding – There are currently 24 counties in the State that have a negative fund balance for their mental health programs and services are being cut or waiting lists implemented. The Subcommittee may wish to review how the system is funded, including the county levy, and the services provided.

Iowa Care Waiver – The IowaCare Waiver is an agreement between the State and federal government enabling federal support for the IowaCare Program. The Waiver expires at the end of FY 2010. The Health and Human Services Subcommittee may wish to review the Program and consider strategies for renewal.

Medicaid Enrollment – For the first quarter of FY 2009, the Medicaid Program has grown by 11,400 members. The Health and Human Services Subcommittee may wish to monitor enrollment for any trends throughout the year.

Senior Living Trust Fund – *The Governor recommends depleting the Senior Living Trust Fund with several appropriations in FY 2010 and transferring the majority of the Medicaid portion to the General Fund.*

Health Care Trust Fund – *The Governor recommends retaining the \$127.6 million from the FY 2008 increase in the tobacco tax in the General Fund rather than transferring the money to the Health Care Trust Fund (HCTF). The Governor recommends General Fund appropriations in approximately the same amount for the programs funded in FY 2009 from the HCTF. The major change relates to the general reduction of 6.5% recommended for most of the programs.*

Department of Veterans Affairs

The Department of Veteran Affairs includes the Department and the Iowa Veterans Home. The Department provides services to veterans regarding federal pension applications, identifying services to reimburse from the Veterans Trust Fund interest revenues, establishing the Veterans Cemetery, and providing assistance for the County Grant Program, the Injured Veterans Grant Program, and the Vietnam Veterans Bonus Program. The Iowa Veterans Home provides services to veterans at the Home in Marshalltown, including domiciliary, residential, and pharmaceutical.

The Governor is recommending FY 2010 General Fund appropriations totaling \$15.1 million. This is a decrease of \$1.4 million (8.2%) compared to estimated net FY 2009. The Governor is also recommending other fund appropriations totaling \$1.6 million for FY 2010 from the Transportation, Infrastructure, and Capitals Appropriations Subcommittee budget. This is a decrease of \$100,000 compared to estimated FY 2009. The other funds comparison is included in the Transportation, Infrastructure, and Capitals Appropriations Subcommittee section of this document.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Veterans Affairs, Dept. of</u>			
General Administration	\$ 1,224,380	\$ 1,121,373	\$ -103,007
War Orphans Educational Assistance	27,000	24,109	-2,891
Veterans County Grants	600,000	547,535	-52,465
Iowa Veterans Home	\$ 14,692,523	\$ 13,455,992	\$ -1,236,531
Veterans County Grants	-14,401	0	14,401
War Orphans Educational Assistance	-1,215	0	1,215
Injured Veterans Grant Program	-23,550	0	23,550
Total Veterans Affairs, Dept. of	\$ 16,504,737	\$ 15,149,009	\$ -1,355,728

- **Iowa Veterans Home** – A decrease of \$1.2 million, including:
 - A decrease of \$301,000 for administrative savings.
 - A decrease of \$935,000 for a general 6.5% reduction.
- **Department of Veteran Affairs** – A decrease of \$103,000, including:
 - A decrease of \$25,000 for administrative savings.
 - A decrease of \$78,000 for a general 6.5% reduction.
- **Other Veteran Programs** – A decrease of \$40,000 in other veterans assistance programs, including:
 - A decrease of \$2,000 for a general 6.5% reduction in the War Orphans Educational Assistance Program.
 - A decrease of \$38,000 for a general 6.5% reduction in the County Grant Program.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Veterans Affairs was \$314,000 for General Fund appropriations. The Department has indicated that the General Fund reduction will be achieved by:

- **Department of Veterans Affairs:**
 - A decrease of \$19,000 in General Administration that will be met by not filling a vacant maintenance worker position at the Veteran's cemetery.
 - A decrease of \$14,000 for the County Grant Program that may impact a county or counties that may still apply for the Grant Program in FY 2009 or decrease the expected carryforward into FY 2010.
 - A decrease of \$1,000 for the War Orphans Educational Assistance Program will reduce the FY 2009 expected carryforward into FY 2010. Funding from FY 2007, 2008, and 2009 has not been expended.
 - A decrease of \$24,000 for the Injured Veterans Grant Program will reduce the FY 2009 expected carryforward into FY 2010. There is a balance of \$1.4 million for the maximum grant of \$10,000 per injured and evacuated veteran.
- **Iowa Veterans Home:** A decrease of \$256,000 that will be offset by increased revenues and decreased insurance and inflationary costs.

The Department was also included in the Governor's list of selected appropriation reductions. The additional reduction for the Department was \$486,000. The Department indicated this reduction will be achieved by:

- **Department of Veterans Affairs:** A decrease of \$37,000 from General Administration that may curtail veteran benefit outreach efforts and informational packet mailings and delaying Veteran's cemetery ground beautification projects.
- **Iowa Veterans Home:** A decrease of \$448,000 that will be offset by increased revenues and decreased insurance and inflationary costs.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department of Veterans Affairs does not expect an increase in federal funds. The Iowa Veterans Home is already expecting an increase of outside revenue from the 6.0% in federal Social Security individual retiree payments that will result in an increase in the amount of funds paid for the cost of care at the Home by many of the residents.

Expenditure Review – The Subcommittee may want to review first half FY 2009 expenditures of the Veterans Home Ownership Assistance Program; the Injured Veterans Grant Program; and the County Grant Program; the expenditures of the Vietnam Veterans Bonus Program; and the expenditures from the interest and donations to the Veterans Trust Fund for services approved by the Veterans Affairs Commission. The Department was required to study the needs of veterans in HF 909 (FY 2008 Health and Human Services Appropriations Act). The summary of the Study is available at https://www.iowava.org/images/Veterans_Final_Report_2008.pdf. The Department has submitted a summary of the expenditures from the interest generated from the Trust Fund. The summary indicates that since January 2007, Iowa veterans have received \$329,000 in financial assistance for various unemployment, housing repair, health care, transportation, and various other costs.

Construction Funds – The Subcommittee may want to review the amount of funds within the Iowa Veterans Home Construction Account and the availability of federal matching funds. The Construction Account has been totally encumbered as a result of the 10.0% increase in the cost of Phase 1 of the Master Plan. Construction has not yet started. The Iowa Veterans Home has a \$100.0 million multi-year Master Plan construction project. The General Assembly provided bonding authority for the State match required for Phases 2, 3, and 4. Due to the timing of the planned sale of the bonds, Phases 2, 3, and 4 were not included in the federal FY 2009 construction list. Due to the delay of the sale of the bonds by the State Treasurer and the increase in construction costs above original estimates, Phases 2, 3, and 4 may require additional State funds beyond the approved bonding amounts or a decrease in the cost of the project. An estimated 60.0% of funds for certain construction projects are usually available from the federal government. The estimated year of receipt of those funds from the federal government is not available except for Phase 1 which has been approved by the federal government for receipt of funds. Additional information is available as a *Fiscal Topic* at <http://www.legis.state.ia.us/Fiscal/fiscaltopics> .

The Governor is recommending that State funds for the Master Plan now come from part of the \$700.0 million Rebuild Iowa Infrastructure Investment Bond proposal. Phases 2, 3, and 4 would receive \$20.6 million in the recommendation. Additional information is available in the Transportation and Infrastructure Appropriations Subcommittee and the overview of the Governor’s Bonding Proposals sections of this document.

Board of Regents

The Board of Regents oversees the University of Iowa Hospitals and Clinics (UIHC) and receives funding for IowaCare through the Health and Human Services Appropriations Subcommittee.

The Governor is recommending other fund appropriations totaling \$74.3 million for FY 2010. This is an increase of \$11.1 million compared to estimated FY 2009 to reflect increased utilization of the IowaCare Program at the UIHC.

Other Fund Recommendations

	<u>Estimated FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
<u>Regents, Board of</u>			
BOR UIHC - IowaCares Expansion Population	\$ 35,969,365	\$ 47,020,131	\$ 11,050,766
BOR UIHC - IowaCares	27,284,584	27,284,584	0
Total Regents, Board of	\$ 63,253,949	\$ 74,304,715	\$ 11,050,766

Department of Inspections and Appeals

The Department of Inspections and Appeals (DIA) is a regulatory agency charged with protecting the health, safety, and well-being of Iowans. The Department receives funding from the Senior Living Trust Fund to inspect Assisted Living Centers and Adult Day Cares.

The Governor is recommending a Senior Living Trust Fund appropriation of \$1.3 million for FY 2010. This is no change compared to estimated FY 2009.

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Inspections & Appeals, Dept. of</u>			
Assisted Living/Adult Day Care-SLTF	\$ 1,339,527	\$ 1,339,527	\$ 0
Total Inspections & Appeals, Dept. of	\$ 1,339,527	\$ 1,339,527	\$ 0

Iowa Finance Authority

The Iowa Finance Authority (IFA) was created in 1975 to assist in the attainment of housing for low- and moderate-income Iowans. Iowa Finance Authority receives funding from the Senior Living Trust Fund for a Rent Subsidy Program.

The Governor is recommending a Senior Living Trust Fund appropriation of \$700,000 for FY 2010. This is no change compared to estimated FY 2009.

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Iowa Finance Authority</u>			
Rent Subsidy Program-SLTF	\$ 700,000	\$ 700,000	\$ 0
Total Iowa Finance Authority	\$ 700,000	\$ 700,000	\$ 0

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

Medicaid Elderly Waiver Program Interim Study Committee

The Medicaid Elderly Waiver Program Interim Study Committee met on November 13, 2008, to review the Program. The Committee received testimony from the Department of Human Services, the Department of Elder Affairs, and other interested parties on the current status of the Program and measures that could be taken in the future to improve the care for Waiver recipients. The Committee is gathering additional data and information from the two Departments and other interested parties and will refer all information received to the Health and Human Services Appropriations Subcommittee.

Medicaid Program Drug Product Selection Interim Study Committee

The Medicaid Program Drug Product Selection Interim Study Committee met on November 19, 2008, to review how drugs are selected for the Medicaid Program. The Committee received testimony from the Department of Human Services and other interested parties on process and current practices of the Program and measures that could be taken in the future to insure Medicaid recipients are getting the best outcomes. The Committee is gathering additional data and information from the Department and other interested parties and will refer all information received to the Health and Human Services Appropriations Subcommittee.

LSA Publications

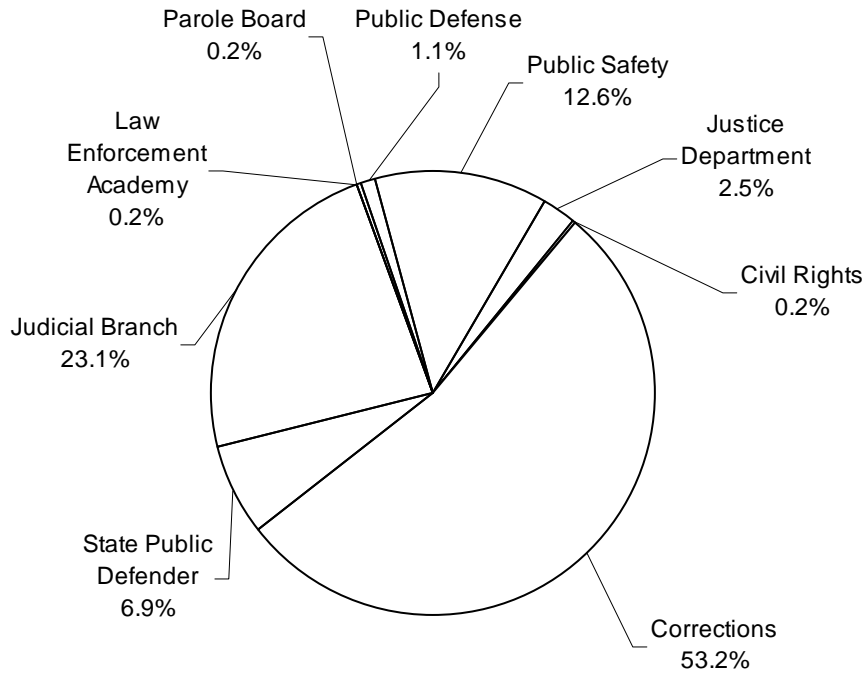
The following publications have been published by the LSA that relate to the Health and Human Services Appropriations Subcommittee:

- *Fiscal Topic:* [Medicaid Overview](#)
- *Fiscal Topic:* [State Children's Health Insurance Program Overview](#)
- *Fiscal Topic:* [Iowa Veterans Home](#)
- *Issue Review:* [Education Benefits for Children of Deceased Veterans](#)

Staff Contacts: Jess Benson (1-4611); Deborah Helsen (1-6764); Sue Lerdal (1-7794)

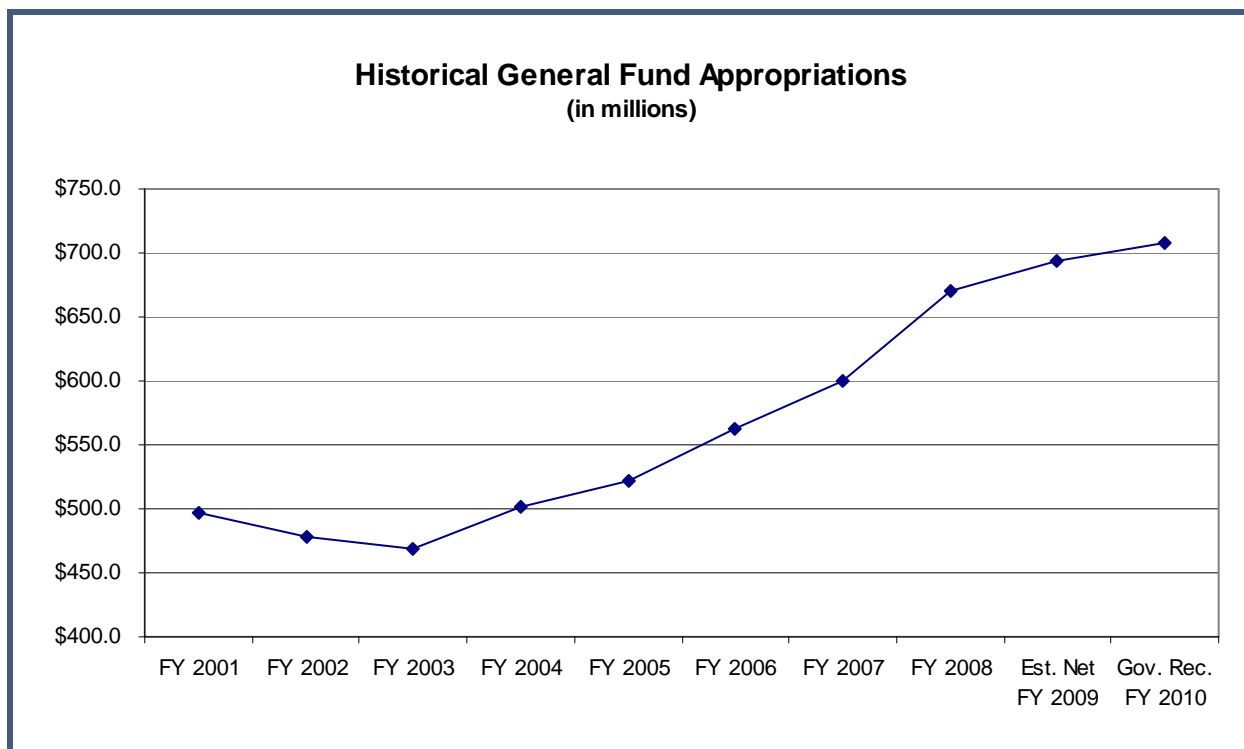
JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE

FY 2010 General Fund Governor's Recommendations



FY 2010 General Fund Governor's Recommendations

Justice Department	\$ 17,883,742
Civil Rights	1,444,792
Corrections	377,366,339
State Public Defender	48,881,143
Judicial Branch	163,527,936
Law Enforcement Academy	1,192,311
Parole Board	1,170,529
Public Defense	8,017,315
Public Safety	88,984,800
	<u>\$ 708,468,907</u>



FY 2010 GOVERNOR'S RECOMMENDATIONS

Department of Justice

The Attorney General is the head of the Department and is elected by popular vote every four years. The Department is composed of the Attorney General's Office, Prosecuting Attorney Training Coordinator, and the Consumer Advocate's Office. The Department represents the State in all litigation, issues formal and informal opinions and advice to State agencies, prosecutes some criminal offenders and handles all criminal appeals, and administers the following programs: Farm Mediation, Crime Victim Assistance, and Legal Services Poverty Grants.

The Governor is recommending FY 2010 General Fund appropriations totaling \$17.9 million. This is an increase of \$2.8 million (18.7%) compared to estimated net FY 2009.

General Fund Recommendations

<u>Justice, Department of</u>	<u>Est. Net FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
Justice, Dept. of			
General Office A.G.	\$ 9,555,080	\$ 8,751,311	\$ -803,769
Victim Assistance Grants	147,750	4,188,146	4,040,396
Legal Services Poverty Grants	1,970,000	1,841,950	-128,050
Farm Mediation Services	295,500	270,642	-24,858
Total Justice, Dept. of	\$ 11,968,330	\$ 15,052,049	\$ 3,083,719
Consumer Advocate			
Consumer Advocate	\$ 3,091,772	\$ 2,831,693	\$ -260,079
Total Justice, Department of	\$ 15,060,102	\$ 17,883,742	\$ 2,823,640

The Governor is recommending an increase of \$4.0 million for Victim Assistance Grants in FY 2010 compared to estimated net FY 2009. The Governor is recommending a general reduction totaling \$1.2 million for the following appropriations:

- Attorney General's Office – (\$804,000)
- Legal Services Poverty Grants – (\$128,000)
- Farm Mediation Services – (\$25,000)
- Consumer Advocate's Office – (\$260,000)

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Justice was \$229,000 for General Fund appropriations. The Department was also included in the Governor's additional selective reductions totaling \$265,000 from administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.* The Department has indicated that the General Fund reductions will be achieved by:

- Holding open vacant funded positions.
- Reducing administrative costs.
- Downgrading vacant positions before filling them.
- Greater reliance on restricted funds under the control of the Department, such as the Consumer Education and Litigation Fund.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department is uncertain as to amount of additional federal funds that will be received from the Federal Economic Stimulus Plan 2009.

Victim Compensation Fund – The Crime Victim Assistance Division administers the Fund. The Fund supports the Crime Victim Compensation Program, Sexual Abuse Examination Program, Victims Assistance Grants, the IowaVINE system, and administrative costs of the Division. Funds available in the Victim Compensation Fund in FY 2008 were \$13.5 million, a decrease of \$879,000 (6.1%) compared to FY 2007. Expenditures from the Fund in FY 2008 increased by \$1.0 million (9.5%) compared to FY 2007. The

year-end balance carries forward to the next fiscal year and is available for expenditure. However, the FY 2008 year-end balance of \$1.5 million was the lowest since FY 1993. The Victim Compensation Fund is experiencing cash flow problems in FY 2009, primarily due to:

- Increase in compensation paid directly to victims.
- Transfer of \$3.2 million annually to the Victim Services Grants Program. *The Governor is recommending amending this requirement to provide more flexibility to the Department.*
- Delayed receipts from the U.S. Department of Justice for the Victims of Crime Act (VOCA) Compensation Program. The FY 2008 award was received in September 2008, 10 weeks after the close of FY 2008.
- Increase in expenditures for the IowaVINE System. The Department expects approximately \$540,000 annually to be expensed against the Fund. The FY 2010 award of \$333,000 cannot be used for operating costs. It may only be used to connect the courts and local law enforcement to the system. The more entities that connect to the IowaVINE system, the more likely it is that operating costs will increase.

The Department is projecting a deficit in the Victim Compensation Fund in FY 2010:

- The FY 2009 ending balance is projected to be approximately \$348,000, the lowest in at least 10 years.
- The VOCA compensation award is expected to decrease in FY 2010.
- The FY 2009 transfer of \$850,000 in forfeited property receipts for the Victim Services Grants Program will not be available in FY 2010. Forfeited property receipts vary annually; generally, a significant balance in the Fund is accrued over several fiscal years. It is unlikely the Victim Compensation Fund will be able to offset that loss.
- The Department is working with the federal delegation to resolve the delay in federal receipts. The Department is also researching the possibility of capping payments to medical providers at 70.0% of the amount billed to the Fund, to reduce victim compensation payments.

The General Assembly may want to review other options for the Fund, such as:

- Increasing receipts to the Fund.
- Using alternative funding sources for Victim Services Grants. The Department is requesting an additional \$4.1 million from the General Fund for these grants in FY 2010.
- Decreasing the amount of compensation paid to victims.

Victim Assistance Grants – The Crime Victim Assistance Division provides grants to service providers for victims of domestic abuse, sexual assaults, and other violent crimes. The Division also provides grants to specialized law enforcement programs and prosecutors to address violence against women. A State General Fund appropriation, combined with federal grants and the Victim Compensation Fund, are used for community crime victim service programs. This combination of funding results in approximately \$9.7 million being distributed to 27 domestic abuse programs, 27 sexual abuse programs, the Iowa Domestic Abuse Hotline, the Sexual Abuse Hotline, four homicide victim survivor programs, several prosecutor-based victim service coordinators, violence against women officers and prosecutors, and four state crime victim specialists. Approximately \$3.1 million of the funds are from the federal Victims Of Crime Act (VOCA). This is a decrease of \$497,000 (13.8%) compared to FY 2008, due to federal budget reductions. The General Assembly first started appropriating General Fund money in FY 1990 for the Grants. This funding peaked in FY 2001 at \$1.9 million; the FY 2009 General Fund appropriation is

\$150,000. The General Fund appropriation has been supplemented with federal funds and transfers from the Victim Compensation Fund (\$3.2 million), plus funding at the local level to support the Victim Services Programs. The FY 2009 transfer of \$850,000 in forfeited property receipts for the Victim Services Grants Program will not be available in FY 2010. Forfeited property receipts vary annually and are not a stable revenue stream. It is unlikely the Victim Compensation Fund will be able to offset that loss. Seven shelters have closed in the last five years. The Subcommittee may want to review funding options. *The Governor is recommending an increase of \$4.0 million for Victim Assistance Grants in FY 2010.*

Civil Rights Commission

The Commission exists to protect the civil rights of all persons throughout Iowa. The Commission’s primary functions are to enforce the Iowa Civil Rights Act, investigate and resolve discrimination complaints as a neutral fact finder, advocate for compliance with civil rights laws, and educate and train Iowans to recognize and prevent discrimination.

The Governor is recommending an FY 2010 General Fund appropriation of \$1.4 million. This is a decrease of \$133,000 (8.4%) compared to estimated net FY 2009 for a general reduction.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Civil Rights Commission</u>			
Civil Rights Commission	\$ 1,577,490	\$ 1,444,792	\$ -132,698
Total Civil Rights Commission	<u>\$ 1,577,490</u>	<u>\$ 1,444,792</u>	<u>\$ -132,698</u>

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Civil Rights Commission was \$24,000 for the General Fund appropriation. The Commission was also included in the Governor’s additional selective reductions totaling \$32,000. *The Governor is recommending this amount be deappropriated for FY 2009.* The Commission has indicated that the General Fund reduction will be achieved by holding open a Clerk Specialist position and other administrative savings.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Commission is uncertain as to amount of additional federal funds that will be received from the Federal Economic Stimulus Plan 2009.

Federal Funds – The Commission receives approximately 35.6% of its budget from the federal government through the Equal Employment Opportunity Commission (EEOC) and the Department of Housing and Urban Development (HUD). Federal funding has been relatively stable during the last several fiscal years; however, the total amount of federal funding receipts is expected to increase by \$41,000 (4.9%) in FY 2009, primarily due to receipt of a special HUD grant for outreach and training. Federal funding to the Commission is primarily in the form of performance-based contracts. The amount of federal funding received in a given federal fiscal year is based on the number of civil rights complaints resolved during the previous federal fiscal year.

Statistics – The Commission closed 2,007 cases in FY 2008, an increase of 268 (15.4%) compared to FY 2007. The increase in case closures was primarily due to instituting an effort to close old cases. Additionally, the average number of days to process a case decreased by 32.9 days (11.2%) during the same period.

Department of Corrections

The Department’s mission is to protect the public, employees, and offenders from victimization. The Department operates nine prisons to incarcerate legally-committed adult offenders; partners with eight Community-Based Corrections (CBC) District Departments to provide supervision for offenders on parole, probation, work release, and Operating While Intoxicated (OWI) offenses; provides opportunities for offenders to make improvements through various educational, skill development, and counseling programs; trains professional staff; operates Iowa Prison Industries; and provides oversight of local jails.

The Governor is recommending FY 2010 General Fund appropriations totaling \$377.4 million. This is an increase of \$10.4 million (2.8%) compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Corrections, Dept. of</u>			
CBC District 1			
CBC District I	\$ 13,370,167	\$ 14,747,901	\$ 1,377,734
CBC District 2			
CBC District II	\$ 11,111,723	\$ 11,673,896	\$ 562,173
CBC District 3			
CBC District III	\$ 6,136,738	\$ 6,484,543	\$ 347,805
CBC District 4			
CBC District IV	\$ 5,633,391	\$ 5,935,082	\$ 301,691
CBC District 5			
CBC District V	\$ 19,333,631	\$ 22,558,982	\$ 3,225,351
CBC District 6			
CBC District VI	\$ 14,347,911	\$ 15,019,341	\$ 671,430
CBC District 7			
CBC District VII	\$ 7,303,158	\$ 7,564,124	\$ 260,966
CBC District 8			
CBC District VIII	\$ 7,146,470	\$ 7,583,264	\$ 436,794
Central Office			
County Confinement	\$ 953,463	\$ 967,983	\$ 14,520
Federal Prisoners/ Contractual	237,674	241,293	3,619
Corrections Administration	5,074,222	5,047,861	-26,361
Corrections Education	1,541,186	1,570,358	29,172
Iowa Corrections Offender Network	421,284	427,700	6,416
Mental Health/Substance Abuse	24,625	24,994	369
Hepatitis Treatment and Education	185,180	188,000	2,820
Transitional Housing - Comm. Based	0	30,000	30,000
Total Central Office	\$ 8,437,634	\$ 8,498,189	\$ 60,555

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Fort Madison			
Ft. Madison Institution	\$ 44,972,672	\$ 46,563,717	\$ 1,591,045
Anamosa			
Anamosa Institution	\$ 31,713,448	\$ 31,980,461	\$ 267,013
Oakdale			
Oakdale Institution	\$ 59,530,506	\$ 59,992,169	\$ 461,663
Newton			
Newton Institution	\$ 28,521,662	\$ 28,563,758	\$ 42,096
Mt Pleasant			
Mt. Pleasant Inst.	\$ 27,574,028	\$ 28,103,428	\$ 529,400
Rockwell City			
Rockwell City Institution	\$ 9,515,681	\$ 9,536,069	\$ 20,388
Clarinda			
Clarinda Institution	\$ 25,660,287	\$ 25,798,889	\$ 138,602
Mitchellville			
Mitchellville Institution	\$ 16,210,916	\$ 16,215,105	\$ 4,189
Fort Dodge			
Ft. Dodge Institution	<u>\$ 30,472,679</u>	<u>\$ 30,547,421</u>	<u>\$ 74,742</u>
Total Corrections, Dept. of	<u>\$ 366,992,702</u>	<u>\$ 377,366,339</u>	<u>\$ 10,373,637</u>

Significant changes include:

- A transfer of \$112,000 and 2.0 FTE positions for a Food Service Coordinator and a Nurse from the Iowa Medical and Classification Center at Oakdale to the Anamosa State Penitentiary. This recommendation is revenue neutral.
- A transfer of \$78,200 and 1.0 FTE position for a Counselor from the Fort Dodge Correctional Facility to the Clarinda Correctional Facility. This recommendation is revenue neutral.
- An increase of \$2.8 million for increased food, fuel, and pharmacy costs.
- An increase of \$2.5 million for offender re-entry programs in the First and Fifth CBC District Departments and the Fort Dodge Correctional Facility.
- An increase of \$2.5 million for sex offender treatment and monitoring.
- An increase of \$4.5 million for General Fund replacement of appropriations from the Healthy Iowan's Tobacco Trust.
- A net general reduction of \$1.9 million.

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Corrections, Dept. of</u>			
Central Office			
Transitional Housing-HITT	\$ 30,000	\$ 0	\$ -30,000
CBC District 1			
CBC District I - HITT	\$ 410,332	\$ 0	\$ -410,332
CBC District 2			
CBC District II - HITT	\$ 441,215	\$ 0	\$ -441,215
CBC District 3			
CBC District III - HITT	\$ 220,856	\$ 0	\$ -220,856
CBC District 4			
CBC District IV - HITT	\$ 310,547	\$ 0	\$ -310,547
CBC District 5			
CBC District V - HITT	\$ 419,582	\$ 0	\$ -419,582
CBC District 6			
CBC District VI - HITT	\$ 566,750	\$ 0	\$ -566,750
CBC District 7			
CBC District VII - HITT	\$ 256,608	\$ 0	\$ -256,608
CBC District 8			
CBC District VIII - HITT	\$ 324,299	\$ 0	\$ -324,299
Fort Madison			
Ft. Madison CCU - HITT	\$ 1,497,285	\$ 0	\$ -1,497,285
Total Corrections, Dept. of	\$ 4,477,474	\$ 0	\$ -4,477,474

The Healthy Iowans Tobacco Trust is repealed effective June 30, 2009. *The Governor is recommending an increase of \$4.5 million to replace these funds with General Fund appropriations in FY 2010.*

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the DOC was \$5.6 million for General Fund appropriations. The Governor is recommending an FY 2009 supplemental appropriation of \$5.6 million to replace this reduction. The Department was also included in the Governor’s additional selective reductions totaling \$7.4 million from administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.* The Department has indicated that the General Fund reductions will be achieved by holding open vacant funded positions and reducing administrative costs such as travel and equipment purchases.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department is uncertain as to amount of additional federal funds that will be received from the Federal Economic Stimulus Plan 2009.

Healthy Iowans Tobacco Trust – For FY 2009, the DOC received \$4.5 million from the Healthy Iowan’s Tobacco Trust. These appropriations are used to fund specialized supervision and treatment programs including drug courts, mental health, day programs, and sex offenders in the CBC District Departments,

and to fund operating costs of the District Departments and the Clinical Care Unit at Fort Madison. The Healthy Iowans Tobacco Trust is repealed at the end of FY 2009. The Subcommittee may wish to consider other funding sources for these programs. *The Governor is recommending a General Fund increase of \$4.5 million to replace this funding in FY 2010.*

Sale of Assets – Iowa Prison Industries oversees the prison farms, which is self-funded and operates without General Fund support. Iowa Prison Industries oversees the Revolving Farm Fund. Below is an updated table that shows the location of farms operated by Iowa Prison Industries. Based on an LSA ***Issue Review*** completed in FY 2002, sale of the farm ground could generate net proceeds of \$3.2 million to \$7.0 million in one-time receipts, depending on the quantity and quality of ground sold. Please refer to the ***Issue Review*** entitled, [Prison Farms](#) for a more thorough analysis.

Iowa Prison Farms					
Location	Crop Acres	Pasture or Timber	Rented Acres	DNR or Wetlands	Total
Ft. Madison					
Farm #1		167.4	165.1	0.0	332.5
Farm #3	225.7	210.5	0.0	56.0	492.2
Anamosa	593.0	832.7	0.0	8.7	1434.4
Newton	18.2	400.0	809.4	0.0	1227.6
Mitchellville	114.2	10.7	0.0	0.0	124.9
Rockwell City	148.1	2.9	10.0	2.0	163.0
Eldora	0.0	65.2	220.9	0.0	286.1
Glenwood	0.0	17.2	353.0	0.0	370.2
Clarinda	0.0	0.0	28.0	0.0	28.0
Independence	0.0	3.9	73.0	0.0	76.9
Woodward	0.0	183.7	661.3	0.0	845.0
Total	1099.2	1894.2	2320.7	66.7	5380.8

Notes:

1. The farms are managed by Iowa Prison Industries (IPI), and funded through the Revolving Farm Fund.
2. Iowa Prison Industries rents land to private sector farmers to generate receipts for the Revolving Farm Fund.
3. No State appropriations support the prison farms; they must generate a net profit to remain in business.
4. The numbers above do not include acres maintained by the Institutions, such as parking lots, lawns, etc.
5. The Department of Natural Resources (DNR) rents ground for seedlings for the State Nursery and employs 40 offenders. The DNR pays rent to support IPT's upkeep of the grounds.

Inmate Education – The General Fund appropriation for inmate education peaked in FY 2001 at \$3.3 million. The FY 2009 General Fund appropriation is \$1.6 million, a decrease of \$1.7 million (52.3%) compared to FY 2001. Since FY 2001, the DOC has relied on other funding sources, such as carryover funding from the previous year's appropriation, Institution Canteen receipts, and the Telephone Rebate Fund to provide adult basic education, high school equivalency courses, and vocational courses through the community college system. House File 2660 (FY 2009 Justice System Appropriations Act) requires the DOC to transfer at least \$300,000 from the Canteen Funds to the Corrections Education Account. The DOC is not requesting an increase in the General Fund appropriation for corrections education in FY 2010 due to the required submission of a status quo budget. Literacy is a significant problem that limits

employment for the inmate population, and the DOC has focused educational resources on literacy for the past several years. Research suggests that inmate education increases employability of released inmates and reduces recidivism. Vocational education is provided primarily in conjunction with Prison Industries.

Chronic Mental Illness – Approximately 93.0% of the prison population has a chronic psychiatric disorder. This includes addictions as well as other mental illnesses. Most will be released to CBC supervision. The DOC operates the largest single mental health facility in the State – the Clinical Care Unit at Fort Madison. The DOC is the largest single provider of mental health treatment in the State. The Subcommittee may wish to review the impact mental illness has on offenders’ ability to re-enter society.

Construction Management – The General Assembly appropriated \$228.8 million from a variety of sources across several fiscal years for construction of additional correctional beds and renovations. The Subcommittee may wish to review construction management options to safeguard the State’s interests.

FY 2008 Reversion – The DOC and CBC District Departments reverted \$440,000 to the General Fund at the end of FY 2008. The County Confinement Account was the majority of the reversion (\$374,000). The account is used to reimburse counties for holding alleged violators of parole, work release, and certain Operating While Intoxicated (OWI) offenders. The General Assembly reduced the FY 2009 appropriation by \$232,000 based on the FY 2007 reversion. The FY 2008 reversion exceeds the FY 2009 reduction. However, certain county bills were received late and were being paid by the Executive Council in FY 2009.

Prison Population – The Criminal and Juvenile Justice Planning Division of the Department of Human Rights recently issued its 10-year prison population forecast. If policies and practices remain the same, the prison population is projected to reach approximately 8,900 inmates by FY 2018. By FY 2018 and without any additional prison beds, overcrowding will reach 109.7% of design capacity. This figure is based on the assumption that the additional beds authorized during the 2008 Legislative Session for Fort Madison and Mitchellville will be operating by FY 2018. If the prison population reaches 8,900 inmates, no additional prisons will need to be built, other than the expansions authorized at Fort Madison and Mitchellville.

Department of Inspections and Appeals – State Public Defender

General Fund appropriations for the Department of Inspections and Appeals are the responsibility of the Administration and Regulation Subcommittee, except for the State Public Defender’s Office and indigent defense. The State Public Defender’s Office administers local public defender offices; provides legal counsel to indigent convicted criminals on appeals and for post-conviction relief proceedings; is responsible for indigent juvenile cases; and reviews all expense claim reimbursements from private attorneys for indigent defense cases. In FY 1988, the costs of providing legal counsel to indigent criminal defendants and juveniles (indigent defense) were transferred to the State as part of court reorganization. Before FY 1988, these costs were paid by the counties.

The Governor is recommending FY 2010 General Fund appropriations totaling \$48.9 million for the State Public Defender and Indigent Defense. This is a decrease of \$3.8 million (7.3%) compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Inspections & Appeals, Dept. of</u>			
Public Defender			
Public Defender	\$ 21,914,112	\$ 22,247,829	\$ 333,717
Indigent Defense Appropriation	<u>30,813,300</u>	<u>26,633,314</u>	<u>-4,179,986</u>
Total Inspections & Appeals, Dept. of	<u>\$ 52,727,412</u>	<u>\$ 48,881,143</u>	<u>\$ -3,846,269</u>

Significant changes include:

- State Public Defender's Office – \$334,000 increase to replace the FY 2009 across-the-board reduction.
- Indigent Defense – \$4.2 million decrease for a general reduction.

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the State Public Defender and Indigent Defense was \$803,000 for General Fund appropriations. The Department was also included in the Governor's additional selective reductions totaling \$448,000 from administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.* The Department has indicated that the General Fund reductions will be achieved by applying a portion of the FY 2008 General Fund reversion of \$2.4 million.

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department is uncertain as to amount of additional federal funds that will be received from the Federal Economic Stimulus Plan 2009.

State Public Defender's Office –The State Public Defender's Office expended \$52.5 million in total funds during FY 2008, an increase of \$3.7 million (7.6%) compared to FY 2007. These figures include expenditures for the Office and the Indigent Defense Program. Costs for this constitutionally mandated program have been steadily increasing due to the increases in cases and claims. Since FY 1998, the average annual increase in spending has been 8.2%. From FY 1998 to FY 2008, the number of attorney claims for reimbursement from the Indigent Defense Fund increased by 12.2%, while the number of cases handled by the State Public Defender's Office increased by 1.2%. The State Public Defender's Office is handling the more complex cases in an effort to contain spending. The FY 2008 General Fund reversion was \$2.4 million (4.5%) of the total available for expenditure. The State Public Defender's Office reverted \$348,000 and the Indigent Defense Program reverted \$2.1 million. *The Governor is recommending an increase of \$334,000 to replace the FY 2009 across-the-board reduction in FY 2010.*

Judicial Branch

Iowa has a unified trial court system known as the Iowa District Court that has general jurisdiction over all civil, criminal, juvenile, and probate matters in the State. The Iowa District Court is composed of different kinds of judicial officers with varying amounts of jurisdiction including judicial magistrates, associate juvenile judges, associate probate judges, district associate judges, and district court judges. There are two appellate courts in Iowa's judicial system—the Iowa Supreme Court and the Iowa Court of Appeals. Seven justices sit on the Supreme Court and nine judges form the Court of Appeals.

Justice System Appropriations Subcommittee

For the Judicial Branch, the Governor passed through the FY 2010 General Fund appropriation request totaling \$163.5 million. This includes both the operating budget and Judicial Retirement. This is an increase of \$7.7 million (4.9%) compared to estimated net FY 2009.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Judicial Branch			
Judicial Branch	\$ 152,392,674	\$ 163,527,936	\$ 11,135,262
Judicial Retirement	3,450,963	0	-3,450,963
Total Judicial Branch	\$ 155,843,637	\$ 163,527,936	\$ 7,684,299

Significant changes include:

- An increase of \$8.2 million for Judicial Retirement. Senate File 2424 (Public Retirement Systems Act) amended Section 602.9104(b), Code of Iowa, setting the State share for Judicial Retirement at 30.6% and eliminating the direct appropriation of the State share for Judicial Retirement into the Judicial Retirement Fund. The increase includes the following:
 - \$3.5 million in a transfer of General Fund money from a separate line item for Judicial Retirement into the Judicial Branch operating budget.
 - \$4.2 million for the replacement of one-time money with General Fund money.
 - \$614,000 in additional funding for the total 30.6% of the salary of all judges or \$8.2 million.
- An increase of \$275,000 and 2.0 FTE positions for additional juvenile court officers for Districts Two (Winnebago, Worth, Mitchell, Hancock, Cerro Gordo, Floyd, Pocahontas, Humboldt, Wright, Franklin, Butler, Bremer, Sac, Calhoun, Webster, Hamilton, Hardin, Carroll, Greene, Boone, Story, and Marshall Counties) and Three (Lyon, Osceola, Dickinson, Emmet, Kossuth, Sioux, O'Brien, Clay, Palo Alto, Plymouth, Cherokee, Buena Vista, Woodbury, Ida, Monona, and Crawford Counties) and additional funding for travel.
- An increase of \$530,000 and 7.0 FTE positions to implement the Electronic Document Management System (EDMS) business plan to move the Judicial Branch from a paper-based filing and records management system to an electronic environment.
- An increase of \$365,000 for sound and recording equipment systems for 24 courtrooms across the State.
- An increase of \$1.1 million and 17.8 FTE positions for additional employees for the District Court. This includes 9.9 court attendants and 5.0 judicial clerks for Polk County, a case coordinator in District Three (Lyon, Osceola, Dickinson, Emmet, Kossuth, Sioux, O'Brien, Clay, Palo Alto, Plymouth, Cherokee, Buena Vista, Woodbury, Ida, Monona, and Crawford Counties), and an assistant court administrator in District Four (Harrison, Shelby, Audubon, Pottawattamie, Cass, Mills, Montgomery, Fremont, and Page Counties). Court attendants are needed in all districts. This request also includes money for furniture and equipment for courtrooms and offices throughout the State.
- An increase of \$225,000 and 1.0 FTE position for an education specialist and money for training programs for all employees of the court system.

- An increase of \$385,000 and 4.0 FTE positions to expand court collection activities as required in SF 2428 (Delinquent Debt Act) passed by the 2008 General Assembly.
- A decrease of \$3.5 million to reflect the transfer of General Fund money from the Judicial Retirement line item to the Judicial Branch operating budget.

Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
Judicial Branch			
Judicial Retirement-Court Tech. & Modern. Fund	\$ 1,674,663	\$ 0	\$ -1,674,663
Judicial Retirement-Jury Witness Fund	2,500,000	0	-2,500,000
Total Judicial Branch	\$ 4,174,663	\$ 0	\$ -4,174,663

In FY 2009, the General Assembly appropriated \$2.5 million in one-time carryforward money from the Jury Witness Fee Revolving Fund to the Judicial Retirement Fund and \$1.7 million in one-time carryforward money from the Court Technology and Modernization Fund to the Judicial Retirement Fund. This appropriation was in addition to the \$3.5 million General Fund appropriation for Judicial Retirement that increased the employer's contribution amount to \$7.7 million.

Issues

FY 2009 Recommended Deappropriation – The Governor is recommending an FY 2009 deappropriation of \$3.8 million for a general reduction.

Judicial Retirement – Senate File 2424 (FY 2009 Public Retirement Systems Act) took effect July 1, 2008. The Act increased the Judges' contribution rate to 7.7% of covered wages for FY 2009. The Act also set contribution rates for future fiscal years. For FY 2010, the Judges' contribution rate will be 8.7%. Beginning in FY 2011, until the System attains fully-funded status, the Judges' contribution rate will be 9.35%. Beginning July 1, 2008, until the Fund attains fully-funded status (100.0% funded ratio), the State's required contribution rate is 30.6%. House File 2647 (FY 2009 Judicial Branch Appropriations Act) appropriated \$3.5 million from the General Fund, \$2.5 million from the Jury and Witness Fee Revolving Fund, and \$1.7 million from the Court Technology and Modernization Fund for a total of \$7.6 million or 30.6% for the State's share of Judicial Retirement; however, \$4.2 million was one-time funding in FY 2009. Additional funds will be required for FY 2010 to maintain this funding level. The employee contribution for FY 2010 is \$2.3 million (8.7%) and the State contribution is \$8.2 million (30.6%). The General Fund built-in requirement for Judicial Retirement in FY 2010 is \$4.8 million. The Judicial Retirement appropriation line-item was rolled into the Judicial Branch operating budget for FY 2010, similar to the Iowa Public Employees' Retirement System (IPERS) and the Peace Officers Retirement System (POR). If \$4.8 million is not appropriated for FY 2010, this would require the Judicial Branch to absorb the costs, resulting in a reduction in the Judicial Branch operating budget.

Electronic Document Management System (EDMS) – The original timeline anticipated the pilot projects starting in the spring of 2008 with Statewide implementation in early 2009. Due to a delay in choosing a vendor, the pilot projects are now expected to begin in the fall of 2009 with Statewide implementation in the summer of 2010. The pilot project for EDMS will be the two appellate courts as well as two counties: Plymouth and Story. Once the pilot projects are completed, two counties will be brought on-line every month. Statewide implementation of the EDMS project will take approximately four years. The contract

for design and development was signed on November 3, 2008 and will take approximately 270 days. As the pilot projects are implemented, the General Assembly may wish to require the Judicial Branch to provide the following additional information for budgeting purposes:

- An updated implementation timeline.
- Projected built-in expenses for statewide implementation.
- Projected on-going operational costs.
- Total estimated FTE positions dedicated solely to this project.
- Total operating and capital budgets and proposed funding sources.

Law Enforcement Academy

The Iowa Law Enforcement Academy (ILEA) provides training for law enforcement officers, jailers, and telecommunicators in the State. The Academy also administers a program of psychological testing for applicants for law enforcement positions, approves regional training programs, establishes hiring standards for peace officers, and provides audio-visual resources for law enforcement training and educational institutions.

The Governor is recommending an FY 2010 General Fund appropriation of \$1.2 million. This is a decrease of \$110,000 (8.4%) compared to estimated net FY 2009 for a general reduction.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Law Enforcement Academy</u>			
Law Enforcement Academy	\$ 1,301,829	\$ 1,192,311	\$ -109,518
Total Law Enforcement Academy	<u>\$ 1,301,829</u>	<u>\$ 1,192,311</u>	<u>\$ -109,518</u>

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Iowa Law Enforcement Academy (ILEA) was \$20,000 for the General Fund appropriations. The ILEA has indicated that the General Fund reduction will be achieved by holding open vacant funded positions and reducing administrative costs. The ILEA was also included in the Governor’s additional selective reductions totaling \$27,000 from administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.*

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department is uncertain as to amount of additional federal funds that will be received from the Federal Economic Stimulus Plan 2009.

Law Enforcement Academy Class Sizes and Appropriations – In FY 2009, language was included in HF 2600 (FY 2009 Justice System Appropriations Act) that allowed the ILEA to charge more than 50.0% of the cost of tuition to help offset a potential revenue shortfall in the operating budget resulting from a decrease in attendees to the Basic Academy. The General Fund appropriation to the Academy for FY 2009 was \$1.3 million. The amount requested for FY 2010 is \$1.3 million. The total cost to attend the Basic

Academy in FY 2009 is \$6,589 per person. This is an increase of \$632 (10.6%) compared to FY 2008. Tuition for FY 2009 will be \$4,000 (60.7%) of the cost to attend. The Academy is requesting continued authority to charge more than 50.0% of the cost of tuition to offset potential revenue shortfalls in FY 2010.

Board of Parole

The Board's mission is to reintegrate offenders into the community. There are offenders that the Board has determined can be released from prison without detriment to the public or themselves. The Board performs risk evaluations for inmates, reviews eligible parole cases, holds parole hearings for eligible inmates, and selects inmates for conditional release on parole and work release. The Board revokes conditional releases and returns to prison those offenders that have failed. The Board also notifies victims of relevant information before a parole hearing, and advises the Governor on matters of executive clemency.

The Governor is recommending an FY 2010 General Fund appropriation of \$1.2 million. This is a decrease of \$108,000 (8.4%) compared to estimated net FY 2009 for a general reduction.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Parole, Board of</u>			
Parole Board	\$ 1,278,049	\$ 1,170,529	\$ -107,520
Total Parole, Board of	\$ 1,278,049	\$ 1,170,529	\$ -107,520

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Board of Parole was \$20,000 for the General Fund appropriation. The Board was also included in the Governor's additional selective reductions totaling \$26,000. The Board has indicated that the General Fund reduction will be achieved by holding open vacant funded positions and other administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.*

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department is uncertain as to amount of additional federal funds that will be received from the Federal Economic Stimulus Plan 2009.

Certificate of Employability Program – House File 2660 (FY 2009 Justice System Appropriations Act) requires the Board to develop and implement a Certificate of Employability by July 1, 2009. The Board estimates the cost to be \$150,000. This amount includes \$58,000 for 1.0 FTE position and \$92,000 for technology improvements. It may be possible to fund the position within the existing budget because the FY 2008 year-end balance was \$74,000. The Board also spent \$50,000 on extra help in FY 2008. The Board is requesting \$92,000 from the Technology Reinvestment Fund in FY 2010.

Department of Public Defense

Two Divisions make up the Department of Public Defense. The Military Division (Iowa National Guard) provides units and equipment to protect life and property, to preserve peace and order, and to ensure public safety for the citizens of Iowa. The Homeland Security and Emergency Management Division manages risks and hazards with local and federal entities through mitigation, preparedness, response, and recovery initiatives.

The Governor is recommending FY 2010 General Fund appropriations totaling \$8.0 million. This is a decrease of \$736,000 (8.4%) compared to estimated net FY 2009 for a general reduction.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Public Defense, Dept. of</u>			
Public Defense, Dept. of			
Public Defense, Department of	\$ 6,494,756	\$ 5,948,420	\$ -546,336
Emergency Management Division			
Homeland Security & Emer. Mgmt.	\$ 2,258,914	\$ 2,068,895	\$ -190,019
Total Public Defense, Dept. of	\$ 8,753,670	\$ 8,017,315	\$ -736,355

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Public Defense was \$133,000 for General Fund appropriations. The Department has indicated that the General Fund reduction will be achieved by holding open vacant funded positions and reducing administrative costs. The Department was also included in the Governor’s additional selective reductions totaling \$179,000 from administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.*

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, the Department is uncertain as to amount of additional federal funds that will be received from the Federal Economic Stimulus Plan 2009.

FY 2010 Built-In for Camp Dodge Readiness Center – The Iowa National Guard requested \$31,000 to provide the remaining 25.0% State match to federal funds for 6.0 FTE positions for operations and maintenance of the new \$33.0 million Camp Dodge Readiness Center. In FY 2009, \$93,000 was appropriated for nine months of the State match, and the remaining three months of funding is required for FY 2010. The building is 219,000 square feet and was nearly 100.0% federally funded. The Readiness Center will consolidate the operations of the Iowa National Guard and Active Duty units. It will also house the U.S. Military Entrance Processing Station (MEPS) currently located in Clive and the U.S. Army Des Moines Recruiting Battalion currently located in the Des Moines Federal Building.

Iowa Statewide Interoperable Communications System Board – During the 2007 Legislative Session, HF 353 (Public Safety Interoperability Act) created a 15-member Board to ensure interoperable communications systems function properly in the State; to allocate and oversee funding; to expand, maintain, and fund consistent and periodic training programs; and to develop a Statewide integrated public safety communications interoperability system. (“Interoperability” means the ability of public

safety and public services personnel to communicate and to share data on an immediate basis, on demand, when needed, and when authorized.) Iowa received \$10.9 million through the Public Safety Interoperable Communications (PSIC) Grant Program. Of this amount, \$8.1 million will be passed on to the local Public Safety Answering Points (PSAPS) through a competitive grant process for the improvement of radio equipment and interoperability. The remaining 20.0% will be used by the State to fund the implementation planning effort. The Office of Homeland Security and Emergency Management Division is the State Administrative Agency for this grant.

Department of Public Safety

The Department of Public Safety (DPS) is the State law enforcement agency. The Department includes: Administrative Services Division, Division of Criminal Investigation, Division of Narcotics Enforcement, Fire Marshal's Office, and the State Patrol Division.

The Governor is recommending FY 2010 General Fund appropriations totaling \$89.0 million. This is a decrease of \$450,000 (0.5%) compared to estimated net FY 2009 for a general reduction.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Public Safety, Department of</u>			
Public Safety Administration	\$ 4,493,824	\$ 4,470,414	\$ -23,410
Public Safety DCI	21,619,181	21,506,406	-112,775
DCI - Crime Lab Equipment/Training	336,870	342,000	5,130
Narcotics Enforcement	6,535,604	6,501,493	-34,111
Public Safety Undercover Funds	123,343	123,343	0
DPS Fire Marshal	4,082,148	4,060,859	-21,289
Iowa State Patrol	51,238,814	50,971,409	-267,405
DPS/SPOC Sick Leave Payout	316,179	316,179	0
Fire Fighter Training	689,083	692,697	3,614
Total Public Safety, Department of	\$ 89,435,046	\$ 88,984,800	\$ -450,246

Significant changes include the following general reductions or additions by Division:

- Administrative Services – (\$23,000)
- Division of Criminal Investigation – (\$113,000)
- Crime Lab Equipment – \$5,000
- Division of Narcotics Enforcement – (\$34,000)
- Fire Marshal – (\$21,000)
- Iowa State Patrol – (\$267,000)
- Fire Fighter Training - \$4,000

Issues

FY 2009 Budget Reductions – The 1.5% across-the-board reduction for the Department of Public Safety was \$1.4 million for General Fund appropriations. The Governor is recommending an FY 2009 supplemental appropriation of \$5.6 million to replace this reduction. The Department was included in the Governor's additional selective reductions totaling \$1.8 million for administrative savings. *The Governor is recommending this amount be deappropriated for FY 2009.*

Federal Economic Stimulus Plan 2009 – As of the print date of this publication, it appears significant funding will be available for public safety in the Federal Economic Stimulus Plan 2009. However, the House and Senate versions of the Plan vary significantly in terms of funding. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website: <http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>.

Adam Walsh Act – The Adam Walsh Act was federal legislation enacted on July 27, 2006. The Act expanded the national sex offender registry, strengthened federal penalties for crimes against children, authorized new regional Internet Crimes Against Children (ICAC) Task Forces, created a National Child Abuse Registry, and required background checks of adoptive and foster parents. The compliance deadline is July 27, 2009. Currently, Iowa is not in full compliance with the federal law. Two separate one-year extensions are also available. The monetary sanctions for noncompliance are a 10.0% penalty or reduction in federal Byrne-JAG (Justice Assistance Grant) funds. The Department has contacted the SMART office (Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking Office in the Department of Justice), to verify if the 10.0% penalty applies to the total Byrne Jag funding or just the State's portion. At the time of publication of this document, the penalty amount was still undetermined. In FFY 2008, Iowa received \$1.9 million in Byrne-JAG funding. In previous fiscal years, Iowa has received as much as \$4.0 million. The correctional and fiscal impacts for full compliance with federal law have not been calculated. Iowa has received a one-year extension for compliance. The federal stimulus package lists \$3.0 billion for Byrne-JAG funding. If the current formula remains in place, Iowa would receive approximately \$25.0 million. The 10.0% penalty would result in a reduction of \$2.5 million.

Fuel – Fuel is budgeted at \$2.29 per gallon (net of taxes) for the Iowa State Patrol and at \$1.70 per gallon (net of taxes) for the rest of Public Safety. The Department of Public Safety is not required to pay the \$0.374 tax per gallon (19.0 cents for State and 18.4 cents for federal). The current fiscal year fuel expenses for the entire Department are estimated to be over budget by \$235,000. On July 15, 2008, the Patrol asked that all sworn members participate in a voluntary 10.0% fuel usage savings program due to the excessive pump prices and the impact on the FY 2009 budget. In response to the 1.5% across-the-board reduction announced by the Governor on December 18, 2008, the Patrol implemented a mandatory 10.0% fuel usage savings program effective January 1, 2009. The average price per gallon for the entire Department since July 1, 2008 is \$2.71, net of taxes.

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

Criminal Code Reorganization Study Committee

The Criminal Code Reorganization Study Committee met on June 3 and September 8, 2008, and January 15, 2009. The Committee divided into the following four Subcommittees: Foundational, Reorganization, Specific Crimes, and Sentencing. The first subcommittee worked on foundational issues such as definitions, culpability, defenses, and inchoate crimes. The second subcommittee reviewed proposals reorganizing the Criminal Code. The third subcommittee worked on sentencing classification

and the placement of internal references related to sentencing in the Code of Iowa. The fourth subcommittee reviewed proposals relating to specific crimes. All of the Subcommittees continue to meet and work on proposals. Additional information is available on the website at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=211>.

Iowa Law Enforcement Academy Facility Analysis Study Committee

The Iowa Law Enforcement Academy Facility Analysis Study Committee is charged with requesting proposals to contract for an independent entity to analyze and make recommendations for an optimal site and facilities for the Iowa Law Enforcement Academy. The analysis is required to address the considerations necessary for relocating the academy. The cost of the analysis is limited to \$150,000. This Interim was canceled due to budget constraints, but the Legislative Council suggested that the Justice System Appropriations Subcommittee look into this issue during the 2009 Legislative Session as part of their subcommittee deliberations. Additional information is available on the website at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=239>.

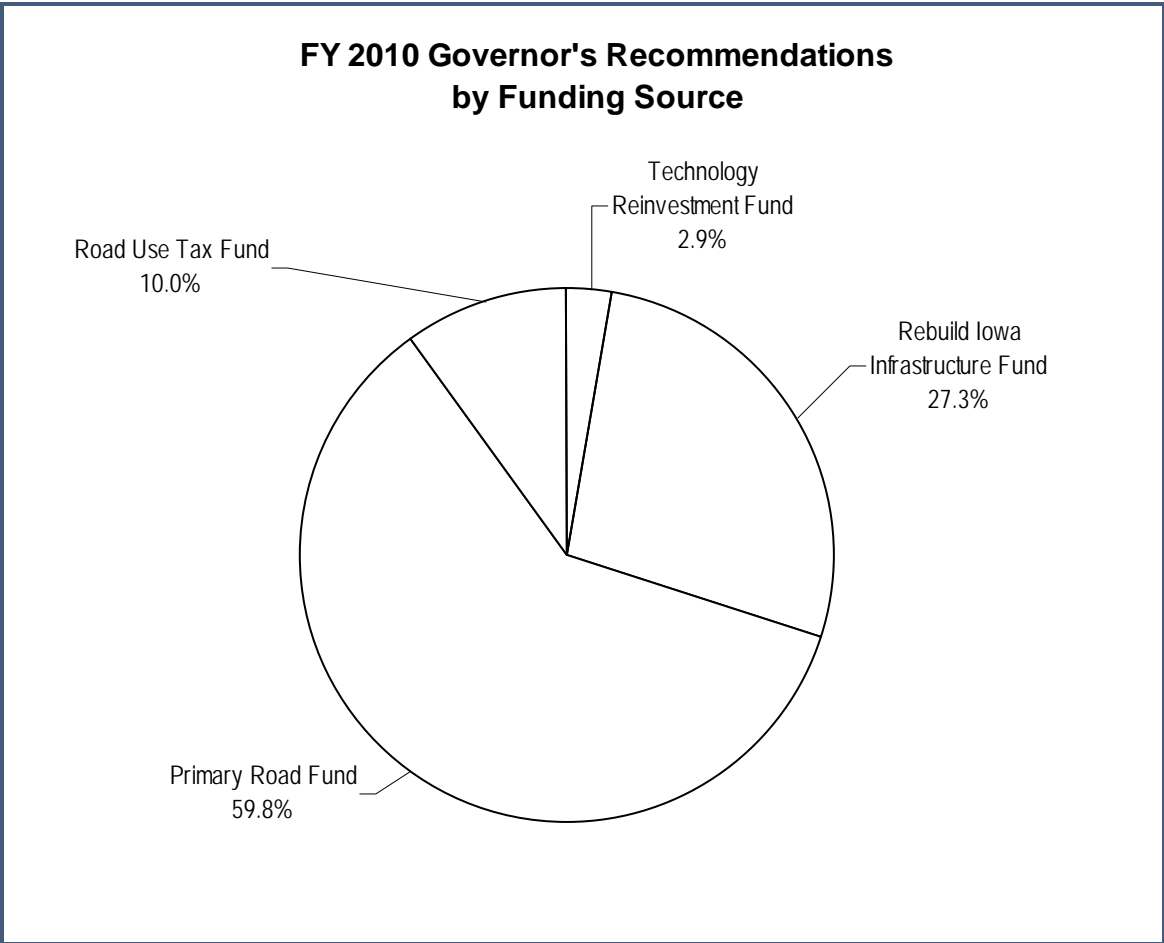
LSA Publications

The following documents have been published by the LSA that relate to the Justice System Appropriations Subcommittee:

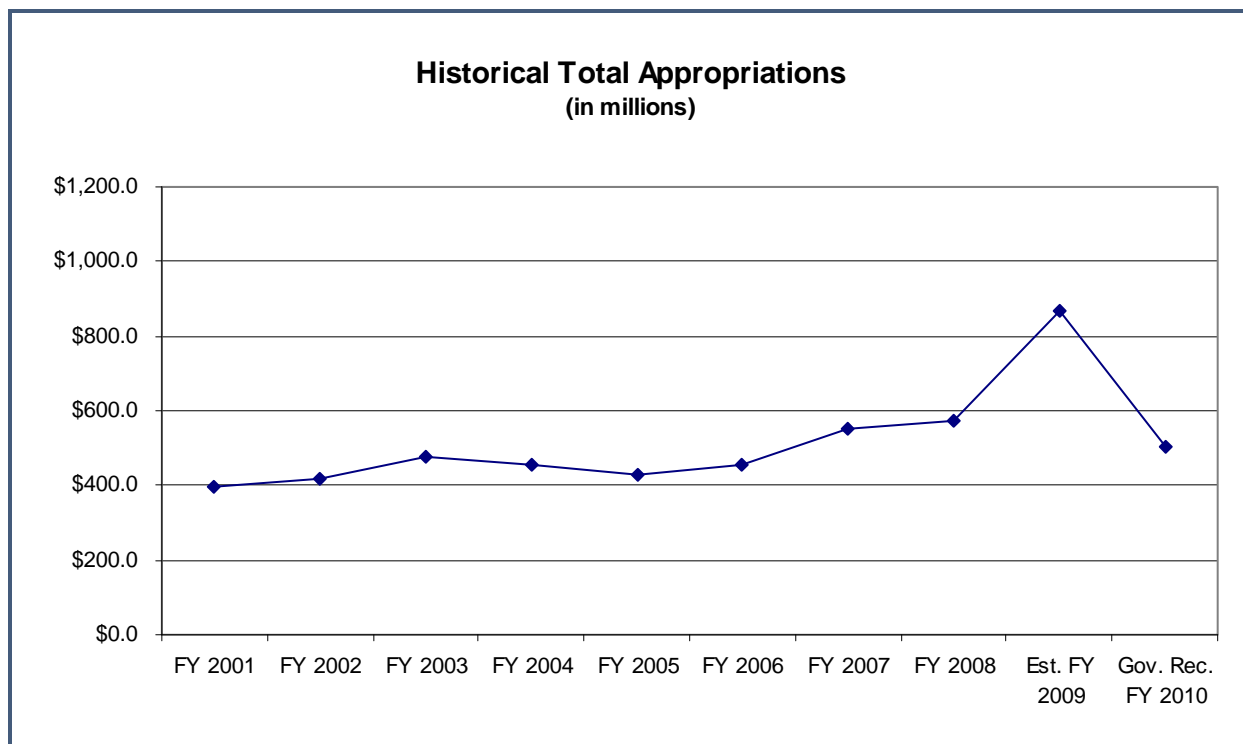
- *Issue Review:* [Prison Farms](#)
- *Issue Review:* [County Jails and Probation Sentencing](#)
- *Issue Review:* [Iowa State Patrol Vehicle and Fleet](#)
- *Issue Review:* [Electronic Document and Management System \(EDMS\)](#)
- *Issue Review:* [Sex Offender Residency Restrictions](#)
- *Fiscal Topic:* [Judicial Retirement System](#)
- *Fiscal Topic:* [Iowa's Victim Information and Notification Everyday \(VINE\) System](#)
- *Fiscal Topic:* [Crime Victim Assistance Division](#)
- *Fiscal Topic:* [General Overview of Criminal Fine Revenue and Surcharge Distribution](#)
- *Fiscal Topic:* [Office of the State Public Defender FY 2008 Budget Oversight](#)

Staff Contacts: Jennifer Acton (1-7846); Beth Lenstra (1-6301)

TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE



Rebuild Iowa Infrastructure Fund	\$	138,252,412
Primary Road Fund		302,445,918
Road Use Tax Fund		50,414,182
Technology Reinvestment Fund		14,672,543
Total	\$	505,785,055



FY 2010 GOVERNOR'S RECOMMENDATIONS

Department of Transportation

The Department of Transportation's (DOT's) mission is to serve the public by advocating and delivering transportation service that supports the economic, environmental, and social vitality of Iowa. The Department consists of five operating divisions: Operations and Finance; Planning, Programming, and Modal; Motor Vehicle; Information Technology; and Highway. The four operating budget units that receive appropriations to fund the divisions include: Operations, Planning and Programming, Motor Vehicle, and Highway. In addition to the operating budget units, the DOT receives Special Purpose and Capital appropriations that are not part of the operating divisions, but are essential for operation of the Department.

The Governor is recommending FY 2010 appropriations totaling \$352.8 million. This is an increase of \$16.1 million(0.05%) compared to estimated FY 2009. The total recommendation includes \$50.4 million from the Road Use Tax Fund and \$302.4 million from the Primary Road Fund.

Road Use Tax Fund and Primary Road Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov Rec vs. FY 2009
Transportation, Department of			
Road Use Tax Fund			
Drivers' Licenses	\$ 3,047,000	\$ 4,195,000	\$ 1,148,000
Operations	6,524,336	6,657,336	133,000
Planning & Programming	501,515	506,515	5,000
Motor Vehicle	35,184,012	36,752,012	1,568,000
Department of Administrative Services (DAS)	183,000	225,000	42,000
Unemployment Compensation	17,000	7,000	-10,000
Workers' Compensation	117,000	142,000	25,000
Indirect Cost Recoveries	102,000	78,000	-24,000
Auditor Reimbursement	64,082	67,319	3,237
County Treasurers Support	1,442,000	1,394,000	-48,000
Road/Weather Conditions Info	100,000	100,000	0
Mississippi River Park. Comm.	61,000	40,000	-21,000
I-35 Corridor Coalition	50,000	50,000	0
Overdimension Permitting System	1,000,000	0	-1,000,000
Scale/MVD Field Facilities Maintenance	200,000	200,000	0
Subtotal - Road Use Tax Fund	\$ 48,592,945	\$ 50,414,182	\$ 1,821,237
Primary Road Fund			
Operations	\$ 40,653,860	\$ 40,890,860	\$ 237,000
Planning & Programming	9,616,696	9,611,696	-5,000
Highway	223,274,176	236,263,176	12,989,000
Motor Vehicle	2,020,005	1,555,005	-465,000
Department of Administrative Services (DAS)	1,121,000	1,382,000	261,000
DOT Unemployment	328,000	138,000	-190,000
DOT Workers' Compensation	2,814,000	3,406,000	592,000
Garage Fuel & Waste Mgmt.	800,000	800,000	0
Indirect Cost Recoveries	748,000	572,000	-176,000
Auditor Reimbursement	395,218	415,181	19,963
Transportation Maps	242,000	242,000	0
Inventory & Equip.	2,250,000	2,250,000	0
Field Facility Deferred Maint.	500,000	1,000,000	500,000
Utility Improvements	400,000	400,000	0
Garage Roofing Projects	200,000	200,000	0
HVAC Improvements	100,000	100,000	0
ADA Improvements	120,000	120,000	0
Ames Elevator Upgrade	100,000	100,000	0
Rockwell City Garage	0	3,000,000	3,000,000
Waukon Garage	2,500,000	0	-2,500,000
Subtotal - Primary Road Fund	\$ 288,182,955	\$ 302,445,918	\$ 14,262,963
Total Department of Transportation	\$ 336,775,900	\$ 352,860,100	\$ 16,084,200

Significant recommendations for the Operations budget include:

- An increase of \$225,000 for the transfer of 3.0 FTE positions and funding from the Motor Vehicle budget to the Operations budget unit for the Information Technology (IT) Division. The positions and funding will be used to assist in the overdimension permitting system upgrade. The

total cost of the upgrade is \$2.0 million and includes hiring an outside contractor. The DOT received an appropriation of \$1.0 million in FY 2009 for the system upgrade. The remaining cost will be funded within the Department's existing budget.

- An increase of \$145,000 to fund a 2.5% Statewide facility lease increase and 8.0% utility increase at the Ames complex.

Significant recommendations for the Highway budget include:

- An increase of \$7.3 million for road salt costs (see *Salt Shortage* in the Issues section below for more information). During the 2008 Legislative Session, the Department received an FY 2008 supplemental appropriation of \$9.7 million for labor, fuel, and salt costs associated with winter road maintenance.
- An increase of \$5.6 million for fuel costs.
- An increase of \$119,000 for support to maintain 82 additional lane miles added to the State system.

Significant recommendations for the Motor Vehicle budget include:

- An increase of \$1.1 million for staffing costs associated with implementation of identity theft protection (see *REAL ID* in the Issues section below for more information).
- An increase of \$180,000 for fuel costs.
- A decrease of \$225,000 for the transfer of 3.0 FTE positions and funding from the Motor Vehicle budget unit to the Operations budget unit for the IT Division. Additional information about this recommendation is mentioned under the Operations budget unit.

Significant special purpose recommendations include:

- Driver's License Equipment Lease – An increase of \$1.1 million for the following:
 - \$162,000 for electronic processing of the fees collected from driver's licenses, non-operator identification cards, and civil penalties from January 2010 through June 2010 (see *Electronic Payment of Fees* in the Issues section below for more information).
 - \$986,000 for postage and new security features related to driver's license issuance (see *REAL ID* in the Issues section below for more information).
- Workers' Compensation – An increase of \$617,000 for an increase in workers' compensation premiums.

Significant capitals recommendations include:

- New Garage – A recommendation of \$3.0 million to construct a new maintenance garage in Rockwell City. The Department is typically provided an annual appropriation for a new maintenance garage. For FY 2009, \$2.5 million was appropriated for a new garage in Waukon.

Other recommendations include:

- Auditor Reimbursement – An increase of \$23,000 for a projected increase in audit costs. Following the DOT's submission of their FY 2010 budget, the State Auditor submitted FY 2010 billing costs to the DOT that included an increase of \$23,000.

Issues

FY 2009 Budget Reductions – Since the DOT’s budget does not include General Fund dollars, the Department is not subject to the Governor’s 1.5% across-the-board reduction. In December, however, the Department internally implemented 1.4% in cuts totaling \$4.5 million from the Road Use Tax Fund and Primary Road Fund. The reductions were made to selected areas and not across-the-board. Reductions include reducing some material purchases, delaying some facility improvement projects, delaying some software purchases, and some targeted hiring and travel restrictions. Additional cuts may be implemented later in the year.

Federal Economic Stimulus Plan 2009 – As of January 21, the American Recovery and Reinvestment Act of 2009 provides a total of \$43.1 billion to the U.S. Department of Transportation. No state matching funds are required, with the exception of aviation, which requires a 5.0% state match. The \$43.1 billion is allocated as follows:

- Highways: \$30.0 billion – Eligible purposes include funding for a wide range of improvements on the federal aid system, including trail projects.
- Transit: \$9.0 billion – Of this amount, \$6.0 billion is to be used for transit capital projects, \$2.0 billion for fixed guideways,* and \$1.0 billion for New Start programs.*
- Rail: \$1.1 billion – Eligible purposes include \$800.0 million for Amtrak* and \$300.0 million for intercity passenger rail.
- Aviation: \$3.0 billion – Eligible purposes include the Airport Improvement Program.

* Iowa is not eligible for or will likely not receive funding.

Iowa’s share of the above allocations is as follows:

- Highways: \$353.1 million – Of this amount, \$235.4 million would be allocated to the State DOT and \$117.7 million to local governments.
- Transit: \$31.5 million
- Rail: Unknown
- Aviation: Unknown

The Iowa DOT is currently identifying eligible projects to be funded from the Federal Stimulus Plan.

Electronic Payment of Fees – Beginning January 2010, the DOT and county treasurer offices will start collecting electronic payment for driver’s licenses, non-operator identification cards, and civil penalties. House File 2196 (Department of Transportation Electronic Payment Act), enacted during the 2008 Legislative Session, requires the Department to review current payment methods and consider offering electronic payment. The findings and recommendations were reported to the House and Senate Transportation Standing Committees in December 2008.

The report’s findings indicated that the estimated cost of covering credit and debit card transaction fees range from \$249,000 to \$434,000 annually for driver’s licenses, nonoperator identification cards, and civil penalties. The estimate is based on the State Treasurer’s current credit card contract, and on information provided by Wells Fargo Merchant Services for current fees charged by debit card networks. The estimate does not include the cost of hardware and software used to process transactions, which are unknown.

The report's recommendations included the following:

- Implement the acceptance of MasterCard and Discover credit and debit cards at State and county driver's license stations effective January 2, 2010.
- Change the Code of Iowa to allow for a convenience fee to be assessed to customers that wish to use a MasterCard or Discover Card to pay for their driver's license, non-operator identification card, or civil penalties.
- Annually appropriate from the Road Use Tax Fund to the DOT sufficient funds to cover the costs of accepting credit and debit cards at State and county driver's license stations.

The Governor is recommending \$162,000 for electronic processing of driver's licenses, non-operator identification card fees, and civil penalties from January 2010 through June 2010 at DOT sites. In addition, of the total \$1.4 million recommended for county treasurer support, \$87,000 would be used for processing electronic payments at county treasurer sites, for a total of \$249,000 recommended for electronic processing for FY 2010.

REAL ID – The federal REAL ID Act was enacted on May 11, 2005. The Act created national standards for the issuance of state driver's licenses and non-operator identification cards, and required states to implement REAL ID by May 11, 2008. After that date, the federal government would no longer recognize a state's driver's license or non-operator identification card for federal purposes, including boarding commercial aircraft, unless it met the national standards, or was granted an extension. Iowa requested and was granted an extension.

According to the National Conference of State Legislatures (NCSL), all 56 U.S. jurisdictions have received an extension. The extension ends on December 31, 2009. States must be in full compliance by that date, or request a second extension by October 11, 2009. The second extension, ending May 11, 2011, will be granted if the state is in "material compliance" with 18 benchmarks established by the Department of Human Services (DHS). Absent a change in federal law or rule as of December 1, 2014, any individual born after December 1, 1964, that flies commercially and uses a driver's license or non-operator identification card, must have a REAL ID-compliant document. By December 1, 2017, all individuals, regardless of age, must have the credential. (Other forms of identification will be accepted, including passports.)

The Governor's FY 2010 recommendation of \$1.1 million for implementation of identity theft protection and \$986,000 for postage and new security features when issuing driver's licenses will assist in meeting the remaining benchmarks. The DOT is also working with the driver's license vendor and partners in the 81 county treasurer offices on methods to reduce implementation costs and improve the process. Based on the draft rule released in 2007 by the U.S. DHS, the DOT estimated implementation costs to be \$22.0 million annually. With the final rule and changes under consideration, that number is no longer valid. To date, Iowa has received \$1.2 million in the form of an FFY 2008 REAL ID Demonstration Grant.

Salt Shortage – Iowa is among other Midwestern states that are experiencing a road salt shortage. Last winter's severe weather has reduced supplies at salt company storage facilities, causing a shortage of salt available to states, cities, and counties. Other factors affecting the shortage of salt include fuel costs and flooding on the Mississippi River. Barges that transport salt were delayed due to storms and hurricanes, shortening the delivery season.

The salt shortage has resulted in increased salt costs. The Iowa DOT paid an average of \$50 per ton last year, and around \$63 per ton this year. The Department currently has approximately 200,000 tons in storage, and has contracts in place to purchase additional salt throughout the winter. Last year, the

Department used an estimated 300,000 tons of salt. The DOT surveyed local governments in early September to assess the impact of the salt shortage across the State. The results indicated numerous cities and counties were unable to secure salt contracts or had an insufficient supply. Salt brokers are quoting prices as high as \$145 per ton. The results also indicated that local governments need an additional 36,000 tons of salt Statewide. Based on the DOT's experience with recent salt lettings, including high to no bids and limited to no availability, the Department is assisting local governments to the extent possible by providing half of the 36,000 tons needed at a cost of \$70 per ton. Cities and counties will be responsible for arranging the transportation, but the DOT is attempting to make the salt available at nearby DOT garages if possible. The Department is unable to meet all local demands, since there are 31 DOT garages without salt contracts that need to be resupplied during the winter.

Federal Highway Trust Fund – In recent years, the Congressional Budget Office (CBO) predicted that the Highway Account of the Highway Trust Fund would experience a negative balance at the end of FFY 2009 (September 2009). To remedy the situation, the U.S. House passed H.R. 6532 (Restoring the Highway Trust Fund Balance Act) in July 2008. The Bill transferred \$8.0 billion from the General Fund to the Highway Account. No further action was taken until September 2008, when the U.S. Department of Transportation announced that the Account would reach a negative balance sooner than expected, by October 1, 2008. On September 11, Congress passed H.R. 6532, and the President signed the bill on September 15, 2008.

When the Highway Account shortfall was first announced, and prior to enactment of H.R. 6532, some states postponed project lettings out of concern that federal reimbursements would be delayed. Iowa was not one of those states. When H.R. 6532 was originally introduced in July, the \$8.0 billion was considered sufficient to satisfy the Highway Account through FFY 2009. In recent months, however, with the continued decrease in vehicle miles of travel (VMT), it is unknown if this amount will be enough. The main source of revenue to the Highway Trust Fund is a federal gas tax of 18.4 cents per gallon.

In addition to the Highway Account, a portion of the Highway Trust Fund is dedicated to the Mass Transit Account. This Account is predicted to experience a shortfall in FFY 2010. The Highway Trust Fund is being monitored closely by the Administration and Congress to determine if it is at risk of experiencing a shortfall before the end of FFY 2009.

Infrastructure and Capital Recommendations

The Governor is recommending a total of \$153.0 million for infrastructure-related projects and programs for FY 2010. This is a decrease of \$346.1 million compared to estimated FY 2009. Primary infrastructure funding sources for FY 2010 include the Rebuild Iowa Infrastructure Fund (RIIF) and the Technology Reinvestment Fund. Of the \$153.0 million in recommendations, \$138.3 million is being recommended from the RIIF and \$14.7 million from the Technology Reinvestment Fund.

Infrastructure funding was at a record high in FY 2009, and included the creation of two new funds to receive the net proceeds of specific bond issuances. Those funds, the FY 2009 Restricted Capital Fund (RC3) and the FY 2009 Prison Bonding Fund (PBF), were expected to provide proceeds totaling \$183.0 million and \$131.0 million, respectively. As of January 2009, the bond issuance for the RC3 had not occurred due to market conditions and the \$182.8 million in appropriations were on hold awaiting the funds.

Transportation, Infrastructure, and Capitals Appropriations Subcommittee

The Governor is recommending a change in infrastructure funding sources by using \$156.0 million of an estimated \$700.0 million in bond proceeds from the proposed Rebuild Iowa Infrastructure Investment Bonds to provide funding for most of the FY 2009 projects that had been funded from the RC3.

Furthermore, the Governor's decrease in recommendations in infrastructure funding for FY 2010 is a result of this new bonding proposal because the expectation is that the remaining \$544.0 million will provide funding for FY 2010 infrastructure-related projects. For a discussion on this proposal, see the section *Governor's Bonding Proposal* in this document.

Rebuild Iowa Infrastructure Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	FY 2010 vs. Est. FY 2009
<u>Administrative Services</u>			
DGS-Routine Maintenance	\$ 3,000,000	\$ 0	-3,000,000
New State Office Building	0	5,000,000	5,000,000
DAS Distribution Account	2,000,000	3,000,000	1,000,000
Property Acquisition	1,000,000	0	-1,000,000
Capitol Shuttle	170,000	0	-170,000
Cap. Complex Master Plan	250,000	0	-250,000
I3 RFP for Human Resources Module	200,000	0	-200,000
Project Manager IVH	200,000	0	-200,000
Total Administrative Services	\$ 6,820,000	\$ 8,000,000	\$ 1,180,000
<u>Agriculture and Land Stewardship</u>			
IA Jr. Gelbvieh Association	\$ 10,000	\$ 0	\$ -10,000
Total Agriculture and Land Stewardship	\$ 10,000	\$ 0	\$ -10,000
<u>Corrections</u>			
CBC Des Moines Expansion	\$ 200,000	\$ 0	-200,000
Project Manager Corrections Construction	500,000	1,750,000	1,250,000
DOC A & E Funding	1,000,000	0	-1,000,000
Total Corrections	\$ 1,700,000	\$ 1,750,000	\$ 50,000
<u>Cultural Affairs</u>			
Great Places Capitals	\$ 2,000,000	\$ 1,900,000	\$ -100,000
Historic Preservation Grants	1,000,000	0	-1,000,000
Battle Flags	220,000	0	-220,000
Kimball Organ Restoration	80,000	0	-80,000
Total Cultural Affairs	\$ 3,300,000	\$ 1,900,000	\$ -1,400,000
<u>Economic Development</u>			
Grow Iowa Values Fund	\$ 50,000,000	\$ 47,500,000	\$ -2,500,000
Community Attraction & Tourism Grant	12,000,000	10,000,000	-2,000,000
River Enhancement Comm Attraction & Tourism (RECAT)	10,000,000	0	-10,000,000
Workforce Training and Economic Development	2,000,000	0	-2,000,000
ACE Infrastructure	900,000	900,000	0
Innovation & Commercialization Infrastructure	900,000	0	-900,000
Regional Sports Authorities	500,000	0	-500,000
Des Moines Multiuse Comm. Ctr	100,000	0	-100,000
Total Economic Development	\$ 76,400,000	\$ 58,400,000	\$ -18,000,000

Transportation, Infrastructure, and Capitals Appropriations Subcommittee

	<u>Estimated FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>FY 2010 vs. Est. FY 2009</u>
<u>Education</u>			
Enrich Iowa	\$ 1,000,000	\$ 1,000,000	0
Ag. Learning Center (EICC)	80,000	0	-80,000
Iowa Learning Technologies	250,000	0	-250,000
Total Education	\$ 1,330,000	\$ 1,000,000	\$ -330,000
<u>Human Services</u>			
Nursing Facility Renov. & Const	\$ 600,000	\$ 0	-600,000
Child Care Workgroup	30,000	0	-30,000
Child Dev. Health Ins Study	50,000	0	-50,000
Comm. & Family Resource Center	15,000	0	-15,000
Total Human Services	\$ 695,000	\$ 0	\$ -695,000
<u>Iowa Finance Authority</u>			
IFA Water Quality Grants-RIIF	\$ 3,000,000	\$ 0	\$ -3,000,000
State Housing Trust Fund-RIIF	3,000,000	3,000,000	0
Total Iowa Finance Authority	\$ 6,000,000	\$ 3,000,000	\$ -3,000,000
<u>Natural Resources</u>			
Floodplain Management/Dam Safety	\$ 0	\$ 3,000,000	3,000,000
Lowhead Dam Program	1,000,000	0	-1,000,000
Lake Delhi Improvements	100,000	0	-100,000
Plasma Arc Technology	150,000	0	-150,000
Total Natural Resources	\$ 1,250,000	\$ 3,000,000	\$ 1,750,000
<u>Public Defense</u>			
Statewide Armory Modernization Improvements	\$ 1,800,000	\$ 1,800,000	0
Facility/Armory Maintenance	1,500,000	900,000	-600,000
Gold Star Museum	2,000,000	1,000,000	-1,000,000
Camp Dodge Water Project Phase 3	410,000	0	-410,000
Camp Dodge Electrical Distribution	526,000	0	-526,000
Ottumwa Amory	500,000	0	-500,000
STARCOMM	1,600,000	0	-1,600,000
Total Public Defense	\$ 8,336,000	\$ 3,700,000	\$ -4,636,000
<u>Public Health</u>			
Vision Screening	\$ 130,000	\$ 0	\$ -130,000
Total Public Health	\$ 130,000	\$ 0	\$ -130,000
<u>Regents</u>			
Tuition Replacement	\$ 24,305,412	\$ 24,305,412	\$ 0
ISU Veterinary Laboratory	1,800,000	0	-1,800,000
ISU - Renewable Fuels Building	14,756,000	11,597,000	-3,159,000
ISU-Midwest Grape & Wine Institute	50,000	0	-50,000
SUI Hygienic Laboratory	12,000,000	0	-12,000,000
SUI-Inst. for Biomedical Discovery	10,000,000	10,000,000	0
Total Regents	\$ 62,911,412	\$ 45,902,412	\$ -17,009,000
<u>Revenue, Dept. of</u>			
SAVE Appropriation	\$ 10,000,000	\$ 10,000,000	\$ 0
Total Revenue, Dept. of	\$ 10,000,000	\$ 10,000,000	\$ 0

Transportation, Infrastructure, and Capitals Appropriations Subcommittee

	Estimated FY 2009	Gov Rec FY 2010	FY 2010 vs. Est. FY 2009
<u>Transportation</u>			
Rail Revolving Loan & Grant Fund	\$ 2,000,000	\$ 0	-2,000,000
Recreational Trails	3,000,000	0	-3,000,000
General Aviation Grants	750,000	0	-750,000
Depot platform at Dubuque	300,000	0	-300,000
Total Transportation	\$ 6,050,000	\$ 0	\$ -6,050,000
<u>Treasurer of State</u>			
Watershed Improvement Fund	\$ 5,000,000	\$ 0	\$ -5,000,000
County Fair Improvements	1,590,000	0	-1,590,000
Total Treasurer of State	\$ 6,590,000	\$ 0	\$ -6,590,000
<u>Veterans Affairs</u>			
Vet. Home Ownership Assistance	\$ 1,600,000	\$ 1,600,000	\$ 0
Iowa Veterans Home Capitals Request	0	0	0
Iowa Department of Veterans Affairs Capital Improvements	0	0	0
Veterans Home Infrastructure Improvements and Const.	0	0	0
Veterans Home Ownership Assistance	0	0	0
Total Veterans Affairs	\$ 1,600,000	\$ 1,600,000	\$ 0
Total Rebuild Iowa Infrastructure Fund Requests	\$ 193,122,412	\$ 138,252,412	\$ -54,870,000

Governor's Recommended Changes to FY 2009 Infrastructure Funding

The Governor is recommending supplemental appropriations that shift funding of FY 2009 infrastructure projects. First, the Governor is recommending the deappropriation of \$36.9 million remaining from an FY 2007 appropriation in the Endowment for Iowa's Health Restricted Capitals Fund (RC2). This appropriation was the first of several years of funding planned for the new State office building. Under the Governor's budget, \$37.0 million in the RIIF projects are moved to the RC2 for FY 2009 and then \$37.0 million from the RIIF is transferred to the General Fund. The funding shifted from the RIIF to the RC2 includes the balance of unobligated funds from prior year appropriations in addition to the FY 2009 projects. Second, the Governor is recommending shifting the \$4.9 million from the RC3 to the RIIF for the Honey Creek Resort for FY 2009. For a discussion on the status of the new State office building and Honey Creek Resort, see the *Issues* section below.

FY 2009 RC2 Recommendations

	Current Law FY 2009	Gov Rec FY 2009
<u>Endowment for Iowa's Health Restricted Capitals Fund (RC2)</u>		
DAS - Install Pre-Heat Piping	\$ 300,000	\$ 300,000
DAS - Cap. Complex Alternative Energy System	200,000	200,000
DAS - New State Office Building	0	-36,923,898
DOC - Capitals Request	0	2,797,376
DOC - CBC Davenport Facility	0	3,458,217
DED - ACE Infrastructure	4,600,000	9,725,000
DPS - Regional Fire Training Facility	0	2,000,000
Regents - SU1 Institute Biomedical Discovery	0	15,414,722
Regents - ISU Biorenewables Building	0	11,277,000
Total Endowment for Iowa's Health Restricted Capitals Fund	\$ 5,100,000	\$ 8,248,417

Issues

Status of Tobacco Securitization and Options for FY 2010 – During the 2008 Legislative Session, the General Assembly approved SF 2432 (FY 2009 Infrastructure Appropriations Act) authorizing the Tobacco Settlement Authority to issue tax-exempt bonds against the remaining 22.0% of the tobacco payments from the Master Settlement Agreement that had not been securitized and were being deposited in the Endowment for Iowa's Health Account. The legislation created the FY 2009 Tax-Exempt Restricted Capital Fund (RC3) to receive an estimated \$183.0 million in net proceeds from the securitization. The legislation also appropriated a total of \$182.8 million from the Fund for individual projects. The following table shows the appropriations by Department.

Tobacco Settlement Trust Fund	
FY 2009 Tax-Exempt Restricted Capital Fund (RC3)	
(Dollars in Millions)	
	Estimated FY 2009
Resources	
Beginning Balance	\$ 0.0
Bond Proceeds	183.0
Total Available Resources	\$ 183.0
Appropriations	
Department of Administrative Services	\$ 58.4
Department of the Blind	0.9
Department of Corrections	75.4
Department of Education	2.0
Department of Natural Resources	14.8
Board of Regents	2.0
State Fair Authority	5.0
Department of Transportation	3.7
Department of Veterans Affairs	20.7
Total Appropriations	\$ 182.8
Ending Balance	\$ 0.2

Numbers may not add to total due to rounding.

As of January 1, 2009, the bonds have not been issued due to the financial market crisis and tight credit conditions. In addition, there are increased concerns about the stability of the revenue stream from tobacco payments due to the increases in the cigarette tax in several states, a potential increase to the Federal Excise Tax on cigarettes, and declining tobacco consumption in the United States. Furthermore, the enacting legislation required the bond issuance to generate net proceeds totaling \$183.0 million. If this dollar threshold cannot be achieved, the securitization will not occur. As of November 2008, the projections for net proceeds ranged from \$146.0 to \$168.0 million, at interest rates above 9.0%. The financial advisor for the planned securitization considers the \$146.0 million to be the more realistic projection given the current market conditions.

At the December 2008 meeting of the Tobacco Settlement Authority, a couple options for continuing with the bond issuance were suggested by the Treasurer’s Office and the financial advisor. The first would be to amend the 2008 authorization for securitization and reduce the \$183.0 million net proceed requirement to an amount that is better aligned with market feasibility. If the amount is lowered, several projects will need to be eliminated or shifted to other funding sources where possible to adjust for the reduced bond proceeds.

The second option involves amending the 2008 authorization by changing the structure of the bond financing to provide for a type called an “appropriation bond.” This bond does not require the State to pledge taxes and resources as for a General Obligation (GO) bond, nor does it require a designated revenue stream as the typical revenue bond. This type of bond has not been used in Iowa before. Although the appropriation bond does not have the requirements as GO bonds or revenue bonds, the

State will effectively be pledged to provide revenue for the life of the debt to maintain bond ratings and credit quality. According to the Treasurer's Office, an appropriation bond allows the State to shift the revenue stream as necessary. For example, the State could initially use the unsecuritized tobacco payments as the revenue stream, but could shift to an alternate resource if that revenue is not viable at a later date. As of January 2009, the Treasurer's Office suggests that this option has a better market and would provide the lowest interest rates. Furthermore, if the unsecuritized tobacco payments are used for the debt service, any amount not required to make that payment could be used for other budgetary purposes.

The Treasurer's Office advises that it can move quickly to issue the bonds and provide net proceeds by early spring 2009, if the General Assembly approves legislation providing a change to the 2008 authorization that is effective upon enactment.

While the General Assembly considers options for RC3 funding, the Subcommittee may want to consider alternate funding mechanisms for some of the projects. There are a couple considerations related to the RC3 projects. The reversion date on all of the projects in the RC3 is not until the end of FY 2012, so if the change in the bonding authorization is completed during calendar year 2009, the departments will have several years of funding remaining. Most of the projects in the RC3 are for multi-year construction and improvements and would be able to utilize these funds even if they are delayed.

Moreover, projects in the RC3 meet the restrictions necessary for the tobacco funds. Specifically, they are planned for depreciable assets with relatively long useful lives, will not be used for private activity, and would meet U.S. Internal Revenue Service scrutiny of restricted capital funds. If there is an opportunity or need to use other tobacco fund moneys for projects, the ones in RC3 are all suitable. See discussion below under *New State Office Building* for more information about this potential opportunity.

The Governor is recommending shifting projects from the RC3 to the proposed \$700.0 million Rebuild Iowa Infrastructure Investment Program. The Governor's recommendations include shifting most of the projects, but alters some of the amounts for them. The recommendations reduce the \$182.8 million to \$156.0 million primarily by removing the \$20.0 million for the new State office building.

Status of FY 2009 Prison Bonding Fund - During the 2008 Legislative Session, SF 2432 (FY 2009 Infrastructure Appropriations Act) authorized the Treasurer's Office to issue tax-exempt bonds for prison construction projects, specifically the new Iowa State Penitentiary (ISP) at Fort Madison. The Act created a new FY 2009 Prison Bonding Fund (PBF) to receive the expected net proceeds of \$131.0 million from the bond issuance. In January 2009, the Treasurer's Office advised that the planned issuance has changed slightly. Originally, the issuance was scheduled for series in 2010 and 2012, but updated plans are to issue the new prison bonds in two series in 2009 and 2011. Total debt for the new prison bonds is expected to be \$234.0 million. The bond issuance has been structured so that annual debt service will remain at a fixed rate of approximately \$16.3 million per year from FY 2011 through FY 2027. The first payment in FY 2010 will be \$400,000. Payments for the new debt service will be made from the Prison Infrastructure Fund.

Debt service for existing prison construction bonds is paid from the Prison Infrastructure Fund as well. Section 602.8108A, Code of Iowa, requires deposit of the first \$9.5 million in court fines and other Judicial Branch revenue into the Fund. The current annual debt service totals \$8.4 million. The portion of the \$9.5 million not used for debt service is transferred to the General Fund each year. Beginning in FY 2011, an estimated additional \$8.5 million will need to be transferred from Judicial Branch revenue to the Prison Infrastructure Fund to ensure debt service payments and coverage for the rating agency. Any

remaining funds will transfer to the General Fund as before. In December 2008, the Revenue Estimating Conference estimated FY 2009 and FY 2010 Judicial Branch revenue will be \$95.0 and \$99.0 million, respectively.

As of January 2009, the planned bond issuance for the PBF remains on target. The Department of Corrections received an FY 2009 appropriation of \$130.7 million from the PBF for the Fort Madison ISP project. The appropriation does not revert until the end of FY 2013.

New State Office Building – In the aftermath of the 2008 flooding, there appears to be a consensus that the State will not move forward with the new State office building, at least not in the next few years. While it has not been officially decided, there has been discussion of potential use of the appropriations intended for the building. The appropriations have changed over the last few years, but are as follows:

- \$37,585,000 from the RC2 in FY 2007.
- \$20,000,000 from the RC3 for FY 2009.
- \$12,657,100 from the RIIF for FY 2010.

Originally, the appropriations were planned to total \$77.1 million, but with deappropriations and changes made during the 2008 Legislative Session, the new total is \$70.2 million. As of January 2009, a total of \$36.9 million of the FY 2007 appropriation is unobligated. The appropriation is from the RC2 restricted capital funding and should be used on projects that meet the restrictions. Furthermore, the RC2 funds need to be expended by November 2010; this is a requirement in the tax certificate for tax-exempt status. If the RC3 does not receive bond proceeds, the remaining amount from the FY 2007 appropriation could be a good source for funding some of those projects. If the RC3 does receive the proceeds, the \$20.0 million from the FY 2009 appropriation will have the same restrictions as discussed above, and must be used in accordance with the requirements of its restricted capital status. The \$12.7 million from the RIIF may be used, but if the use does not meet the definition of “vertical infrastructure” as defined in Section 8.57(6)(c), Code of Iowa, it will require notwithstanding language.

The Governor is recommending deappropriating the FY 2007 appropriation from the RC2 and the FY 2009 appropriation from the RC3. As discussed above, the Governor is using the deappropriation of the FY 2007 funding to shift projects from the RIIF to the RC2. Although the Governor is recommending the deappropriation of the FY 2007 and FY 2009 funding, there is an appropriation for the new State office building for FY 2010. The Governor’s recommendations decrease the appropriation from \$12.7 million to \$5.0 million. According to the Department of Management, this FY 2010 funding is for planning purposes for the new State office building, so the Governor is recommending postponing rather than cancelling the project.

Mercy Capitol Purchase – The DAS negotiated with Catholic Health Initiatives – Iowa Corp. for the purchase of the Mercy Capitol Hospital property, located north of the Capitol Complex. The Department proposed the Mercy Hospital purchase for several reasons including providing land for parking for the new State office building and additional work space to relocate employees. The total parcel to be purchased includes 4.7 acres for a price of \$4.5 million. The DAS received \$3.4 million from the RC3 in FY 2009 for the purchase. The legislation included intent language for the DAS to use other funds already appropriated to complete the purchase. The expectation was that the DAS would use the FY 2009 appropriation of \$1.0 million for property acquisition for this purpose, as well as some funding from prior appropriations. The initial exchange of property was the exchange of parking lots. This was completed in the summer of 2008. The next phase is settlement on the hospital property. This is planned for December 2009. The DAS indicates that the purchase will continue as planned even if the new State office building is postponed indefinitely. If the securitization of the tobacco payments does not occur to provide proceeds to the RC3, the Subcommittee may wish to consider another means for funding this

part of the purchase. In addition, in the aftermath of the 2008 flooding, the Governor transferred \$1.0 million from the FY 2009 property acquisition appropriation to the Jumpstart Initiative. A supplemental appropriation for the purchase of the hospital may be necessary if the funds are not returned for their original purpose. *The Governor is recommending shifting the funding for the purchase from the RC3 to the new Rebuild Iowa Infrastructure Investment Program and increasing it to \$3.9 million.*

Honey Creek Destination Park – The Honey Creek Premier Destination Park Authority issued bonds to provide net proceeds of up to \$28.0 million for the development of the Honey Creek Destination Park located at Lake Rathbun. The bond indenture required construction of the Park to include a 105-room lodge, a restaurant, an aquatic center and conference facility, an 18-hole golf course, family and group cabins, a sewer facility, a boat ramp, and docking facilities. During the 2008 Legislative Session, the Department of Natural Resources (DNR) requested an additional \$8.0 million because the project faced cost overruns and the cabins had not been constructed. As a result, the General Assembly appropriated \$3.1 million from the RCF and \$4.9 million from the RC3 to construct the cabins. As mentioned above, the securitization of the remaining tobacco payments may not occur until next calendar year. As of November 2008, the DNR anticipates completion of the cabins by May 2009, if the entire \$8.0 million is available. If the RC3 funding is not available, and the cabins are not completed, the State risks being in default of the bond agreement. The Subcommittee may wish to consider shifting the appropriation of \$4.9 million from the RC3 to either the RIF or the RC2. If the funding for the new State office building is deappropriated, the FY 2007 RC2 moneys could be a good source of funding for this project because the Honey Creek cabins meet the restrictions necessary for using restricted capital and the funds would be expended in the timeframe required. *The Governor is recommending shifting the \$4.9 million FY 2009 funding for Honey Creek Resort from the RC3 to the RIF.*

Iowa Veterans Home (IVH) – The Iowa Veterans Home Master Plan estimated that construction and renovation of the facilities at the IVH will cost \$100.0 million over a 13-year period from FY 2009 to FY 2021. In SF 2432 (FY 2009 Infrastructure Appropriations Act), the IVH received \$20.6 million from the RC3 for Phases 2, 3, and 4. As mentioned above, the RC3 has not received the proceeds from the securitization of the tobacco payments because of a delay in the bond issuance due to poor market conditions. As a result, Phases 2, 3, and 4 were not included in the federal FY 2009 Construction List. The delay in obtaining federal match moneys and increased construction costs may alter the estimates for Phases 2, 3, and 4. The Subcommittee may want to consider an alternate mechanism for funding the IVH construction project or funding the phases separately. *The Governor is recommending shifting the funding for the IVH from the RC3 to the new Rebuild Iowa Infrastructure Investment Program.*

Technology Reinvestment Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	FY 2010 vs. Est. FY 2009
<u>Administrative Services</u>			
ITE Pooled Technology	\$ 3,980,255	2,037,184	-1,943,071
Total Administrative Services	\$ 3,980,255	\$ 2,037,184	\$ -1,943,071
<u>Corrections</u>			
Iowa Corrections Offender Network	\$ 500,000	\$ 500,000	\$ 0
Total Corrections	\$ 500,000	\$ 500,000	\$ 0
<u>Cultural Affairs</u>			
Grout Museum Oral History Exhibit	\$ 500,000	\$ 486,250	\$ -13,750
Total Cultural Affairs	\$ 500,000	\$ 486,250	\$ -13,750

Transportation, Infrastructure, and Capitals Appropriations Subcommittee

	Estimated FY 2009	Gov Rec FY 2010	FY 2010 vs. Est. FY 2009
<u>Education</u>			
ICN Part III Leases & Maint.	\$ 2,727,000	\$ 2,727,000	\$ 0
Iowa Learning Technologies	0	0	0
Skills Iowa Technology Grant	500,000	0	-500,000
Sr. Plus Transcript Depository	0	500,000	500,000
Statewide Education Data Warehouse	600,000	600,000	0
Total Education	\$ 3,827,000	\$ 3,827,000	\$ 0
<u>Human Rights</u>			
Infrastructure for Integrating Justice Data Systems	\$ 1,839,852	\$ 0	\$ -1,839,852
Total Human Rights	\$ 1,839,852	\$ 0	\$ -1,839,852
<u>Iowa Law Enforcement Academy</u>			
ILEA Technology Projects	\$ 0	\$ 185,000	\$ 185,000
Total Iowa Law Enforcement Academy	\$ 0	\$ 185,000	\$ 185,000
<u>Iowa Public Television</u>			
Digital Translator	\$ 701,500	\$ 0	\$ -701,500
Generators	1,602,437	0	-1,602,437
Total Iowa Public Television	\$ 2,303,937	\$ 0	\$ -2,303,937
<u>Iowa Telecommunications & Technology Commission</u>			
Generator Replacement	\$ 0	\$ 2,755,246	\$ 2,755,246
ICN Equipment Replacement	2,190,123	2,211,863	21,740
ICN Network Redundancy	0	2,320,000	2,320,000
ICN Fiber Redundancy	1,800,000	0	-1,800,000
Total Iowa Telecommunications & Technology Comm.	\$ 3,990,123	\$ 7,287,109	\$ 3,296,986
<u>Public Safety</u>			
AFIS Lease Purchase	\$ 560,000	\$ 350,000	\$ -210,000
Total Public Safety	\$ 560,000	\$ 350,000	\$ -210,000
Total Technology Reinvestment Fund Requests	\$ 17,501,167	\$ 14,672,543	\$ -2,828,624

Significant recommendations include:

- A decrease of \$1.9 million for Information Technology Enterprise pooled technology for the DAS from estimated FY 2009.
- An increase of \$2.3 million for the Iowa Communications Network (ICN) for Network Redundancy for the Iowa Telecommunications and Technology Commission (ITTC). This is part of a multi-phase project that includes fiber redundancy, voice platform redundancy, and a secondary entrance facility that are intended to strengthen ICN service. The ITTC received \$1.8 million for the project in FY 2009.
- An increase of \$2.8 million to replace generators located at Parts I and II sites, as well as regeneration sites, of the ICN. This is a new recommendation for the ITTC.

Mass Transit Study Committee

The Mass Transit Study Committee met on November 14, 2008. The Committee received information related to ways mass transit might be employed to provide public transportation services among Iowa communities and the potential impacts of implementing more mass transit throughout the

State. The Committee considered the need for mass transit, potential funding mechanisms, costs and benefits of providing a mass transit system, as well as environmental, social, and economic impacts. The Committee recommended the following:

- The General Assembly and the DOT should adopt a resolution notifying Iowa's Congressional delegation that passenger rail service in Iowa is of significant importance and that passenger rail opportunities with the Midwest Interstate Passenger Rail Initiative and the Midwest Regional Rail Initiative should be pursued.
- Within the current tight budgetary climate, the General Assembly should explore all possible funding mechanisms for public transit, including but not limited to the use tax, bond issuances, and public/private partnerships.
- The General Assembly should consider adopting incentives to increase ridership and explore specific programs which would be designed to benefit low-income Iowans, disabled Iowans, the aging population in Iowa, and veterans in Iowa.
- The General Assembly should encourage community-to-community public transit access by exploring private/public partnerships to share public transit service and ensure public access. Such service should be affordable, regularly and frequently scheduled transportation, and should include regional systems across Iowa.
- The General Assembly should create a Capital Matching Fund to maximize local, state, and federal investment for the purchase of vehicles and infrastructure to promote public transit.
- The General Assembly should encourage the reduction of the State's carbon footprint and reliance on foreign oil by reducing vehicle miles traveled through the use of public transit.
- The General Assembly should promote urban density and land-use planning to reduce vehicle miles traveled.
- The General Assembly should continue the Mass Transit Study Committee during the 2009 interim period for purposes of reviewing the December 2009 report of the TIME-21 Public Transit Funding Study and the recommendations adopted by the mass Transit Study Committee in this report.

Additional information is available on the website:

<http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=240>.

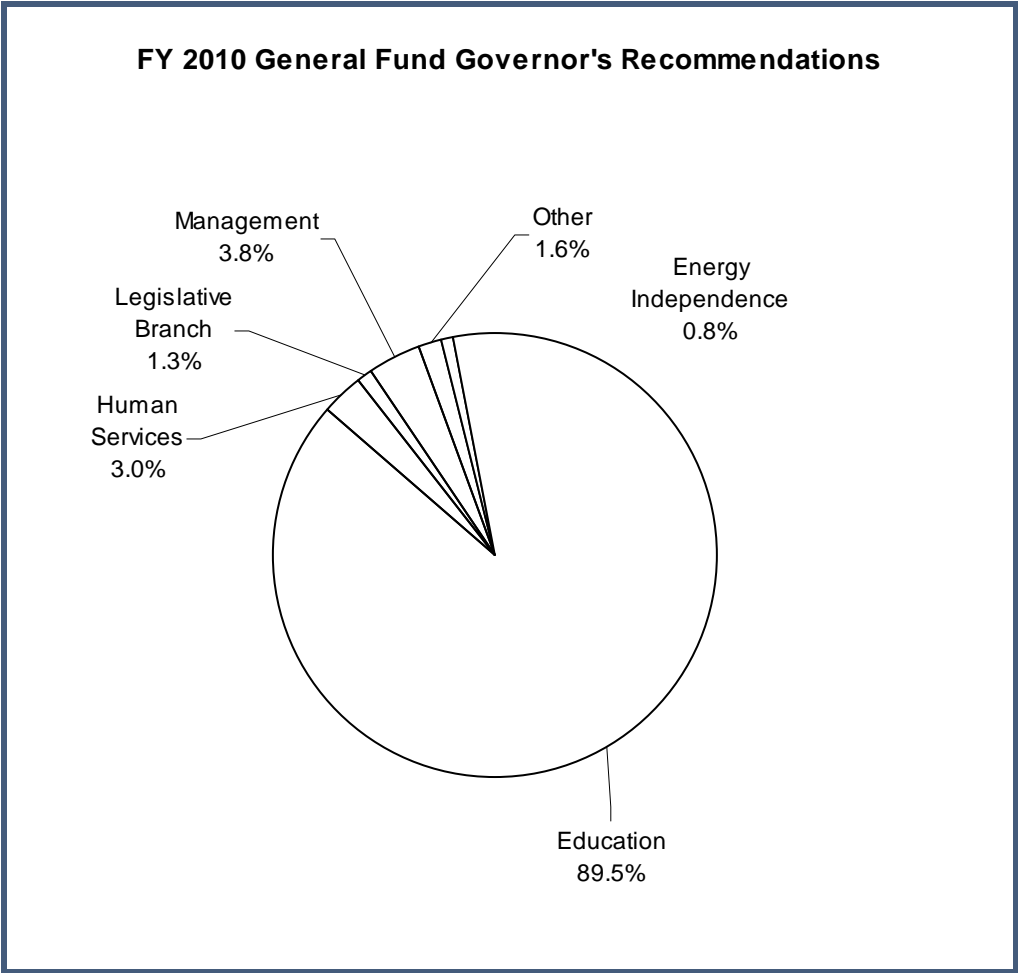
LSA Publications

The following documents have been published by the LSA that relate to the Transportation, Infrastructure, and Capitals Appropriations Subcommittee:

- *Fiscal Topic:* [Revitalize Iowa's Sound Economy \(RISE\) Program](#)
- *Fiscal Topic:* [Rebuild Iowa Infrastructure Fund](#)
- *Fiscal Topic:* [State Recreational Trails](#)
- *Fiscal Topic:* [TIME-21 Transportation Funding Act](#)
- *Debt Report:* [State of Iowa Outstanding Obligations - Selected State Debt](#)

Staff Contacts: Mary Beth Mellick (1-8223); Marcia Tannian (1-7942)

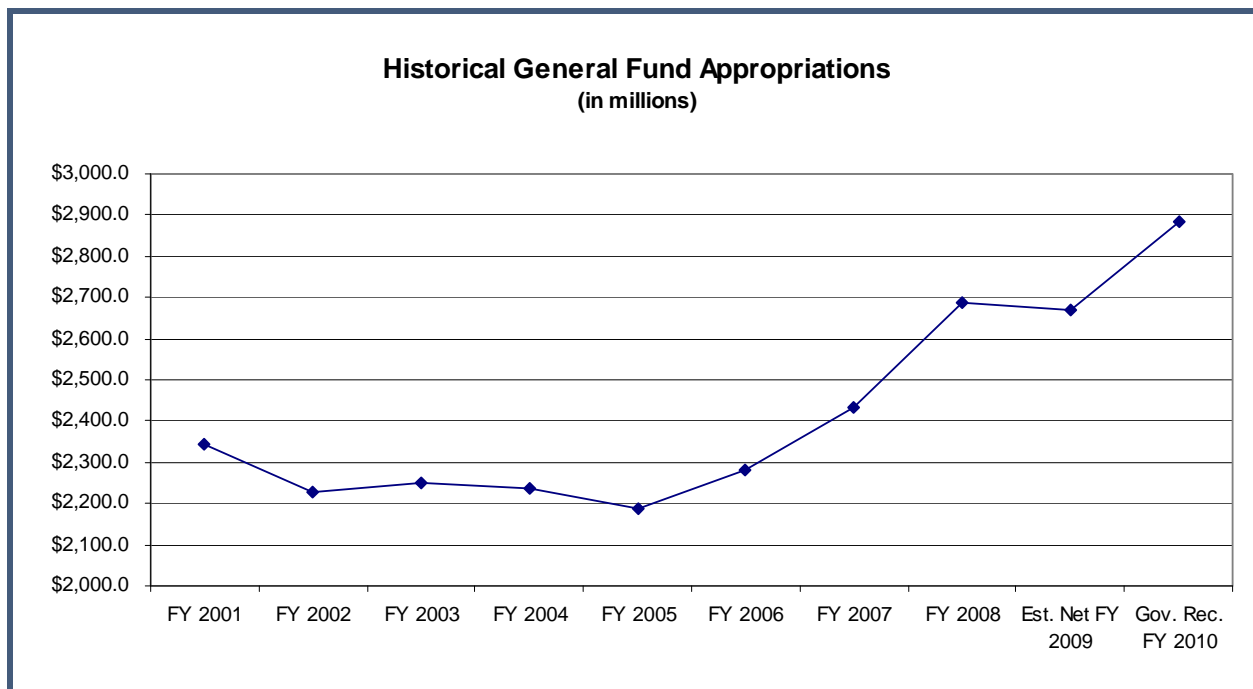
UNASSIGNED STANDING APPROPRIATIONS



FY 2010 General Fund Governor's Recommendations

Administrative Services	\$ 3,426,749
Corrections	66,370
Cultural Affairs	478,907
Economic Development	1,013,072
Education	2,576,894,579
Energy Independence	23,024,375
Executive Council	41,079,367
Legislative Branch	37,814,194
Governor	3,416
Public Health	183,883
Human Services	87,872,942
Management	110,283,250
Public Defense	388,319
Revenue	163,472
	<u>\$ 2,882,692,895</u>

Unassigned Standing Appropriations



FY 2010 UNASSIGNED STANDING APPROPRIATIONS

Unassigned Standing Appropriations

A significant portion of the General Fund budget is appropriated automatically by statute. These appropriations do not fall under the purview of a specific appropriations committee. There are two types of standing appropriations:

- Standing Limited Appropriations – These are appropriations of a specific dollar amount. An example is the Indian Settlement Officer pursuant to Section 331.660, Code of Iowa, that states, "There is appropriated annually from the General Fund of the State to the County of Tama the sum of twenty-five thousand dollars to be used by the County only for the payment of the salary and expenses of an additional deputy sheriff for the County."
- Standing Unlimited Appropriations – These are appropriations of an unspecified dollar amount. An example is State aid for public schools pursuant to Section 257.16, Code of Iowa, that states, "There is appropriated each year from the General Fund of the State an amount necessary to pay the foundation aid, supplementary aid under section 257.4, subsection 2, and adjusted additional property tax levy aid under section 257.15, subsection 4."

General Fund Standing Appropriations by Department

Illustrated below are the General Fund standing appropriations for FY 2009 and proposed for FY 2010. These are the amounts specified in statute for the limited appropriations and the estimated need for the unlimited appropriations. The Governor is recommending a general reduction of 6.5% for the majority of the unassigned standing appropriations. Significant exceptions include:

- State Cases Court Costs (Department of Corrections). The Governor is recommending an increase of \$1,000 compared to the estimated net FY 2009 appropriation. This increase restores the 1.5% across-the-board reduction.
- State School Foundation Aid (Department of Education). The Governor is recommending an increase of \$339.9 million compared to the estimated net FY 2009 appropriation. Additional detail about this increase is included in a separate overall section in this document titled "School Foundation Aid."
- Teacher Excellence Program (Department of Education). The Governor is recommending a decrease of \$41.5 million compared to the estimated net FY 2009 appropriation. The majority of this reduction reflects the transfer of funding for Phase II (teacher pay) to the School Aid Formula for FY 2010. The remaining appropriation is for Phase I (minimum teacher pay) and reflects the estimated net FY 2009 appropriation less the 6.5% general reduction.
- Performance of Duty (Executive Council). The Governor is recommending an increase of \$18.3 million compared to the estimated net FY 2009 appropriation. This increase reflects appropriations for disaster recovery, including the State match for federal funds.
- Legislative Branch. This appropriation reflects an increase of \$689,000 compared to the estimated net FY 2009 appropriation.
- Property Tax Credit Fund (Department of Management). The Governor is recommending an increase of \$62.4 million compared to the estimated net FY 2009 appropriation. Additional detail regarding property tax credits is provided at the end of this section.
- Livestock Producers Tax Credit (Department of Revenue). The Governor is recommending a decrease of \$2.0 million compared to the estimated net FY 2009 appropriation. The Governor is recommending elimination of the Credit.

General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Administrative Services, Dept. of</u>			
State Accounting Trust Accounts			
Federal Cash Management Standing	\$ 429,706	\$ 401,775	\$ -27,931
Unemployment Compensation-State Standing	530,669	496,176	-34,493
Municipal Fire & Police Retirement	2,704,597	2,528,798	-175,799
Total Administrative Services, Dept. of	\$ 3,664,972	\$ 3,426,749	\$ -238,223
<u>Corrections, Dept. of</u>			
State Cases Court Costs	\$ 65,374	\$ 66,370	\$ 996
Total Corrections, Dept. of	\$ 65,374	\$ 66,370	\$ 996
<u>Cultural Affairs, Dept. of</u>			
County Endowment DCA Grants-AGR	\$ 512,200	\$ 478,907	\$ -33,293
Total Cultural Affairs, Dept. of	\$ 512,200	\$ 478,907	\$ -33,293

Unassigned Standing Appropriations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Economic Development, Dept. of</u>			
Grow Iowa Values Fund	\$ -81	\$ 0	\$ 81
Tourism Marketing - AGR	1,083,500	1,013,072	-70,428
Total Economic Development, Dept. of	\$ 1,083,419	\$ 1,013,072	\$ -70,347
<u>Education, Dept. of</u>			
State Foundation School Aid	\$ 2,191,063,016	\$ 2,530,934,912	\$ 339,871,896
Child Development	12,417,103	11,609,991	-807,112
Early Intervention Block Grant	29,250,000	0	-29,250,000
Instructional Support	14,211,847	13,288,077	-923,770
Teacher Excellence Program	54,637,017	13,136,873	-41,500,144
Transportation of Nonpublic Pupils	8,475,643	7,924,726	-550,917
Total Education, Dept. of	\$ 2,310,054,626	\$ 2,576,894,579	\$ 266,839,953
<u>Energy Independence</u>			
Iowa Power Fund	\$ 24,625,000	\$ 23,024,375	\$ -1,600,625
Total Energy Independence	\$ 24,625,000	\$ 23,024,375	\$ -1,600,625
<u>Executive Council</u>			
Performance of Duty	\$ 22,618,031	\$ 40,944,332	\$ 18,326,301
Court Costs	72,028	67,346	-4,682
Drainage Assessment	24,375	22,791	-1,584
Public Improvements	48,019	44,898	-3,121
Total Executive Council	\$ 22,762,453	\$ 41,079,367	\$ 18,316,914
<u>Legislative Branch</u>			
Legislative Services Agency			
Legislative Branch	\$ 37,125,646	\$ 37,814,194	\$ 688,548
Total Legislative Branch	\$ 37,125,646	\$ 37,814,194	\$ 688,548
<u>Governor</u>			
Interstate Extradition	\$ 3,654	\$ 3,416	\$ -238
Total Governor	\$ 3,654	\$ 3,416	\$ -238
<u>Public Health, Dept. of</u>			
Reg. for Congenital & Inherited Disorders	\$ 196,666	\$ 183,883	\$ -12,783
Total Public Health, Dept. of	\$ 196,666	\$ 183,883	\$ -12,783
<u>Human Services, Dept. of</u>			
General Administration			
Commission of Inquiry	\$ 1,680	\$ 1,571	\$ -109
Non Resident Transfers	81	76	-5
Non Resident Commitment Mental Illness	172,083	160,898	-11,185
Total General Administration	\$ 173,844	\$ 162,545	\$ -11,299

Unassigned Standing Appropriations

	<u>Est. Net FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
<u>Human Services, Dept. of, cont.</u>			
Assistance			
MH Property Tax Relief	\$ 93,575,000	\$ 87,492,625	\$ -6,082,375
Child Abuse Prevention	232,911	217,772	-15,139
Total Assistance	\$ 93,807,911	\$ 87,710,397	\$ -6,097,514
Total Human Services, Dept. of	\$ 93,981,755	\$ 87,872,942	\$ -6,108,813
<u>Management, Dept. of</u>			
Special Olympics Fund	\$ 50,000	\$ 46,049	\$ -3,951
Indian Settlement Officer	24,625	23,024	-1,601
Appeal Board Claims	4,321,687	4,040,777	-280,910
Property Tax Credit Fund	43,734,000	106,173,400	62,439,400
Total Management, Dept. of	\$ 48,130,312	\$ 110,283,250	\$ 62,152,938
<u>Public Defense, Dept. of</u>			
Compensation and Expense	\$ 415,314	\$ 388,319	\$ -26,995
Total Public Defense, Dept. of	\$ 415,314	\$ 388,319	\$ -26,995
<u>Revenue, Dept. of</u>			
Printing Cigarette Stamps	\$ 150,212	\$ 140,448	\$ -9,764
Livestock Producers Credit	1,970,000	0	-1,970,000
Tobacco Reporting Requirements	24,625	23,024	-1,601
Total Revenue, Dept. of	\$ 2,144,837	\$ 163,472	\$ -1,981,365
<u>Secretary of State</u>			
Constitutional Amendments	\$ 1,970	\$ 0	\$ -1,970
Total Secretary of State	\$ 1,970	\$ 0	\$ -1,970
<u>Treasurer of State</u>			
Health Care Trust Fund Transfer	\$ 125,686,000	\$ 0	\$ -125,686,000
Total Treasurer of State	\$ 125,686,000	\$ 0	\$ -125,686,000
Total Unassigned Standings	\$ 2,670,454,198	\$ 2,882,692,895	\$ 212,238,697

Other Fund Recommendations

	<u>Estimated FY 2009</u>	<u>Gov Rec FY 2010</u>	<u>Gov. Rec. vs. FY 2009</u>
<u>Economic Development, Dept. of</u>			
Endow Iowa Admin-County Endw. Fund	\$ 70,000	\$ 70,000	\$ 0
Total Economic Development, Dept. of	\$ 70,000	\$ 70,000	\$ 0

Unassigned Standing Appropriations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Human Services, Dept. of</u>			
Assistance			
MH Costs for Children-PTRF	\$ 6,600,000	\$ 6,072,000	\$ -528,000
Total Human Services, Dept. of	\$ 6,600,000	\$ 6,072,000	\$ -528,000
<u>Management, Dept. of</u>			
Environment First Fund-RIIF	\$ 42,000,000	\$ 42,000,000	\$ 0
Primary Road Salary Adjustment	565,608	0	-565,608
Road Use Tax Salary Adjustment	621,696	0	-621,696
Technology Reinvestment Fund-RIIF	17,500,000	14,500,000	-3,000,000
Total Management, Dept. of	\$ 60,687,304	\$ 56,500,000	\$ -4,187,304
<u>Revenue, Dept. of</u>			
Homestead Property Tax Credit - PTCF	\$ 99,254,781	\$ 49,348,103	\$ -49,906,678
Ag. Land/Family Farm Tax Credits-PTCF	34,610,183	34,610,183	0
Military Service Tax Credit - PTCF	2,800,000	2,800,000	0
Elderly & Disabled Tax Credit-PTCF	23,204,000	23,204,000	0
Total Revenue, Dept. of	\$ 159,868,964	\$ 109,962,286	\$ -49,906,678
<u>Transportation, Dept. of</u>			
Personal Delivery of Services-RUTF	\$ 225,000	\$ 225,000	\$ 0
County Treasurer Equipment-RUTF	650,000	650,000	0
Total Transportation, Dept. of	\$ 875,000	\$ 875,000	\$ 0

Property Tax Credits for FY 2010

For the past several years the standing appropriations for the Homestead Property Tax Credit, Agricultural Land and Family Farm Tax Credit, Military Service Tax Credit, and Elderly and Disabled Tax Credit and Reimbursement have been capped. In FY 2008 and FY 2009, the appropriations totaled \$159.9 million. The tax credits have been funded from the Property Tax Credit Fund. This Fund received an FY 2009 appropriation of \$99.8 million from the year-end General Fund surplus prior to its appropriation and distribution to the Senior Living Trust Fund and the Cash Reserve Fund, a \$44.4 million appropriation from the General Fund, a transfer of \$13.9 million from the Salary Adjustment Fund, and authorization to carry forward and use the \$1.7 million FY 2008 ending balance in the Property Tax Credit Fund. Legislative action will be required to make appropriations to the Fund for FY 2010. This item is included in the Projected FY 2010 Built-in and Anticipated General Fund Expenditures (**Appendix B**).

The Governor is recommending that in FY 2010 the Property Tax Credit Fund be funded by an appropriation of \$106.1 million from the General Fund and a \$3.8 million balance carryforward for total funds available of \$110.0 million. The Governor's recommendation funds the property tax credits as follows:

- \$49.3 million for the Homestead Property Tax Credit. This is a decrease of \$49.9 million compared to the FY 2009 appropriation. The Department of Revenue's projected FY 2010 demand for Homestead Property Tax Credit claims is \$139.1 million. The recommended funding level is \$89.2 million less than the projected demand.

- \$34.6 million for the Agricultural Land and Family Farm Tax Credit. This is no change compared to the FY 2009 appropriation. The statutory funding for Agricultural Land and Family Farm Tax Credit is \$39.1 million. The recommended funding level is \$4.5 million less than the statutory amount.
- \$2.8 million for the Military Service Tax Credit. This is no change compared to the FY 2009 appropriation. The recommended funding level exceeds the projected FY 2010 demand of \$2.4 million by \$400,000.
- \$23.2 million for the Elderly and Disabled Tax Credit and Reimbursement. This is no change compared to the FY 2009 appropriation. The recommended funding level exceeds the projected FY 2010 demand of \$22.2 million by \$1.0 million.

Staff Contacts: Dwayne Ferguson (1-6561); Shawn Snyder (1-7799)

APPROPRIATIONS TRACKING

COMMON ACRONYMS USED IN THE APPROPRIATIONS TABLES

CPB =	Corporation for Public Broadcasting
CSG =	Community Service Grant
DE =	Department of Education
EFF =	Environment First Fund
ENDW =	Endowment for Iowa Health Account (Tobacco Settlement Trust Fund)
ESCF =	Employment Security Contingency Fund
ESEA =	Elementary and Secondary Education Act
FES =	Federal Economic Stimulus Fund
GIVF =	Grow Iowa Values Fund
GTF =	Gamblers Treatment Fund
GWF =	Ground Water Fund
HCTA =	Health Care Transformation Account
HCTF =	Health Care Trust Fund
HITT =	Healthy Iowans Tobacco Trust Fund
ICA =	IowaCare Account
ISU =	Iowa State University
LSTA =	Library Service and Technology Act
MVFT =	Motor Vehicle Fuel Tax
MHI =	Mental Health Institute

Appendix A – Appropriations Tracking

NAEP =	National Assessment of Educational Progress
NCES =	National Center for Education Statistics
NTIA =	National Telecommunications and Information Administration
PRF =	Primary Road Fund
PTRF =	Property Tax Relief Fund
PTCF =	Property Tax Credit Fund
RCF =	Restricted Capital Fund (Tobacco Settlement Trust Fund)
RC2 =	Endowment for Iowa Health Restricted Capitals Fund
RC3 =	FY 2009 Tax-Exempt Restricted Capital Fund
RFIF =	Renewable Fuels Infrastructure Fund
RIIF =	Rebuild Iowa Infrastructure Fund
RUTF =	Road Use Tax Fund
SAF =	State Aviation Fund
SLTF =	Senior Living Trust Fund
SUI =	University of Iowa
TANF =	Temporary Assistance for Needy Families
TRF =	Technology Reinvestment Fund
TSB =	Targeted Small Business
UNI =	University of Northern Iowa
UIHC =	University of Iowa Hospitals and Clinics
UST =	Underground Storage Tank Fund
VIF =	Vertical Infrastructure Fund
VTF =	Veterans Trust Fund

Summary Data General Fund

	Actual FY 2008	Estimated FY 2009	ATB Reduction FY 2009	Est Net FY 2009	Gov Rec FY 2010	Gov Rec vs Est Net	Percent Change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Administration and Regulation	\$ 96,299,847	\$ 100,116,698	\$ -1,560,471	\$ 98,556,227	\$ 90,744,601	\$ -7,811,626	-7.9%
Agriculture and Natural Resources	43,638,037	47,054,259	-708,264	46,345,995	41,624,678	-4,721,317	-10.2%
Economic Development	41,036,536	49,582,328	-786,526	48,795,802	47,634,179	-1,161,623	-2.4%
Education	1,175,436,989	1,297,809,339	-19,464,143	1,278,345,196	969,344,920	-309,000,276	-24.2%
Health and Human Services	1,184,032,368	1,245,971,882	-19,069,195	1,226,902,687	1,489,989,820	263,087,133	21.4%
Justice System	670,945,348	701,150,493	-8,180,556	692,969,937	708,468,907	15,498,970	2.2%
Unassigned Standings	<u>2,687,047,813</u>	<u>2,709,768,913</u>	<u>-39,314,715</u>	<u>2,670,454,198</u>	<u>2,882,692,895</u>	<u>212,238,697</u>	<u>7.9%</u>
Grand Total	<u>\$ 5,898,436,938</u>	<u>\$ 6,151,453,912</u>	<u>\$ -89,083,870</u>	<u>\$ 6,062,370,042</u>	<u>\$ 6,230,500,000</u>	<u>\$ 168,129,958</u>	<u>2.8%</u>

Column Explanations:

- (1) Actual FY 2008 - The actual FY 2008 appropriations. Reversions are not deducted from the appropriations.
- (2) Estimated FY 2009 - The FY 2009 legislative action prior to deappropriations or supplemental appropriations.
- (3) ATB Reduction FY 2009 - Reflects the 1.5% reduction to all appropriations per Executive Order 10 signed by the Governor on December 22, 2008.
- (4) Estimated Net FY 2009 - The sum of columns 2 and 3.
- (5) Gov Rec FY 2010 - The Governor's appropriation recommendations for FY 2010.
- (6) Gov Rec vs Est Net - Column 5 minus Column 4.
- (7) Percent Change - Column 6 divided by Column 4.

NOTE: The FY 2009 Estimated Net appropriations in Column 4 represent current law. In addition to the across-the-board reductions (initiated through Executive Order 10 on December 22, 2008), the Governor is recommending deappropriations totaling \$30.8 million and supplemental appropriations of \$63.3 million. These recommended changes would require legislative action to take effect.

Administration and Regulation General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Administrative Services, Dept. of</u>							
Administrative Services							
Administrative Services, Dept.	\$ 6,469,186	\$ 6,553,575	\$ -104,668	\$ 6,448,907	\$ 5,906,306	\$ -542,601	-8.4%
Utilities	3,824,800	3,704,800	-61,603	3,643,197	3,806,389	163,192	4.5%
Shuttle Service	120,000	0	0	0	0	0	0.0%
Total Administrative Services, Dept. of	\$ 10,413,986	\$ 10,258,375	\$ -166,271	\$ 10,092,104	\$ 9,712,695	\$ -379,409	-3.8%
<u>Auditor of State</u>							
Auditor Of State							
Auditor of State - General Office	\$ 1,249,178	\$ 1,278,634	\$ -19,189	\$ 1,259,445	\$ 1,153,501	\$ -105,944	-8.4%
Total Auditor of State	\$ 1,249,178	\$ 1,278,634	\$ -19,189	\$ 1,259,445	\$ 1,153,501	\$ -105,944	-8.4%
<u>Ethics and Campaign Disclosure</u>							
Campaign Finance Disclosure							
Ethics & Campaign Disclosure Board	\$ 532,122	\$ 556,978	\$ -8,503	\$ 548,475	\$ 502,334	\$ -46,141	-8.4%
Total Ethics and Campaign Disclosure	\$ 532,122	\$ 556,978	\$ -8,503	\$ 548,475	\$ 502,334	\$ -46,141	-8.4%
<u>Commerce, Dept. of</u>							
Alcoholic Beverages							
Alcoholic Beverages Operations	\$ 2,079,509	\$ 2,156,421	\$ -32,628	\$ 2,123,793	\$ 1,945,135	\$ -178,658	-8.4%
Banking Division							
Banking Division	\$ 8,200,316	\$ 8,662,670	\$ -131,578	\$ 8,531,092	\$ 7,813,429	\$ -717,663	-8.4%
Professional Licensing and Reg.							
Professional Licensing Bureau	\$ 945,982	\$ 967,522	\$ -14,513	\$ 953,009	\$ 872,842	\$ -80,167	-8.4%
Credit Union Division							
Credit Union Division	\$ 1,671,740	\$ 1,727,995	\$ -26,097	\$ 1,701,898	\$ 1,558,732	\$ -143,166	-8.4%
Insurance Division							
Insurance Division	\$ 4,857,123	\$ 5,062,359	\$ -76,357	\$ 4,986,002	\$ 4,563,937	\$ -422,065	-8.5%
Utilities Division							
Utilities Division	\$ 7,573,402	\$ 7,795,527	\$ -128,675	\$ 7,666,852	\$ 7,021,696	\$ -645,156	-8.4%

Administration and Regulation General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
Insurance Division							
Senior Health Insurance Information Program	\$ 0	\$ 60,000	\$ -900	\$ 59,100	\$ 55,258	\$ -3,842	-6.5%
Health Insurance Oversight	0	80,000	-1,200	78,800	73,678	-5,122	-6.5%
Total Insurance Division	\$ 0	\$ 140,000	\$ -2,100	\$ 137,900	\$ 128,936	\$ -8,964	-6.5%
Total Commerce, Dept. of	\$ 25,328,072	\$ 26,512,494	\$ -411,948	\$ 26,100,546	\$ 23,904,707	\$ -2,195,839	-8.4%
<u>Governor</u>							
Governor's Office							
Governor/Lt. Governor's Office	\$ 2,224,462	\$ 2,645,186	\$ -39,897	\$ 2,605,289	\$ 2,370,208	\$ -235,081	-9.0%
Terrace Hill Quarters	492,593	523,215	-7,848	515,367	481,868	-33,499	-6.5%
Administrative Rules Coordinator	158,873	178,391	-2,839	175,552	164,141	-11,411	-6.5%
National Governor's Association	80,600	80,600	0	80,600	74,231	-6,369	-7.9%
State-Federal Relations	131,222	143,768	-2,533	141,235	132,055	-9,180	-6.5%
Total Governor	\$ 3,087,750	\$ 3,571,160	\$ -53,117	\$ 3,518,043	\$ 3,222,503	\$ -295,540	-8.4%
<u>Governor's Office of Drug Control Policy</u>							
Office of Drug Control Policy							
Drug Policy Coordinator	\$ 346,731	\$ 370,901	\$ -5,564	\$ 365,337	\$ 339,868	\$ -25,469	-7.0%
Drug Task Forces	1,400,000	1,765,263	-35,451	1,729,812	1,612,111	-117,701	-6.8%
Total Governor's Office of Drug Control Policy	\$ 1,746,731	\$ 2,136,164	\$ -41,015	\$ 2,095,149	\$ 1,951,979	\$ -143,170	-6.8%
<u>Human Rights, Dept. of</u>							
Human Rights, Department of							
Human Rights Administration	\$ 356,535	\$ 372,239	\$ -5,654	\$ 366,585	\$ 321,721	\$ -44,864	-12.2%
Deaf Services	413,700	440,703	-6,967	433,736	397,243	-36,493	-8.4%
Asian and Pacific Islanders	127,093	155,109	-2,327	152,782	139,930	-12,852	-8.4%
Persons with Disabilities	206,221	242,062	-3,631	238,431	218,374	-20,057	-8.4%
Latino Affairs	191,035	207,035	-3,106	203,929	186,775	-17,154	-8.4%
Status of Women	353,203	367,203	-5,508	361,695	331,270	-30,425	-8.4%
Status of African Americans	372,066	194,162	-3,171	190,991	174,920	-16,071	-8.4%
Criminal & Juvenile Justice	1,587,333	1,662,944	-28,373	1,634,571	1,497,006	-137,565	-8.4%
Development, Assessment & Resolution Program	0	10,000	-150	9,850	0	-9,850	-100.0%
Status of Native Americans	0	6,000	-90	5,910	5,526	-384	-6.5%
Total Human Rights, Dept. of	\$ 3,607,186	\$ 3,657,457	\$ -58,977	\$ 3,598,480	\$ 3,272,765	\$ -325,715	-9.1%

Administration and Regulation General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Inspections & Appeals, Dept. of</u>							
Inspections and Appeals, Dept. of							
Administration Division	\$ 2,209,075	\$ 2,331,031	\$ -35,225	\$ 2,295,806	\$ 2,102,679	\$ -193,127	-8.4%
Administrative Hearings Division	708,962	787,705	-12,149	775,556	710,310	-65,246	-8.4%
Investigations Division	1,599,591	1,689,221	-25,531	1,663,690	1,523,738	-139,952	-8.4%
Health Facilities Division	2,498,437	2,601,967	-42,316	2,559,651	2,344,271	-215,380	-8.4%
Employment Appeal Board	58,117	60,047	-1,114	58,933	53,972	-4,961	-8.4%
Child Advocacy Board	2,751,058	2,965,468	-45,101	2,920,367	2,674,696	-245,671	-8.4%
Total Inspections and Appeals, Dept. of	\$ 9,825,240	\$ 10,435,439	\$ -161,436	\$ 10,274,003	\$ 9,409,666	\$ -864,337	-8.4%
Racing Commission							
Pari-Mutuel Regulation	\$ 2,790,551	\$ 2,930,682	\$ -44,799	\$ 2,885,883	\$ 2,643,108	\$ -242,775	-8.4%
Riverboat Regulation	3,207,944	3,372,069	-53,856	3,318,213	3,039,024	-279,189	-8.4%
Total Racing Commission	\$ 5,998,495	\$ 6,302,751	\$ -98,655	\$ 6,204,096	\$ 5,682,132	\$ -521,964	-8.4%
Total Inspections & Appeals, Dept. of	\$ 15,823,735	\$ 16,738,190	\$ -260,091	\$ 16,478,099	\$ 15,091,798	\$ -1,386,301	-8.4%
<u>Management, Dept. of</u>							
Management, Dept. of							
Department Operations	\$ 3,178,337	\$ 3,372,388	\$ -50,842	\$ 3,321,546	\$ 3,042,135	\$ -279,411	-8.4%
Local Government Innovation Fund	300,000	0	0	0	0	0	0.0%
Total Management, Dept. of	\$ 3,478,337	\$ 3,372,388	\$ -50,842	\$ 3,321,546	\$ 3,042,135	\$ -279,411	-8.4%
<u>Revenue, Dept. of</u>							
Revenue, Dept. of							
Revenue, Department of	\$ 26,472,699	\$ 27,301,255	\$ -418,555	\$ 26,882,700	\$ 24,620,697	\$ -2,262,003	-8.4%
Tax Amnesty-Auditing and Enforcement	150,000	0	0	0	0	0	0.0%
Total Revenue, Dept. of	\$ 26,622,699	\$ 27,301,255	\$ -418,555	\$ 26,882,700	\$ 24,620,697	\$ -2,262,003	-8.4%
<u>Secretary of State</u>							
Secretary of State							
Admin/Elections/Voter Registration	\$ 1,370,063	\$ 1,570,608	\$ -23,569	\$ 1,547,039	\$ 1,416,903	\$ -130,136	-8.4%
Secretary of State-Business Services	2,012,018	2,058,584	-30,879	2,027,705	1,857,135	-170,570	-8.4%
Total Secretary of State	\$ 3,382,081	\$ 3,629,192	\$ -54,448	\$ 3,574,744	\$ 3,274,038	\$ -300,706	-8.4%

Administration and Regulation

General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Treasurer of State</u>							
Treasurer of State							
Treasurer - General Office	\$ 1,027,970	\$ 1,104,411	\$ -17,515	\$ 1,086,896	\$ 995,449	\$ -91,447	-8.4%
Total Treasurer of State	<u>\$ 1,027,970</u>	<u>\$ 1,104,411</u>	<u>\$ -17,515</u>	<u>\$ 1,086,896</u>	<u>\$ 995,449</u>	<u>\$ -91,447</u>	<u>-8.4%</u>
Total Administration and Regulation	<u>\$ 96,299,847</u>	<u>\$ 100,116,698</u>	<u>\$ -1,560,471</u>	<u>\$ 98,556,227</u>	<u>\$ 90,744,601</u>	<u>\$ -7,811,626</u>	<u>-7.9%</u>

Agriculture and Natural Resources General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Agriculture and Land Stewardship</u>							
Agriculture and Land Stewardship							
Administrative Division	\$ 19,278,172	\$ 19,737,891	\$ -296,153	\$ 19,441,738	\$ 17,806,307	\$ -1,635,431	-8.4%
Chronic Wasting Disease	100,000	100,000	-1,500	98,500	92,097	-6,403	-6.5%
Regulatory Dairy Products	951,666	950,000	-14,250	935,750	857,035	-78,715	-8.4%
Avian Influenza	50,000	50,000	-3,115	46,885	43,837	-3,048	-6.5%
Apiary Program	40,000	75,000	-1,125	73,875	69,073	-4,802	-6.5%
Gypsy Moth Control - GF	50,000	50,000	-750	49,250	46,049	-3,201	-6.5%
Emerald Ash Borer Public Awareness	50,000	50,000	-750	49,250	46,049	-3,201	-6.5%
Soil Commissioners Expense	250,000	400,000	-6,000	394,000	368,390	-25,610	-6.5%
Sr. Farmers Market Program	77,000	75,000	-1,125	73,875	69,073	-4,802	-6.5%
Emergency Veterinarian Rapid Response	130,000	130,000	-1,950	128,050	119,727	-8,323	-6.5%
Organic Agricultural Products	54,671	50,000	-750	49,250	46,049	-3,201	-6.5%
Grape & Wine Development Fund	283,000	280,000	-4,200	275,800	252,600	-23,200	-8.4%
IA Jr. Angus Program	10,000	0	0	0	0	0	0.0%
Farm to School Program	0	80,000	-1,200	78,800	73,678	-5,122	-6.5%
Total Agriculture and Land Stewardship	\$ 21,324,509	\$ 22,027,891	\$ -332,868	\$ 21,695,023	\$ 19,889,964	\$ -1,805,059	-8.3%
<u>Natural Resources, Dept. of</u>							
Natural Resources							
Natural Resources Operations	\$ 20,244,822	\$ 20,866,333	\$ -312,995	\$ 20,553,338	\$ 18,824,401	\$ -1,728,937	-8.4%
Redemption Center	0	1,000,000	-15,000	985,000	0	-985,000	-100.0%
Total Natural Resources, Dept. of	\$ 20,244,822	\$ 21,866,333	\$ -327,995	\$ 21,538,338	\$ 18,824,401	\$ -2,713,937	-12.6%
<u>Regents, Board of</u>							
Regents, Board of							
ISU Veterinary Diagnostic Laboratory	\$ 2,068,706	\$ 3,160,035	\$ -47,401	\$ 3,112,634	\$ 2,910,313	\$ -202,321	-6.5%
Total Regents, Board of	\$ 2,068,706	\$ 3,160,035	\$ -47,401	\$ 3,112,634	\$ 2,910,313	\$ -202,321	-6.5%
Total Agriculture and Natural Resources	\$ 43,638,037	\$ 47,054,259	\$ -708,264	\$ 46,345,995	\$ 41,624,678	\$ -4,721,317	-10.2%

Economic Development General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Cultural Affairs, Dept. of</u>							
Cultural Affairs, Dept. of							
Administration Division	\$ 255,418	\$ 261,193	\$ -3,919	\$ 257,274	\$ 235,632	\$ -21,642	-8.4%
Community Cultural Grants	299,240	299,240	0	299,240	279,159	-20,081	-6.7%
Historical Division	3,763,782	3,935,211	-59,029	3,876,182	3,550,119	-326,063	-8.4%
Historic Sites	576,395	594,853	-8,923	585,930	547,845	-38,085	-6.5%
Arts Division	1,246,392	1,260,842	-18,913	1,241,929	1,137,458	-104,471	-8.4%
Great Places	322,231	334,032	-5,228	328,804	307,432	-21,372	-6.5%
Archiving Former Governor's Papers	82,171	84,623	-1,269	83,354	77,936	-5,418	-6.5%
Records Center Rent	185,768	241,068	-3,616	237,452	222,018	-15,434	-6.5%
Hist. Resource Dev. Emerg. Grants	0	0	-1,470	-1,470	0	1,470	-100.0%
Cultural Grants	0	0	-674	-674	0	674	-100.0%
Iowa Cultural Caucus	0	20,000	-300	19,700	0	-19,700	-100.0%
Total Cultural Affairs, Dept. of	\$ 6,731,397	\$ 7,031,062	\$ -103,341	\$ 6,927,721	\$ 6,357,599	\$ -570,122	-8.2%
<u>Economic Development, Dept. of</u>							
Economic Development, Dept. of							
Economic Dev. Administration	\$ 2,125,661	\$ 2,266,462	\$ -33,997	\$ 2,232,465	\$ 2,044,671	\$ -187,794	-8.4%
Business Development	6,611,964	6,754,868	-105,200	6,649,668	6,090,227	-559,441	-8.4%
Community Development Division	6,448,716	6,636,409	-130,141	6,506,268	5,958,379	-547,889	-8.4%
World Food Prize	450,000	1,000,000	0	1,000,000	920,975	-79,025	-7.9%
Endow Iowa Grants	50,000	0	0	0	0	0	0.0%
TSB Marketing and Compliance	0	0	-2,173	-2,173	0	2,173	-100.0%
TSB Process Improvement & Admin.	0	0	-3,374	-3,374	0	3,374	-100.0%
TSB Advocacy Centers	0	0	-13,104	-13,104	0	13,104	-100.0%
ICVS-Promise	0	0	0	0	125,000	125,000	0.0%
Center for Citizen Diplomacy	0	150,000	-2,250	147,750	0	-147,750	-100.0%
Historic Preservation Challenge Grants	0	200,000	-3,000	197,000	184,195	-12,805	-6.5%
Total Economic Development, Dept. of	\$ 15,686,341	\$ 17,007,739	\$ -293,239	\$ 16,714,500	\$ 15,323,447	\$ -1,391,053	-8.3%
<u>Iowa Finance Authority</u>							
Iowa Finance Authority							
Entrepreneurs with Disabilities	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
Total Iowa Finance Authority	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0%

Economic Development General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Iowa Workforce Development</u>							
Iowa Workforce Development							
IWD Workers Comp Operations (GF)	\$ 0	\$ 2,943,474	\$ -44,152	\$ 2,899,322	\$ 2,884,187	\$ -15,135	-0.5%
IWD General Fund - Operations	6,341,284	3,930,817	-65,735	3,865,082	3,851,643	-13,439	-0.3%
Workforce Development Field Offices	7,216,792	12,624,491	-189,367	12,435,124	12,370,209	-64,915	-0.5%
Statewide Standard Skills Assessment	0	500,000	-7,500	492,500	970,074	477,574	97.0%
Security Employee Training Program	0	15,000	-225	14,775	15,000	225	1.5%
Offender Reentry Program	0	375,000	-5,625	369,375	367,447	-1,928	-0.5%
Employee Misclassification	0	0	0	0	771,153	771,153	0.0%
Total Iowa Workforce Development	\$ 13,558,076	\$ 20,388,782	\$ -312,604	\$ 20,076,178	\$ 21,229,713	\$ 1,153,535	5.7%
<u>Public Employment Relations Board</u>							
Public Employment Relations							
PER Board - General Office	\$ 1,233,283	\$ 1,271,841	\$ -19,098	\$ 1,252,743	\$ 1,147,363	\$ -105,380	-8.4%
Total Public Employment Relations Board	\$ 1,233,283	\$ 1,271,841	\$ -19,098	\$ 1,252,743	\$ 1,147,363	\$ -105,380	-8.4%
<u>Regents, Board of</u>							
Regents, Board of							
ISU - Economic Development	\$ 2,789,625	\$ 3,019,446	\$ -45,292	\$ 2,974,154	\$ 2,780,834	\$ -193,320	-6.5%
SUI - Economic Development	259,206	271,181	-4,068	267,113	249,751	-17,362	-6.5%
UNI - Economic Development	578,608	592,277	-8,884	583,393	545,472	-37,921	-6.5%
Total Regents, Board of	\$ 3,627,439	\$ 3,882,904	\$ -58,244	\$ 3,824,660	\$ 3,576,057	\$ -248,603	-6.5%
Total Economic Development	\$ 41,036,536	\$ 49,582,328	\$ -786,526	\$ 48,795,802	\$ 47,634,179	\$ -1,161,623	-2.4%

Education General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Blind, Dept. of the</u>							
Blind, Dept. for the Department for the Blind	\$ 2,484,953	\$ 2,553,032	\$ -38,295	\$ 2,514,737	\$ 2,303,199	\$ -211,538	-8.4%
Total Blind, Dept. of the	\$ 2,484,953	\$ 2,553,032	\$ -38,295	\$ 2,514,737	\$ 2,303,199	\$ -211,538	-8.4%
<u>College Aid Commission</u>							
College Student Aid Comm.							
College Aid Commission	\$ 390,685	\$ 395,020	\$ -5,927	\$ 389,093	\$ 356,363	\$ -32,730	-8.4%
Iowa Grants	1,070,976	1,070,976	0	1,070,976	986,342	-84,634	-7.9%
DSM University-Osteopathic Loans	100,000	100,000	0	100,000	92,097	-7,903	-7.9%
DSM University-Physician Recruit.	346,451	346,451	-5,197	341,254	319,072	-22,182	-6.5%
National Guard Benefits Program	3,800,000	3,800,000	-57,371	3,742,629	3,499,358	-243,271	-6.5%
Teacher Shortage Loan Forgiveness	485,400	485,400	-7,281	478,119	447,041	-31,078	-6.5%
All Iowa Opportunity Scholarships	1,500,000	4,000,000	-60,000	3,940,000	3,683,900	-256,100	-6.5%
College Work Study	295,600	995,000	-14,925	980,075	916,370	-63,705	-6.5%
Tuition Grant Program-Standing	48,373,718	50,073,718	-751,106	49,322,612	46,116,642	-3,205,970	-6.5%
Vocational Technical Tuition Grant	2,783,115	2,783,115	-41,747	2,741,368	2,563,179	-178,189	-6.5%
Washington DC Internships	0	100,000	0	100,000	92,097	-7,903	-7.9%
Tuition Grant - For-Profit	5,374,858	5,524,858	-82,873	5,441,985	5,088,256	-353,729	-6.5%
Nurse & Nurse Educator Loan Program	0	100,000	-1,500	98,500	92,097	-6,403	-6.5%
Barber & Cosmetology Tuition Grant Program	0	50,000	0	50,000	46,049	-3,951	-7.9%
Total College Aid Commission	\$ 64,520,803	\$ 69,824,538	\$ -1,027,927	\$ 68,796,611	\$ 64,298,863	\$ -4,497,748	-6.5%
<u>Education, Dept. of</u>							
Administration	\$ 8,320,341	\$ 9,015,389	\$ -137,291	\$ 8,878,098	\$ 8,525,386	\$ -352,712	-4.0%
Vocational Education Administration	576,613	634,865	-9,774	625,091	584,460	-40,631	-6.5%
State Library	1,879,827	1,936,497	-29,071	1,907,426	1,783,443	-123,983	-6.5%
State Library - Enrich Iowa	1,823,432	1,823,432	-27,351	1,796,081	1,679,336	-116,745	-6.5%
State Library - Library Service Areas	1,586,000	1,586,000	-23,790	1,562,210	1,460,666	-101,544	-6.5%
Vocational Education Secondary	2,936,904	2,936,904	-44,054	2,892,850	2,704,815	-188,035	-6.5%
Food Service	2,509,683	2,509,683	-37,645	2,472,038	2,311,356	-160,682	-6.5%
Early Child - Comm. Empowerment	23,781,594	22,302,006	-334,530	21,967,476	20,220,242	-1,747,234	-8.0%
Early Child - Early Care, Health & Ed.	10,000,000	10,000,000	-150,000	9,850,000	8,523,624	-1,326,376	-13.5%
Early Child - Family Support & Parent Ed.	5,000,000	5,000,000	-75,000	4,925,000	4,604,875	-320,125	-6.5%
Early Child - Spec. Ed. Services Birth to 3	1,721,400	1,721,400	-25,821	1,695,579	1,585,366	-110,213	-6.5%
Early Head Start Projects	400,000	0	0	0	0	0	0.0%
Early Child - Voluntary Preschool	15,000,000	15,000,000	-230,551	14,769,449	14,769,449	0	0.0%
Nonpublic Textbook Services	664,165	690,165	-7,665	682,500	635,625	-46,875	-6.9%
Jobs For America's Grads	600,000	600,000	-9,000	591,000	552,585	-38,415	-6.5%

Education General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Education, Dept. of, cont.</u>							
Vocational Agric. Youth Org.	50,000	0	0	0	0	0	0.0%
Before/After School Grants	695,000	0	0	0	547,980	547,980	0.0%
Administrator Mentoring	250,000	250,000	-3,750	246,250	230,244	-16,006	-6.5%
Model Core Curriculum	0	2,192,351	-32,885	2,159,466	2,019,101	-140,365	-6.5%
Senior Year Plus	0	1,900,000	-28,500	1,871,500	960,347	-911,153	-48.7%
Merged Area Schools-Gen Aid	171,962,414	183,062,414	-2,745,936	180,316,478	169,977,369	-10,339,109	-5.7%
Student Achievement/Teacher Quality	173,943,894	248,943,894	-3,750,188	245,193,706	10,666,019	-234,527,687	-95.6%
Advanced Placement Belin & Blank Ctr	400,000	0	0	0	0	0	0.0%
Data Warehouse	400,000	0	0	0	0	0	0.0%
District Sharing & Efficiencies	400,000	0	0	0	0	0	0.0%
Student Advancement Strategies	2,500,000	0	0	0	0	0	0.0%
Comm College Interpreters for Deaf	200,000	200,000	-3,000	197,000	0	-197,000	-100.0%
Private Instruction	0	146,000	0	146,000	0	-146,000	-100.0%
Community College Salaries - Past Years	2,000,000	1,500,000	-22,500	1,477,500	0	-1,477,500	-100.0%
Total Education, Dept. of	\$ 429,601,267	\$ 513,951,000	\$ -7,728,302	\$ 506,222,698	\$ 254,342,288	\$ -251,880,410	-49.8%
<u>Vocational Rehabilitation</u>							
Vocational Rehabilitation	\$ 5,667,575	\$ 5,833,123	\$ -87,497	\$ 5,745,626	\$ 5,258,540	\$ -487,086	-8.5%
Independent Living	55,145	56,565	-848	55,717	52,095	-3,622	-6.5%
Entrepreneurs with Disabilities Program	0	200,000	-3,000	197,000	184,195	-12,805	-6.5%
Independent Living Center Grant	0	250,000	-3,750	246,250	230,244	-16,006	-6.5%
Total Vocational Rehabilitation	\$ 5,722,720	\$ 6,339,688	\$ -95,095	\$ 6,244,593	\$ 5,725,074	\$ -519,519	-8.3%
<u>Iowa Public Television</u>							
Iowa Public Television	\$ 8,804,620	\$ 9,085,141	\$ -136,277	\$ 8,948,864	\$ 8,170,392	\$ -778,472	-8.7%
Regional Telecom. Councils	1,364,525	1,364,525	-20,468	1,344,057	1,256,693	-87,364	-6.5%
Total Iowa Public Television	\$ 10,169,145	\$ 10,449,666	\$ -156,745	\$ 10,292,921	\$ 9,427,085	\$ -865,836	-8.4%
Total Education, Dept. of	\$ 445,493,132	\$ 530,740,354	\$ -7,980,142	\$ 522,760,212	\$ 269,494,447	\$ -253,265,765	-48.4%
<u>Regents, Board of</u>							
Regents, Board of							
Regent Board Office	\$ 1,263,437	\$ 1,359,937	\$ -20,414	\$ 1,339,523	\$ 1,238,429	\$ -101,094	-7.5%
Tuition Replacement (Bond Debt Service)	13,975,431	0	0	0	0	0	0.0%
Southwest Iowa Resource Center	108,698	111,693	-1,675	110,018	102,867	-7,151	-6.5%
Tri State Graduate Center	80,467	83,769	0	83,769	77,149	-6,620	-7.9%
Quad Cities Graduate Center	160,806	165,714	-2,486	163,228	152,618	-10,610	-6.5%
Midwestern Higher Ed Consortium	90,000	90,000	0	90,000	82,888	-7,112	-7.9%
University of Iowa - General	258,011,947	276,518,045	-4,147,771	272,370,274	251,814,456	-20,555,818	-7.5%
Center for Disabilities and Development	6,726,227	7,017,146	-105,257	6,911,889	6,462,616	-449,273	-6.5%
University of Iowa - Oakdale Campus	2,726,485	2,792,052	-41,881	2,750,171	2,571,410	-178,761	-6.5%
University of Iowa - Hygienic Laboratory	4,182,151	4,516,091	-67,741	4,448,350	4,159,207	-289,143	-6.5%

Education General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Regents, Board of, cont.</u>							
Family Practice Program	2,179,043	2,283,465	-34,252	2,249,213	2,103,014	-146,199	-6.5%
SCHS - Spec. Child Health	732,388	842,069	-12,631	829,438	775,525	-53,913	-6.5%
State of Iowa Cancer Registry	184,578	190,326	-2,855	187,471	175,285	-12,186	-6.5%
SUI - Substance Abuse Consortium	67,877	70,906	-1,064	69,842	65,302	-4,540	-6.5%
Biocatalysis	902,687	924,139	-13,862	910,277	851,109	-59,168	-6.5%
Primary Health Care	793,920	828,629	-12,429	816,200	763,147	-53,053	-6.5%
Iowa Birth Defects Registry	46,685	48,891	-733	48,158	45,028	-3,130	-6.5%
SUI - Iowa Nonprofit Resource Center	200,000	207,548	-3,113	204,435	191,147	-13,288	-6.5%
SUI Ag Health & Safety	130,000	130,000	-1,950	128,050	119,727	-8,323	-6.5%
Iowa State: Gen. University	205,145,406	217,695,081	-3,265,426	214,429,655	197,766,201	-16,663,454	-7.8%
ISU - Ag Experiment Station	34,493,006	35,896,514	-538,448	35,358,066	33,059,792	-2,298,274	-6.5%
ISU - Cooperative Extension	21,900,084	22,903,693	-343,555	22,560,138	21,093,729	-1,466,409	-6.5%
ISU - Leopold Center	490,572	507,469	-7,612	499,857	467,366	-32,491	-6.5%
Livestock Disease Research	220,708	220,708	-3,311	217,397	203,266	-14,131	-6.5%
ISU - George Washington Carver	250,000	250,000	-3,750	246,250	230,244	-16,006	-6.5%
University of Northern Iowa - General	92,495,485	98,286,381	-1,474,296	96,812,085	89,565,599	-7,246,486	-7.5%
Recycling and Reuse Center	219,279	223,787	-3,357	220,430	206,102	-14,328	-6.5%
UNI - Real Estate Education Program	0	160,000	-2,400	157,600	147,356	-10,244	-6.5%
Iowa School for the Deaf	9,689,607	10,126,391	-151,896	9,974,495	9,326,153	-648,342	-6.5%
Iowa Braille and Sight Saving	5,456,107	5,725,951	-85,889	5,640,062	5,273,458	-366,604	-6.5%
Tuition and Transportation	15,020	15,020	-225	14,795	13,833	-962	-6.5%
Science, Technology, Engineering and Math.	0	4,000,000	-60,000	3,940,000	3,683,900	-256,100	-6.5%
BOR - Iowa Public Radio	0	500,000	-7,500	492,500	460,488	-32,012	-6.5%
Total Regents, Board of	\$ 662,938,101	\$ 694,691,415	\$ -10,417,779	\$ 684,273,636	\$ 633,248,411	\$ -51,025,225	-7.5%
Total Education	\$ 1,175,436,989	\$ 1,297,809,339	\$ -19,464,143	\$ 1,278,345,196	\$ 969,344,920	\$ -309,000,276	-24.2%

Health and Human Services General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Elder Affairs, Dept. of</u>							
Elder Affairs, Dept. of Aging Programs	\$ 4,866,698	\$ 5,467,921	\$ -83,342	\$ 5,384,579	\$ 4,931,605	\$ -452,974	-8.4%
Total Elder Affairs, Dept. of	\$ 4,866,698	\$ 5,467,921	\$ -83,342	\$ 5,384,579	\$ 4,931,605	\$ -452,974	-8.4%
<u>Public Health, Dept. of</u>							
Public Health, Dept. of							
Addictive Disorders	\$ 2,002,149	\$ 3,082,149	\$ -46,232	\$ 3,035,917	\$ 34,046,889	\$ 31,010,972	1021.5%
Healthy Children and Families	2,536,913	2,678,980	-40,185	2,638,795	2,776,543	137,748	5.2%
Chronic Conditions	1,842,840	2,249,026	-33,735	2,215,291	3,750,280	1,534,989	69.3%
Community Capacity	1,760,532	1,785,093	-26,776	1,758,317	7,086,651	5,328,334	303.0%
Elderly Wellness	9,233,985	9,233,985	-138,510	9,095,475	8,504,269	-591,206	-6.5%
Environmental Hazards	747,960	748,024	-11,220	736,804	1,051,202	314,398	42.7%
Infectious Diseases	1,658,286	1,868,286	-28,024	1,840,262	1,713,484	-126,778	-6.9%
Public Protection	2,845,658	3,228,677	-48,430	3,180,247	3,748,476	568,229	17.9%
Resource Management	1,205,933	1,237,589	-18,564	1,219,025	1,116,482	-102,543	-8.4%
211 Call Centers	200,000	0	0	0	0	0	0.0%
Prevention and Chronic Care Management	0	195,018	-2,925	192,093	0	-192,093	-100.0%
Medical Home System	0	169,330	-2,540	166,790	0	-166,790	-100.0%
Healthy Communities Initiative	0	906,539	-13,598	892,941	0	-892,941	-100.0%
Gov. Council on Physical Fitness and Nutrition	0	112,100	-1,682	110,418	0	-110,418	-100.0%
Iowa Health Information Technology System	0	194,919	-2,924	191,995	0	-191,995	-100.0%
Health Care Access	0	178,228	-2,673	175,555	0	-175,555	-100.0%
Total Public Health, Dept. of	\$ 24,034,256	\$ 27,867,943	\$ -418,018	\$ 27,449,925	\$ 63,794,276	\$ 36,344,351	132.4%
<u>Human Services, Dept. of</u>							
General Administration							
General Administration	\$ 16,782,706	\$ 17,470,334	\$ -270,088	\$ 17,200,246	\$ 16,027,217	\$ -1,173,029	-6.8%
Field Operations							
Child Support Recoveries	\$ 10,469,844	\$ 15,632,714	\$ -235,380	\$ 15,397,334	\$ 14,102,101	\$ -1,295,233	-8.4%
Field Operations	66,555,087	71,782,744	-1,102,309	70,680,435	66,234,344	-4,446,091	-6.3%
Total Field Operations	\$ 77,024,931	\$ 87,415,458	\$ -1,337,689	\$ 86,077,769	\$ 80,336,445	\$ -5,741,324	-6.7%
Toledo Juvenile Home							
Toledo Juvenile Home	\$ 7,604,484	\$ 7,867,940	\$ -118,190	\$ 7,749,750	\$ 7,097,841	\$ -651,909	-8.4%
Eldora Training School							
Eldora Training School	\$ 11,923,327	\$ 12,484,549	\$ -187,999	\$ 12,296,550	\$ 11,262,156	\$ -1,034,394	-8.4%
Cherokee CCUSO							
Civil Commit. Unit for Sex Offenders	\$ 6,523,524	\$ 6,948,904	\$ -107,182	\$ 6,841,722	\$ 6,928,144	\$ 86,422	1.3%

Health and Human Services General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
Human Services, Dept. of, cont.							
Cherokee							
Cherokee MHI	\$ 5,727,743	\$ 6,331,818	\$ -94,998	\$ 6,236,820	\$ 5,712,181	\$ -524,639	-8.4%
Clarinda							
Clarinda MHI	\$ 6,938,073	\$ 7,564,925	\$ -114,022	\$ 7,450,903	\$ 6,824,127	\$ -626,776	-8.4%
Independence							
Independence MHI	\$ 10,489,724	\$ 11,084,903	\$ -167,774	\$ 10,917,129	\$ 9,986,265	\$ -930,864	-8.5%
Mt Pleasant							
Mt Pleasant MHI	\$ 1,962,099	\$ 2,097,207	\$ -31,957	\$ 2,065,250	\$ 1,886,750	\$ -178,500	-8.6%
Glenwood							
Glenwood Resource Center	\$ 19,002,377	\$ 19,604,004	\$ -305,377	\$ 19,298,627	\$ 18,515,453	\$ -783,174	-4.1%
Woodward							
Woodward Resource Center	\$ 13,038,833	\$ 13,032,788	\$ -208,556	\$ 12,824,232	\$ 11,484,307	\$ -1,339,925	-10.4%
Assistance							
Family Investment Program/JOBS	\$ 42,675,127	\$ 42,701,422	\$ -640,521	\$ 42,060,901	\$ 35,036,216	\$ -7,024,685	-16.7%
Medical Assistance	631,593,774	655,129,269	-9,826,939	645,302,330	883,095,255	237,792,925	36.8%
Health Insurance Premium Payment	673,598	591,752	-8,906	582,846	533,814	-49,032	-8.4%
Medical Contracts	13,790,558	14,165,550	-212,483	13,953,067	14,344,879	391,812	2.8%
State Children's Health Ins. (hawk-i)	14,871,052	13,868,885	-208,033	13,660,852	15,372,897	1,712,045	12.5%
State Supplementary Assistance	17,210,335	18,611,385	-279,171	18,332,214	17,323,001	-1,009,213	-5.5%
Child Care Assistance	37,875,701	41,345,381	-861,649	40,483,732	40,452,289	-31,443	-0.1%
Child and Family Services	88,520,320	90,326,628	-1,354,899	88,971,729	94,546,404	5,574,675	6.3%
Adoption Subsidy	31,972,681	34,168,872	-512,533	33,656,339	36,655,458	2,999,119	8.9%
Family Support Subsidy	1,936,434	1,936,434	-29,122	1,907,312	1,783,337	-123,975	-6.5%
Connors Training	42,623	42,623	-639	41,984	39,255	-2,729	-6.5%
MI/MR/DD State Cases	11,067,178	13,067,178	-203,372	12,863,806	12,027,659	-836,147	-6.5%
MH/DD Community Services	18,017,890	18,017,890	-272,318	17,745,572	16,592,110	-1,153,462	-6.5%
MH/DD Growth Factor	36,888,041	54,081,310	-811,220	53,270,090	56,857,019	3,586,929	6.7%
Volunteers	109,568	109,568	-1,644	107,924	98,845	-9,079	-8.4%
County Suppl. MH/DD Growth	12,000,000	0	0	0	0	0	0.0%
Medical Assistance, Hawk-i, Hawk-i Expansion	0	4,800,000	-72,000	4,728,000	4,420,680	-307,320	-6.5%
Family Planning	0	750,000	-11,250	738,750	690,731	-48,019	-6.5%
Pregnancy Counseling	0	200,000	-3,000	197,000	184,195	-12,805	-6.5%
Total Assistance	\$ 959,244,880	\$ 1,003,914,147	\$ -15,309,699	\$ 988,604,448	\$ 1,230,054,044	\$ 241,449,596	24.4%
Total Human Services, Dept. of	\$ 1,136,262,701	\$ 1,195,816,977	\$ -18,253,531	\$ 1,177,563,446	\$ 1,406,114,930	\$ 228,551,484	19.4%

Health and Human Services General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Veterans Affairs, Dept. of</u>							
Veterans Affairs, Department of							
General Administration	\$ 0	\$ 1,243,744	\$ -19,364	\$ 1,224,380	\$ 1,121,373	\$ -103,007	-8.4%
War Orphans Educational Assistance	0	27,000	0	27,000	24,109	-2,891	-10.7%
Veterans County Grants	0	600,000	0	600,000	547,535	-52,465	-8.7%
Total Veterans Affairs, Department of	\$ 0	\$ 1,870,744	\$ -19,364	\$ 1,851,380	\$ 1,693,017	\$ -158,363	-8.6%
Veterans Affairs, Dept. of							
General Administration	\$ 863,457	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
Iowa Veterans Home	16,728,256	14,948,297	-255,774	14,692,523	13,455,992	-1,236,531	-8.4%
Veterans Trust Fund	500,000	0	0	0	0	0	0.0%
Veterans County Grants	750,000	0	-14,401	-14,401	0	14,401	-100.0%
War Orphans Educational Assistance	27,000	0	-1,215	-1,215	0	1,215	-100.0%
Injured Veterans Grant Program	0	0	-23,550	-23,550	0	23,550	-100.0%
Total Veterans Affairs, Dept. of	\$ 18,868,713	\$ 14,948,297	\$ -294,940	\$ 14,653,357	\$ 13,455,992	\$ -1,197,365	-8.2%
Total Veterans Affairs, Dept. of	\$ 18,868,713	\$ 16,819,041	\$ -314,304	\$ 16,504,737	\$ 15,149,009	\$ -1,355,728	-8.2%
Total Health and Human Services	\$ 1,184,032,368	\$ 1,245,971,882	\$ -19,069,195	\$ 1,226,902,687	\$ 1,489,989,820	\$ 263,087,133	21.4%

Justice System General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Justice, Department of</u>							
Justice, Dept. of							
General Office A.G.	\$ 9,485,145	\$ 9,700,589	\$ -145,509	\$ 9,555,080	\$ 8,751,311	\$ -803,769	-8.4%
Victim Assistance Grants	150,000	150,000	-2,250	147,750	4,188,146	4,040,396	2734.6%
Legal Services Poverty Grants	2,000,000	2,000,000	-30,000	1,970,000	1,841,950	-128,050	-6.5%
Farm Mediation Services	300,000	300,000	-4,500	295,500	270,642	-24,858	-8.4%
Children in Dissolution Proceedings Pilot	50,000	0	0	0	0	0	0.0%
Total Justice, Dept. of	\$ 11,985,145	\$ 12,150,589	\$ -182,259	\$ 11,968,330	\$ 15,052,049	\$ 3,083,719	25.8%
Consumer Advocate							
Consumer Advocate	\$ 3,374,466	\$ 3,138,888	\$ -47,116	\$ 3,091,772	\$ 2,831,693	\$ -260,079	-8.4%
Total Justice, Department of	\$ 15,359,611	\$ 15,289,477	\$ -229,375	\$ 15,060,102	\$ 17,883,742	\$ 2,823,640	18.7%
<u>Civil Rights Commission</u>							
Civil Rights Commission							
Civil Rights Commission	\$ 1,504,036	\$ 1,601,519	\$ -24,029	\$ 1,577,490	\$ 1,444,792	\$ -132,698	-8.4%
Total Civil Rights Commission	\$ 1,504,036	\$ 1,601,519	\$ -24,029	\$ 1,577,490	\$ 1,444,792	\$ -132,698	-8.4%
<u>Corrections, Dept. of</u>							
CBC District 1							
CBC District I	\$ 12,706,033	\$ 13,573,774	\$ -203,607	\$ 13,370,167	\$ 14,747,901	\$ 1,377,734	10.3%
CBC District 2							
CBC District II	\$ 10,080,108	\$ 11,280,937	\$ -169,214	\$ 11,111,723	\$ 11,673,896	\$ 562,173	5.1%
CBC District 3							
CBC District III	\$ 5,903,401	\$ 6,230,191	\$ -93,453	\$ 6,136,738	\$ 6,484,543	\$ 347,805	5.7%
CBC District 4							
CBC District IV	\$ 5,419,406	\$ 5,719,179	\$ -85,788	\$ 5,633,391	\$ 5,935,082	\$ 301,691	5.4%
CBC District 5							
CBC District V	\$ 18,401,003	\$ 19,628,052	\$ -294,421	\$ 19,333,631	\$ 22,558,982	\$ 3,225,351	16.7%
CBC District 6							
CBC District VI	\$ 12,675,246	\$ 14,566,407	\$ -218,496	\$ 14,347,911	\$ 15,019,341	\$ 671,430	4.7%
CBC District 7							
CBC District VII	\$ 7,020,794	\$ 7,414,374	\$ -111,216	\$ 7,303,158	\$ 7,564,124	\$ 260,966	3.6%

Justice System General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
CBC District 8							
CBC District VIII	\$ 6,998,544	\$ 7,255,300	\$ -108,830	\$ 7,146,470	\$ 7,583,264	\$ 436,794	6.1%
Central Office							
County Confinement	\$ 1,199,954	\$ 967,983	\$ -14,520	\$ 953,463	\$ 967,983	\$ 14,520	1.5%
Federal Prisoners/ Contractual	241,293	241,293	-3,619	237,674	241,293	3,619	1.5%
Corrections Administration	5,050,732	5,151,625	-77,403	5,074,222	5,047,861	-26,361	-0.5%
Corrections Education	1,570,358	1,570,358	-29,172	1,541,186	1,570,358	29,172	1.9%
Iowa Corrections Offender Network	427,700	427,700	-6,416	421,284	427,700	6,416	1.5%
Mental Health/Substance Abuse	25,000	25,000	-375	24,625	24,994	369	1.5%
Hepatitis Treatment and Education	188,000	188,000	-2,820	185,180	188,000	2,820	1.5%
Transitional Housing - Comm. Based	30,000	0	0	0	30,000	30,000	0.0%
Total Central Office	<u>\$ 8,733,037</u>	<u>\$ 8,571,959</u>	<u>\$ -134,325</u>	<u>\$ 8,437,634</u>	<u>\$ 8,498,189</u>	<u>\$ 60,555</u>	<u>0.7%</u>
Fort Madison							
Ft. Madison Institution	\$ 44,512,509	\$ 45,657,539	\$ -684,867	\$ 44,972,672	\$ 46,563,717	\$ 1,591,045	3.5%
Anamosa							
Anamosa Institution	\$ 30,656,614	\$ 32,196,590	\$ -483,142	\$ 31,713,448	\$ 31,980,461	\$ 267,013	0.8%
Oakdale							
Oakdale Institution	\$ 56,204,468	\$ 60,437,214	\$ -906,708	\$ 59,530,506	\$ 59,992,169	\$ 461,663	0.8%
Newton							
Newton Institution	\$ 27,841,158	\$ 28,956,002	\$ -434,340	\$ 28,521,662	\$ 28,563,758	\$ 42,096	0.1%
Mt Pleasant							
Mt. Pleasant Inst.	\$ 26,331,092	\$ 27,993,990	\$ -419,962	\$ 27,574,028	\$ 28,103,428	\$ 529,400	1.9%
Rockwell City							
Rockwell City Institution	\$ 9,108,454	\$ 9,660,604	\$ -144,923	\$ 9,515,681	\$ 9,536,069	\$ 20,388	0.2%
Clarinda							
Clarinda Institution	\$ 25,078,365	\$ 26,051,077	\$ -390,790	\$ 25,660,287	\$ 25,798,889	\$ 138,602	0.5%
Mitchellville							
Mitchellville Institution	\$ 15,878,663	\$ 16,457,784	\$ -246,868	\$ 16,210,916	\$ 16,215,105	\$ 4,189	0.0%
Fort Dodge							
Ft. Dodge Institution	\$ 29,773,151	\$ 30,936,808	\$ -464,129	\$ 30,472,679	\$ 30,547,421	\$ 74,742	0.2%
Total Corrections, Dept. of	<u>\$ 353,322,046</u>	<u>\$ 372,587,781</u>	<u>\$ -5,595,079</u>	<u>\$ 366,992,702</u>	<u>\$ 377,366,339</u>	<u>\$ 10,373,637</u>	<u>2.8%</u>

Justice System General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Inspections & Appeals, Dept. of</u>							
Public Defender							
Public Defender	\$ 21,749,296	\$ 22,247,829	\$ -333,717	\$ 21,914,112	\$ 22,247,829	\$ 333,717	1.5%
Indigent Defense Appropriation	31,282,538	31,282,538	-469,238	30,813,300	26,633,314	-4,179,986	-13.6%
Total Inspections & Appeals, Dept. of	\$ 53,031,834	\$ 53,530,367	\$ -802,955	\$ 52,727,412	\$ 48,881,143	\$ -3,846,269	-7.3%
<u>Judicial Branch</u>							
Judicial Branch							
Judicial Branch	\$ 144,945,322	\$ 152,392,674	\$ 0	\$ 152,392,674	\$ 163,527,936	\$ 11,135,262	7.3%
Judicial Retirement	3,450,963	3,450,963	0	3,450,963	0	-3,450,963	-100.0%
Total Judicial Branch	\$ 148,396,285	\$ 155,843,637	\$ 0	\$ 155,843,637	\$ 163,527,936	\$ 7,684,299	4.9%
<u>Law Enforcement Academy</u>							
Law Enforcement Academy							
Law Enforcement Academy	\$ 1,289,562	\$ 1,322,103	\$ -20,274	\$ 1,301,829	\$ 1,192,311	\$ -109,518	-8.4%
Total Law Enforcement Academy	\$ 1,289,562	\$ 1,322,103	\$ -20,274	\$ 1,301,829	\$ 1,192,311	\$ -109,518	-8.4%
<u>Parole, Board of</u>							
Parole Board							
Parole Board	\$ 1,256,273	\$ 1,298,078	\$ -20,029	\$ 1,278,049	\$ 1,170,529	\$ -107,520	-8.4%
Total Parole, Board of	\$ 1,256,273	\$ 1,298,078	\$ -20,029	\$ 1,278,049	\$ 1,170,529	\$ -107,520	-8.4%
<u>Public Defense, Dept. of</u>							
Public Defense, Dept. of							
Public Defense, Department of	\$ 6,311,985	\$ 6,593,661	\$ -98,905	\$ 6,494,756	\$ 5,948,420	\$ -546,336	-8.4%
Civil Air Patrol	120,000	0	0	0	0	0	0.0%
Total Public Defense, Dept. of	\$ 6,431,985	\$ 6,593,661	\$ -98,905	\$ 6,494,756	\$ 5,948,420	\$ -546,336	-8.4%
Emergency Management Division							
Homeland Security & Emer. Mgmt.	\$ 2,271,581	\$ 2,293,314	\$ -34,400	\$ 2,258,914	\$ 2,068,895	\$ -190,019	-8.4%
Total Public Defense, Dept. of	\$ 8,703,566	\$ 8,886,975	\$ -133,305	\$ 8,753,670	\$ 8,017,315	\$ -736,355	-8.4%

Justice System General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
Public Safety, Department of							
Public Safety, Dept. of							
Public Safety Administration	\$ 4,180,033	\$ 4,562,308	\$ -68,484	\$ 4,493,824	\$ 4,470,414	\$ -23,410	-0.5%
Public Safety DCI	21,729,482	21,948,491	-329,310	21,619,181	21,506,406	-112,775	-0.5%
DCI - Crime Lab Equipment/Training	342,000	342,000	-5,130	336,870	342,000	5,130	1.5%
Narcotics Enforcement	6,315,289	6,635,138	-99,534	6,535,604	6,501,493	-34,111	-0.5%
Public Safety Undercover Funds	123,343	123,343	0	123,343	123,343	0	0.0%
DPS Fire Marshal	3,328,952	4,144,334	-62,186	4,082,148	4,060,859	-21,289	-0.5%
Fire Service	836,508	0	0	0	0	0	0.0%
Iowa State Patrol	50,210,762	52,019,176	-780,362	51,238,814	50,971,409	-267,405	-0.5%
DPS/SPOC Sick Leave Payout	316,179	316,179	0	316,179	316,179	0	0.0%
Fire Fighter Training	699,587	699,587	-10,504	689,083	692,697	3,614	0.5%
Total Public Safety, Department of	\$ 88,082,135	\$ 90,790,556	\$ -1,355,510	\$ 89,435,046	\$ 88,984,800	\$ -450,246	-0.5%
Total Justice System	\$ 670,945,348	\$ 701,150,493	\$ -8,180,556	\$ 692,969,937	\$ 708,468,907	\$ 15,498,970	2.2%

Unassigned Standings

General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Administrative Services, Dept. of</u>							
State Accounting Trust Accounts							
Federal Cash Management Standing	\$ 308,061	\$ 436,250	\$ -6,544	\$ 429,706	\$ 401,775	\$ -27,931	-6.5%
Unemployment Compensation-State Standing	487,808	538,750	-8,081	530,669	496,176	-34,493	-6.5%
Municipal Fire & Police Retirement	<u>2,745,784</u>	<u>2,745,784</u>	<u>-41,187</u>	<u>2,704,597</u>	<u>2,528,798</u>	<u>-175,799</u>	<u>-6.5%</u>
Total Administrative Services, Dept. of	<u>\$ 3,541,653</u>	<u>\$ 3,720,784</u>	<u>\$ -55,812</u>	<u>\$ 3,664,972</u>	<u>\$ 3,426,749</u>	<u>\$ -238,223</u>	<u>-6.5%</u>
<u>Corrections, Dept. of</u>							
Central Office							
State Cases Court Costs	\$ 0	\$ 66,370	\$ -996	\$ 65,374	\$ 66,370	\$ 996	1.5%
Total Corrections, Dept. of	<u>\$ 0</u>	<u>\$ 66,370</u>	<u>\$ -996</u>	<u>\$ 65,374</u>	<u>\$ 66,370</u>	<u>\$ 996</u>	<u>1.5%</u>
<u>Cultural Affairs, Dept. of</u>							
Cultural Affairs, Dept. of							
County Endowment DCA Grants-AGR	\$ 520,000	\$ 520,000	\$ -7,800	\$ 512,200	\$ 478,907	\$ -33,293	-6.5%
Total Cultural Affairs, Dept. of	<u>\$ 520,000</u>	<u>\$ 520,000</u>	<u>\$ -7,800</u>	<u>\$ 512,200</u>	<u>\$ 478,907</u>	<u>\$ -33,293</u>	<u>-6.5%</u>
<u>Economic Development, Dept. of</u>							
Economic Development, Dept. of							
Community Attraction & Tourism	\$ 7,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
Grow Iowa Values Fund	50,000,000	0	-81	-81	0	81	-100.0%
Tourism Marketing - AGR	<u>1,124,084</u>	<u>1,100,000</u>	<u>-16,500</u>	<u>1,083,500</u>	<u>1,013,072</u>	<u>-70,428</u>	<u>-6.5%</u>
Total Economic Development, Dept. of	<u>\$ 58,124,084</u>	<u>\$ 1,100,000</u>	<u>\$ -16,581</u>	<u>\$ 1,083,419</u>	<u>\$ 1,013,072</u>	<u>\$ -70,347</u>	<u>-6.5%</u>
<u>Education, Dept. of</u>							
Education, Dept. of							
State Foundation School Aid	\$ 2,141,970,395	\$ 2,224,429,458	\$ -33,366,442	\$ 2,191,063,016	\$ 2,530,934,912	\$ 339,871,896	15.5%
Child Development	12,606,196	12,606,196	-189,093	12,417,103	11,609,991	-807,112	-6.5%
Early Intervention Block Grant	29,250,000	29,250,000	0	29,250,000	0	-29,250,000	-100.0%
Instructional Support	14,428,264	14,428,271	-216,424	14,211,847	13,288,077	-923,770	-6.5%
Teacher Excellence Program	55,469,053	55,469,053	-832,036	54,637,017	13,136,873	-41,500,144	-76.0%
Transportation of Nonpublic Pupils	<u>8,604,714</u>	<u>8,604,714</u>	<u>-129,071</u>	<u>8,475,643</u>	<u>7,924,726</u>	<u>-550,917</u>	<u>-6.5%</u>
Total Education, Dept. of	<u>\$ 2,262,328,622</u>	<u>\$ 2,344,787,692</u>	<u>\$ -34,733,066</u>	<u>\$ 2,310,054,626</u>	<u>\$ 2,576,894,579</u>	<u>\$ 266,839,953</u>	<u>11.6%</u>

Unassigned Standings General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Energy Independence</u>							
Office of Energy Independence							
Iowa Power Fund	\$ 0	\$ 25,000,000	\$ -375,000	\$ 24,625,000	\$ 23,024,375	\$ -1,600,625	-6.5%
Total Energy Independence	\$ 0	\$ 25,000,000	\$ -375,000	\$ 24,625,000	\$ 23,024,375	\$ -1,600,625	-6.5%
<u>Executive Council</u>							
Executive Council							
Performance of Duty	\$ 10,211,958	\$ 22,618,031	\$ 0	\$ 22,618,031	\$ 40,944,332	\$ 18,326,301	81.0%
Court Costs	33,501	73,125	-1,097	72,028	67,346	-4,682	-6.5%
Drainage Assessment	74,428	24,375	0	24,375	22,791	-1,584	-6.5%
Public Improvements	0	48,750	-731	48,019	44,898	-3,121	-6.5%
Total Executive Council	\$ 10,319,887	\$ 22,764,281	\$ -1,828	\$ 22,762,453	\$ 41,079,367	\$ 18,316,914	80.5%
<u>Legislative Branch</u>							
Legislative Services Agency							
Legislative Branch	\$ 33,837,880	\$ 37,125,945	\$ -299	\$ 37,125,646	\$ 37,814,194	\$ 688,548	1.9%
Total Legislative Branch	\$ 33,837,880	\$ 37,125,945	\$ -299	\$ 37,125,646	\$ 37,814,194	\$ 688,548	1.9%
<u>Governor</u>							
Governor's Office							
Interstate Extradition	\$ 0	\$ 3,710	\$ -56	\$ 3,654	\$ 3,416	\$ -238	-6.5%
Total Governor	\$ 0	\$ 3,710	\$ -56	\$ 3,654	\$ 3,416	\$ -238	-6.5%
<u>Public Health, Dept. of</u>							
Public Health, Dept. of							
Reg. for Congenital & Inherited Disorders	\$ 232,575	\$ 200,000	\$ -3,334	\$ 196,666	\$ 183,883	\$ -12,783	-6.5%
Total Public Health, Dept. of	\$ 232,575	\$ 200,000	\$ -3,334	\$ 196,666	\$ 183,883	\$ -12,783	-6.5%
<u>Human Services, Dept. of</u>							
General Administration							
Commission of Inquiry	\$ 1,706	\$ 1,706	\$ -26	\$ 1,680	\$ 1,571	\$ -109	-6.5%
Non Resident Transfers	82	82	-1	81	76	-5	-6.2%
Non Resident Commitment Mental Illness	174,704	174,704	-2,621	172,083	160,898	-11,185	-6.5%
Total General Administration	\$ 176,492	\$ 176,492	\$ -2,648	\$ 173,844	\$ 162,545	\$ -11,299	-6.5%

Unassigned Standings

General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
Assistance							
MH Property Tax Relief	\$ 95,000,000	\$ 95,000,000	\$ -1,425,000	\$ 93,575,000	\$ 87,492,625	\$ -6,082,375	-6.5%
Child Abuse Prevention	232,575	240,000	-7,089	232,911	217,772	-15,139	-6.5%
Total Assistance	<u>\$ 95,232,575</u>	<u>\$ 95,240,000</u>	<u>\$ -1,432,089</u>	<u>\$ 93,807,911</u>	<u>\$ 87,710,397</u>	<u>\$ -6,097,514</u>	<u>-6.5%</u>
Total Human Services, Dept. of	<u>\$ 95,409,067</u>	<u>\$ 95,416,492</u>	<u>\$ -1,434,737</u>	<u>\$ 93,981,755</u>	<u>\$ 87,872,942</u>	<u>\$ -6,108,813</u>	<u>-6.5%</u>
<u>Management, Dept. of</u>							
Management, Dept. of							
Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 46,049	\$ -3,951	-7.9%
Indian Settlement Officer	25,000	25,000	-375	24,625	23,024	-1,601	-6.5%
Appeal Board Claims	25,193,730	4,387,500	-65,813	4,321,687	4,040,777	-280,910	-6.5%
Salary Adjustment Fund	13,937,263	0	0	0	0	0	0.0%
Technology Reinvestment Fund	17,500,000	0	0	0	0	0	0.0%
Property Tax Credit Fund	28,000,000	44,400,000	-666,000	43,734,000	106,173,400	62,439,400	142.8%
Total Management, Dept. of	<u>\$ 84,705,993</u>	<u>\$ 48,862,500</u>	<u>\$ -732,188</u>	<u>\$ 48,130,312</u>	<u>\$ 110,283,250</u>	<u>\$ 62,152,938</u>	<u>129.1%</u>
<u>Public Defense, Dept. of</u>							
Public Defense, Dept. of							
Compensation and Expense	\$ 8,299,521	\$ 421,639	\$ -6,325	\$ 415,314	\$ 388,319	\$ -26,995	-6.5%
Total Public Defense, Dept. of	<u>\$ 8,299,521</u>	<u>\$ 421,639</u>	<u>\$ -6,325</u>	<u>\$ 415,314</u>	<u>\$ 388,319</u>	<u>\$ -26,995</u>	<u>-6.5%</u>
<u>Revenue, Dept. of</u>							
Revenue, Dept. of							
Printing Cigarette Stamps	\$ 103,530	\$ 152,500	\$ -2,288	\$ 150,212	\$ 140,448	\$ -9,764	-6.5%
Livestock Producers Credit	2,000,000	2,000,000	-30,000	1,970,000	0	-1,970,000	-100.0%
Refund Cigarette Stamps	0	0	0	0	0	0	0.0%
Refund Income Corp & Franchise Sale	0	0	0	0	0	0	0.0%
Tobacco Products Tax Refund	0	0	0	0	0	0	0.0%
Inheritance Refund	0	0	0	0	0	0	0.0%
Tobacco Reporting Requirements	25,000	25,000	-375	24,625	23,024	-1,601	-6.5%
Total Revenue, Dept. of	<u>\$ 2,128,531</u>	<u>\$ 2,177,500</u>	<u>\$ -32,663</u>	<u>\$ 2,144,837</u>	<u>\$ 163,472</u>	<u>\$ -1,981,365</u>	<u>-92.4%</u>

Unassigned Standings

General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<u>Secretary of State</u>							
Secretary of State							
Constitutional Amendments	\$ 0	\$ 2,000	\$ -30	\$ 1,970	\$ 0	\$ -1,970	-100.0%
Total Secretary of State	\$ 0	\$ 2,000	\$ -30	\$ 1,970	\$ 0	\$ -1,970	-100.0%
<u>Treasurer of State</u>							
Treasurer of State							
Health Care Trust Fund Transfer	\$ 127,600,000	\$ 127,600,000	\$ -1,914,000	\$ 125,686,000	\$ 0	\$ -125,686,000	-100.0%
Total Treasurer of State	\$ 127,600,000	\$ 127,600,000	\$ -1,914,000	\$ 125,686,000	\$ 0	\$ -125,686,000	-100.0%
Total Unassigned Standings	\$ 2,687,047,813	\$ 2,709,768,913	\$ -39,314,715	\$ 2,670,454,198	\$ 2,882,692,895	\$ 212,238,697	7.9%

Summary Data Other Funds

	Actual FY 2008	Estimated FY 2009	Gov Rec FY 2010	Gov Rec vs Est FY 2009	Percent Change
	(1)	(2)	(3)	(4)	(5)
Administration and Regulation	\$ 20,426,603	\$ 21,135,800	\$ 21,142,617	\$ 6,817	0.0%
Agriculture and Natural Resources	82,738,081	88,089,502	85,904,502	-2,185,000	-2.5%
Economic Development	63,896,000	64,231,000	58,471,000	-5,760,000	-9.0%
Education	2,458,250	2,658,250	0	-2,658,250	-100.0%
Health and Human Services	544,676,731	551,122,941	289,891,421	-261,231,520	-47.4%
Justice System	6,502,474	8,652,137	0	-8,652,137	-100.0%
Transportation, Infrastructure, and Capitals	574,154,377	869,258,134	505,785,055	-363,473,079	-41.8%
Unassigned Standings	<u>322,234,808</u>	<u>228,101,268</u>	<u>173,479,286</u>	<u>-54,621,982</u>	<u>-23.9%</u>
Grand Total	<u>\$ 1,617,087,324</u>	<u>\$ 1,833,249,032</u>	<u>\$ 1,134,673,881</u>	<u>\$ -698,575,151</u>	<u>-38.1%</u>

Administration and Regulation

Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Commerce, Dept. of</u>					
Professional Licensing and Reg.					
Housing Improvement Fund_Field Auditor	\$ 0	\$ 62,317	\$ 62,317	\$ 0	0.0%
Real Estate Trust Account Audit	62,317	0	0	0	0.0%
Total Commerce, Dept. of	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0	0.0%
<u>Human Rights, Dept. of</u>					
Human Rights, Department of					
Division of Community Action Agencies	\$ 0	\$ 150,000	\$ 0	\$ -150,000	-100.0%
Total Human Rights, Dept. of	\$ 0	\$ 150,000	\$ 0	\$ -150,000	-100.0%
<u>Inspections & Appeals, Dept. of</u>					
Inspections and Appeals, Dept. of					
DIA-Use Tax	\$ 0	\$ 1,623,897	\$ 0	\$ -1,623,897	-100.0%
DIA-Use Tax/RUTF	1,623,897	0	1,623,897	1,623,897	0.0%
Total Inspections & Appeals, Dept. of	\$ 1,623,897	\$ 1,623,897	\$ 1,623,897	\$ 0	0.0%
<u>Management, Dept. of</u>					
Management, Dept. of					
RUTF DOM Operations	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	0.0%
Total Management, Dept. of	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	0.0%
<u>IPERS Administration</u>					
IPERS Administration					
IPERS Administration	\$ 17,285,466	\$ 17,844,663	\$ 18,001,480	\$ 156,817	0.9%
Total IPERS Administration	\$ 17,285,466	\$ 17,844,663	\$ 18,001,480	\$ 156,817	0.9%
<u>Revenue, Dept. of</u>					
Revenue, Dept. of					
Motor Fuel Tax Admin.-MVFT	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0	0.0%
Total Revenue, Dept. of	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0	0.0%
<u>Treasurer of State</u>					
Treasurer of State					
I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0	0.0%
Total Treasurer of State	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0	0.0%
Total Administration and Regulation	\$ 20,426,603	\$ 21,135,800	\$ 21,142,617	\$ 6,817	0.0%

Agriculture and Natural Resources

Other Funds

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	Gov Rec FY 2010 <u>(3)</u>	Gov Rec vs Est FY 2009 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Agriculture and Land Stewardship</u>					
Agriculture and Land Stewardship					
Native Horse and Dog Program	\$ 305,516	\$ 305,516	\$ 305,516	\$ 0	0.0%
Motor Fuel Inspection-RFIF	300,000	300,000	300,000	0	0.0%
Open Feedlots-Ag Remediation	50,000	50,000	50,000	0	0.0%
Conservation Reserve Enhance-EFF	1,500,000	1,500,000	1,500,000	0	0.0%
Watershed Protection Fund-EFF	2,550,000	2,550,000	2,550,000	0	0.0%
Farm Management Demo.-EFF	850,000	850,000	850,000	0	0.0%
Agricultural Drainage Wells-EFF	1,480,000	1,500,000	1,500,000	0	0.0%
Cost Share-EFF	7,000,000	7,000,000	7,000,000	0	0.0%
Conservation Reserve Prog.-EFF	1,500,000	1,500,000	1,500,000	0	0.0%
So. Iowa Conservation & Dev.-EFF	300,000	300,000	300,000	0	0.0%
Flood Prevention Study-EFF	150,000	0	0	0	0.0%
Farm to School Program-EFF	80,000	0	0	0	0.0%
State Apiarist Program-EFF	40,000	0	0	0	0.0%
Soil & Water Conservation Needs Assessment	0	15,000	0	-15,000	-100.0%
Total Agriculture and Land Stewardship	\$ 16,105,516	\$ 15,870,516	\$ 15,855,516	\$ -15,000	-0.1%
Loess Hills Dev. and Conservation					
Loess Hills-EFF	\$ 580,000	\$ 600,000	\$ 600,000	\$ 0	0.0%
Total Agriculture and Land Stewardship	\$ 16,685,516	\$ 16,470,516	\$ 16,455,516	\$ -15,000	-0.1%
<u>Natural Resources, Dept. of</u>					
Natural Resources					
Snowmobile Fund Transfer	\$ 0	\$ 950,000	\$ 0	\$ -950,000	-100.0%
ATV Fund Transfer	0	775,000	0	-775,000	-100.0%
Fish & Game-DNR Admin Expenses	37,626,733	38,793,154	38,793,154	0	0.0%
NPDES Permit Application Processing	700,000	700,000	700,000	0	0.0%
Snowmobile Registration Fees	100,000	100,000	100,000	0	0.0%
UST Administration Match	200,000	200,000	200,000	0	0.0%
GWF-Storage Tanks Study-DNR	100,303	100,303	100,303	0	0.0%
GWF-Household Hazardous Waste-DNR	447,324	447,324	447,324	0	0.0%
GWF-Well Testing Admin 2%-DNR	62,461	62,461	62,461	0	0.0%
GWF-Groundwater Monitoring-DNR	1,686,751	1,686,751	1,686,751	0	0.0%
GWF-Landfill Alternatives-DNR	618,993	618,993	618,993	0	0.0%
GWF-Waste Reduction and Assistance	192,500	192,500	192,500	0	0.0%
GWF-Solid Waste Authorization	50,000	50,000	50,000	0	0.0%
GWF-Geographic Information System	297,500	297,500	297,500	0	0.0%
Total Natural Resources, Dept. of	\$ 42,082,565	\$ 44,973,986	\$ 43,248,986	\$ -1,725,000	-3.8%

Agriculture and Natural Resources Other Funds

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	Gov Rec FY 2010 <u>(3)</u>	Gov Rec vs Est FY 2009 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Natural Resources Capital</u>					
Natural Resources Capital					
REAP-EFF	\$ 15,500,000	\$ 18,000,000	\$ 18,000,000	\$ 0	0.0%
Volunteers and Keepers of Land-EFF	100,000	100,000	100,000	0	0.0%
Park Operations & Maintenance-EFF	2,470,000	2,470,000	2,470,000	0	0.0%
GIS Information for Watershed-EFF	195,000	195,000	195,000	0	0.0%
Water Quality Monitoring-EFF	2,955,000	2,955,000	2,955,000	0	0.0%
Water Quality Protection-EFF	500,000	500,000	500,000	0	0.0%
Air Quality Monitoring- Livestock-EFF	235,000	0	0	0	0.0%
Air Quality Monitoring-EFF	325,000	325,000	625,000	300,000	92.3%
Database Development-EFF	50,000	0	0	0	0.0%
Water Quantity-EFF	480,000	495,000	495,000	0	0.0%
Resource Conservation and Dev.-EFF	300,000	250,000	0	-250,000	-100.0%
Global Climate Change-EFF	0	50,000	0	-50,000	-100.0%
Animal Feeding Operations-EFF	360,000	360,000	360,000	0	0.0%
Ambient Air Quality-FES	0	195,000	0	-195,000	-100.0%
Water Trails & Low Head Dam	0	250,000	0	-250,000	-100.0%
Total Natural Resources Capital	\$ 23,470,000	\$ 26,145,000	\$ 25,700,000	\$ -445,000	-1.7%
<u>Economic Development, Dept. of</u>					
Economic Development, Dept. of					
Brownfields Redevelopment-EFF	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0	0.0%
Total Economic Development, Dept. of	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0	0.0%
Total Agriculture and Natural Resources	\$ 82,738,081	\$ 88,089,502	\$ 85,904,502	\$ -2,185,000	-2.5%

Economic Development Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Economic Development, Dept. of</u>					
Economic Development, Dept. of					
River Enhan. Comm. Attract. & Tourism-FES	\$ 0	\$ 2,000,000	\$ 0	\$ -2,000,000	-100.0%
Comm. Microenterprise Dev. Grants-FES	0	475,000	0	-475,000	-100.0%
Sustainable Community Development-GIVF	0	500,000	0	-500,000	-100.0%
Councils of Government (COGs - GIVF Int)	0	160,000	0	-160,000	-100.0%
Workforce Development Fund	4,000,000	4,000,000	4,000,000	0	0.0%
Renewable Fuels Infrastructure-GIVF	2,000,000	2,000,000	2,000,000	0	0.0%
Renewable Fuels Infrastructure-UST	3,500,000	0	0	0	0.0%
DED Programs-GIVF	30,000,000	30,000,000	27,500,000	-2,500,000	-8.3%
Regents Institutions-GIVF	5,000,000	5,000,000	5,000,000	0	0.0%
State Parks-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Cultural Trust Fund-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Workforce and Econ. Dev.-GIVF	7,000,000	7,000,000	7,000,000	0	0.0%
Regional Financial Assistance-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Iowa Comm Volunteer Ser.-HITT	125,000	125,000	0	-125,000	-100.0%
Innovation & Commercialization-GIVF	3,000,000	3,000,000	3,000,000	0	0.0%
Total Economic Development, Dept. of	\$ 57,625,000	\$ 57,260,000	\$ 51,500,000	\$ -5,760,000	-10.1%
<u>Iowa Workforce Development</u>					
Iowa Workforce Development					
Workers' Comp. Div.-Sp. Cont. Fund	\$ 471,000	\$ 471,000	\$ 471,000	\$ 0	0.0%
IWD Field Offices (UI Reserve Interest)	5,800,000	6,500,000	6,500,000	0	0.0%
Total Iowa Workforce Development	\$ 6,271,000	\$ 6,971,000	\$ 6,971,000	\$ 0	0.0%
Total Economic Development	\$ 63,896,000	\$ 64,231,000	\$ 58,471,000	\$ -5,760,000	-9.0%

Education Other Funds

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	Gov Rec FY 2010 <u>(3)</u>	Gov Rec vs Est FY 2009 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Education, Dept. of</u>					
Education, Dept. of					
Before/After School Grants-HITT	\$ 305,000	\$ 505,000	\$ 0	\$ -505,000	-100.0%
Community Empowerment-HITT	<u>2,153,250</u>	<u>2,153,250</u>	<u>0</u>	<u>-2,153,250</u>	<u>-100.0%</u>
Total Education, Dept. of	<u>\$ 2,458,250</u>	<u>\$ 2,658,250</u>	<u>\$ 0</u>	<u>\$ -2,658,250</u>	<u>-100.0%</u>
Total Education	<u><u>\$ 2,458,250</u></u>	<u><u>\$ 2,658,250</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ -2,658,250</u></u>	<u><u>-100.0%</u></u>

Health and Human Services Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Elder Affairs, Dept. of</u>					
Elder Affairs, Dept. of					
Elder Affairs Operations-SLTF	\$ 8,442,707	\$ 8,486,698	\$ 8,486,698	\$ 0	0.0%
Total Elder Affairs, Dept. of	\$ 8,442,707	\$ 8,486,698	\$ 8,486,698	\$ 0	0.0%
<u>Public Health, Dept. of</u>					
Public Health, Dept. of					
Ad. Dis.-Substance Abuse Treatment-GTF	\$ 2,215,000	\$ 2,215,000	\$ 0	\$ -2,215,000	-100.0%
Ad. Dis.-Gambling Treatment Prog.-GTF	5,255,285	5,068,101	0	-5,068,101	-100.0%
Ad. Dis.-Tobacco Use Prev.-HITT	5,928,465	6,928,265	0	-6,928,265	-100.0%
Ad. Dis.-Sub. Abuse Treatment-HITT	13,800,000	13,800,000	0	-13,800,000	-100.0%
Ad. Dis.-Sub. Abuse Prev. for Kids-HITT	1,050,000	1,050,000	0	-1,050,000	-100.0%
Chr. Con-PKU Assistance-HITT	100,000	100,000	0	-100,000	-100.0%
Chr. Con.-Iowa Stillbirth Eval.-HITT	0	26,000	0	-26,000	-100.0%
Chr. Con.-AIDS Drug Assist. Prog.-HITT	275,000	275,000	0	-275,000	-100.0%
Pub. Pro.-External Defibrillator Grant-HITT	40,000	0	0	0	0.0%
Healthy Iowans 2010-HITT	2,509,960	2,509,960	0	-2,509,960	-100.0%
Epilepsy Education-HITT	100,000	100,000	0	-100,000	-100.0%
Addictive Disorders-HCTF	6,993,754	3,195,164	0	-3,195,164	-100.0%
Healthy Children and Families-HCTF	687,500	667,700	0	-667,700	-100.0%
Chronic Conditions-HCTF	1,188,981	1,164,181	0	-1,164,181	-100.0%
Community Capacity-HCTF	2,790,000	2,790,000	0	-2,790,000	-100.0%
Total Public Health, Dept. of	\$ 42,933,945	\$ 39,889,371	\$ 0	\$ -39,889,371	-100.0%
<u>Human Services, Dept. of</u>					
General Administration					
FIP-TANF	\$ 28,101,513	\$ 26,101,513	\$ 25,656,513	\$ -445,000	-1.7%
Promise Jobs-TANF	14,993,040	13,334,528	13,334,528	0	0.0%
FaDDS-TANF	2,998,675	2,998,675	2,998,675	0	0.0%
Field Operations-TANF	17,707,495	18,507,495	18,507,495	0	0.0%
General Administration-TANF	3,744,000	3,744,000	3,744,000	0	0.0%
Local Admin. Cost-TANF	2,189,830	2,189,830	2,189,830	0	0.0%
State Day Care-TANF	18,986,177	18,986,177	18,986,177	0	0.0%
MH/DD Comm. Services-TANF	4,894,052	4,894,052	4,894,052	0	0.0%
Child & Family Services-TANF	32,084,430	32,084,430	32,084,430	0	0.0%
Child Abuse Prevention-TANF	250,000	250,000	250,000	0	0.0%
Training & Technology-TANF	1,037,186	1,037,186	1,037,186	0	0.0%
HOPES - Transfer to DPH-TANF	200,000	200,000	200,000	0	0.0%

Health and Human Services Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
Human Services, Dept. of, cont.					
0-5 Children-TANF	7,350,000	7,350,000	7,350,000	0	0.0%
Child Support Recovery-TANF	200,000	200,000	200,000	0	0.0%
Child Care Direct Assistance-TANF	6,900,000	8,900,000	9,345,000	445,000	5.0%
Total General Administration	\$ 141,636,398	\$ 140,777,886	\$ 140,777,886	\$ 0	0.0%
Assistance					
Pregnancy Prevention-TANF	\$ 1,930,067	\$ 1,930,067	\$ 1,930,067	\$ 0	0.0%
Medical Supplemental-SLTF	65,000,000	111,753,195	16,784,483	-94,968,712	-85.0%
Medical Contracts-Pharm. Settlement	1,349,833	1,323,833	1,323,833	0	0.0%
Broadlawns Hospital-ICA	40,000,000	40,000,000	40,000,000	0	0.0%
State Hospital-Cherokee-ICA	9,098,425	3,164,766	0	-3,164,766	-100.0%
State Hospital-Clarinda-ICA	1,977,305	687,779	0	-687,779	-100.0%
State Hospital-Independence-ICA	9,045,894	3,146,494	0	-3,146,494	-100.0%
State Hospital-Mt Pleasant-ICA	5,752,587	2,000,961	0	-2,000,961	-100.0%
Medical Examinations-HCTA	556,800	556,800	556,800	0	0.0%
Medical Information Hotline-HCTA	150,000	150,000	100,000	-50,000	-33.3%
Health Partnership Activities-HCTA	550,000	900,000	600,000	-300,000	-33.3%
Audits, Perf. Eval., Studies-HCTA	400,000	400,000	125,000	-275,000	-68.8%
IowaCare Admin. Costs-HCTA	930,352	1,132,412	1,132,412	0	0.0%
Dental Home for Children-HCTA	1,186,475	1,000,000	1,000,000	0	0.0%
Mental Health Trans. Pilot-HCTA	250,000	250,000	0	-250,000	-100.0%
MH/DD Workforce Development	0	500,000	500,000	0	0.0%
Children's Health Insurance-HCTF	8,329,570	0	0	0	0.0%
Medical Assistance-HCTF	99,518,096	114,943,296	0	-114,943,296	-100.0%
MH/MR/DD Growth-HCTF	7,592,099	7,592,099	0	-7,592,099	-100.0%
General Administration-HITT	274,000	274,000	0	-274,000	-100.0%
POS Provider Increase-HITT	146,750	146,750	0	-146,750	-100.0%
Other Service Providers Inc.-HITT	182,381	182,381	0	-182,381	-100.0%
Medical Assistance Combined-HITT	35,327,368	0	0	0	0.0%
Child and Family Services-HITT	3,761,677	3,786,677	0	-3,786,677	-100.0%
Broadlawns Admin-HCTA	230,000	230,000	230,000	0	0.0%
Medical Assistance-HCTA	2,500,000	0	0	0	0.0%
MH PTRF Medical Asst.	0	624,000	0	-624,000	-100.0%
Total Assistance	\$ 296,039,679	\$ 296,675,510	\$ 64,282,595	\$ -232,392,915	-78.3%
Total Human Services, Dept. of	\$ 437,676,077	\$ 437,453,396	\$ 205,060,481	\$ -232,392,915	-53.1%

Health and Human Services Other Funds

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	Gov Rec FY 2010 <u>(3)</u>	Gov Rec vs Est FY 2009 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Veterans Affairs, Dept. of</u>					
Veterans Affairs, Dept. of					
Vets Home Ownership Prog.-VTF	\$ 271,904	\$ 0	\$ 0	\$ 0	0.0%
Vietnam Veterans Bonus-VTF	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Veterans Affairs, Dept. of	<u>\$ 771,904</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.0%</u>
<u>Regents, Board of</u>					
Regents, Board of					
BOR UIHC - IowaCares Expansion Population	\$ 25,684,211	\$ 35,969,365	\$ 47,020,131	\$ 11,050,766	30.7%
BOR UIHC - IowaCares	<u>27,284,584</u>	<u>27,284,584</u>	<u>27,284,584</u>	<u>0</u>	<u>0.0%</u>
Total Regents, Board of	<u>\$ 52,968,795</u>	<u>\$ 63,253,949</u>	<u>\$ 74,304,715</u>	<u>\$ 11,050,766</u>	<u>17.5%</u>
<u>Inspections & Appeals, Dept. of</u>					
Inspections and Appeals, Dept. of					
Assisted Living/Adult Day Care-SLTF	\$ 1,183,303	\$ 1,339,527	\$ 1,339,527	\$ 0	0.0%
Total Inspections & Appeals, Dept. of	<u>\$ 1,183,303</u>	<u>\$ 1,339,527</u>	<u>\$ 1,339,527</u>	<u>\$ 0</u>	<u>0.0%</u>
<u>Iowa Finance Authority</u>					
Iowa Finance Authority					
Rent Subsidy Program-SLTF	\$ 700,000	\$ 700,000	\$ 700,000	\$ 0	0.0%
Total Iowa Finance Authority	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 0</u>	<u>0.0%</u>
Total Health and Human Services	<u><u>\$ 544,676,731</u></u>	<u><u>\$ 551,122,941</u></u>	<u><u>\$ 289,891,421</u></u>	<u><u>\$ -261,231,520</u></u>	<u><u>-47.4%</u></u>

Justice System Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Corrections, Dept. of</u>					
Central Office					
Transitional Housing-HITT	\$ 0	\$ 30,000	\$ 0	\$ -30,000	-100.0%
CBC District 1					
CBC District I - HITT	\$ 228,216	\$ 410,332	\$ 0	\$ -410,332	-100.0%
CBC District 2					
CBC District II - HITT	\$ 406,217	\$ 441,215	\$ 0	\$ -441,215	-100.0%
CBC District 3					
CBC District III - HITT	\$ 200,359	\$ 220,856	\$ 0	\$ -220,856	-100.0%
CBC District 4					
CBC District IV - HITT	\$ 291,731	\$ 310,547	\$ 0	\$ -310,547	-100.0%
CBC District 5					
CBC District V - HITT	\$ 355,693	\$ 419,582	\$ 0	\$ -419,582	-100.0%
CBC District 6					
CBC District VI - HITT	\$ 494,741	\$ 566,750	\$ 0	\$ -566,750	-100.0%
CBC District 7					
CBC District VII - HITT	\$ 232,232	\$ 256,608	\$ 0	\$ -256,608	-100.0%
CBC District 8					
CBC District VIII - HITT	\$ 300,000	\$ 324,299	\$ 0	\$ -324,299	-100.0%
Fort Madison					
Ft. Madison CCU - HITT	\$ 1,497,285	\$ 1,497,285	\$ 0	\$ -1,497,285	-100.0%
Total Corrections, Dept. of	\$ 4,006,474	\$ 4,477,474	\$ 0	\$ -4,477,474	-100.0%
<u>Judicial Branch</u>					
Judicial Branch					
Judicial Retirement-Court Tech. & Modern. Fund	\$ 0	\$ 1,674,663	\$ 0	\$ -1,674,663	-100.0%
Judicial Retirement-Jury Witness Fund	2,000,000	2,500,000	0	-2,500,000	-100.0%
Total Judicial Branch	\$ 2,000,000	\$ 4,174,663	\$ 0	\$ -4,174,663	-100.0%
<u>Public Defense, Dept. of</u>					
Emergency Management Division					
Surcharge to Answering Points-E911	\$ 496,000	\$ 0	\$ 0	\$ 0	0.0%
Total Public Defense, Dept. of	\$ 496,000	\$ 0	\$ 0	\$ 0	0.0%
Total Justice System	\$ 6,502,474	\$ 8,652,137	\$ 0	\$ -8,652,137	-100.0%

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Administrative Services, Dept. of</u>					
Administrative Services					
DAS Distribution Account-RIIF	\$ 2,000,000	\$ 2,000,000	\$ 3,000,000	\$ 1,000,000	50.0%
Capitol Shuttle-RIIF	0	170,000	0	-170,000	-100.0%
I/3 Human Resources Module RFP-RIIF	0	200,000	0	-200,000	-100.0%
Enterprise Resource Planning-I/3-RIIF	1,500,000	0	0	0	0.0%
Total Administrative Services, Dept. of	\$ 3,500,000	\$ 2,370,000	\$ 3,000,000	\$ 630,000	26.6%
<u>Administrative Services - Capitals</u>					
Administrative Services - Capitals					
DGS-Routine Maintenance-RIIF	\$ 5,000,000	\$ 3,000,000	\$ 0	\$ -3,000,000	-100.0%
Cap. Complex Master Plan-RIIF	0	250,000	0	-250,000	-100.0%
Property Acquisition-RIIF	1,000,000	1,000,000	0	-1,000,000	-100.0%
Install Pre-Heat Piping-RC2	0	300,000	0	-300,000	-100.0%
Cap. Complex Alternative Energy Sys.-RC2	0	200,000	0	-200,000	-100.0%
ITE Pooled Technology-TRF	3,810,375	3,980,255	2,037,184	-1,943,071	-48.8%
New State Office Building-RC3	0	20,000,000	0	-20,000,000	-100.0%
Complex Utility Tunnel-RIIF	260,000	0	0	0	0.0%
Capitol Interior/Exterior-RIIF	6,300,000	0	0	0	0.0%
Cap Comp Elect Dist Upgrade-RIIF	3,460,960	0	0	0	0.0%
Hoover Bldg HVAC Improve.-RIIF	1,320,000	0	0	0	0.0%
Energy Plant & Additions-RIIF	998,000	0	0	0	0.0%
Major Maintenance-VIF	40,000,000	0	0	0	0.0%
DHS CCUSO Facility-RIIF	750,000	0	0	0	0.0%
Leases/Assistance-RIIF	1,824,500	0	0	0	0.0%
West Capitol Terrace-RIIF	1,600,000	0	0	0	0.0%
Sidewalk & Parking Lot Repairs-RIIF	1,650,000	0	0	0	0.0%
Vehicle Dispatch Fleet Relocation-RIIF	350,000	0	0	0	0.0%
Workers' Monument-RIIF	200,000	0	0	0	0.0%
Service Oriented Architecture-TRF	254,992	0	0	0	0.0%
DHS Iowa Juvenile School Home New Education &	3,100,000	0	0	0	0.0%
Disabled Veterans Memorial-RIIF	50,000	0	0	0	0.0%
Cap. Complex Utility Tunnel-RC3	0	4,763,078	0	-4,763,078	-100.0%
Project Manager IVH-RIIF	0	200,000	0	-200,000	-100.0%
Capitol Restoration-RC3	0	6,900,000	0	-6,900,000	-100.0%
Electrical Distribution System-RC3	0	4,470,000	0	-4,470,000	-100.0%
Hoover HVAC-RC3	0	1,500,000	0	-1,500,000	-100.0%
Central Energy Plant Improvements-RC3	0	623,000	0	-623,000	-100.0%

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Administrative Services - Capitals, cont.</u>					
Hoover Security & Firewall Protection-RC3	0	165,000	0	-165,000	-100.0%
Major Repair and Maintenance-RC3	0	15,000,000	0	-15,000,000	-100.0%
Purchase Mercy Capitol Hospital-RC3	0	3,400,000	0	-3,400,000	-100.0%
Terrace Hill Major Maintenance-RC3	0	769,543	0	-769,543	-100.0%
DHS-CCUSO Renovation-RC3	0	829,000	0	-829,000	-100.0%
Terrace Hill Renovation-RCF	0	186,457	0	-186,457	-100.0%
Total Administrative Services - Capitals	\$ 71,928,827	\$ 67,536,333	\$ 2,037,184	\$ -65,499,149	-97.0%
<u>Agriculture and Land Stewardship</u>					
Agriculture and Land Stewardship					
IA Jr. Gelbvieh Association-RIIF	\$ 0	\$ 10,000	\$ 0	\$ -10,000	-100.0%
Total Agriculture and Land Stewardship	\$ 0	\$ 10,000	\$ 0	\$ -10,000	-100.0%
<u>Administrative Services - Capitals</u>					
Administrative Services - Capitals					
New State Office Building	\$ 0	\$ 0	\$ 5,000,000	\$ 5,000,000	0.0%
Total Administrative Services - Capitals	\$ 0	\$ 0	\$ 5,000,000	\$ 5,000,000	0.0%
<u>Blind Capitals, Dept. for the</u>					
Dept. for the Blind Capitals					
Blind Building Renovation-RC3	\$ 0	\$ 869,748	\$ 0	\$ -869,748	-100.0%
Total Blind Capitals, Dept. for the	\$ 0	\$ 869,748	\$ 0	\$ -869,748	-100.0%
<u>Corrections, Dept. of</u>					
Central Office					
Iowa Corrections Offender Network-TRF	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0	0.0%
Total Corrections, Dept. of	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0	0.0%
<u>Corrections Capital</u>					
Corrections Capital					
DOC A & E Funding-RIIF	\$ 0	\$ 1,000,000	\$ 0	\$ -1,000,000	-100.0%
Project Manager-RIIF	0	500,000	1,750,000	1,250,000	250.0%
CBC Sioux City Bed Expansion-RC3	0	5,300,000	0	-5,300,000	-100.0%
CBC Ottumwa Bed Expansion-RC3	0	4,100,000	0	-4,100,000	-100.0%
CBC Waterloo Bed Expansion-RC3	0	6,000,000	0	-6,000,000	-100.0%

Transportation, Infrastructure, and Capitals Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Corrections Capital, cont.</u>					
Iowa Correctional Inst. for Women-RC3	0	47,500,000	0	-47,500,000	-100.0%
Mt. Pleasant/Rockwell City Kitchens-RC3	0	12,500,000	0	-12,500,000	-100.0%
Iowa State Penitentiary-Bond Fund	0	130,677,500	0	-130,677,500	-100.0%
CBC Cedar Rapids MH Facility-RIIF	1,300,000	0	0	0	0.0%
ISP Electrical Lease-RIIF	333,168	0	0	0	0.0%
Anamosa Dietary Renovation-RC2	1,400,000	0	0	0	0.0%
Anamosa Boiler-RIIF	25,000	0	0	0	0.0%
Fort Dodge CBC Facility-RIIF	2,450,000	0	0	0	0.0%
DOC Capitals Request-RIIF	5,495,000	0	0	0	0.0%
ICIW Master Plan-RIIF	500,000	0	0	0	0.0%
CBC Des Moines Expansion-RIIF	0	200,000	0	-200,000	-100.0%
Total Corrections Capital	\$ 11,503,168	\$ 207,777,500	\$ 1,750,000	\$ -206,027,500	-99.2%
<u>Cultural Affairs, Dept. of</u>					
Cultural Affairs, Dept. of					
Grout Museum Oral History Exhibit-TRF	\$ 0	\$ 500,000	\$ 486,250	\$ -13,750	-2.8%
Historic Preservation-RIIF	0	1,000,000	0	-1,000,000	-100.0%
Kimball Organ Restoration-RIIF	0	80,000	0	-80,000	-100.0%
Great Places Capitals-RIIF	0	2,000,000	1,900,000	-100,000	-5.0%
Battle Flags-RIIF	0	220,000	0	-220,000	-100.0%
Total Cultural Affairs, Dept. of	\$ 0	\$ 3,800,000	\$ 2,386,250	\$ -1,413,750	-37.2%
<u>Cultural Affairs Capital</u>					
Cultural Affairs Capital					
Great Places Capitals-RIIF	\$ 3,000,000	\$ 0	\$ 0	\$ 0	0.0%
Historic Preservation-RIIF	1,000,000	0	0	0	0.0%
Battle Flags-RIIF	220,000	0	0	0	0.0%
Total Cultural Affairs Capital	\$ 4,220,000	\$ 0	\$ 0	\$ 0	0.0%
<u>Economic Development, Dept. of</u>					
Economic Development, Dept. of					
Innovation & Commercialization-RIIF	\$ 900,000	\$ 900,000	\$ 0	\$ -900,000	-100.0%
Community & Tourism Grant-RIIF	5,000,000	12,000,000	10,000,000	-2,000,000	-16.7%
ACE Infrastructure-RIIF	5,500,000	900,000	900,000	0	0.0%
Workforce Training and Economic Development Fu	2,000,000	2,000,000	0	-2,000,000	-100.0%
Regional Sports Authorities-RIIF	500,000	500,000	0	-500,000	-100.0%
Grow Iowa Values Fund-RIIF	0	50,000,000	47,500,000	-2,500,000	-5.0%

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Economic Development, Dept. of, cont.</u>					
Central Iowa Expo-RIIF	250,000	0	0	0	0.0%
Des Moines Multiuse Comm. Ctr-RIIF	0	100,000	0	-100,000	-100.0%
RECAT-RIIF	0	10,000,000	0	-10,000,000	-100.0%
ACE Infrastructure-RC2	0	4,600,000	0	-4,600,000	-100.0%
Total Economic Development, Dept. of	\$ 14,150,000	\$ 81,000,000	\$ 58,400,000	\$ -22,600,000	-27.9%
<u>Education, Dept. of</u>					
Education, Dept. of					
ICN Part III Leases & Maint.-TRF	\$ 2,727,000	\$ 2,727,000	\$ 2,727,000	\$ 0	0.0%
Iowa Learning Technologies-RIIF	0	250,000	0	-250,000	-100.0%
Sr. Plus Transcript Depository-TRF	0	0	500,000	500,000	0.0%
Education Data Warehouse-TRF	600,000	600,000	600,000	0	0.0%
Enrich Iowa-RIIF	0	1,000,000	1,000,000	0	0.0%
Skills Iowa Technology Grant-TRF	0	500,000	0	-500,000	-100.0%
Ag. Learning Center(EICC)-RIIF	0	80,000	0	-80,000	-100.0%
Total Education, Dept. of	\$ 3,327,000	\$ 5,157,000	\$ 4,827,000	\$ -330,000	-6.4%
Iowa Public Television					
Generators-TRF	\$ 0	\$ 1,602,437	\$ 0	\$ -1,602,437	-100.0%
Digital Translator-TRF	0	701,500	0	-701,500	-100.0%
Total Iowa Public Television	\$ 0	\$ 2,303,937	\$ 0	\$ -2,303,937	-100.0%
Total Education, Dept. of	\$ 3,327,000	\$ 7,460,937	\$ 4,827,000	\$ -2,633,937	-35.3%
<u>Education Capital</u>					
Education Capital					
Community College Infrastructure-RC3	\$ 0	\$ 2,000,000	\$ 0	\$ -2,000,000	-100.0%
Enrich Iowa-RIIF	1,000,000	0	0	0	0.0%
Iowa Learning Technologies-TRF	500,000	0	0	0	0.0%
IPTV Capitals-RIIF	1,275,000	0	0	0	0.0%
Community College Infra.-RIIF	2,000,000	0	0	0	0.0%
NEICC Ag Safety-RIIF	35,000	0	0	0	0.0%
Total Education Capital	\$ 4,810,000	\$ 2,000,000	\$ 0	\$ -2,000,000	-100.0%
<u>Human Rights, Dept. of</u>					
Human Rights, Department of					
Criminal Justice Info. System-TRF	\$ 2,881,466	\$ 1,839,852	\$ 0	\$ -1,839,852	-100.0%
Total Human Rights, Dept. of	\$ 2,881,466	\$ 1,839,852	\$ 0	\$ -1,839,852	-100.0%

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Human Services, Dept. of</u>					
Assistance					
Nursing Facility Renov. & Const.-RIIF	\$ 0	\$ 600,000	\$ 0	\$ -600,000	-100.0%
Child Dev. Health Ins Study-RIIF	0	50,000	0	-50,000	-100.0%
Child Care Workgroup-RIIF	0	30,000	0	-30,000	-100.0%
Comm. & Family Resource Ctr-RIIF	0	15,000	0	-15,000	-100.0%
Total Human Services, Dept. of	\$ 0	\$ 695,000	\$ 0	\$ -695,000	-100.0%
<u>Human Services Capital</u>					
Human Services - Capital					
Nursing Facility Financial Assist.-RIIF	\$ 1,000,000	\$ 0	\$ 0	\$ 0	0.0%
CSRU Payment Processing Equip.-TRF	272,000	0	0	0	0.0%
Total Human Services Capital	\$ 1,272,000	\$ 0	\$ 0	\$ 0	0.0%
<u>Iowa Finance Authority</u>					
Iowa Finance Authority					
IFA Water Quality Grants-RIIF	\$ 4,000,000	\$ 3,000,000	\$ 0	\$ -3,000,000	-100.0%
State Housing Trust Fund-RIIF	2,500,000	3,000,000	3,000,000	0	0.0%
Total Iowa Finance Authority	\$ 6,500,000	\$ 6,000,000	\$ 3,000,000	\$ -3,000,000	-50.0%
<u>Iowa Tele. & Tech. Commission</u>					
Iowa Communications Network					
ICN Equipment Replacement-TRF	\$ 2,067,000	\$ 2,190,123	\$ 2,211,863	\$ 21,740	1.0%
Generator Replacement - TRF	0	0	2,755,246	2,755,246	0.0%
ICN Network Redundancy-TRF	0	0	2,320,000	2,320,000	0.0%
ICN Fiber Redundancy-TRF	0	1,800,000	0	-1,800,000	-100.0%
Total Iowa Tele. & Tech. Commission	\$ 2,067,000	\$ 3,990,123	\$ 7,287,109	\$ 3,296,986	82.6%
<u>Iowa Workforce Development</u>					
Iowa Workforce Development					
Worker's Comp. Appeal System-TRF	\$ 500,000	\$ 0	\$ 0	\$ 0	0.0%
Outcome Tracking System-TRF	580,000	0	0	0	0.0%
Total Iowa Workforce Development	\$ 1,080,000	\$ 0	\$ 0	\$ 0	0.0%

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Law Enforcement Academy</u>					
Law Enforcement Academy					
ILEA Technology Projects-TRF	\$ 0	\$ 0	\$ 185,000	\$ 185,000	0.0%
Total Law Enforcement Academy	\$ 0	\$ 0	\$ 185,000	\$ 185,000	0.0%
<u>Natural Resources, Dept. of</u>					
Natural Resources					
Lowhead Dam Program-RIIF	\$ 0	\$ 1,000,000	\$ 0	\$ -1,000,000	-100.0%
Plasma Arc Technology-RIIF	0	150,000	0	-150,000	-100.0%
Total Natural Resources, Dept. of	\$ 0	\$ 1,150,000	\$ 0	\$ -1,150,000	-100.0%
<u>Natural Resources Capital</u>					
Natural Resources Capital					
Volga River-RC3	\$ 0	\$ 750,000	\$ 0	\$ -750,000	-100.0%
Carter Lake Improvements-RC3	0	500,000	0	-500,000	-100.0%
Honey Creek Destination Park-RC3	0	4,900,000	0	-4,900,000	-100.0%
Lake Rest. & Dredging Projects-RC3	0	8,600,000	0	-8,600,000	-100.0%
Floodplain Mgmt/Dam Safety-RIIF	0	0	3,000,000	3,000,000	0.0%
Lake Delhi Improvements-RIIF	100,000	100,000	0	-100,000	-100.0%
DNR-Destination Park-RCF	0	3,100,000	0	-3,100,000	-100.0%
Lakes Restoration & Water Quality-RIIF	8,600,000	0	0	0	0.0%
State Park Infrastructure-RIIF	2,500,000	0	0	0	0.0%
Volga Lake Recreation Area-RIIF	750,000	0	0	0	0.0%
Carter Lake Improvements-RIIF	500,000	0	0	0	0.0%
Mines of Spain Park-RIIF	100,000	0	0	0	0.0%
Total Natural Resources Capital	\$ 12,550,000	\$ 17,950,000	\$ 3,000,000	\$ -14,950,000	-83.3%
<u>Public Defense Capital</u>					
Public Defense Capital					
Armory Construction Projects-RIIF	\$ 0	\$ 1,800,000	\$ 1,800,000	\$ 0	0.0%
Camp Dodge Water Project Phase 3-RIIF	400,000	410,000	0	-410,000	-100.0%
Facility/Armory Maintenance-RIIF	1,500,000	1,500,000	900,000	-600,000	-40.0%
Ottumwa Armory-RIIF	1,000,000	500,000	0	-500,000	-100.0%
Camp Dodge Electrical Distribution System Upgrad	0	526,000	0	-526,000	-100.0%
Camp Dodge Readiness Center-RIIF	50,000	0	0	0	0.0%
Iowa City Readiness Center-RIIF	1,200,000	0	0	0	0.0%
Waterloo Aviation Readiness Center-RIIF	500,000	0	0	0	0.0%
Newton Readiness Center-RIIF	400,000	0	0	0	0.0%

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Public Defense Capital, cont.</u>					
	400,000	0	0	0	0.0%
Law Enf./Natl Guard Shoot House-RIIF	500,000	0	0	0	0.0%
STARCOMM-RIIF	2,000,000	0	0	0	0.0%
Technology Upgrades-TRF	111,000	0	0	0	0.0%
STARCOMM-RIIF	0	1,600,000	0	-1,600,000	-100.0%
Gold Star Museum-RIIF	1,000,000	2,000,000	1,000,000	-1,000,000	-50.0%
Total Public Defense Capital	\$ 9,061,000	\$ 8,336,000	\$ 3,700,000	\$ -4,636,000	-55.6%
<u>Public Health, Dept. of</u>					
Public Health, Dept. of					
Vision Screening-RIIF	\$ 0	\$ 130,000	\$ 0	\$ -130,000	-100.0%
Total Public Health, Dept. of	\$ 0	\$ 130,000	\$ 0	\$ -130,000	-100.0%
<u>Public Safety Capital</u>					
Public Safety Capital					
AFIS Lease Purchase-TRF	\$ 560,000	\$ 560,000	\$ 350,000	\$ -210,000	-37.5%
Mason City Patrol Post-RIIF	2,400,000	0	0	0	0.0%
DPS Technology Projects-TRF	1,900,000	0	0	0	0.0%
Regional Fire Training Facility-RIIF	1,400,000	0	0	0	0.0%
Emergency Response Training Facility-RIIF	2,000,000	0	0	0	0.0%
Total Public Safety Capital	\$ 8,260,000	\$ 560,000	\$ 350,000	\$ -210,000	-37.5%
<u>Regents, Board of</u>					
Regents, Board of					
Tuition Replacement-RIIF	\$ 0	\$ 24,305,412	\$ 24,305,412	\$ 0	0.0%
ISU-Midwest Grape & Wine Institute-RIIF	0	50,000	0	-50,000	-100.0%
Total Regents, Board of	\$ 0	\$ 24,355,412	\$ 24,305,412	\$ -50,000	-0.2%

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Regents Capital</u>					
Regents Capital					
Iowa Public Radio	\$ 0	\$ 2,000,000	\$ 0	\$ -2,000,000	-100.0%
Tuition Replacement-RIIF	10,329,981	0	0	0	0.0%
ISU Veterinary Lab-VIF	600,000	0	0	0	0.0%
ISU Veterinary Laboratory-RIIF	0	1,800,000	0	-1,800,000	-100.0%
SUI-Inst. for Biomedical Discovery-RIIF	10,000,000	10,000,000	10,000,000	0	0.0%
Fire Safety and Deferred Maint.-VIF	1,000,000	0	0	0	0.0%
SUI Hygienic Laboratory-RIIF	15,650,000	12,000,000	0	-12,000,000	-100.0%
ISU - Renewable Fuels Building-RIIF	5,647,000	14,756,000	11,597,000	-3,159,000	-21.4%
UNI - MyEntreNet-TRF	235,000	0	0	0	0.0%
Total Regents Capital	\$ 43,461,981	\$ 40,556,000	\$ 21,597,000	\$ -18,959,000	-46.7%
<u>Revenue, Dept. of</u>					
Revenue, Dept. of					
SAVE Appropriation-RIIF	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 0	0.0%
Total Revenue, Dept. of	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 0	0.0%
<u>Secretary of State</u>					
Secretary of State					
Voting Machine Reimb.-RIIF	\$ 2,000,000	\$ 0	\$ 0	\$ 0	0.0%
Optical Scan Voting Systems-RIIF	4,900,880	0	0	0	0.0%
Total Secretary of State	\$ 6,900,880	\$ 0	\$ 0	\$ 0	0.0%
<u>State Fair Authority Capital</u>					
State Fair Authority Capital					
Agricultural Exhibition Center-RC3	\$ 0	\$ 5,000,000	\$ 0	\$ -5,000,000	-100.0%
Agri. Exhibition Center-RIIF	3,000,000	0	0	0	0.0%
Total State Fair Authority Capital	\$ 3,000,000	\$ 5,000,000	\$ 0	\$ -5,000,000	-100.0%

Transportation, Infrastructure, and Capitals Other Funds

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	Gov Rec FY 2010 <u>(3)</u>	Gov Rec vs Est FY 2009 <u>(4)</u>	Percent Change <u>(5)</u>
Transportation, Dept. of					
Transportation, Dept. of					
Dubuque Depot Platform-RIIF	\$ 0	\$ 300,000	\$ 0	\$ -300,000	-100.0%
Public Transit Fund-RC3	0	2,200,000	0	-2,200,000	-100.0%
Commercial Aviation Infrastructure-RC3	0	1,500,000	0	-1,500,000	-100.0%
RUTF-Drivers' Licenses	3,047,000	3,047,000	4,195,000	1,148,000	37.7%
RUTF-Operations	6,367,178	6,524,336	6,657,336	133,000	2.0%
RUTF-Planning & Programming	493,945	501,515	506,515	5,000	1.0%
RUTF-Motor Vehicle	34,530,525	35,184,012	36,752,012	1,568,000	4.5%
RUTF-DAS	188,207	183,000	225,000	42,000	23.0%
RUTF-Unemployment Compensation	17,000	17,000	7,000	-10,000	-58.8%
RUTF-Workers' Compensation	108,000	117,000	142,000	25,000	21.4%
RUTF-Indirect Cost Recoveries	102,000	102,000	78,000	-24,000	-23.5%
RUTF-Auditor Reimbursement	60,988	64,082	67,319	3,237	5.1%
RUTF-County Treasurers Support	1,832,000	1,442,000	1,394,000	-48,000	-3.3%
RUTF-Road/Weather Conditions Info	100,000	100,000	100,000	0	0.0%
RUTF-Mississippi River Park. Comm.	40,000	61,000	40,000	-21,000	-34.4%
RUTF-N. America Super Corridor Coalition	50,000	50,000	50,000	0	0.0%
RUTF-IRP/IFTA	1,000,000	0	0	0	0.0%
RUTF-Overdimension Permit System	0	1,000,000	0	-1,000,000	-100.0%
PRF-Operations	39,111,314	40,653,860	40,890,860	237,000	0.6%
PRF-Planning & Programming	9,375,862	9,616,696	9,611,696	-5,000	-0.1%
PRF-Highway	226,542,410	223,274,176	236,263,176	12,989,000	5.8%
PRF-Motor Vehicle	1,481,497	2,020,005	1,555,005	-465,000	-23.0%
PRF-DAS	1,153,417	1,121,000	1,382,000	261,000	23.3%
PRF-DOT Unemployment	328,000	328,000	138,000	-190,000	-57.9%
PRF-DOT Workers' Compensation	2,592,000	2,814,000	3,406,000	592,000	21.0%
PRF-Garage Fuel & Waste Mgmt.	800,000	800,000	800,000	0	0.0%
PRF-Indirect Cost Recoveries	748,000	748,000	572,000	-176,000	-23.5%
PRF-Auditor Reimbursement	376,212	395,218	415,181	19,963	5.1%
PRF-Transportation Maps	242,000	242,000	242,000	0	0.0%
PRF-Inventory & Equip.	2,250,000	2,250,000	2,250,000	0	0.0%
PRF-Field Facility Deferred Maint.	351,500	500,000	1,000,000	500,000	100.0%
Recreational Trails-RIIF	2,000,000	3,000,000	0	-3,000,000	-100.0%
Rail Revolving Loan & Grant Fund-RIIF	2,000,000	2,000,000	0	-2,000,000	-100.0%
General Aviation Grants-RIIF	750,000	750,000	0	-750,000	-100.0%
Public Transit Infrastructure-RIIF	2,200,000	0	0	0	0.0%
Commercial Air Service-RIIF	1,500,000	0	0	0	0.0%
Aviation Authority Assistance-SAF	20,000	0	0	0	0.0%
Total Transportation, Dept. of	\$ 341,759,055	\$ 342,905,900	\$ 348,740,100	\$ 5,834,200	1.7%

Transportation, Infrastructure, and Capitals Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Transportation Capitals</u>					
Transportation Capital					
PRF-Rockwell City Garage	\$ 0	\$ 0	\$ 3,000,000	\$ 3,000,000	0.0%
PRF-Utility Improvements	400,000	400,000	400,000	0	0.0%
PRF-Garage Roofing Projects	100,000	200,000	200,000	0	0.0%
PRF-HVAC Improvements	100,000	100,000	100,000	0	0.0%
PRF-ADA Improvements	200,000	120,000	120,000	0	0.0%
PRF-Ames Elevator Upgrade	100,000	100,000	100,000	0	0.0%
PRF-Clarinda Garage	2,300,000	0	0	0	0.0%
RUTF-Scale/MVD Facilities Maint.	100,000	200,000	200,000	0	0.0%
PRF-Waukon Garage	0	2,500,000	0	-2,500,000	-100.0%
Total Transportation Capitals	\$ 3,300,000	\$ 3,620,000	\$ 4,120,000	\$ 500,000	13.8%
<u>Treasurer of State</u>					
Treasurer of State					
County Fair Improvements-RIIF	\$ 1,590,000	\$ 1,590,000	\$ 0	\$ -1,590,000	-100.0%
Watershed Protection-ENDW	5,000,000	0	0	0	0.0%
Watershed Improvement Fund-RIIF	0	5,000,000	0	-5,000,000	-100.0%
Total Treasurer of State	\$ 6,590,000	\$ 6,590,000	\$ 0	\$ -6,590,000	-100.0%
<u>Veterans Affairs, Dept. of</u>					
Veterans Affairs, Department of					
Vet. Home Ownership Assistance-RIIF	\$ 0	\$ 1,600,000	\$ 1,600,000	\$ 0	0.0%
Dubuque Veterans Memorial Plaza-RC3	0	100,000	0	-100,000	-100.0%
Total Veterans Affairs, Department of	\$ 0	\$ 1,700,000	\$ 1,600,000	\$ -100,000	-5.9%
Veterans Affairs, Dept. of					
Veterans Home Ownership Assist.-RIIF	\$ 1,000,000	\$ 0	\$ 0	\$ 0	0.0%
Total Veterans Affairs, Dept. of	\$ 1,000,000	\$ 1,700,000	\$ 1,600,000	\$ -100,000	-5.9%
<u>Veterans Affairs Capitals</u>					
Veterans Affairs Capital					
IVH Infrastructure-RIIF	\$ 532,000	\$ 0	\$ 0	\$ 0	0.0%
IVH Infrastructure-RC3	0	20,555,329	0	-20,555,329	-100.0%
Total Veterans Affairs Capitals	\$ 532,000	\$ 20,555,329	\$ 0	\$ -20,555,329	-100.0%
Total Transportation, Infrastructure, and Capitals	\$ 574,154,377	\$ 869,258,134	\$ 505,785,055	\$ -363,473,079	-41.8%

Unassigned Standings

Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<u>Economic Development, Dept. of</u>					
Economic Development, Dept. of Endow Iowa Admin-County Endw. Fund	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0	0.0%
Total Economic Development, Dept. of	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0	0.0%
<u>Legislative Branch</u>					
Legislative Services Agency LSA - Affordable Health Care-HCTF	\$ 500,000	\$ 0	\$ 0	\$ 0	0.0%
Total Legislative Branch	\$ 500,000	\$ 0	\$ 0	\$ 0	0.0%
<u>Human Services, Dept. of</u>					
Assistance MH Costs for Children-PTRF	\$ 6,600,000	\$ 6,600,000	\$ 6,072,000	\$ -528,000	-8.0%
Total Human Services, Dept. of	\$ 6,600,000	\$ 6,600,000	\$ 6,072,000	\$ -528,000	-8.0%
<u>Management, Dept. of</u>					
Management, Dept. of					
Environment First Fund-RIIF	\$ 40,000,000	\$ 42,000,000	\$ 42,000,000	\$ 0	0.0%
Vertical Infrastructure Fund-RIIF	50,000,000	0	0	0	0.0%
Appeal Board Claims-HITT	164,137	0	0	0	0.0%
Primary Road Salary Adjustment	3,060,049	565,608	0	-565,608	-100.0%
Road Use Tax Salary Adjustment	957,279	621,696	0	-621,696	-100.0%
Technology Reinvestment Fund-RIIF	0	17,500,000	14,500,000	-3,000,000	-17.1%
Total Management, Dept. of	\$ 94,181,465	\$ 60,687,304	\$ 56,500,000	\$ -4,187,304	-6.9%
<u>Revenue, Dept. of</u>					
Revenue, Dept. of					
Homestead Property Tax Credit - PTCF	\$ 99,254,781	\$ 99,254,781	\$ 49,348,103	\$ -49,906,678	-50.3%
Ag. Land/Family Farm Tax Credits-PTCF	34,610,183	34,610,183	34,610,183	0	0.0%
Military Service Tax Credit - PTCF	2,800,000	2,800,000	2,800,000	0	0.0%
Elderly & Disabled Tax Credit-PTCF	23,204,000	23,204,000	23,204,000	0	0.0%
Total Revenue, Dept. of	\$ 159,868,964	\$ 159,868,964	\$ 109,962,286	\$ -49,906,678	-31.2%

Unassigned Standings

Other Funds

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	Gov Rec FY 2010 <u>(3)</u>	Gov Rec vs Est FY 2009 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Transportation, Dept. of</u>					
Transportation, Dept. of					
Personal Delivery of Services-RUTF	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0	0.0%
County Treasurer Equipment-RUTF	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>	<u>0</u>	<u>0.0%</u>
Total Transportation, Dept. of	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 0</u>	<u>0.0%</u>
<u>Treasurer of State</u>					
Treasurer of State					
Healthy Iowans Tobacco Trust-ENDW	\$ 60,139,379	\$ 0	\$ 0	\$ 0	0.0%
Total Treasurer of State	<u>\$ 60,139,379</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.0%</u>
Total Unassigned Standings	<u><u>\$ 322,234,808</u></u>	<u><u>\$ 228,101,268</u></u>	<u><u>\$ 173,479,286</u></u>	<u><u>\$ -54,621,982</u></u>	<u><u>-23.9%</u></u>

PROJECTED FY 2010 BUILT-IN AND ANTICIPATED GENERAL FUND EXPENDITURE INCREASES AND DECREASES

The built-in and anticipated expenditure estimates are used to help determine the projected condition of the General Fund budget for the next fiscal year. This is intended to assist the General Assembly in making budget decisions during the next legislative session. The estimates reflect the incremental increases over the previous fiscal year's enacted appropriations. The estimates are divided into two categories: built-in expenditures and anticipated expenditure increases.

A built-in expenditure is a projected change compared to the previous year's enacted appropriation that is associated with a standing appropriation established by statute, an entitlement program, or a multi-year appropriation. Legislative action is required to change or notwithstanding the standing appropriation provisions of the Code of Iowa.

An anticipated expenditure is a projected increase associated with a cost that a State agency or program will incur in the next budget year, but has not been appropriated the funds to cover the increased cost. Legislative action is required in order for State agencies to receive additional funds for the anticipated costs. If a State agency is not appropriated the additional funds, the agency must find reductions in their budget to fund the anticipated expenditure obligations. Built-in and anticipated expenditures can be increases or decreases depending on how the incremental change affects the baseline appropriation levels.

For FY 2010, the Legislative Services Agency (LSA) is projecting \$591.9 million in total built-in and anticipated expenditure increases. The FY 2010 projection includes \$433.1 million in General Fund built-in increase and \$158.8 million in anticipated increases. The following tables provide an itemized list of the FY 2010 estimates. Additional detail for each of the estimates is also provided.

Appendix B – Projected FY 2009 Built-In and Anticipated General Fund Expenditures

(Dollars in Millions)

Built-in Changes	
1. Education - K-12 School Foundation Aid	\$ 399.0
2. Education - Teacher Quality/Student Achievement Program	-238.5
3. Education - Educational Excellence Phase II	-41.2
4. Education - Early Intervention/Class Size Reduction	-29.3
5. Education - Early Care, Health, and Education	-10.0
6. Education - Parent Support and Parent Education	-5.0
7. Education - Instructional Support	0.4
8. Human Services - Medical Assistance	166.7
9. Human Services - Health Care Reform	10.0
10. Human Services - State Children's Health Insurance - hawk-i	9.0
11. Human Services - Mental Health Growth Factor	8.3
12. Revenue - Homestead Tax Credit	71.7
13. Revenue - Agricultural Land Tax Credit	25.0
14. Revenue - Elderly and Disabled Credit	16.8
15. Revenue - Military Service Tax Credit	2.0
16. College Aid - College Student Aid Work Study Program	1.8
17. Executive Council - Performance of Duty	35.5
18. Management - State Appeal Board Claims	7.9
19. Public Health - Substance Abuse	2.0
20. Veterans - County Grant Standing	1.0
Subtotal	\$ 433.1

Appendix B – Projected FY 2010 Built-In and Anticipated General Fund Expenditures

(Dollars in Millions)

Anticipated Expenditure Changes	
21. Collective Bargaining Salary Costs	\$ 92.9
22. Healthy Iowans Tobacco Trust (HITT) Programs	36.4
23. Health Care Trust Fund (HCTF) Programs	0.5
24. Corrections - Anticipated operating cost increases	4.1
25. Corrections - Operating Costs for Additional Beds	2.7
26. Corrections - Sex Offender Supervision & Treatment	2.5
27. Corrections - Federal Funds Replacement	0.5
28. Corrections - DAS Reimbursement	0.4
29. Dept. of Justice - Victim Assistance Grants	4.1
30. Education - Teacher Quality/Student Achievement Program	-0.8
31. Human Services - Child and Family Services	3.6
32. Human Services - Mental Health Emergency	3.0
33. Human Services - IowaCare Growth at U of I	2.0
34. Human Services - Field Operations	1.2
35. Human Services - Mental Health Child System	1.0
36. Human Services - Mental Health Risk Pool	1.0
37. Human Services - Health Insurance for Direct Care Workers	0.8
38. Human Services - Sexual Predator Commitment Program	0.7
39. Human Services - General Admin	0.1
40. Human Services - State Resource Centers	-3.7
41. Judicial Branch - Retirement Fund Contribution	4.8
42. Public Health - Chronic Conditions	0.1
43. Public Health - Substance Abuse	1.3
44. Secretary of State - IVOTER System Maintenance	0.6
45. Veterans Home	-1.0
Subtotal	\$ 158.8
TOTAL PROJECTED EXPENDITURE CHANGES	\$ 591.9

FY 2010 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
1. Education – K-12 School Foundation Aid <i>Standing Unlimited Appropriation</i>	<p>The School Foundation Program establishes limits and controls on local school district spending authority. By formula, the Program determines the amount of State aid and local property tax used in funding the majority of school district budgets.</p> <p>Beginning in FY 2010, the following State categorical funding will be funded on a per pupil basis through the school aid formula (Section 257.9, Code of Iowa):</p> <ul style="list-style-type: none"> • Student Achievement/Teacher Quality (SATQ) teacher compensation and Educational Excellence Phase II will be funded through the teacher salary supplement. • SATQ professional development will be funded through the professional development supplement. • Early intervention/Class Size Reduction will be funded through the early intervention supplement. <p>These new supplements will be funded entirely through State aid.</p>	<p>Assumes the following:</p> <ul style="list-style-type: none"> • 4.0% allowable growth rate. • Restoration of the statutory reduction of \$7.5 million to the Area Education Agencies. • A \$6.0 million increase for Adjusted Additional Property Tax Levy Aid. • An additional Preschool Program weighting for new programs totaling \$17.3 million in FY 2009. This Program is funded entirely through State aid. Preschool Program Funding will total \$33.5 million in FY 2010. • Statewide taxable valuation growth of 4.7% in FY 2010. • Overall funding for the teacher salary, professional development, and early intervention supplements in FY 2010 will be equivalent to the FY 2009 amounts those programs received through State categorical appropriations (\$309.0 million). 	<p>\$ 399.0</p>	<ul style="list-style-type: none"> • Reduce the allowable growth rate to 3.0% (property tax reduction totaling \$300,000). 	\$ 28.5
				<ul style="list-style-type: none"> • Reduce the allowable growth rate to 2.0% (property tax increase would total \$2.9 million). 	\$ 56.5
				<ul style="list-style-type: none"> • Increase the Uniform Property Tax Levy from \$5.40 to \$5.90. This option will increase local property tax by the State aid reduction amount. 	\$ 59.8
				<ul style="list-style-type: none"> • Reduce the Regular Program, Special Education Regular Program, and AEA Special Education Foundation Levels by 1.0%. This will reduce State Aid and increase local property tax. 	\$ 33.1
				<ul style="list-style-type: none"> • Reduce the FY 2009 State Cost per Pupil and District Cost per Pupil by \$100. 	\$ 50.9
				<ul style="list-style-type: none"> • Notwithstanding the Adjusted Additional Property Tax Levy Aid for FY 2010. This will increase property taxes in 83 school districts. 	\$ 24.0

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
<p>2. Education – Teacher Quality/Student Achievement (SATQ) Program <i>Standing Limited Appropriation</i></p>	<p>Provides funding to school districts to enhance teacher salaries, provide beginning teacher mentoring, enhance salaries for hard-to-staff teaching assignments, provide professional development, and explore pay-for-performance incentives. Specifies minimum salaries for beginning career teachers.</p> <p>Additionally, the Program provides funding to the Department of Education for the Career Development Program, evaluator training, National Board Certification stipends, and administrative costs of the Program.</p> <p>Beginning in FY 2010, the SATQ teacher compensation and professional development portions of the Program will be funded on a per pupil basis through the school aid formula.</p>	<ul style="list-style-type: none"> The FY 2009 allocations totaled \$210.0 million for teacher compensation and \$28.5 million for professional development. Funding for these programs in FY 2010 will be equivalent to the FY 2009 amounts and will be funded through the school aid formula. 	<p>\$ - 238.5</p>	<ul style="list-style-type: none"> No options identified. 	
<p>3. Educational Excellence <i>Standing Limited Appropriation</i></p>	<p>Provides allocations to local school districts to enhance teacher salaries. Section 294A.25, <u>Code of Iowa</u>, appropriates no more than \$15.6 million for the Program. Prior to FY 2010, this amount was \$56.9 million.</p> <p>Beginning in FY 2010, funding to school districts and area education agencies for Phase II of the Program will be generated on a per pupil basis included in the teacher salary supplement through the school aid formula (Section 257.9(6), <u>Code of Iowa</u>).</p>	<ul style="list-style-type: none"> Beginning in FY 2010, Phase II of the Educational Excellence Program will be funded on a per pupil basis through the school aid formula as part of the teacher salary supplement. The total Phase II amount generated through the school aid formula in FY 2010 will be equivalent to the amount appropriated in FY 2010 (\$41.2 million). 	<p>\$ - 41.2</p>	<ul style="list-style-type: none"> Eliminate Phase I. 	<p>\$ 13.5</p>

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
<p>4. Early Intervention/Class Size Reduction <i>Standing Limited Appropriation</i></p>	<p>Provides funding to reduce class sizes in grades kindergarten through three (Section 256D.5, <u>Code of Iowa</u>). Beginning in FY 2010, funding to school districts for the Program will be generated on a per pupil basis through the school aid formula (Section 257.9(8), <u>Code of Iowa</u>).</p>	<ul style="list-style-type: none"> Beginning in FY 2010, the Program will be funded annually on a per pupil basis through the school aid formula. In FY 2009, school districts received a total of \$29.3 million as a separate appropriation. The amount shifted to the school aid formula for FY 2010 is estimated to total \$29.3 million. 	<p>\$ - 29.3</p>	<ul style="list-style-type: none"> No options identified. 	
<p>5. Education – Early Care, Health, and Education <i>Multi-Year Appropriation</i></p>	<p>Provides additional funding for Community Empowerment School Ready Grants. A portion of the appropriation (\$5.5 million) was specifically targeted to preschool tuition for low-income families, and \$1.0 million was reserved for implementation of the recommendations of the Business Community Investment Advisory Council. House File 2769, enacted in 2006 and amended in 2007, appropriated this funding for FY 2007, FY 2008, and FY 2009.</p>	<ul style="list-style-type: none"> Under current law, funds are not appropriated for this program for FY 2010. 	<p>\$ -10.0</p>	<ul style="list-style-type: none"> Allow the appropriation to expire. 	
<p>6. Education – Parent Support and Parent Education <i>Multi-Year Appropriation</i></p>	<p>Provides additional funding for Community Empowerment School Ready Grants. The funding was specifically targeted to family support and parent education programs that included home visitation for families with children ages 0-3. House File 2769, enacted in 2006 and amended in 2007, appropriated this funding for FY 2007, FY 2008, and FY 2009.</p>	<ul style="list-style-type: none"> Under current law, funds are not appropriated for this program for FY 2010. 	<p>\$ -5.0</p>	<ul style="list-style-type: none"> Allow the appropriation to expire. 	

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
7. Instructional Support <i>Standing Limited Appropriation</i>	Provides additional funding of up to 10.0% of the regular program district cost to be used for general operations. Funding comes from property taxes or a combination of property taxes and income surtax, and from State aid. The State aid has been capped at \$14.8 million.	<ul style="list-style-type: none"> Assumes the appropriation will return to the statutory level. 	\$ 0.4	<ul style="list-style-type: none"> Require the Program to be locally funded. Maintain the FY 2009 funding level. 	\$ 14.8 \$ 0.4

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
8. Human Services – Medical Assistance <i>Appropriation</i>	<p>Medical Assistance is a state/federal entitlement program that provides medical services to eligible low-income recipients. To qualify for federal funding, the State must reimburse providers for certain mandatory services. The State has the option to provide coverage of additional services and can elect to expand coverage to optional eligibility groups. Iowa is currently covering most of the optional services and optional eligibility groups that qualify for federal matching funds. The State also has the ability to set the rates it uses to reimburse service providers, within federal guidelines.</p>	<p>The increase includes the following:</p> <ul style="list-style-type: none"> • \$45.3 million due to increases in cost and utilization. • A net increase of \$37.0 million associated with FY 2009 costs that were not funded in the original appropriation. • \$2.8 million to replace one-time Magellan money used in FY 2009 for Medicaid Waivers. • \$3.8 million to replace one-time funding from the Property Tax Relief Fund. • \$1.8 million to annualize the hospital rebase in FY 2010. • \$74.6 million for a projected revenue shortfall from the Senior Living Trust Fund for FY 2010. • \$10.0 million to rebase nursing facilities in FY 2010. • A decrease of \$17.6 million as a result of changes to the FMAP rate and one-time audits paid out in FY 2009. • \$9.0 million associated with a loss of federal matching funds deposited in the IowaCare Account for use by the four mental health institutes. 	<p>\$ 166.7</p>	<ul style="list-style-type: none"> • Reduce or eliminate optional Medicaid coverage groups. The savings depends on the options eliminated. • Reduce or freeze current provider rates. The savings depends on the provider rates that are adjusted. • Eliminate both the nursing facility rebase and the hospital rebase. • Eliminate optional services. The savings depends on the options eliminated. • Reduce anesthesiologists to 100.0% of Medicare rates. • Move behavioral drugs to the preferred drug lists. • Recalculate the State Maximum Allowable Cost (SMAC) payment to pharmacies. 	

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
9. Human Services – Health Care Reform <i>Multi-Year Appropriation</i>	House File 2539 (FY 2008 Health Care Reform Act) created a hawk-i Expansion Program to cover children up to 300% of federal poverty level regardless of federal participation.	<ul style="list-style-type: none"> Current law increases the appropriation to implement the second year of a three-year phase-in plan with an increase of \$10.0 million for FY 2010. House File 2539 appropriated an additional \$10.0 million increase for FY 2011. 	\$ 10.0	<ul style="list-style-type: none"> Only implement the program up to 300% of federal poverty level with federal participation. 	\$6.0
10. Human Services – hawk-i <i>Appropriation</i>	Hawk-i is a state/federal program that provides medical services to children with family incomes less than 200% of the federal poverty level but have resources that exceed requirements necessary to be eligible for the Medicaid program.	<ul style="list-style-type: none"> For FY 2008, \$9.0 million in one-time carry-forward funds were used for FY 2009. In order to maintain funding at the FY 2009 level, an additional \$9.0 million will need to be appropriated for FY 2010. 	\$ 9.0	<ul style="list-style-type: none"> No options identified. 	
11. Human Services – Mental Health Growth Factor <i>Appropriation</i>	The Mental Health Growth Factor provides an increase for inflation applied to the sum of the county base expenditures for Mental Health/Mental Retardation/Developmental Disabilities Services and the previously allowed growth appropriation.	<ul style="list-style-type: none"> The FY 2010 Growth Factor was established in HF 2700 (FY 2009 Standing Appropriations Act). This is an increase of \$8.3 million compared to the estimated FY 2009 appropriation. Assumes continuation of the appropriation from the Health Care Trust Fund for FY 2010 at the FY 2009 level. 	\$ 8.3	<ul style="list-style-type: none"> Eliminate the FY 2010 increase enacted in HF 2700. 	\$ 8.3

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
12. Revenue – Homestead Tax Credit	Provides a property tax credit for residential homeowners.	<ul style="list-style-type: none"> The Homestead Tax Credit was funded from the PTCF at \$99.3 million in FY 2009. Of the \$44.4 million General Fund appropriation to the PTCF, \$27.6 million was proportionally allocated for the Homestead Tax Credit. 	\$ 71.7	<ul style="list-style-type: none"> Fund an amount equal to the FY 2009 General Fund allocation of \$27.6 million. 	\$ 71.7
<i>Standing Unlimited Appropriation</i>	<p>NOTE: The Property Tax Credit Fund (PTCF) received appropriations totaling \$159.9 million to fund four tax credits. This includes \$44.4 million from the General Fund and a \$99.8 million from the FY 2008 General Fund surplus, and \$13.7 million of unused funds appropriated for FY 2008 salary adjustment.</p>	<ul style="list-style-type: none"> Section 5.4, HF 2700 (FY 2009 Standing Appropriations Act) limits the FY 2010 tax credit to the same amount appropriated in FY 2009 (\$99.3 million). Assumes the Property Tax Credit Fund (PTCF) will be funded entirely from the General Fund in FY 2010. The FY 2010 increase is to replace funding the PTCF received from other sources. 		<ul style="list-style-type: none"> Eliminate the tax credit. 	\$ 99.3

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
13. Revenue – Agricultural Land Tax Credit <i>Standing Limited Appropriation</i>	Provides a property tax credit to individuals for qualified lands used for agricultural purposes. Includes the Family Farm Tax Credit. NOTE: The Property Tax Credit Fund (PTCF) received appropriations totaling \$159.9 million to fund four tax credits. This includes \$44.4 million from the General Fund and a \$99.8 million from the FY 2008 General Fund surplus, and \$13.7 million of unused funds appropriated for FY 2008 salary adjustment	<ul style="list-style-type: none"> • The Agricultural Land Tax Credit was funded from the Property Tax Credit Fund in FY 2009. Of the \$44.4 million General Fund appropriation to the PTCF, \$9.6 million was proportionally allocated for the Agricultural Land Tax Credit. • Section 5.4, HF 2700 (FY 2009 Standing Appropriations Act) limits the FY 2010 Tax Credit to the same amount appropriated in FY 2009. • Assumes the Property Tax Credit Fund (PTCF) will be funded entirely from the General Fund in FY 2010. • The FY 2010 increase is to replace funding the PTCF received from other sources. 	\$ 25.0	<ul style="list-style-type: none"> • Fund an amount equal to the FY 2009 General Fund allocation of \$9.6 million. • Eliminate the tax credit. 	\$ 25.0 \$ 34.6

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
14. Revenue – Elderly and Disabled Tax Credit <i>Standing Unlimited Appropriation</i>	Provides a property tax credit for low-income elderly or disabled taxpayers. NOTE: The Property Tax Credit Fund (PTCF) received appropriations totaling \$159.9 million to fund four tax credits. This includes \$44.4 million from the General Fund and a \$99.8 million from the FY 2008 General Fund surplus, and \$13.7 million of unused funds appropriated for FY 2008 salary adjustment.	<ul style="list-style-type: none"> • This appropriation was funded from the Property Tax Credit Fund in FY 2009. Of the \$44.4 million General Fund appropriation to the PTCF, \$6.4 million was proportionally allocated for the Elderly and Disabled Tax Credit. • Section 5.4, HF 2700 (FY 2009 Standing Appropriations Act) limits the FY 2010 tax credit to the same amount appropriated in FY 2009. • Assumes the Property Tax Credit Fund (PTCF) will be funded entirely from the General Fund in FY 2010. • The FY 2010 increase is to replace funding the PTCF received from other sources. 	\$ 16.8	<ul style="list-style-type: none"> • Eliminate the tax credit. • Fund an amount equal to the FY 2009 General Fund allocation of \$6.4 million. 	\$ 23.2 \$ 16.8

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
15. Revenue – Military Service Tax Credit <i>Standing Unlimited Appropriation</i>	Provides a property tax credit to replace all or a portion of the tax on property eligible for a Military Service Tax Exemption. Section 426.1A, <u>Code of Iowa</u> , appropriates an amount necessary to fund the credits. NOTE: The Property Tax Credit Fund (PTCF) received appropriations totaling \$159.9 million to fund four tax credits. This includes \$44.4 million from the General Fund and a \$99.8 million from the FY 2008 General Fund surplus, and \$13.7 million of unused funds appropriated for FY 2008 salary adjustment	<ul style="list-style-type: none"> • The Military Service Tax Credit was funded from the Property Tax Credit Fund in FY 2009. Of the \$44.4 million General Fund appropriation to the PTCF, \$0.8 million was proportionally allocated for the Military Service Tax Credit. • Section 5.4, HF 2700 (FY 2009 Standing Appropriations Act) limits the FY 2010 tax credit to the same amount appropriated in FY 2009. • Assumes the Property Tax Credit Fund (PTCF) will be funded entirely from the General Fund in FY 2010. • The FY 2010 increase is to replace funding the PTCF received from other sources. 	\$ 2.0	<ul style="list-style-type: none"> • Eliminate the tax credit. • Fund an amount equal to the FY 2009 General Fund allocation of \$0.8 million. 	\$ 2.8 \$ 2.0
16. College Aid – College Student Aid Work Study Program <i>Standing Limited Appropriation</i>	This is a standing limited appropriation of \$2.8 million established in Section 261.85, <u>Code of Iowa</u> . The appropriation provides funding to colleges and universities to supplement federal work-study funds of approximately \$13.0 million annually. The State funding does not serve as a match for the federal funds.	<ul style="list-style-type: none"> • This Program received a General Fund appropriation of \$995,000 for FY 2009. • The estimate returns the appropriation to the statutory level of \$2.8 million. 	\$ 1.8	<ul style="list-style-type: none"> • Eliminate funding for the Program for FY 2010. • Fund at the FY 2009 level. 	\$ 2.8 \$ 1.8

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
<p>17. Executive Council – Performance of Duty <i>Standing Unlimited Appropriation</i></p>	<p>The Executive Council approves expenditures from the Performance of Duty appropriation to provide funding for emergency repairs to State property if sufficient funds are not available in a State agency’s budget. The majority of the approved funds are for State expenditures associated with natural disasters, including State matching funds for FEMA grants.</p>	<ul style="list-style-type: none"> • There is currently \$2.1 million included in the FY 2009 budget to cover estimated expenses through the Performance of Duty appropriation. • It is estimated that the Department of Homeland Security and Emergency Management Division will need approximately \$37.6 million in FY 2010 for disaster-related funding. This is \$35.5 million more than the current base appropriation. 	<p>\$ 35.5</p>	<p>• No options identified.</p>	
<p>18. Management – State Appeal Board Claims <i>Standing Unlimited Appropriation</i></p>	<p>The Board is composed of the State Auditor, State Treasurer, and the Director of the Department of Management. (Section 73A.1, <u>Code of Iowa</u>)</p> <p>The Board authorizes claims under:</p> <ul style="list-style-type: none"> • Chapter 25, <u>Code of Iowa</u>, for the payment of bills, fees, refunds, and credits. • Chapter 669, <u>Code of Iowa</u>, State Tort claims. <p>Payment for the above claims are made from the appropriation or fund of original certification of the claim. If money is not available in the appropriation or fund, then the payment is made from the State Appeal Board appropriation.</p>	<ul style="list-style-type: none"> • The increase is based on historical claims paid through the Appeal Board. • The average annual payment for Appeal Board claims from FY 2000 through FY 2008 was \$12.3 million. • For FY 2009, \$4.4 million is budgeted for claims. This is less than the level of historical claims. • The FY 2009 claims are estimated to be \$7.9 million more than the amount currently budgeted. 	<p>\$ 7.9</p>	<p>• No options identified.</p>	

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
19. Public Health – Substance Abuse <i>Standing Limited Appropriation</i>	Section 123.53(3), <u>Code of Iowa</u> , appropriates \$2.0 million from liquor sales revenue to the Department of Public Health for the Substance Abuse Prevention and Treatment Program.	<ul style="list-style-type: none"> • Senate File 2425 (FY 2009 Health and Human Services Appropriations Act) specified that the appropriations for Addictive Disorders contained in the Act from the General Fund and the Health Care Trust Fund satisfied the statutory requirement of a \$2.0 million appropriation for substance abuse treatment from the General Fund. • Under current law, the \$2.0 million will be appropriated from the General Fund in FY 2010. 	\$ 2.0	<ul style="list-style-type: none"> • Eliminate or notwithstanding the FY 2010 appropriation. 	\$ 2.0
20. Veterans Affairs – County Grant Program <i>Standing Limited Appropriation</i>	Section 35A.16 appropriates \$1.0 million in new funding for the County Grant Program for FY 2010. The Program provides \$10,000 to each county for costs related to support of veterans and county office costs.	<ul style="list-style-type: none"> • This is a new appropriation for FY 2010. 	\$ 1.0	<ul style="list-style-type: none"> • Eliminate the standing appropriation. 	\$ 0.4

FY 2010 ESTIMATED GENERAL FUND EXPENDITURES

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
21. Collective Bargaining Salary Packages <i>Appropriation</i>	<p>Estimated State employee salary increases resulting from a negotiated collective bargaining agreement.</p> <p>The State is currently in the process of negotiations with unions representing State employees for salaries and benefits for FY 2010 and FY 2011.</p>	<ul style="list-style-type: none"> The estimate for FY 2010 is based on the actual salary adjustment allocation in FY 2009. 	\$ 92.9	<ul style="list-style-type: none"> Do not fully fund the estimated salary adjustment for FY 2010. This will require State agencies to reduce their FY 2010 budgets to fund the salary increases in accordance with the negotiated collective bargaining agreement. 	
22. Healthy Iowans Tobacco Trust Fund (HITT) Programs <i>Appropriation</i>	<p>The HITT Fund was established in FY 2002 and received an initial appropriation of \$55.0 million from the Endowment for Iowa's Health Account. The statute increased the appropriation 1.5% annually.</p> <p>Due to declining revenues in the Endowment, the General Assembly sunset the HITT Fund at the end of FY 2009. In FY 2009, the Fund was appropriated \$36.4 million for various ongoing health-related programs. Any revenues remaining in the HITT Fund at the close of FY 2009 will be transferred to the General Fund.</p>	<ul style="list-style-type: none"> In FY 2009, a total of \$36.4 million was appropriated from the HITT Fund. Assumes the General Assembly will fund all HITT programs in FY 2010 at the FY 2009 level. 	\$ 36.4	<ul style="list-style-type: none"> Eliminate or reduce funding for programs traditionally funded from the HITT Fund. 	
23. Health Care Trust Fund Programs <i>Appropriation</i>	<p>The Health Care Trust Fund was created in FY 2008 to receive the first \$127.6 million funds from the increase of the cigarette tax. The proceeds are used to fund health care in the State.</p>	<ul style="list-style-type: none"> For FY 2009, \$500,000 of FY 2008 carry forward funds were used for ongoing programs. These funds will not be available in FY 2010. Assumes the programs will be funded at the FY 2009 level in FY 2010. 	\$ 0.5	<ul style="list-style-type: none"> Eliminate programs from the Health Care Trust Fund. 	

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
24. Corrections – Increased Operating Costs <i>Appropriation</i>	Costs associated with operating the State prison and Community-Based Corrections (CBC) system.	<ul style="list-style-type: none"> Increased costs for supervising more offenders, and rate increases for food, fuel, and pharmacy. 	\$ 4.1	<ul style="list-style-type: none"> Maintain funding at the FY 2008 level. 	\$ 4.1
25. Corrections – Operating Costs for Additional Beds <i>Appropriation</i>	<p>Operational costs associated with opening Community-Based Correction facilities in Cedar Rapids and Davenport.</p> <p>Facilities are under construction in Cedar Rapids and Davenport. Annual operating costs will increase when the facilities open. The estimate is \$1.8 million for Cedar Rapids and \$920,000 for Davenport.</p>	<ul style="list-style-type: none"> Construction of the Cedar Rapids facility is complete. This CBC District currently has \$1.6 million in its General Fund appropriation for operation of this facility. It is estimated that an additional \$1.8 million will be needed in FY 2010. The Davenport facility is currently under construction. An estimated \$920,000 will be needed in FY 2010 to open and operate the new facility. This includes \$698,000 in one-time costs and \$222,000 for three months of operations. Additional funds will also be needed in FY 2011 to annualize the operating costs. 	\$ 2.7	<ul style="list-style-type: none"> Maintain current funding level for the Cedar Rapids facility. Fund one-time costs for Davenport from an alternative source. Do not provide operating funds for Davenport until the facility is constructed. Freeze spending at the current level. This would require the Cedar Rapids CBC to revise the proposed mental health treatment programming. 	<p>\$ 1.8</p> <p>\$ 0.6</p> <p>\$ 0.3</p>
26. Corrections – Sex Offender Supervision and Treatment <i>Appropriation</i>	Costs associated with the treatment and supervision of sex offenders.	<ul style="list-style-type: none"> The estimate reflects the increased cost of supervising sex offenders over an extended period. 	\$ 2.5	<ul style="list-style-type: none"> Amend current law to modify certain supervision and treatment requirements. 	\$ 2.5
27. Corrections – Federal Funds Replacement <i>Appropriation</i>	The DOC received federal funds re-entry programs. That will expire in FY 2010.	<ul style="list-style-type: none"> The estimate reflects the amount of federal funds that the Department will not receive in FY 2010. Assumes the DOC will retain the re-entry programs. 	\$ 0.5	<ul style="list-style-type: none"> Do not provide funding to replace the federal grants. 	\$ 0.5

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
28. Corrections – Administrative Services Reimbursement <i>Appropriation</i>	The DOC reimburses the DAS for certain services.	<ul style="list-style-type: none"> The estimate reflects the rate increase for support DAS services. 	\$ 0.4	<ul style="list-style-type: none"> Do not permit DAS to increase rates. 	\$ 0.4
29. Department of Justice – Victim Assistance Grants <i>Appropriation</i>	Reimbursable grants are awarded to local domestic abuse and sexual assault programs. Funding for FY 2009 includes a General Fund appropriation of \$150,000, that is combined with \$850,000 in forfeited property receipts and \$3.2 million from the Victim Compensation Fund.	<ul style="list-style-type: none"> Forfeited property receipts and moneys from the Victim Compensation Fund will not be available in FY 2010. Assumes the Program will be continued in FY 2010. 	\$ 4.1	<ul style="list-style-type: none"> Increase receipts to the Victim Compensation Fund. Use alternative sources for Victim Assistance Grants. Decrease the amount of compensation paid to victims. 	\$ 4.1
30. Education – Teacher Quality/Student Achievement (SATQ) Program <i>Appropriation</i>	Includes a variety of programs related to teacher quality, including the National Board Certification Awards Program. In FY 2008 and FY 2009, funding was included for pay-for-performance and career ladder pilots.	<ul style="list-style-type: none"> Beginning in FY 2008, no new awards for National Board Certification have been funded. The funding required to fulfill existing obligations declines annually. The pay-for-performance and career ladder pilots will be completed in FY 2009. 	\$ -0.8	<ul style="list-style-type: none"> No options identified. 	
31. Human Services – Child and Family Services <i>Appropriation</i>	Provides for foster care; safety and permanency; and other support services for children.	<ul style="list-style-type: none"> For FY 2009, the Child and Family Services budget was partially funded with carry forward funds from FY 2008. An estimated \$3.6 million will be needed in FY 2010 to continue funding the Program at the FY 2009 level. 	\$ 3.6	<ul style="list-style-type: none"> Decrease the support services for children. 	\$ 3.6

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
32. Department of Human Services – Emergency Mental Health System <i>Appropriation</i>	The Emergency Mental Health System was created to provide a variety of emergency services to reduce the escalation of mental health crisis situations.	<ul style="list-style-type: none"> For FY 2009, this program was funded for half a year with \$1.5 million of one-time money. To fund the Program entirely from the General Fund for a full year will require \$3.0 million for FY 2010. 	\$ 3.0	<ul style="list-style-type: none"> Eliminate the Emergency Mental Health Program. 	\$ 3.0
33. Human Services – IowaCare Growth <i>Appropriation</i>	IowaCare is a limited health care program. This program provides some inpatient and outpatient services, doctor, and advanced registered nurse practitioner services, dental services, limited prescription drug benefits, and transportation at the University of Iowa Hospitals and Clinics and Broadlawns Medical Center in Des Moines.	<ul style="list-style-type: none"> An increased of \$2.0 million is estimated due to increased utilization of the IowaCare Program at the University of Iowa Hospitals and Clinics. See the Medicaid built-in for other cost increases associated with the IowaCare Program. 	\$ 2.0	<ul style="list-style-type: none"> Cap the Program at a certain dollar amount. 	
34. Human Services – Field Operations <i>Appropriation</i>	Provides the staff in 99 counties for operations of the DHS programs and services.	<ul style="list-style-type: none"> For FY 2009, the Department was authorized to use \$1.2 million of FY 2008 carryforward funds for FY 2009. Assumes similar carryforward funds will not be available at the end of FY 2009 for use in FY 2010. 	\$ 1.2	<ul style="list-style-type: none"> Reduce staff for the Field Offices operations of the DHS. 	\$ 1.2
35. Department of Human Services – Children’s Mental Health System <i>Appropriation</i>	The Children’s Mental Health System was created to provide a variety of children’s mental health services to prevent or reduce utilization of more costly, restrictive care and to keep children in their homes.	<ul style="list-style-type: none"> This program was funded for half a year with \$0.5 million of one-time money. To fund the Program for a full year at current funding levels would require an additional \$1.0 million for FY 2010. 	\$ 1.0	<ul style="list-style-type: none"> Eliminate the Children’s Mental Health Program. 	\$ 1.0

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
36. Human Services – Mental Health Risk Pool <i>Appropriation</i>	Provides an emergency funding source to counties that have depleted their State mental health funds.	<ul style="list-style-type: none"> Estimated cost to replace one-time funding used in FY 2009 for the Mental Health Risk Pool. 	\$ 1.0	<ul style="list-style-type: none"> Eliminate funding to the Risk Pool. 	1.0
37. Human Services – Direct Care Worker Health Insurance <i>Appropriation</i>	House File 2539 (Health Care Reform Act) created a demonstration project dependent on funding to provide health insurance for direct care workers.	<ul style="list-style-type: none"> An estimated \$750,000 will be needed to implement and provide insurance for direct care workers. 	\$ 0.8	<ul style="list-style-type: none"> Do not appropriate funding to begin the program. 	\$ 0.8
38. Human Services – Civil Commitment Unit for Sex Offenders <i>Appropriation</i>	Provides the security and mental health treatment components of former inmates that are civilly committed to the Program prior to release from prison.	<ul style="list-style-type: none"> The growth in the number of clients within the Program require the utilization of additional space and staff within the facility. 	\$ 0.7	<ul style="list-style-type: none"> Eliminate the Program. Fund the Program at the FY 2009 level. 	\$ 6.9 \$ 0.7
39. Human Services – General Administration <i>Appropriation</i>	Provides the centralized administration, human resources, policy development, information technology, and financial staff for the Department	<ul style="list-style-type: none"> For FY 2009, the Department was authorized to use \$100,000 in carryforward funds from FY 2008 for administrative costs. 	\$ 0.1	<ul style="list-style-type: none"> Reduce administrative staff for the Department and fund the Program at the FY 2009 level. 	\$ 0.1
40. Human Services – State Resource Centers <i>Appropriation</i>	Provides the living and services arrangements for persons with disabilities residing at these two facilities.	<ul style="list-style-type: none"> Reflects the estimated savings for FY 2010 from State salary funds provided in FY 2009. The savings result from the two State Resource Centers being net budgeted institutions and increases for continuation of placements outside the Centers. 	\$ -3.7	<ul style="list-style-type: none"> No options identified. 	

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
41. Judicial Branch – Retirement Fund Contribution <i>Appropriation</i>	The Judicial Retirement System provides retirement benefits to judges. Pursuant to Section 602.9104(4), <u>Code of Iowa</u> , the employer’s contribution rate is 30.6% of all covered salaries.	<ul style="list-style-type: none"> • House File 2647 (FY 2009 Judicial Branch Appropriations Act) appropriated \$3.5 million from the General Fund and \$4.2 million from other sources for a total of \$7.6 million for the employer’s contribution rate of 30.6%. • The employee (judges) contribution rate is set by statute and was changed during the 2008 Legislative Session from 6.0% of covered pay to 7.7% in FY 2009, 8.7% in FY 2010, and 9.7% in FY 2011 to continue until the Fund reaches a 100.0% funded ratio. • This estimate assumes the employer share is funded from General Fund dollars. • According to the July 1, 2008, actuarial report, the Judicial Retirement Fund is 62.0% funded with an unfunded actuarial accrued liability of \$53.2 million. 	\$ 4.8	<ul style="list-style-type: none"> • No options identified. 	
42. Public Health – Chronic Conditions <i>Appropriation</i>	Provides financial assistance to families with children that have phenylketonuria (PKU), a metabolic disorder usually controllable by diet.	<ul style="list-style-type: none"> • For FY 2009 the Department was authorized to carry forward \$100,000 from the FY 2008 General Fund appropriation to FY 2009 for the PKU funding. 	\$ 0.1	<ul style="list-style-type: none"> • Fund the Program at the FY 2009 level. 	\$ 0.1

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 10 vs. FY 09 (4)	Options for Reductions (5)	Savings (6)
43. Public Health – Substance Abuse <i>Appropriation</i>	Provides treatment and support services for those persons eligible for substance abuse treatment funding	<ul style="list-style-type: none"> Assumes continuation of the Program that was funded in FY 2009 by one-time carry forward from FY 2008. 	\$ 1.3	<ul style="list-style-type: none"> Reduce the amount of treatment and support services and fund the Program at the FY 2009 level. 	\$ 1.3
44. Secretary of State – IVOTER System Maintenance <i>Appropriation</i>	The Help America Vote Act (HAVA) of 2002 required each state to implement a single, uniform, centralized, interactive, computerized statewide voter registration system (IVOTER). The total estimated cost to maintain the IVOTER System is \$950,000 for FY 2010.	<ul style="list-style-type: none"> Assumes the Secretary of State will use \$380,000 in remaining federal funds to offset the cost for FY 2010. 	\$ 0.6	<ul style="list-style-type: none"> Require counties to pay a portion of the maintenance costs. 	\$ 0.3
45. Veterans Affairs – Veterans Home Net Budgeting <i>Appropriation</i>	Provides services and residence for certain veterans and veterans spouses.	<ul style="list-style-type: none"> Reflects the estimated savings for FY 2010 from State salary funds provided in FY 2009. The savings result from the Veterans Home being a net budgeted institution. 	\$ -1.0	<ul style="list-style-type: none"> Eliminate the carry forward of funds. 	\$ 1.0

INTERIM COMMITTEE SUMMARY

For a summary of the activities for each of the committees listed below, see the analysis of the FY 2010 budget for the indicated subcommittee.

COMMITTEE NAME	CHARGE	LSA STAFF	SUBCOMMITTEE
Criminal Code Reorganization Study Committee (Carryover from 2007)	CHARGE: Meet during the 2007 and 2008 Legislative Interims to consider proposals for Criminal Code revisions, reorganization, and updates. Subcommittees include: <ul style="list-style-type: none"> • Foundational Provision • Reorganization • Sentencing • Specific Crimes 	Legal: Joe McEniry, Rachele Hjelmaas, and Ed Cook Fiscal: Beth Lenstra and Jennifer Acton	Justice
Effects of Flooding on Livestock Industry Study Committee	CHARGE: Consider the effects of the 2008 flooding on the Iowa livestock industry, including commodity prices, differential effects on small and large producers, financing issues, and effects on businesses associated with the livestock industry. The Study Committee shall consult with experts who can provide options to address the challenges being confronted.	Legal: Doug Adkisson, Tim Whipple, and Tim McDermott Fiscal: Deb Kozel and Deborah Helsen	Agriculture and Natural Resources
Energy Efficiency Plans and Programs Study Committee	CHARGE: Examine the existence and effectiveness of energy efficiency plans and programs implemented by gas and electric public utilities, with an emphasis on results achieved by current plans and programs from the demand, or customer, perspective, and make recommendations for additional requirements applicable to energy efficiency plans and programs that would improve such results. In conducting the study and developing recommendations, the Study Committee shall consider testimony from the Iowa Utilities Board, rate-regulated and nonrate-regulated gas and electric utilities, the Consumer Advocate, state agencies involved with energy efficiency program administration, environmental groups and associations, and consumers.	Legal: Rick Nelson, Tim McDermott, and Tim Whipple Fiscal: Deborah Helsen and Dave Reynolds	Administration and Regulation

Appendix C – Interim Committee Summary

COMMITTEE NAME	CHARGE	LSA STAFF	SUBCOMMITTEE
<p>Identity Theft Prevention Study Committee</p>	<p>CHARGE: Assess and review the extent to which personal, identifying information of a resident of this state is in the possession of government or government-affiliated organizations, and which, if disclosed, could render the resident vulnerable to identity theft. Also assess the extent to which public officials, government organizations, and affiliated organizations make available, are in possession of, have access to, or are disclosing or selling such information for compensation. Based upon this assessment and review, the Committee shall develop recommendations relating to these practices.</p>	<p>Legal: Ed Cook, Michael Duster, and Amanda Knief Fiscal: Marcia Tannian and Mary Beth Mellick</p>	<p>Transportation, Infrastructure, and Capitals</p>
<p>Iowa Law Enforcement Academy Facility Analysis</p>	<p>CHARGE: Issue a request for proposals to contract for an independent entity to analyze and make recommendations for an optimal site and facilities for the Iowa Law Enforcement Academy. The analysis shall address the considerations necessary for relocating the academy. The cost of the analysis shall not exceed \$150,000.</p>	<p>Legal: Rachele Hjelmaas, Nicole Hoffman, and Ed Cook Fiscal: Jennifer Acton and Beth Lenstra</p>	<p>Justice</p>
<p>Legislative Property Tax Study Committee (Carryover from 2007)</p>	<p>CHARGE: The Legislative Property Tax Study Committee is established for the 2007 and 2008 Legislative Interims to perform a comprehensive review of the property tax system. The Study Committee may contract for analysis or other services. The cost for such contracting shall not exceed \$150,000.</p>	<p>Legal: Susan Crowley, Michael Duster, and Amanda Knief Fiscal: Shawn Snyder and Jeff Robinson</p>	<p>Unassigned Standing Appropriations</p>

COMMITTEE NAME	CHARGE	LSA STAFF	SUBCOMMITTEE
Mass Transit Study Committee	CHARGE: Study the ways in which mass transit might be employed to provide public transportation services among Iowa communities. Consider the ways mass transit availability affects various populations in rural and urban communities, particularly those who are unable to drive or cannot afford to own a motor vehicle; determine any impact mass transit within communities can have on population levels, quality of life, and economic development in urban job centers, small and satellite communities, and rural towns; identify the effect of mass transit on greenhouse gases and on overall air quality; determine the level of public need for mass transit, including any specific areas in immediate need; investigate the feasibility of expanding mass transit services and the types and combination of services that might comprise a state mass transit system; identify potential costs and funding mechanisms for developing and maintaining specific mass transit services; and assess the attitudes and habits of Iowans concerning personal transportation and ways to educate the public about the economic, social, and environmental advantages of mass transit. Consult with the interests listed in 2008 Iowa Acts, S.F. 2425, § 146, in conducting the study.	Legal: Tim McDermott, Amanda Knief, and Diane Ackerman Fiscal: Mary Beth Mellick and Marcia Tannian	Transportation, Infrastructure, and Capitals
Medicaid Elderly Waiver Program Study Committee	CHARGE: Review the services, costs, and requirements under the Medicaid Home and Community-based Services Elderly Waiver Program. Consult with the Department of Human Services and persons interested in the program. Make recommendations for appropriate changes to the program.	Legal: Patty Funaro, Amanda Knief, and John Pollak Fiscal: Jess Benson and Sue Lerdal	Health and Human Services
Medicaid Program Drug Product Selection Study Committee	CHARGE: Convene public and private stakeholders to review current law for drug product selection under the Medicaid Program.	Legal: Patty Funaro, Ann Ver Heul, and John Pollak Fiscal: Jess Benson and Sue Lerdal	Health and Human Services

Appendix C – Interim Committee Summary

COMMITTEE NAME	CHARGE	LSA STAFF	SUBCOMMITTEE
<p>Postsecondary Education Rigor Analysis</p>	<p>CHARGE: Issue a request for proposals to contract for an independent entity to analyze and compare the rigor of the first two years of study at community colleges and institutions of higher education governed by the State Board of Regents. Make the report of the analysis publicly available by July 1, 2009. (required by 2008 Iowa Acts, H.F. 2679, § 7)</p>	<p>Legal: Kathy Hanlon, Amanda Knief, and Susan Crowley Fiscal: Dwayne Ferguson and Robin Madison</p>	<p>Education</p>

SALARIES AND COLLECTIVE BARGAINING

The State is currently in the process of negotiations with unions representing State employees for salaries and benefits for FY 2010 and FY 2011. Chapter 20, Code of Iowa, establishes the framework and timeline for the bargaining process. The basic deadlines are:

- August through September – Unions request bargaining.
- November through December – Unions and the State present initial proposals.
- January through March – Negotiation sessions occur. This may result in the appointment of a mediator, fact finding, and binding arbitration.
- March 15 – Deadline for impasse procedure and filing of neutrals award if required.

ESTIMATED SALARY EXPENDITURES FOR FY 2010

- It is estimated that total salary expenses for all funding sources will increase by \$102.2 million in FY 2010. This includes an estimated increase of \$37.6 million for partial year increases that occur during FY 2009 (salary annualization) and \$64.6 million for increased salaries and benefit costs. Some of the salary and benefit changes include step increases for qualified employees, no across-the-board adjustment, and having all employees in Wellmark health plans. *The Governor did not make a recommendation regarding salary funding for FY 2010.*
- It is estimated that General Fund salary expenses will increase by \$55.8 million in FY 2010. This includes an estimated increase of \$21.0 million for partial year increases that occur during FY 2009 (salary annualization) and \$34.8 million for increased salaries and benefit costs. Some of the salary and benefit changes include step increases for qualified employees, no across-the-board adjustment, and having all employees in Wellmark health plans.
- It is estimated that a 1.0% across-the-board-adjustment will increase the cost for all funds by \$32.2 million, including \$17.4 million from the General Fund.

The following is a summary of the unions opening offers and the State's response. The table contains only a summary of the major points. Copies of the opening offers and the State's response are available from the Fiscal Services Division (FSD) of the Legislative Services Agency (LSA) upon request. Since collective bargaining agreements cover two years, there will be no collective bargaining negotiations during the 2010 Legislative Session. The FSD will provide an update when the agreements become final.

FY 2010 AND FY 2011 COLLECTIVE BARGAINING UNIT NEGOTIATIONS

Bargaining Unit	FY 2010		FY 2011	
	Wages	Benefits	Wages	Benefits
American Federation of State, County, and Municipal Employees (AFSCME) – General Government and Community Based Corrections (CBC)	<p>5.00% across-the-board pay increase on June 26, 2009.</p> <p>Step increases of 4.50% for eligible employees during FY 2010.</p> <p>Provides overtime time pay at the rate of two times the regular rate of pay.</p> <p>Increases shift differential pay.</p> <p>Changes call-back pay.</p> <p>Changes compensation for employees receiving workers’ compensation benefits.</p>	<p>Increases the coverage amounts for life insurance, accidental death and dismemberment insurance, and disability insurance.</p> <p>Changes sick leave accrual, and conversion and payment upon retirement or death.</p> <p>Changes paid annual leave of absence and holiday provisions.</p> <p>Changes family and medical, and educational leaves.</p> <p>Changes the employee’s rights upon the elimination of a position.</p> <p>Makes other changes.</p>	<p>5.0% across-the-board increase on June 25, 2010.</p> <p>4.50% step increases for eligible employees.</p>	<p>Same as FY 2010.</p>
State Response	<p>0.00% across-the-board increase effective June 26, 2009.</p> <p>Eliminates the ability of some employees to qualify for overtime, compensatory time, standby pay, and call-back pay.</p>	<p>Makes changes to streamline grievance procedures.</p> <p>Provides that all time as a State employee is to count toward seniority.</p> <p>Reduces length of time to complete a layoff.</p> <p>Streamlines the bumping procedures.</p> <p>Increases the time before an employee can transfer.</p> <p>Makes changes to health and dental benefits.</p>	<p>0.00% across-the-board pay increase on June 25, 2010.</p>	<p>Same as FY 2010.</p>

Bargaining Unit	FY 2010		FY 2011	
	Wages	Benefits	Wages	Benefits
AFSCME, continued State Response		<p>Limits life insurance to full-time employees.</p> <p>Requires employees to use other options before using leave of absence without pay because of weather-related absences.</p> <p>Makes changes to meetings between labor and management.</p> <p>Makes changes to organizational units for the purpose of layoffs and transfers.</p> <p>Limits and restricts relocation expenses.</p>		
Iowa United Professionals (IUP) and United Electrical Workers (UE) , Science Unit and Professional Social Services Unit	<p>5.00% across-the-board pay increase on June 26, 2009.</p> <p>Step increases of 4.50% for eligible employees during FY 2010.</p>	<p>Specifies returning laid off workers return to no lower than their prior pay grade and step.</p> <p>Specifies that all paid time is to be included in the calculation of hours worked for overtime pay.</p> <p>Increase the State contribution for the Iowa Select Family Health Plan from 80.00% to 85.00%.</p> <p>Increase the State contribution for dental benefits to 100.00% of the Family Plan.</p> <p>Increases sick leave, sick leave conversion to vacation, and vacation accrual rates.</p>	<p>5.00% across-the-board pay increase on June 25, 2010.</p> <p>Step increases of 4.50% for eligible employees during FY 2011.</p>	<p>Increase the State contribution for the Iowa Select Family Health to 100.00%.</p>

Appendix D – Salaries and Collective Bargaining

Bargaining Unit	FY 2010		FY 2011	
	Wages	Benefits	Wages	Benefits
IUP and UE, Science Unit and Professional Social Services Unit, continued		Adds Christmas Eve as a paid holiday.		
		Increase the State contribution under the Deferred Compensation Program from \$75 per month to \$100 per month (\$1,200 per year) effective July 1, 2009.		
		The State is to contribute 100.00% for family vision benefits.		
		Increases the permitted carry-forward of vacation by 40 hours to 80 hours.		
		Makes changes to employee evaluations.		
State Response		Increases the maximum dental and orthodontic payments from \$1,500 to \$1,800.		
	0.00% across-the-board increase effective June 26, 2009.	Makes changes to layoff procedures.	0.00% across-the-board increase effective June 25, 2010.	
	Step increases of 4.50% for eligible employees during FY 2010.	Makes changes to health and dental benefits and premium contributions.	Step increases of 4.50% for eligible employees during FY 2011.	
		Limits life insurance to full-time employees.		
State Police Officers Council (SPOC)		Limits and restricts relocation expenses.		
	5.00% across-the-board pay increase on June 26, 2009, or the change in the Consumer Price Index (CPI) plus 1.00%, whichever is higher.	Prohibits the changing of schedules to avoid the payment of overtime.	5.00% across-the-board pay increase on June 25, 2010, or the change in the Consumer Price Index (CPI) plus 1.00%, whichever is higher.	Same as FY 2010.
	Step increases of 4.50% for	Establishes new work hours, makes changes to the accumulation of compensatory, sick, and vacation time.	Step increases of 4.50% for	
		Makes changes to the health and dental benefits and the State's		

Bargaining Unit	FY 2010		FY 2011	
	Wages	Benefits	Wages	Benefits
SPOC, continued	eligible employees during FY 2010. Increase the maximum biweekly salary for all pay grades to \$2,996. Increases shift differential pay by \$1.10 per hour to \$2.00 per hour.	premium contributions. Adds Presidents’ Day and Columbus Day to the list of paid holidays. Increases Per Diem by \$2.00 per day to \$10.00 per day. Increases the clothing maintenance allowance. Increase the State contribution under the Deferred Compensation Program from \$75 per month to \$100 per month (\$1,200 per year) effective July 1, 2009, and changes the State match from \$1 for every \$2 dollar contributed to \$1 for each \$1 contributed.	eligible employees during FY 2011.	
State Response	2.00% across-the-board increase effective June 26, 2009. Step increases of 3.50% for eligible employees during FY 2010.	Makes changes to the rules pertaining to the deduction of dues. Makes changes to grievance procedures. Makes changes to layoff and transfer procedures. Limits life insurance to full-time employees.	0.00% across-the-board pay increase on June 25, 2010. Step increases of 3.50% for eligible employees during FY 2011.	Same as FY 2010.
Judicial Public Professional and Maintenance Employees (PPME)	10.00% across-the-board pay increase on June 26, 2009. Step increases of 4.50% for eligible employees during FY 2010.	Increase paid leave for purposes of contact negotiation from 24 hours to 56 hours for employees involved in negotiating a new bargaining agreement. The employer is required to use a layoff procedure and not a reduction	10.00% across-the-board pay increase on June 25, 2010. 4.50% step increases for eligible employees.	Same as FY 2010.

Appendix D – Salaries and Collective Bargaining

Bargaining Unit	FY 2010		FY 2011	
	Wages	Benefits	Wages	Benefits
PPME, continued		<p>in hours through unpaid furloughs.</p> <p>Increase the State match under the Deferred Compensation Program from \$50 per month to \$100 per month (\$1,200 per year) effective July 1, 2009.</p> <p>Increase the State contribution for the Iowa Select Family Health Plan from 80.00% to 90.00%.</p> <p>Increase the coverage amounts for life insurance, accidental death and dismemberment insurance, and disability insurance.</p> <p>Add three more holidays.</p> <p>Reimburse up to \$50 per month for parking.</p>		
State Response	2.00% across-the-board increase effective June 26, 2009.	<p>Increase the State contribution under the Deferred Compensation Program from \$50 per month to \$75 per month (\$900 per year) effective July 1, 2009.</p> <p>Change the State contribution for health insurance from the current 80.00% of the Iowa Select Family Health Plan to 85.00% of the Blue Select Family Health Plan. Cost containment provisions are changed on all plans.</p> <p>Increase the coverage amounts for life insurance, accidental death and dismemberment insurance, and</p>	No change from FY 2010.	Same as FY 2010.

Bargaining Unit	FY 2010		FY 2011	
	Wages	Benefits	Wages	Benefits
University of Northern Iowa (UNI)– United Faculty	<p>4.55% across-the-board pay increase, plus an increase equal to 1.40% of the average appointment year salary of all full-time members, on June 26, 2009.</p> <p>Discretionary merit increases to be distributed equal to 2.55% of full-time faculty member salaries.</p> <p>Permits additional increases based on market conditions.</p> <p>Provides for promotional increases.</p> <p>Provides for overload compensation.</p>	<p>disability insurance.</p> <p>Employer to provide information on insurance plan expenditures and Professional Activities Committee (PAC) procedures.</p> <p>Specifies tuition waiver procedures.</p> <p>Specifies parking privileges.</p> <p>Specifies evaluation procedures for faculty.</p> <p>Specifies continuing education compensation and professional development assignments.</p> <p>Establishes a sick leave bank for all faculty members to draw from if the employee has exhausted their own sick leave.</p> <p>Provides professional development reimbursement of up to \$750 for FY 2010 and \$850 for FY 2011.</p> <p>Specifies increases in summer research fellowships of 20.58% and stipends of 23.17% for FY 2010, and fellowships by 22.21% and stipends by 26.90% for FY 2011.</p>	<p>4.68% across-the-board pay increase, plus an increase equal to 1.45% of the average appointment year salary of all full-time members, on June 25, 2010.</p> <p>Discretionary merit increases to be distributed equal to 2.63% of full-time faculty member salaries.</p> <p>Permits additional increases based on market conditions.</p> <p>Provides for promotional increases.</p> <p>Provides for overload compensation.</p>	<p>Same as FY 2010.</p>
State Response	<p>0.00% increase.</p> <p>Provides for promotional increases.</p> <p>Establishes clinical faculty</p>	<p>Specifies increases in summer research fellowships of 4.00% and stipends of 3.99% for FY 2010.</p> <p>Faculty travel is limited to \$352,287</p>	<p>0.00% increase.</p> <p>Provides for promotional increases.</p>	<p>Same as FY 2010.</p>

Appendix D – Salaries and Collective Bargaining

Bargaining Unit	FY 2010		FY 2011	
	Wages	Benefits	Wages	Benefits
UNI United Faculty, continued State Response	appointments.	<p>each year for FY 2010 and FY 2011.</p> <p>The employer will pay 100.00% of single coverage or 75.00% of dependant coverage health plans, with coverage provided for domestic partners.</p> <p>The employer will pay 100.00% of single coverage and a similar amount for dependant coverage dental plans, with coverage provided for domestic partners.</p>		
Committee to Organize Graduate Students – University of Iowa (COGS – SUI)	<p>Establishes the minimum FY 2010 salary for a 50.00% academic year appointment at \$17,486.63 and provides returning employees a \$911.63 increase.</p> <p>Establishes the minimum FY 2010 salary for a 50.00% fiscal year appointment at \$21,372.19 and provides returning employees a \$1,114.19 increase.</p>	<p>Makes changes to the posting of positions and the release of information.</p> <p>Provides academic year appointments the option of being paid in 12 equal installments.</p> <p>The employer will pay 95.00% of single coverage or 85.00% of dependant coverage health plans, with coverage provided for domestic partners.</p> <p>The employer will pay 85.00% of single coverage or 70.00% of dependant coverage dental plans, with coverage provided for domestic partners.</p> <p>The employer will provide an equal match for the employee contribution</p>	<p>Establishes the minimum FY 2011 salary for a 50.00% academic year appointment at \$18,448.39 and provides returning employees a \$961.76 increase.</p> <p>Establishes the minimum FY 2011 salary for a 50.00% fiscal year appointment at \$22,547.66 and provides returning employees a \$1,114.19 increase.</p>	Same as FY 2010.

Bargaining Unit	FY 2010		FY 2011	
	Wages	Benefits	Wages	Benefits
COGS, continued		of up to \$500 per year for qualified healthcare and dependent care expenses.		
State Response	0.00% across-the-board increase effective June 26, 2009.	Specifies employer provided training. Makes changes to the posting of positions and the release of information. Makes changes to grievance procedures. Increases employee health benefits co-payments, co-insurance, and out-of-pocket maximum. Increases tuition scholarship amounts.	0.00% across-the-board increase effective June 25, 2010.	Same as FY 2010.
Service Employees International Union (SEIU) – University of Iowa and University Of Iowa Hospital and Clinic (SUI/UIHC)	6.00% across-the-board increase effective June 26, 2009. Step increases of 3.50% for eligible employees during FY 2010. Increases pay for the extension of shifts to 1.75% of the hourly wage. Increases incentive, standby, charge nurse, and hours differential pay	Adds ten paid negotiations leave release hours for employees involved in negotiating a new bargaining agreement. Requires the State to release information to the Union about the members. Requires the non-union members to make payments to the union. Implements an insurance and flexible benefits plan. Makes changes to disciplinary procedures. Makes other changes.	6.00% across-the-board increase effective June 25, 2010. Step increases of 3.50% for eligible employees during FY 2011.	Same as FY 2010.

Appendix D – Salaries and Collective Bargaining

Bargaining Unit	FY 2010		FY 2011	
	Wages	Benefits	Wages	Benefits
State Response	0.00% across-the-board increase effective June 26, 2009. Step increases of 0.00% for eligible employees during FY 2010.	Makes changes to grievance procedures. Increases the State’s flexible benefit contributions. Provides that the State can require the use of compensatory time. Makes changes to transfer procedures.	0.00% across-the-board increase effective June 25, 2010. Step increases of 0.00% for eligible employees during FY 2011.	

Staff Contact: Ron Robinson (281-6256) ron.robinson@legis.state.ia.us

PUBLIC RETIREMENT SYSTEMS

Retirement Systems

The public retirement systems in Iowa include:

- **Iowa Public Employees Retirement System – IPERS:** The membership includes approximately 320,000 members, including 87,000 retired employees, of State, county, and city governments; other political subdivisions or agencies; and school districts. Special groups within the System include:
 - Sheriffs and Deputy Sheriffs.
 - Protection Occupations - airport safety officers; conservation peace officers; city marshals, fire fighters, police officers and fire prevention inspectors not under the Municipal Fire and Police Retirement System of Iowa (MFPRSI); correctional officers; Department of Transportation (DOT) peace officers, county jailers, military installation officers, emergency medical care providers, and county attorney special investigators.
- **Judicial Retirement System:** There are approximately 362 covered members in this group. Membership includes active Judges, Senior Judges, retired Senior Judges, retired Judges, beneficiaries of deceased Judges, and inactive Judges with contributions remaining in the System.
- **Department of Public Safety Peace Officers’ Retirement, Accident, and Disability System – PORS:** The membership includes 631 active and 512 retired peace officers of the Department of Public Safety including uniformed sworn officers of the State Patrol, Division of Criminal Investigation (DCI) officers, drug enforcement officers, arson investigators, and fire prevention inspectors.
- **Municipal Fire and Police Retirement System of Iowa - MFPRSI or 411s:** The membership includes 3,818 active and 3,585 retired police officers and firefighters in cities with a population of 8,000 or more in 1980, and other cities that voluntarily established a civil service commission.

Types of Plans

- The IPERS, Judicial Retirement, PORS, and MFPRSI are “defined benefit plans,” meaning the person’s retirement benefit is based on a benefit formula prescribed by contract or statute. The contributions by employers and employees are adjusted based on actuarial evaluations so funds will be available to pay retirees’ benefits. The IPERS and Judicial Retirement System retirees receive Social Security benefits. The PORS and MFPRSI retirees do not.
- **Teachers’ Insurance and Annuity Association - College Retirement Equities Fund - TIAA-CREF:** The membership includes 27,128 active members that are University, Board of Regents, and some community college employees. The TIAA-CREF is a “defined contribution plan,”

Appendix E – Public Retirement Systems

meaning moneys are contributed to an individual account for each participant and the moneys contributed, plus any investment earnings, determine the retirement benefit made available to the participant upon retirement. Retirees of TIAA-CREF receive social security benefits.

- **Deferred Compensation Program (457/401a)** – This is a voluntary retirement savings program for employees of the State of Iowa and other participating government employers. The program is designed to supplement pension and social security benefits at retirement. State of Iowa employees receive a match on a portion of their contributions. Contributions are made pretax through payroll deductions and investment earnings are tax-deferred.
- **Tax Sheltered Annuity (403b)** – This is a voluntary retirement savings program for employees of educational and education-related institutions. This savings program is designed to supplement pension and social security benefits at retirement. Contributions are made pretax through salary reductions and investment earnings are tax-deferred.

FY 2010 Contribution Rates

	<u>Employee Share</u>	<u>Employer Share</u>	<u>Total</u>
IPERS			
Regular	4.30%	6.65%	10.95%
Sheriffs and Deputies	7.62%	7.62%	15.24%
Protection Occupations	6.14%	9.20%	15.34%
Judicial Retirement	8.70%	30.60%	39.30%
PORS (1)	9.35%	21.00%	30.35%
MFPRSI/411s	9.35%	17.00%	26.35%
(1) The State also contributed \$2.7 million in FY 2009.			

Public Retirement Systems Committee

The Public Retirement Systems Committee is a 10-member statutory legislative committee required to examine and make recommendations to the Iowa General Assembly concerning public retirement systems in Iowa. Section 97D.4(3), Code of Iowa, establishes the duties of the committee. The General Assembly addresses retirement system issues during the second year of each biennium and as needed. Interested parties make recommendations for the General Assembly to consider.

Highlights from SF 2424 (FY 2009 Public Retirement Systems Act)

Peace Officers' Retirement, Accident, and Disability System (PORS)

- Increases the employer contribution rate from 17.0% to 19.0%, with continued increases of 2.0% per year to 27.0%.

- Allows the Board of Trustees to adopt actuarial methodology and requires the System to report to the General Assembly using the “Entry Age Normal” actuarial method.
- Requires a disability retirement allowance to cease until age 55 if a recipient member under age 55 becomes employed in a public safety occupation.

Iowa Public Employees’ Retirement System (IPERS)

Highlights include:

- Eliminated bonuses and allowances from the definition of IPERS-covered wages.
- Allowed service credits to the accounts of members that leave IPERS-covered employment for military service and die as a result of that service.
- Increased the minimum fee assessed for late contributions for employer requirements from \$10 to \$20 and requires all employers to pay contributions monthly.
- Allowed IPERS to adjust contribution rates for regular members based on an annual actuarial valuation and limited contribution rate changes for all membership groups to no more than 0.5 percentage points each year, beginning in FY 2012.
- Eliminated the 40 basis point cap on investment management services.
- Clarified that after the initial qualification, a regular member receiving disability benefits must continue to meet the eligibility requirements.
- Allowed beneficiaries that are not spouses, as well as spouses, to roll over their death benefits into traditional and ROTH IRA accounts.
- Allows members to buy up to five years of service credit that is not tied to specific employment.
- Allows members with mixed service to convert regular service credit to Special Service credit by paying the actuarial cost.
- Moves four groups to protection occupation: County Jailers, Emergency Medical Service Providers, County Attorney Investigators, and National Guard Installation Security Officers.

For a complete list of changes in SF 2424 please contact Jennifer Acton at 281-7846 or refer to the IPERS web page at www.ipers.org/publications/misc/pdf/legis/200805SF2424iperschanges.pdf

Municipal Fire and Police Retirement System of Iowa (411)

- Allows the Board of Trustees to adopt actuarial methodology and requires the System to report to the General Assembly using the “Entry Age Normal” actuarial method.
- Permits members to purchase service credit for military service by making contributions to the System in an amount equal to the actuarial cost of the service credit purchase.

Judicial Retirement System

- Increased the contribution rates for Judges' as follows: FY 2009, 7.7% of covered wages; FY 2010, 8.7% of covered wages; and beginning in FY 2011 and until the System attains fully-funded status, the Judges' contribution rate will be 9.35% of covered wages.
- Beginning July 1, 2008, until the Fund attains fully-funded status, the State's required contribution rate will be 30.6%. Fully-funded status means that the most recent actuarial valuation that reflects the funded status of the System is at least 100.0% of the benefits provided for the Judges through the Judicial Retirement System as of July 1, 2006. When the Fund reaches fully-funded status, the State's share will be 60.0% of the required contribution rate and the employees' share will be 40.0% of the actuarially-required contribution rate.
- Eliminated the currently required actuarial method of "projected unit credit" and required the State Court Administrator to adopt a specific methodology. The Judicial Retirement System is required to report to the General Assembly using the "Entry Age Normal" actuarial method.

Staff Contact: Jennifer Acton (281-7846) jennifer.acton@legis.state.ia.us

OTHER FUND BALANCE SHEETS

This Appendix contains balance sheets for the following funds:

- Rebuild Iowa Infrastructure Fund (RIIF)
- Environment First Fund (EFF)
- Vertical Infrastructure Fund (VIF)
- Tobacco Settlement Fund – Restricted Capital Fund (RCF)
- Endowment for Iowa’s Health – Restricted Capitals Fund (RC2)
- FY 2009 Tax-Exempt Restricted Capital Fund (RC3)
- Technology Reinvestment Fund
- Prison Bonding Fund
- Property Tax Credit Fund (PTCF)
- Health Care Trust Fund (HCTF)
- Rebuild Iowa Infrastructure Bond Proceeds (RIIB)
- Senior Living Trust Fund

Rebuild Iowa Infrastructure Fund

	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2009	Gov. Rec. FY 2010
Resources				
Balance Forward	\$ 49,696,180	\$ 32,167,382	\$ 32,167,382	\$ 14,704,210
Wagering Taxes and Fees	200,691,820	201,978,575	201,978,575	204,843,030
Gamblers Treatment Fund Excess	2,585,574	1,114,759	1,114,759	1,185,907
License Fee Tax Credit	0	-4,600,000	-4,600,000	-4,600,000
Riverboat License Fees	8,000,000	8,000,000	8,000,000	0
Transfer from Vertical Infrastructure Fund	0	8,400,023	8,400,023	0
Interest	32,860,571	30,000,000	28,000,000	16,679,634
Transfer to General Fund	0	0	-37,000,000	0
Revenue Loss Due to Bonding	0	0	0	-56,000,000
MSA Tobacco Payment (transfer from Endowment)	0	0	0	18,000,000
Total Resources	\$ 293,834,145	\$ 277,060,739	\$ 238,060,739	\$ 194,812,781
Appropriations				
Administrative Services				
Routine Maintenance	\$ 5,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0
Employee Relocation Expenses/Leases	1,824,500	0	0	0
DAS Distribution Account	2,000,000	2,000,000	2,000,000	3,000,000
New Office Building	0	0	0	5,000,000
Toledo Juvenile Home Improvements	0	0	0	0
DHS Toledo-New Education & Infirmary Bldg.	3,100,000	0	0	0
Terrace Hill Maintenance	0	0	0	0
DHS - Civil Comm. Unit for Sex Offenders Renov.	750,000	0	0	0
Capitol Complex Electrical Distribution	3,460,960	0	0	0
Capitol Interior/Exterior	6,300,000	0	0	0
Capitol Complex Utility Tunnel/Feasibility Study	260,000	0	0	0
Sidewalks & Parking Lot Repairs	1,650,000	0	0	0
Enterprise Resource Planning (I/3)	1,500,000	0	0	0
West Capitol Terrace	1,600,000	0	0	0
Hoover Building HVAC Improvements	1,320,000	0	0	0
Property Acquisition	1,000,000	1,000,000	1,000,000	0
Workforce Building Feasibility Study	0	0	0	0
Energy Plant and Additions	998,000	0	0	0
Vehicle Dispatch Fleet Relocation	350,000	0	-349,161	0
Veterans Disabled for Life Memorial	50,000	0	0	0
Workers' Monument	200,000	0	0	0
Major Maintenance	0	0	0	0
Capitol Master Plan Update	0	250,000	250,000	0
Hoover Building Security/Fire Walls	0	0	0	0
Terrace Hill Preservation and Restoration	0	0	0	0
Human Resource I/3 Payroll Module	0	200,000	200,000	0
Contract Project Manager - Veterans Home	0	200,000	200,000	0
Capitol Shuttle Service and Incentive Program	0	170,000	170,000	0
Agriculture and Land Stewardship				
National Junior Gelbvieh Heifer Show	0	10,000	10,000	0
Department of the Blind				
Dormitory Remodeling	0	0	0	0
Corrections				
Ft. Madison Electrical System Lease Purchase	333,168	0	0	0
Mitchellville Expansion	0	0	0	0
Correctional Institution Improvements	5,495,000	0	0	0
Fort Dodge CBC Residential Facility	2,450,000	0	0	0
Anamosa Dietary Renovation	25,000	0	0	0
Prison System Study	0	0	0	0
6th District Mental Health Bldg	1,300,000	0	0	0
Prison Infrastructure Planning	500,000	0	0	0
A & E Funding for Ft. Madison and Mitchellville	0	1,000,000	1,000,000	0
Construction Project Manager	0	500,000	500,000	1,750,000
Des Moines CBC Planning Study	0	200,000	200,000	0
Cultural Affairs				
Historical Preservation Grant Program	1,000,000	1,000,000	1,000,000	0
American Gothic Visitors Ed. Center	0	0	0	0
Great Places Initiative	3,000,000	2,000,000	2,000,000	1,900,000
Iowa Veterans Oral Histories	0	0	0	0
Iowa Battle Flags	220,000	220,000	220,000	0
Kimball Organ Restoration	0	80,000	80,000	0

Rebuild Iowa Infrastructure Fund

	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2009	Gov. Rec. FY 2010
Economic Development				
Community Attraction & Tourism Grants	5,000,000	12,000,000	12,000,000	10,000,000
River Enhancement Comm Attract & Tourism (RECAT)	0	10,000,000	10,000,000	0
Accelerated Career Education (ACE) Program	5,500,000	900,000	-4,225,000	900,000
Iowa Port Authorities	0	0	0	0
Targeted Industries Infrastructure	900,000	900,000	900,000	0
Regional Sport Authorities	500,000	500,000	500,000	0
Community Colleges 260C.18A	2,000,000	2,000,000	2,000,000	0
Grow Iowa Values Fund	0	50,000,000	50,000,000	47,500,000
Central Expo FY 2008 Supplemental	250,000	0	0	0
Multi use Community Center - Des Moines	0	100,000	100,000	0
Education				
Enrich Iowa Libraries	1,000,000	1,000,000	1,000,000	1,000,000
NEICC Agriculture Emergencies Facility	35,000	0	0	0
Community Colleges Infrastructure	2,000,000	0	0	0
IPTV - Mechanical Equipment	1,275,000	0	0	0
Iowa Learning Technologies	0	250,000	250,000	0
Agricultural Learning Center - Muscatine	0	80,000	80,000	0
Human Services				
Polk County Residential Treatment Facility	0	0	0	0
Nursing Home Facility Financial Assistance	1,000,000	600,000	600,000	0
Child Care Workgroup	0	30,000	30,000	0
Community Family Resource Center - North Cen. Iowa	0	15,000	15,000	0
Child Care Workers' Insurance Study	0	50,000	50,000	0
Iowa Finance Authority				
Wastewater Treatment Assist - Water Quality Grants	4,000,000	3,000,000	3,000,000	0
State Housing Trust Fund	2,500,000	3,000,000	3,000,000	3,000,000
IFA Transitional Housing	0	0	0	0
Management				
Vertical Infrastructure Fund	50,000,000	0	0	0
Technology Reinvestment Fund	0	17,500,000	17,500,000	14,500,000
Environment First Fund	40,000,000	42,000,000	42,000,000	42,000,000
Natural Resources				
Lake Darling State Park Shelter	0	0	0	0
Volga River Rec. Area Infrastructure Impr.	750,000	0	0	0
Lake Delhi Improvements	100,000	100,000	100,000	0
Carter Lake Improvements	500,000	0	0	0
Mines of Spain Interpretive Center	100,000	0	0	0
State Park Renovations	2,500,000	0	0	0
Lake Restoration & Water Quality	8,600,000	0	0	0
Floodplain Management/Dam Safety	0	0	0	3,000,000
Honey Creek Resort State Park	0	0	4,900,000	0
Water Trails and Low Head Dam Programs	0	1,000,000	1,000,000	0
Plasma Arc Technology - Marion	0	150,000	150,000	0
Public Health				
Environmental & Emergency Mgmt. Facility	0	0	0	0
Vision Screening	0	130,000	130,000	0
Public Defense				
Camp Dodge Armed Forces Readiness Center	50,000	0	0	0
Gold Star Museum - Camp Dodge	1,000,000	2,000,000	2,000,000	1,000,000
STARCOMM	2,000,000	1,600,000	1,600,000	0
Iowa City Readiness Center	1,200,000	0	0	0
Waterloo Aviation Readiness Center	500,000	0	0	0
Camp Dodge Water Distribution System	400,000	410,000	410,000	0
Facility/Armory Maintenance	1,500,000	1,500,000	1,500,000	900,000
Ottumwa Armory Addition	1,000,000	500,000	500,000	0
Newton Readiness Center	400,000	0	0	0
Eagle Grove Readiness Center	400,000	0	0	0
Camp Dodge Electrical Distribution System Upgrade	0	526,000	526,000	0
ILEA/National Guard Shoot House	500,000	0	0	0
Statewide Modernization Agenda - Readiness Centers	0	1,800,000	1,800,000	1,800,000
Public Safety				
State Fire Training Facility	2,000,000	0	-2,000,000	0
Regional Fire Training Facilities	1,400,000	0	0	0
Law Enforcement Training Track	0	0	0	0
Mason City Patrol Post	2,400,000	0	0	0

Rebuild Iowa Infrastructure Fund

	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2009	Gov. Rec. FY 2010
Regents				
Tuition Replacement	10,329,981	24,305,412	24,305,412	24,305,412
Major/Deferred Maintenance	0	0	0	0
Institute for Biomedical Discovery	10,000,000	10,000,000	-5,414,722	10,000,000
ISU - Biorenewables Building	5,647,000	14,756,000	3,479,000	11,597,000
UNI - Program for Playground Safety	0	0	0	0
SUI - Hygienic Laboratory	15,650,000	12,000,000	12,000,000	0
Ag Products/Novel Proteins	0	0	0	0
ISU - Veterinary Laboratory	0	1,800,000	1,800,000	0
Bioscience Program Infrastructure	0	0	0	0
Endowment Salaries	0	0	0	0
Bioscience Program	0	0	0	0
Midwest Grape and Wine Industry Institute	0	50,000	50,000	0
Revenue				
Secure and Advance Vision for Education (SAVE)	10,000,000	10,000,000	10,000,000	10,000,000
Secretary of State				
Voting Machine Reimbursement Fund	2,000,000	0	0	0
Optical Scan Voting System FY 2008 Supplemental	4,900,880	0	0	0
State Fair				
Agriculture Exhibition Center	3,000,000	0	0	0
Transportation				
Aviation Improvement Program	0	0	0	0
Commercial Aviation Infrastructure	1,500,000	0	0	0
Rail Assistance/Revolving Loan Fund	2,000,000	2,000,000	2,000,000	0
Recreational Trails	2,000,000	3,000,000	3,000,000	0
Public Transit Infrastructure	2,200,000	0	0	0
General Aviation Airport Grants	750,000	750,000	750,000	0
Dubuque Depot and Platform	0	300,000	300,000	0
Treasurer				
County Fairs Infrastructure	1,590,000	1,590,000	1,590,000	0
Watershed Improvement Review Board	0	5,000,000	5,000,000	0
Prison Infrastructure Fund	0	0	0	0
Veterans Affairs				
Veterans Home Infrastructure	532,000	0	0	0
Home Ownership Program	1,000,000	1,600,000	1,600,000	1,600,000
Net Appropriations				
	<u>\$ 262,046,489</u>	<u>\$ 252,622,412</u>	<u>\$ 223,356,529</u>	<u>\$ 194,752,412</u>
Reversions	-379,727	0	0	0
Ending Balance	<u><u>\$ 32,167,382</u></u>	<u><u>\$ 24,438,327</u></u>	<u><u>\$ 14,704,210</u></u>	<u><u>\$ 60,369</u></u>

Note: The interest estimated for FY 2010 includes a revised number provided by the Department of Management after the Governor's Budget in Brief was printed. The estimate provided has not been adjusted for the lower interest rates due to the recession and is likely to be too high. The Legislative Services Agency will be adjusting the level of interest for future RIIF balance sheets.

Environment First Fund

	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2010
Revenue			
Balance Forward	\$ 22,454	\$ 22,454	\$ 22,454
RIIF Appropriation	40,000,000	42,000,000	42,000,000
Total	\$ 40,022,454	\$ 42,022,454	\$ 42,022,454
Appropriations			
Department of Agriculture			
Soil Conservation Cost Share	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000
Watershed Protection Program	2,550,000	2,550,000	2,550,000
Wetland Incentive Program (CREP)	1,500,000	1,500,000	1,500,000
Farm to School	80,000	0	0
Apiarist	40,000	0	0
Conservation Reserve Program (CRP)	1,500,000	1,500,000	1,500,000
Farm Demonstration Program	850,000	850,000	850,000
Loess Hills Conservation Authority	580,000	600,000	600,000
Agricultural Drainage Wells	1,480,000	1,500,000	1,500,000
So. Iowa Conservation & Dev. Authority	300,000	300,000	300,000
Levee Project	150,000	0	0
Total Department of Agriculture	\$ 16,030,000	\$ 15,800,000	\$ 15,800,000
Department of Natural Resources			
REAP Program	\$ 15,500,000	\$ 18,000,000	\$ 18,000,000
Marine Fuel Tax Capital Projects	0	0	0
Park Operations and Maintenance	2,470,000	2,470,000	2,470,000
Volunteer Water Quality Initiative	100,000	100,000	100,000
Animal Feeding Operations	360,000	360,000	360,000
Animal Feeding Database	50,000	0	0
Air Quality Livestock	235,000	0	0
Water Quantity Program	480,000	495,000	495,000
Resource Conservation and Development	300,000	250,000	0
Air Quality Monitoring Program	325,000	325,000	625,000
Water Quality Protection	500,000	500,000	500,000
Geographic Information System Development	195,000	195,000	195,000
Water Quality Monitoring Stations	2,955,000	2,955,000	2,955,000
Lake Dredging	0	0	0
Global Climate Change Council	0	50,000	0
Biofuels Permitting	0	0	0
Flood Plain Management	0	0	0
Total Department of Natural Resources	\$ 23,470,000	\$ 25,700,000	\$ 25,700,000
Department of Economic Development			
Brownfield Redevelopment Program	\$ 500,000	\$ 500,000	\$ 500,000
Total Appropriations	\$ 40,000,000	\$ 42,000,000	\$ 42,000,000
Reversions	0	0	0
Ending Balance	\$ 22,454	\$ 22,454	\$ 22,454

Vertical Infrastructure Fund

	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2010
Resources			
Balance Forward	\$ 23	\$ 8,400,023	\$ 0
RIF Appropriation	50,000,000		
Transfer to RIF	0	-8,400,023	0
Total Available Resources	\$ 50,000,023	\$ 0	\$ 0
Appropriations			
Dept. of Administrative Services			
Major Maintenance	\$ 40,000,000	\$ 0	\$ 0
Board of Regents			
Fire Safety and Maintenance	1,000,000	0	0
ISU Veterinary Laboratory	600,000	0	0
Bioscience Program Infrastructure	0	0	0
Total Appropriations	\$ 41,600,000	\$ 0	\$ 0
Reversions	0	0	0
Ending Balance	\$ 8,400,023	\$ 0	\$ 0

**Tobacco Settlement Trust Fund
Restricted Capital Fund**

	Actual FY 2007	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2010
Resources				
Balance Forward	\$ 423,101	\$ 2,857,854	\$ 3,401,941	\$ 205,484
Adjustment to Balance	1,433	8,777		
Interest	2,425,977	534,289	90,000	5,000
Total Available Resources	<u>\$ 2,850,511</u>	<u>\$ 3,400,920</u>	<u>\$ 3,491,941</u>	<u>\$ 210,484</u>
Appropriations				
Dept. of Administrative Services				
Terrace Hill Roof - Supplemental	700,000	0	0	0
Electrical Distribution - Supplemental	800,000	0	0	0
Terrace Hill Restoration and Repair			186,457	0
Dept. of Natural Resources				
Honey Creek Resort State Park - Cabins	0	0	3,100,000	0
Dept. of Public Safety				
Dubuque Fire Training Facility	0	0	0	0
Mason City Patrol Post	-2,400,000	0	0	0
Property Acquisition - Supplemental	1,200,000	0	0	0
Radio Consoles - Supplemental	1,000,000	0	0	0
Public Safety Building Furnishings	200,000	0	0	0
Total Appropriations	<u>\$ 1,500,000</u>	<u>\$ 0</u>	<u>\$ 3,286,457</u>	<u>\$ 0</u>
Reversions	-7,343	-1,021	0	0
Deappropriations	-1,500,000	0	0	0
Ending Balance	<u>\$ 2,857,854</u>	<u>\$ 3,401,941</u>	<u>\$ 205,484</u>	<u>\$ 210,484</u>

Tobacco Settlement Trust Fund
Endowment for Iowa's Health Restricted Capitals Fund (RC2)

	Actual FY 2007	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2009
Resources				
Balance Forward	\$ 102,397,765	\$ 3,821,417	\$ 6,485,884	\$ 6,485,884
Tax-Exempt Bond Proceeds	0	0	0	0
Interest	5,202,653	4,064,467	300,000	1,800,000
Total Available Resources	\$ 107,600,418	\$ 7,885,884	\$ 6,785,884	\$ 8,285,884
Appropriations				
Department of Administrative Services				
DHS - Toledo Juvenile Home	\$ 1,521,045	\$ 0	\$ 0	\$ 0
DHS - Toledo Education & Infirmary Bldg.	5,030,668	0	0	0
Capitol Interior Restoration	6,830,000	0	0	0
Woodward Resource Center Wastewater Treatment	2,443,000	0	0	0
New Office Building	37,585,000	0	0	-36,923,898
Property Acquisition	500,000	0	0	0
Install Pre-Heat Piping for Lucas Building	0	0	300,000	300,000
Capitol Complex Alternative Energy System	0	0	200,000	200,000
Department for the Blind				
Building Renovation	4,000,000	0	0	0
Dept. of Economic Development				
Accelerated Career Education (ACE) Infrastructure	5,500,000	0	4,600,000	9,725,000
State Fair Board				
Capitals	1,000,000	0	0	0
Department of Corrections				
Davenport CBC Facility	3,750,000	0	0	3,458,217
Fort Dodge CBC Facility	1,000,000	0	0	0
Cedar Rapids CBC Mental Health Facility	1,000,000	0	0	0
Capitals Request	0	0	0	2,797,376
Anamosa Dietary Renovation	0	1,400,000	0	0
Department of Cultural Affairs				
Great Places	3,000,000	0	0	0
Dept. of Education				
Community College Infrastructure	2,000,000	0	0	0
Department of Public Defense				
Iowa City Readiness Center	1,444,288	0	0	0
Waterloo Aviation Readiness Center Additior	1,236,000	0	0	0
Spencer Readiness Center	689,000	0	0	0
STARCOMM Project	600,000	0	0	0
Department of Public Safety				
Regional Fire Training Facilities	2,000,000	0	0	2,000,000
Board of Regents				
Construction Projects	10,000,000	0	0	0
SUI Institute of Biomedical Discovery	0	0	0	15,414,722
ISU Biorenewables Building	0	0	0	11,277,000
Dept. of Transportation				
Commercial Aviation Infrastructure	1,500,000	0	0	0
Public Transit Infrastructure	2,200,000	0	0	0
Recreational Trails	2,000,000	0	0	0
General Aviation Airport Grants	750,000	0	0	0
Iowa Veterans Home				
Capital Projects	6,200,000	0	0	0
Total Appropriations	\$ 103,779,001	\$ 1,400,000	\$ 5,100,000	\$ 8,248,417
Ending Balance	\$ 3,821,417	\$ 6,485,884	\$ 1,685,884	\$ 37,467

**Tobacco Settlement Trust Fund
FY 2009 Tax-Exempt Restricted Capital Fund (RC3)**

	Estimated FY 2009
Resources	
Beginning Balance	\$ 0
Bond Proceeds	183,000,000
Total Available Resources	\$ 183,000,000
Appropriations	
Department of Administrative Services	
New State Office Building	\$ 20,000,000
Capitol Complex Utility Tunnel	4,763,078
Capitol Complex Interior/Exterior	6,900,000
Capitol Complex Electrical Distribution Upgrade	4,470,000
Hoover Building HVAC Improvements	1,500,000
Major Maintenance	15,000,000
DHS - CCUSO Renovation	829,000
Capitol Complex Energy Plant Additions and Improvements	623,000
Terrace Hill Restoration	769,543
Hoover Building Security Improvements/Fire Wall Upgrade	165,000
Mercy Capitol Hospital Purchase	3,400,000
Department of the Blind	
Dorm Remodel	869,748
Department of Corrections	
First CBC - Waterloo Residential Expansion	6,000,000
Third CBC - Sioux City Residential Expansion	5,300,000
Fifth CBC - Des Moines Residential Expansion	0
Eighth CBC - Ottumwa Residential Expansion	4,100,000
Community Treatment Resource Center	0
Iowa Correctional Institution for Women Expansion	47,500,000
Mt. Pleasant/Rockwell City Kitchen Remodeling	12,500,000
Department of Education	
Community College Infrastructure	2,000,000
Department of Natural Resources	
Volga River Rec. Area Infrastructure Impr.	750,000
Carter Lake Improvements	500,000
Lake Restoration and Dredging Projects	8,600,000
Honey Creek Resort State Park	4,900,000
Regents	
Iowa Public Radio Infrastructure	2,000,000
State Fair Authority	
Ag Exhibition Center	5,000,000
Department of Transportation	
Public Transit Infrastructure	2,200,000
Commercial Airport Vertical Infrastructure	1,500,000
Department of Veterans Affairs	
Iowa Veterans Home Master Plan	20,555,329
Veterans Memorial	100,000
Total Expenditures	\$ 182,794,698
Ending Balance	\$ 205,302

Technology Reinvestment Fund

	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2010
Resources			
Beginning Balance	\$ 0	\$ 290,193	\$ 289,026
General Fund Appropriation	17,500,000	0	0
Rebuild Iowa Infrastructure Fund	0	17,500,000	14,500,000
Total Available Resources	\$ 17,500,000	\$ 17,790,193	\$ 14,789,026
Appropriations			
Dept. of Administrative Services			
Technology Projects	\$ 3,810,375	\$ 3,980,255	\$ 2,037,184
Service Oriented Architecture	254,992	0	0
Dept. of Corrections			
Offender Management System	500,000	500,000	500,000
Department of Cultural Affairs			
Iowa Veterans Oral Histories Interactive Exhibit	0	500,000	486,250
Dept. of Education			
IPTV - HDTV Conversion	0	0	0
ICN Part III & Maintenance & Leases	2,727,000	2,727,000	2,727,000
Sr. Plus Transcript Depository - Data Warehouse	0	0	500,000
Iowa Learning Technologies	500,000	0	0
Statewide Education Data Warehouse	600,000	600,000	600,000
IPTV - Generators and Transmitters	0	1,602,437	0
IPTV - Replace Keosauqua Tower Antenna, Bldg.	0	701,500	0
Skills Iowa Technology Grant Fund	0	500,000	0
Department of Human Rights			
Criminal Justice Information System Integration	2,881,466	1,839,852	0
Department of Human Services			
Child Support Recovery Unit Payment Process. Equip.	272,000	0	0
Iowa Telecom. and Technology Commission			
ICN Equipment Replacement	2,067,000	2,190,123	2,211,863
Generator Replacement	0	0	2,755,246
Network Redundancy	0	0	2,320,000
Redundancy for Continuity of Operations (Fiber)	0	1,800,000	0
Iowa Workforce Development			
Automated Worker's Comp. Appeal System.	500,000	0	0
Outcome Tracking System	580,000	0	0
Law Enforcement Academy			
Technology Upgrades	0	0	185,000
Department of Public Defense			
Technology Enhancements	111,000	0	0
Department of Public Safety			
Technology Enhancements	1,900,000	0	0
Auto. Fingerprint Info. System (AFIS) Lease Purchase	560,000	560,000	350,000
Board of Regents			
MyEntreNet Project	235,000	0	0
Total Appropriations	\$ 17,498,833	\$ 17,501,167	\$ 14,672,543
Reversions	-289,026	0	0
Ending Balance	\$ 290,193	\$ 289,026	\$ 116,483

FY 2009 Prison Bonding Fund

	Estimated FY 2009	Gov. Rec. FY 2010
Resources		
Beginning Balance	\$ 0	\$ 322,500
Revenues		
Bond Proceeds	131,000,000	0
Total Available Resources	131,000,000	322,500
Expenditures		
Department of Corrections		
Iowa State Penitentiary	130,677,500	0
Total Expenditures	130,677,500	0
Ending Balance	\$ 322,500	\$ 322,500

Property Tax Credit Fund

	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2010
Resources			
Beginning Balance	\$ 1,682,157	\$ 6,137,043	\$ 3,788,886
Revenues			
Transfer from General Fund Surplus	131,868,964	99,849,544	0
General Fund Appropriation	28,000,000	43,734,000	106,173,400
Salary Adj. Fund Transfer (Gen. Fund)	0	13,937,263	0
Balance Adjustment	18,539	0	0
Total Available Resources	<u>\$ 161,569,660</u>	<u>\$ 163,657,850</u>	<u>\$ 109,962,286</u>
Expenditures			
Appropriations			
Department of Revenue			
Homestead Property Tax Credit	99,254,781	99,254,781	49,348,103
Ag, Land & Family Farm Tax Credits	34,610,183	34,610,183	34,610,183
Military Service Tax Credit	2,800,000	2,800,000	2,800,000
Elderly and Disabled Tax Credit	23,204,000	23,204,000	23,204,000
Total Appropriations	<u>159,868,964</u>	<u>159,868,964</u>	<u>109,962,286</u>
Reversions	<u>-4,436,347</u>	<u>0</u>	<u>0</u>
Ending Balance	<u><u>\$ 6,137,043</u></u>	<u><u>\$ 3,788,886</u></u>	<u><u>\$ 0</u></u>

Health Care Trust Fund

	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2010
Revenues			
Balance Forward	\$ 0	\$ 2,995,303	\$ 0
General Fund Appropriation	127,600,000	125,686,000	0
Interest	2,604,757	1,000,000	0
Total Revenues	\$ 130,204,757	\$ 129,681,303	\$ 0
Appropriations			
Department of Public Health			
Addictive Disorders	\$ 6,993,754	\$ 3,195,164	\$ 0
Addictive Disorders-ATB Cut		-16,451	
Healthy Children and Families	687,500	667,700	
Healthy Children and Families-ATB Cut		-3,438	
Chronic Conditions	1,188,981	1,164,181	
Chronic Conditions-ATB Cut		-5,994	
Community Capacity	2,790,000	2,790,000	
Community Capacity-ATB Cut		-14,365	
Total Department of Public Health	\$ 11,660,235	\$ 7,776,797	\$ 0
Department of Human Services			
Medical Assistance	\$ 99,518,096	\$ 114,943,296	\$ 0
Medical Assistance-ATB Cut		-591,800	
State Children's Health Insurance	8,329,570	0	
MH/DD Growth Factor	7,592,099	7,592,099	
MH/DD Growth Factor-ATB Cut		-39,089	
Total Department of Human Services	\$ 115,439,765	\$ 121,904,506	\$ 0
General Assembly			
Health Insurance Study	\$ 500,000	\$ 0	\$ 0
Total Appropriations	\$ 127,600,000	\$ 129,681,303	\$ 0
Deappropriation Health Insurance Study	\$ -390,546	\$ 0	\$ 0
Ending Balance	\$ 2,995,303	\$ 0	\$ 0

MH/DD = Mental Health / Developmental Disabilities

Rebuild Iowa Infrastructure Investment Bond Proceeds

	Gov. Rec. FY 2009
Resources	
Beginning Balance	\$ 0
Bond Proceeds	700,000,000
Total Available Resources	\$ 700,000,000
 Appropriations	
Department of Administrative Services	
Major Maintenance	\$ 15,000,000
Capitol Complex Utility Tunnel	1,000,000
Capitol Complex Interior/Exterior	6,900,000
Capitol Complex Electrical Distribution Upgrade	850,000
Hoover Building HVAC Improvements	1,500,000
DHS - CCUSO Renovation	829,000
Capitol Complex Energy Plant Additions and Improvements	623,000
Terrace Hill Restoration	769,543
Hoover Building Security Improvements/Fire Wall Upgrade	165,000
Mercy Capitol Hospital Purchase	3,900,000
Department of the Blind	
Dorm Remodel	869,748
Department of Corrections	
First CBC - Waterloo Residential Expansion	6,000,000
Third CBC - Sioux City Residential Expansion	5,300,000
Seventh CBC - Davenport Facility	2,100,000
Eighth CBC - Ottumwa Residential Expansion	4,100,000
Community Treatment Resource Center	0
Iowa Correctional Institution for Women Expansion	47,500,000
Mt. Pleasant/Rockwell City Kitchen Remodeling	12,500,000
Department of Education	
Community College Infrastructure	2,000,000
Department of Natural Resources	
Volga River Rec. Area Infrastructure Impr.	750,000
Carter Lake Improvements	500,000
Lake Restoration and Dredging Projects	8,600,000
Regents	
Iowa Public Radio Infrastructure	2,000,000
State Fair Authority	
Ag Exhibition Center	8,000,000
Department of Transportation	
Public Transit Infrastructure	2,200,000
Commercial Airport Vertical Infrastructure	1,500,000
Department of Veterans Affairs	
Iowa Veterans Home Master Plan	20,555,329
Total Expenditures	\$ 156,011,620
Ending Balance	\$ 543,988,380

Note: The Governor indicates that the remaining Fund balance is available for distribution. Information on how the funds are to be distributed are not yet available.

Senior Living Trust Fund

	Actual FY 2008	Estimated FY 2009	Gov. Rec. FY 2010
Revenues			
Beginning Balance	\$ 77,942,158	\$ 79,650,192	\$ 26,808,057
General Fund Transfer	53,500,000	48,282,728	0
Economic Emergency Fund Transfer	18,963,036	20,333,728	0
Interest	3,989,512	2,151,270	502,651
Total Revenues	\$ 154,394,706	\$ 150,417,918	\$ 27,310,708
Appropriations			
Finance Authority - Rent Subsidy Program	\$ 700,000	\$ 700,000	\$ 700,000
Human Services - Medicaid Supplement	65,000,000	111,753,195	16,784,483
Elder Affairs	8,442,707	8,486,698	8,486,698
DIA - Assisted Living/Adult Day Care Oversight	1,183,303	1,339,527	1,339,527
DHS - Nursing Fund Conversion	720,495	1,330,441	0
Total Appropriations	\$ 76,046,505	\$ 123,609,861	\$ 27,310,708
Reversions	-1,301,991	0	0
Ending Balance	\$ 79,650,192	\$ 26,808,057	\$ 0

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