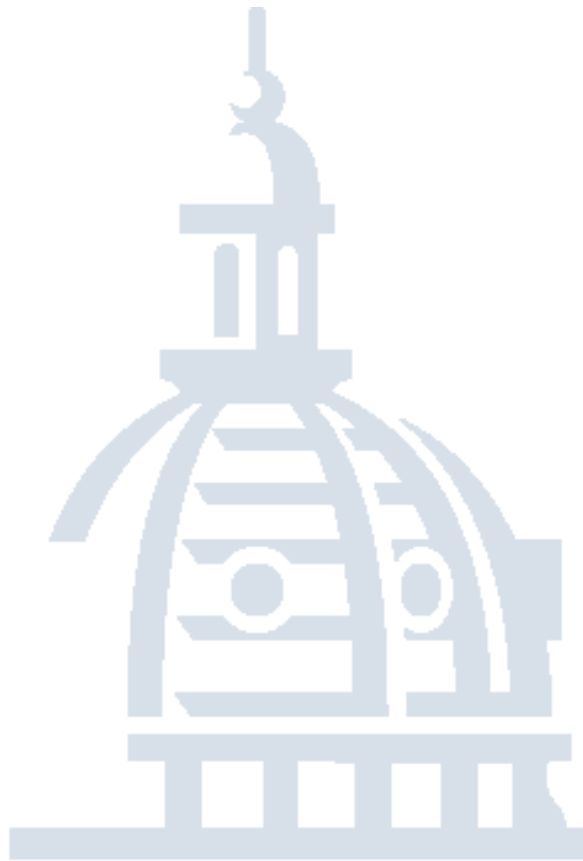

**SUMMARY OF FY 2013 BUDGET
AND
GOVERNOR'S RECOMMENDATIONS**



FISCAL SERVICES DIVISION

JANUARY 12, 2012



FOREWORD

The purpose of this document is to provide the General Assembly with information related to FY 2013 General Fund estimated receipts and the Governor's recommendations. This 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, this 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 Branstad's recommendations, or other fiscal information, refer to the Fiscal Services staff listing. The staff listing will indicate the appropriate analyst to contact for detailed information concerning each request.

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DOCUMENT NOTES

The Fiscal Services Division obtained documents from the I/3 Budget System and from the DOM to compile the information provided in this document. The information in this document reflects information received on January 7 and January 9, 2012.

Items worth noting when reviewing this document include:

- Revenues and expenditures are estimated for FY 2012 and FY 2013.
- When analyzing the FY 2013 Governor's recommendations, the FY 2013 appropriations are compared to the estimated FY 2012 appropriations. The FY 2013 total includes the portion (generally 50.0%) enacted during the FY 2011 Legislative Session and the additional amount recommended by the Governor.
- Governor Branstad requested that all departments and agencies submit status quo (no increase) budget requests for FY 2013. Most, but not all, adhered to this directive. A summary of the few departments and agencies that actually requested new funding for FY 2013 is included in the Budget Overview section of this document.
- **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 2013 built-in and anticipated increases and decreases.
- **Appendix C** provides other funds balance sheets.
- **Appendix D** provides a brief summary of the charges of the 2011 Interim Committees.
- **Appendix E** provides a summary of salary and collective bargaining information.

2012 SESSION TIMETABLE

**Proposed rule changes to [HCR 12 \(2011\)](#) and [HR 11 \(2011\)](#); [SR 2 \(2011\)](#) remains unchanged*

Available online at: <http://www.legis.iowa.gov/DOCS/Schedules/SessionTimetable.pdf>

NOTE: This Session Timetable is subject to change.

JANUARY 9	First day of session. (Iowa Code Sec. 2.1)
JANUARY 20 <i>(Friday of 2nd week)</i>	Final day for individual Senator and Representative requests for bill drafts to the Legislative Services Agency. (Senate Rule 27 and House Rule 29)
FEBRUARY 24 <i>(Friday of 7th week)**</i>	Final date for Senate bills to be reported out of Senate committees and House bills out of House committees. (Joint Rule 20)
FEBRUARY 27 – MARCH 2 (8th week)	Senate considers only Senate bills and unfinished business. House considers only House bills and unfinished business. (Joint Rule 20)
MARCH 5 – MARCH 16 <i>(9th and 10th weeks)</i>	Debate not limited by rule.
MARCH 16 (Friday of the 10th week)**	Final date for Senate bills to be reported out of House committees and House bills out of Senate committees. (Joint Rule 20)
MARCH 19 – MARCH 23 (11th week)	Senate considers only House bills and unfinished business. House considers only Senate bills and unfinished business. (Joint Rule 20)
MARCH 26 <i>(Beginning of 12th week)</i>	Amendments need not be filed on the day preceding floor debate. (House Rule 31.8)
MARCH 26 <i>(Beginning of 12th week)</i>	Only the following bills are eligible for consideration: (Joint Rule 20) <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
APRIL 17	100th calendar day of the Session [per diem expenses end – Iowa Code Sec. 2.10(1)]

****The February 24 and March 16 committee deadlines do not apply to Appropriations bills, Ways and Means bills, Government Oversight Committee bills, bills co-sponsored by Majority and Minority Leaders of one House, companion bills sponsored by the Majority Leaders of both chambers 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 Rules [\[Code Sec. 17A.8\(9\)\]](#).**

Updated by the Legislative Information Office on 1/4/2012

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BUDGET OVERVIEW

The Economy and Revenue Estimates for FY 2011 and FY 2012

Although the recession ended in June 2009 (according to the National Bureau of Economic Research), both nationally and in Iowa the economic recovery has been slow. Iowa's 12-month average nonfarm employment has increased nine consecutive months through November 2011; however, the 12-month average remains 44,900 below the prerecession peak level that occurred in October 2008.

Net General Fund revenue for FY 2011, excluding transfers, totaled \$5,813.4 million, an increase of \$319.8 million (5.8%) compared to FY 2010. The total FY 2011 net amount was \$45.5 million more than projected by the March 2011 Revenue Estimating Conference (REC). Adjusting for transfers that were \$2.8 million below projections, net General Fund revenue, including transfers, was \$42.7 million above projections for the year. The positive growth for FY 2011 net General Fund revenue followed two fiscal years of negative growth.

Pursuant to statute, the Governor's FY 2013 budget is based on the December 15, 2011, REC estimate. Excluding transfers, the projected net General Fund amounts for FY 2012 and FY 2013 are:

- FY 2012: Net General Fund revenue totaling \$5,902.6 million (excluding transfers), an increase of \$107.2 million (1.8%).
- FY 2013: Net General Fund revenue totaling \$6,170.4 million (excluding transfers), an increase of \$249.8 million (4.2%).
- Including transfer revenue, projected FY 2012 net revenue growth equals \$101.3 million (1.7%) and projected FY 2013 net revenue growth equals \$251.3 million (4.2%).

Summary of the Governor's General Fund Budget Recommendations for FY 2012 and FY 2013

FY 2012 Budget Changes

The Governor's revised FY 2012 budget leaves a projected General Fund surplus of \$389.6 million, \$26.5 million more than previously estimated. The Governor's recommended revisions for FY 2012 include:

- A revenue increase of \$2.0 million for the transfer of fees collected from the gaming industry for indirect costs incurred by the General Fund in support of the gaming enforcement activities administered by the Department of Public Safety.
- A revenue increase of \$30.7 million to reflect an increase in the amount to be transferred from the Economic Emergency Fund. The change is due to a lower estimate for Performance of Duty expenditures that are funded from the Economic Emergency Fund. The Performance of Duty account is used by the Executive Council to fund disaster-related remediation costs. This results in increased revenue being transferred back to the General Fund.
- An expenditure increase of \$7.5 million for an anticipated increase to the standing appropriation for State Appeal Board claims during FY 2012 associated with the settlement of the lawsuit involving Film Tax Credits.
- The Governor is recommending supplemental appropriations totaling \$6.5 million for the Department of Corrections for FY 2012.

Budget Overview

- The Governor is estimating increased reversions of \$7.7 million from various appropriations.

FY 2013 Budget Recommendations

For FY 2013, the Governor is recommending General Fund appropriations of \$6,243.9 million, an increase of \$230.0 million (3.8%) when compared to the Governor's revised net FY 2012 budget. The Governor's budget includes total General Fund revenues of \$6,537.8 million. This includes the December 15, 2011, REC estimate of \$6,251.6 million, revenue adjustments of \$1.1 million, and a transfer from the Economic Emergency Fund of \$285.1 million. The expenditure limitation for the Governor's FY 2013 budget is \$6,475.3 million and the Governor's recommended appropriations are \$231.4 million below the expenditure limitation. The Governor's FY 2013 recommendation leaves a \$295.9 million General Fund surplus.

State of Iowa			
Projected Condition of the General Fund Budget			
(Dollars in Millions)			
	Actual FY 2011	Gov Rec FY 2012	Gov Rec FY 2013
Funds Available:			
Net Receipts	\$ 5,899.0	\$ 6,000.3	\$ 6,251.6
Revenue Adjustments		2.0	1.1
Economic Emergency Fund Transfer		391.5	285.1
Total Funds Available	\$ 5,899.0	\$ 6,393.8	\$ 6,537.8
Expenditure Limitation			\$ 6,475.3
Estimated Appropriations and Expenditures:			
Enacted Appropriations	\$ 5,351.9	\$ 5,999.9	\$ 6,243.9
State Appeal Board Increase		7.5	
Supplemental Appropriations		6.5	
Total Appropriations	\$ 5,351.9	\$ 6,013.9	\$ 6,243.9
Reversions - Operations	- 7.5	- 2.0	- 2.0
Reversions - Programs		- 7.7	
Net Appropriations	\$ 5,344.4	\$ 6,004.2	\$ 6,241.9
Ending Balance - Surplus	\$ 554.6	\$ 389.6	\$ 295.9
<i>Under (Over) Expenditure Limitation</i>			\$ 231.4

Revenue Estimates

The Governor's FY 2012 and FY 2013 budgets are based on the revenue estimate established by the REC on December 15, 2011. That estimate includes potential contingent liabilities in the form of tax credits. The table below outlines the potential tax credits that may be claimed against the State in FY 2012 and FY 2013. In some cases, any person or business meeting the eligibility criteria can claim a credit. In cases where there is a "cap" on the credit, there is a maximum that may be claimed either in one year, or over a period of years.

Estimated Contingent Liabilities for State Tax Credits			
(Dollars in Millions)			
Tax Credit Program	FY 2012	FY 2013	Percent of Total
<u>Capped Programs</u>			
Historic Preservation and Cultural and Entertainment District Tax	\$ -30.4	\$ -33.5	11.9%
Enterprise Zone Program	-10.1	-11.9	4.2%
High Quality Job Program	-11.5	-11.8	4.2%
School Tuition Organization Tax Credit	-7.5	-8.4	3.0%
Enterprise Zone Program - Housing Component	-6.9	-6.7	2.4%
Accelerated Career Education Tax Credit	-4.1	-4.1	1.5%
Renewable Energy Tax Credit	-2.5	-4.1	1.5%
Endow Iowa Tax Credit	-3.0	-3.6	1.3%
Film, Television, and Video Project Promotion Program - Under	-1.9	-3.5	1.2%
Agricultural Assets Transfer Tax Credit	-2.3	-2.5	0.9%
Wage-Benefits Tax Credit	-3.8	-1.6	0.6%
Wind Energy Production Tax Credit	-0.6	-1.5	0.5%
Film, Television, and Video Project Promotion Program - Awarded	-4.0	-1.1	0.4%
Venture Capital Tax Credit - Qualified Bus. or Comm.-Seed Capital	-1.2	-1.1	0.4%
Venture Capital Tax Credit - Venture Capital Funds	-0.3	-0.3	0.1%
Redevelopment Tax Credit	-0.6	-0.2	0.1%
Total Capped Programs	\$ -90.7	\$ -95.9	34.1%
<u>Uncapped Programs</u>			
Iowa Industrial New Job Training Program (260E)	\$ -52.6	\$ -50.5	18.0%
Research Activities Tax Credit	-27.7	-36.5	13.0%
Earned Income Tax Credit	-28.0	-27.8	9.9%
Supplemental Research Activities Tax Credit	-23.3	-19.4	6.9%
Tuition and Textbook Tax Credit	-16.0	-16.2	5.8%
Biodiesel Blended Fuel Tax Credit	-6.6	-7.4	2.6%
Child and Dependent Care Tax Credit	-6.9	-7.4	2.6%
New Jobs and Income Program	-13.5	-6.1	2.2%
Targeted Jobs Tax Credit from Withholding	-3.3	-5.6	2.0%
Ethanol Promotion Tax Credit	-5.6	-4.8	1.7%
E85 Gasoline Promotion Tax Credit	-1.7	-1.7	0.6%
Charitable Conservation Contribution Tax Credit	-0.6	-0.9	0.3%
Early Childhood Development Tax Credit	-0.5	-0.5	0.2%
New Capital Investment Program	-0.3	-0.3	0.1%
E15 Gasoline Promotion Tax Credit	0.0	-0.1	0.0%
Ethanol Blended Gasoline Tax Credit	0.0	0.0	0.0%
Total Uncapped Programs	\$ -186.8	\$ -185.4	65.9%
Tax Credit Program Total	\$ -277.4	\$ -281.3	100.0%
Notes:			
Estimates are based on information provided by the Department of Revenue prior to the December 2011, Revenue Estimating Conference and may differ from information provided in the Department's Contingent Liabilities Report.			
The numbers may not equal totals due to rounding.			

Governor’s Revenue Adjustments

The Governor’s budget includes a General Fund revenue adjustment that will increase revenues by \$2.0 million in FY 2012 and \$1.1 million in FY 2013. The increase results from transferring the indirect costs received by the Gaming Enforcement Revolving Fund to the General Fund.

Iowa Code sections [99D.14](#) and [99F.10](#) require the Racing and Gaming Commission to bill the gaming industry for the direct and indirect costs associated with the Department of Public Safety providing enforcement at State licensed gaming facilities. The fees collected for the indirect costs are related to the support costs that are provided by the Department of Public Safety’s divisions funded with General Fund appropriations.

Governor’s FY 2012 Supplemental Appropriations

The Governor is recommending \$6.5 million in supplemental appropriations for FY 2012 for the Department of Corrections. The increased funding is for five prisons, five Community-Based Corrections (CBC) District Departments, the Central Office, and state mandated Accounts for County Confinement and Federal Prisoners Reimbursement. The supplemental appropriations will fund currently filled but unfunded critical staffing positions (\$5.9 million) and supplements the County Confinement and Federal Prisoners Reimbursement Accounts (\$545,000).

The County Confinement Account is used to reimburse counties for holding alleged violators of conditions of parole, work release, or certain Operating While Intoxicated (OWI) offenders in county jail pending a revocation hearing. The Federal Prisoners Account reimburses the U.S. Bureau of Prisons for holding Iowa prison inmates in federal prisons.

Governor's Recommendation FY 2012 Supplemental Appropriations	
	<u>FY 2012</u>
Department of Corrections	
CBC District 1	\$ 453,140
CBC District 3	352,616
CBC District 6	599,943
CBC District 7	223,774
CBC District 8	492,704
Central Office	346,040
County Confinement	300,000
Federal Prisoners	245,000
Fort Madison	1,260,748
Anamosa	182,174
Oakdale	995,473
Newton	642,944
Mt. Pleasant	404,087
Total Supplemental Appropriations	<u>\$ 6,498,643</u>

Governor’s FY 2012 Estimated Reversions

The Governor’s FY 2012 budget includes an increase in General Fund reversions for certain programs totaling \$7.7 million. Reversions are unspent appropriated funds that will revert to the appropriation source, unless an agency is specifically allowed to carry forward unspent funds.

The reversions associated with the programs listed on the table below represent the estimated funds that will not be expended at the end of FY 2012.

Governor's Recommendation FY 2012 General Fund Reversions	
	<u>FY 2012</u>
Department of Inspections and Appeals	
Indigent Defense	\$ 1,000,000
Department of Human Services	
Cherokee	400,000
Family Investment Program	1,900,000
State Supplemental Program	1,400,000
State Children's Health Insurance Program	1,700,000
Department of Veterans Affairs	
Iowa Veterans Homes	1,300,000
Total Supplemental Appropriations	<u>\$ 7,700,000</u>

Summary of the Governor’s FY 2013 Appropriation Recommendations

During the 2011 Legislative Session, the General Assembly enacted a partial biennial budget that included \$5,156.0 million in total General Fund appropriations. Certain appropriations were funded at or above the FY 2012 level, while others were funded at 50.0% of the FY 2012 level. The Governor is recommending General Fund appropriations totaling \$6,243.9 million for FY 2013, representing an increase of \$230.0 million (3.8%) compared to the Governor’s revised recommendation for FY 2012. The following table provides a summary of the Governor’s recommendations, including appropriations previously enacted for FY 2013 and the Governor’s FY 2013 adjustments.

**FY 2013 Governor Recommendations
General Fund**

	Gov Rec FY 2012	FY 2013			FY 2013 vs FY 2012
		Enacted	Gov Rec Adjustment	Gov Rec Total	
Administration and Regulation	\$ 52,669,829	\$ 26,334,920	\$ 30,781,374	\$ 57,116,294	\$ 4,446,465
Agriculture and Natural Resources	32,287,828	16,049,316	18,438,512	34,487,828	2,200,000
Economic Development	36,312,425	18,106,216	44,096,764	62,202,980	25,890,555
Education	809,937,186	404,968,609	451,174,229	856,142,838	46,205,652
Health and Human Services	1,493,379,363	1,266,544,608	338,196,236	1,604,740,844	111,361,481
Justice System	668,986,315	331,243,845	355,634,545	686,878,390	17,892,075
Unassigned Standings	<u>2,920,431,266</u>	<u>3,092,778,882</u>	<u>-150,431,530</u>	<u>2,942,347,352</u>	<u>21,916,086</u>
Grand Total	<u>\$ 6,014,004,212</u>	<u>\$ 5,156,026,396</u>	<u>\$ 1,087,890,130</u>	<u>\$ 6,243,916,526</u>	<u>\$ 229,912,314</u>

Significant Appropriation Changes in the Governor’s FY 2013 Budget

Of the total \$230.0 million net increase in General Fund appropriations for FY 2013, 75.3% of the increases are associated with seven budget areas as shown on the following table.

Significant General Fund Appropriation Changes (Dollars in Millions)	
	FY 2013
Medical Assistance (Medicaid)	\$ 48.8
Economic Development - Incentives	25.0
State Foundation School Aid	24.7
Regents Operations	20.0
Mental Health Growth Factor	20.0
Mental Health Redesign	17.8
Governor's Education Reform	17.0

- Medical Assistance (Medicaid):** The Governor is recommending an additional \$48.8 million for Medicaid in FY 2013. With the General Fund appropriation and various cost containment strategies, savings, and additional appropriations, the Governor is recommending funding Medicaid at \$17.0 million below the midpoint of the range agreed upon by staff from the Legislative Services Agency (LSA), the Department of Human Services, and the Department of Management. The Governor is within the bottom end of the range by \$3.0 million for FY 2013.
- Economic Development Incentives:** The Governor is recommending a \$25.0 million appropriation to a new Incentive Fund to replace the Grow Iowa Values Fund that is set to sunset at the end of FY 2012. Previous Economic Development Fund appropriations have come from the Rebuild Iowa Infrastructure Fund. This proposal will add a loan assistance component to the High Quality Jobs Program. Additionally, the Governor proposes reducing the General Fund appropriation by \$2.5 million annually. A portion of the tax revenue of the jobs directly attributable to the new Program will be directed to the new Fund.
- State Foundation School Aid:** The Governor is recommending an appropriation totaling \$2,649.2 million for FY 2013 (maintains the 2.0% allowable growth rate). This amount includes an additional State aid reduction to area education agencies of \$10.0 million and results in a total State aid reduction of \$20.0 million for FY 2013. The \$20.0 million reduction matches the reduction amount made in FY 2012.
- Regents Operations:** The Governor is recommending a general increase in overall funding for the Board of Regents of \$20.0 million (4.4%). The Governor does not specify how the increase is to be allocated among the line items in the budget.
- Mental Health Growth Factor:** The Governor is recommending restoration of \$20.0 million in Mental Health Allowed Growth Factor funds. While this appears as a funding increase, the \$20.0 million maintains the FY 2012 funding level. In FY 2012, the Mental Health Growth Factor was funded with an FY 2011 supplemental appropriation that was carried forward and spent on county mental health and disability services in FY 2012.
- Mental Health Redesign:** The Governor is recommending \$17.8 million in new funding for the redesign of the Mental Health System. With these funds, and an additional \$12.3 million in savings the Governor is recommending, the State will buy out a portion of the Medicaid System currently funded by the counties. The plan requires the State to assume the costs for Intermediate Care

Facilities for Persons with Mental Retardation (ICF/MRs) and the Intellectual Disabilities Waiver in FY 2013.

- **Governor's Education Reform:** The Governor is recommending \$17.0 million to fund the Education Reform Proposal. The Proposal focuses on three areas: Great Teachers and Leaders, High Expectations and Fair Measures, and Innovation. The Governor has estimated the cost of the Proposal at \$25.0 million for FY 2013. In addition to the \$17.0 million appropriation, the Governor is recommending \$8.0 million from existing education programs.
- **Property Tax Reform:** The Governor is proposing rolling back assessed valuation of commercial and industrial property by 5.0 percentage points annually over an eight-year period beginning with Assessment Year 2013 (impacting local budgets in FY 2015). Additionally, the Governor is proposing to provide State funding to backfill a portion of the local government revenue that is reduced due to the assessment changes.

Governor's Recommendations – Reserve Funds

During the 2011 Legislative Session, the funding source for the Performance of Duty standing appropriation was changed from the General Fund to the Economic Emergency Fund. The Performance of Duty account is used by the Executive Council to fund disaster-related costs. The funds are also used to match a significant amount of federal funds authorized by the Federal Emergency Management Agency (FEMA). At the end of the 2011 Legislative Session, the estimates for the Performance of Duty appropriation were \$38.7 million for FY 2012 and \$39.1 million for FY 2013.

The Governor's budget includes revised estimates from the Department of Public Defense, Homeland Security Emergency Management Division, for the Performance of Duty appropriation estimate for both FY 2012 and FY 2013. For FY 2012, the estimate was reduced by \$30.8 million to \$7.9 million. For FY 2013, the estimate was reduced by \$10.6 million to \$28.5 million. The reduced expenditure estimates increase the estimated amount transferred back to the General Fund.

Under the Governor's recommendation, the combined reserve fund balance for FY 2012 is \$595.5 million and \$625.3 million for FY 2013. The estimated amount to be transferred to the General Fund from the Economic Emergency Fund is \$391.5 million for FY 2012 and \$285.1 million for FY 2013.

Cash Reserve Fund (CRF)			
(Dollars in Millions)			
	Actual FY 2011	Gov Rec FY 2012	Gov Rec FY 2013
Funds Available			
Balance Brought Forward	\$ 322.8	\$ 341.2	\$ 446.6
Gen. Fund Appropriation from Surplus	287.3	554.6	389.6
Total Funds Available	\$ 610.1	\$ 895.8	\$ 836.2
Appropriations & Transfers			
Appropriations	-272.4	0.0	0.0
Reversions	3.5	0.0	0.0
Total Appropriations & Transfers	\$ -268.9	\$ 0.0	\$ 0.0
Excess Transferred to EEF	\$ 0.0	\$ -449.2	\$ -367.2
Ending Balance	\$ 341.2	\$ 446.6	\$ 469.0
<i>Maximum 7.5%</i>	\$ 407.0	\$ 446.6	\$ 469.0

Economic Emergency Fund (EEF)			
(Dollars in Millions)			
	Actual	Gov Rec	Gov Rec
	FY 2011	FY 2012	FY 2013
Funds Available			
Balance Brought Forward	\$ 99.1	\$ 99.1	\$ 148.9
Excess from Cash Reserve	0.0	449.2	367.2
Total Funds Available	\$ 99.1	\$ 548.3	\$ 516.1
Appropriations & Transfers			
Excess Transferred to General Fund	\$ 0.0	\$ - 391.5	\$ - 285.1
Excess Transferred to Taxpayer Trust Fund	0.0	0.0	-46.2
Executive Council - Performance of Duty	0.0	-7.9	-28.5
Ending Balance	\$ 99.1	\$ 148.9	\$ 156.3
<i>Maximum 2.5%</i>	\$ 135.7	\$ 148.9	\$ 156.3

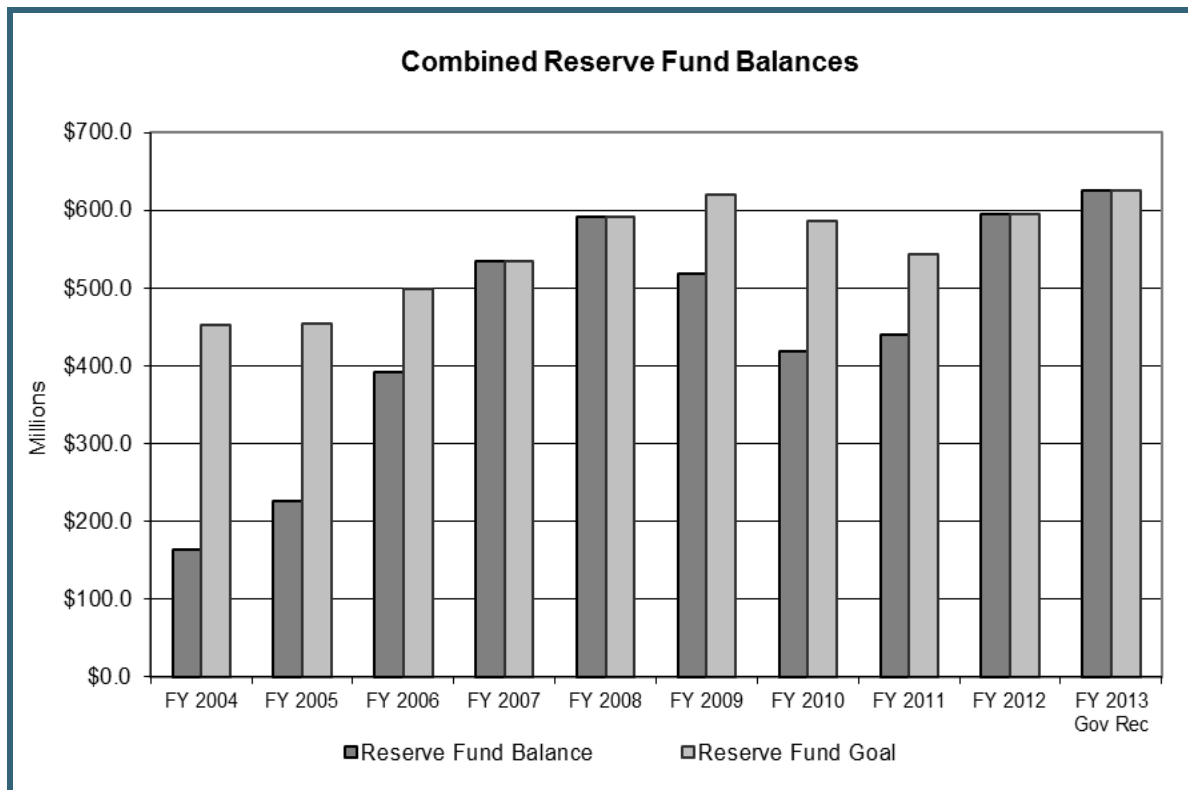
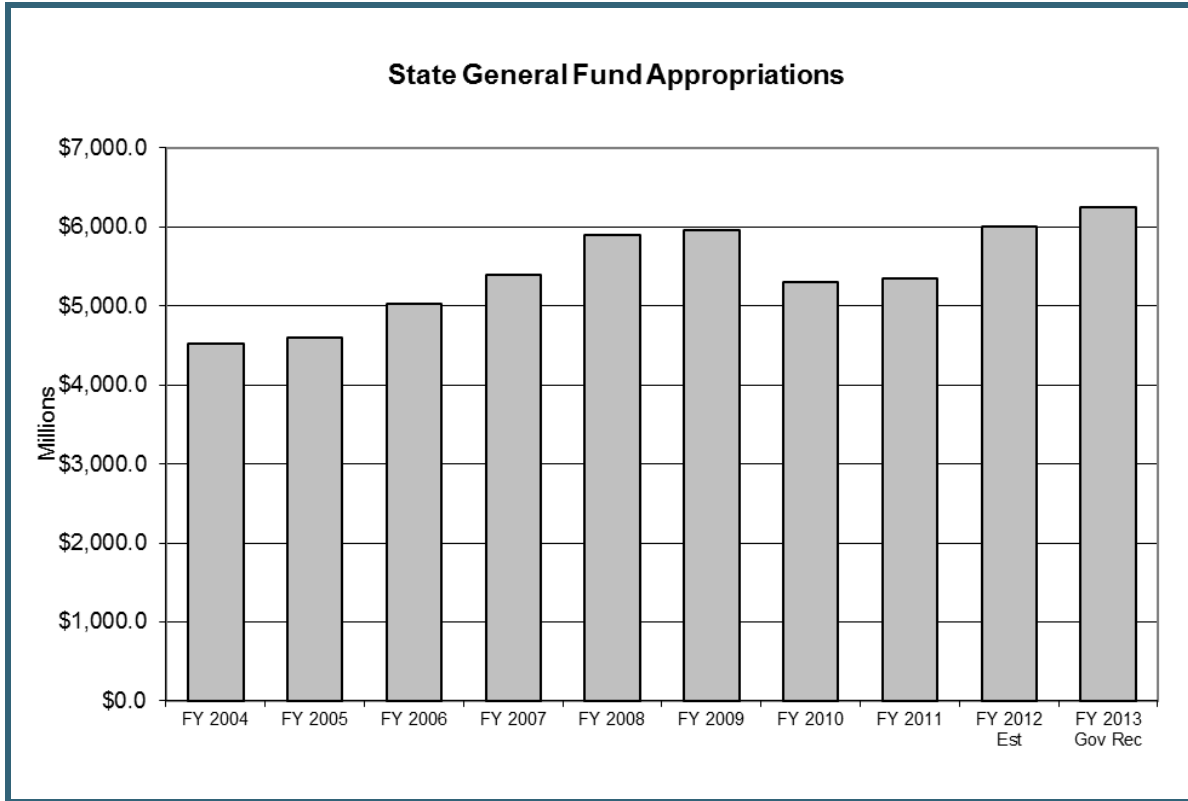
Combined Reserve Fund Balances			
(Dollars in Millions)			
	Actual	Gov Rec	Gov Rec
	FY 2011	FY 2012	FY 2013
Cash Reserve Fund	\$ 341.2	\$ 446.6	\$ 469.0
Economic Emergency Fund	99.1	148.9	156.3
Total CRF and EEF	\$ 440.3	\$ 595.5	\$ 625.3

Governor's Recommendations – Taxpayer Trust Fund

The Taxpayers Trust Fund was established during the 2011 Legislative Session in SF 209 (Tax Changes and Supplemental Appropriations Act). The Fund can only be used pursuant to appropriations by the General Assembly for tax reduction purposes. The Fund is limited to the first \$60.0 million of excess funds in the Economic Emergency Fund. In addition, the amount that can be transferred is limited to the difference between the actual net General Fund revenue for the preceding fiscal year and the adjusted revenue estimate that was used in establishing the budget for that fiscal year. The exact amount to be transferred to the Taxpayer Trust Fund in FY 2013 will not be known until the close of FY 2012. However, it is currently estimated that Fund will receive \$46.2 million in FY 2013.

FY 2013 Taxpayer Trust Fund	
(Dollars in Millions)	
FY 2012 REC Est (Dec. 2011) ^{1/}	\$ 6,000.3
FY 2012 Adjusted Revenue Estimate	- 5,954.1
Maximum to Taxpayer Trust Fund for FY 2013	\$ 46.2

^{1/} The exact amount to be transferred to the Taxpayer Trust Fund will be based on the actual year-end revenues for FY 2012 minus the FY 2012 adjusted revenue estimate.



LSA FY 2013 BUDGET PROJECTION

The FY 2013 budget projection is intended to provide a framework for identifying legislative actions that will be needed to balance the FY 2013 General Fund budget. The projection is a “starting point” for decision making. In order to project the condition of the FY 2013 budget, basic assumptions about the budget are required. Using these assumptions, along with requirements of current law, a projection of the budget can be provided.

Assumptions

- **REC Revenues:** For purposes of arriving at an estimate for FY 2013, the LSA uses the most recent REC estimate of net General Fund receipts. For this projection, the FY 2013 net revenue estimate of \$6,251.6 million from the December 15, 2011, REC meeting is used. The REC estimate is based on tax laws and other revenue policies in place at the time the estimate was adopted.
- **Economic Emergency Fund Transfer:** Based on current estimates of the FY 2012 General Fund surplus, it is estimated that \$281.9 million will be transferred from the Economic Emergency Fund to the General Fund in FY 2013. The Economic Emergency Fund transfer represents the excess funds available after the Cash Reserve and Economic Emergency Funds reach the statutory maximum.
- **Supplemental Appropriations:** The projection does not assume funding for any FY 2012 supplemental appropriations. Any supplemental appropriations that are funded would reduce projected surplus.
- **Enacted FY 2013 Appropriations:** For estimating expenditures, an examination of the enacted FY 2013 appropriations is needed. During the 2011 Legislative Session, the General Assembly enacted a partial biennial budget that included \$5,156.0 million in total General Fund appropriations. Certain appropriations were funded at or above the FY 2012 level, while others were funded at 50.0% of the FY 2012 level. The following table provides a summary of the FY 2013 appropriations that fall into these two categories and the dollar change compared to FY 2012.

General Fund Appropriations			
(Dollars in Millions)			
	FY 2012	FY 2013	FY 2013 vs. FY 2012
<u>Funded at or Above the FY 2012 Level</u>			
State Foundation School Aid	\$ 2,624.5	\$ 2,713.3	\$ 88.8
Medical Assistance (Medicaid)	910.0	915.0	5.0
Homestead Tax Credit Aid	86.2	135.0	48.8
MH Property Tax Relief	81.2	81.2	0.0
MH/DD Growth Factor	54.7	74.7	20.0
Other	122.1	176.8	54.7
Subtotal	<u>\$ 3,878.7</u>	<u>\$ 4,096.0</u>	<u>\$ 217.3</u>
<u>Appropriations at 50% of FY 2012</u>			
Board of Regents	\$ 528.5	\$ 264.2	\$ - 264.2
Dept. of Human Services	446.6	223.3	- 223.3
Dept. of Corrections	346.7	173.3	- 173.3
Dept. of Education	228.6	114.3	- 114.3
Judicial Branch	156.4	78.2	- 78.2
Other	414.5	206.7	- 207.3
Subtotal	<u>\$ 2,121.3</u>	<u>\$ 1,060.0</u>	<u>\$ - 1,060.5</u>
Total Enacted Appropriations	<u>\$ 6,000.0</u>	<u>\$ 5,156.0</u>	<u>\$ - 843.3</u>

Number may not equal totals due to rounding.

- **Restoration of Appropriations Funded at 50.0%:** To arrive at a baseline appropriation estimate for FY 2013, it is assumed that the appropriations funded at 50.0% of the FY 2012 level are restored to the

FY 2012 level. The appropriations that were funded at 50.0% were primarily the operating budgets of State agencies, although various State programs that provide grants and aid to individuals were also funded at 50.0%. The cost to restore these appropriations is estimated at \$1,060.5 million.

- **Built-in and Anticipated Expenditures:** Expenditures for FY 2013 are analyzed to account for the automatic increases (built-in expenditures) over and above the baseline estimate prior to legislative action. Also examined are the anticipated expenditures that fall into two general categories:
 - Cost increases that a State agency or program will incur in the next budget year, but funds have not been appropriated to cover the increased cost (e.g., costs associated with a collective bargaining contract).
 - The amount of General Fund dollars needed to replace non-General Fund appropriations and maintain State agency budgets at the previous fiscal year level. This occurs when non-General Fund sources are temporarily used to offset recurring costs of programs typically funded from the General Fund.

The built-in and anticipated expenditure increases are estimated at \$235.8 million for FY 2013.

Appendix B provides additional information on individual built-in and anticipated expenditures.

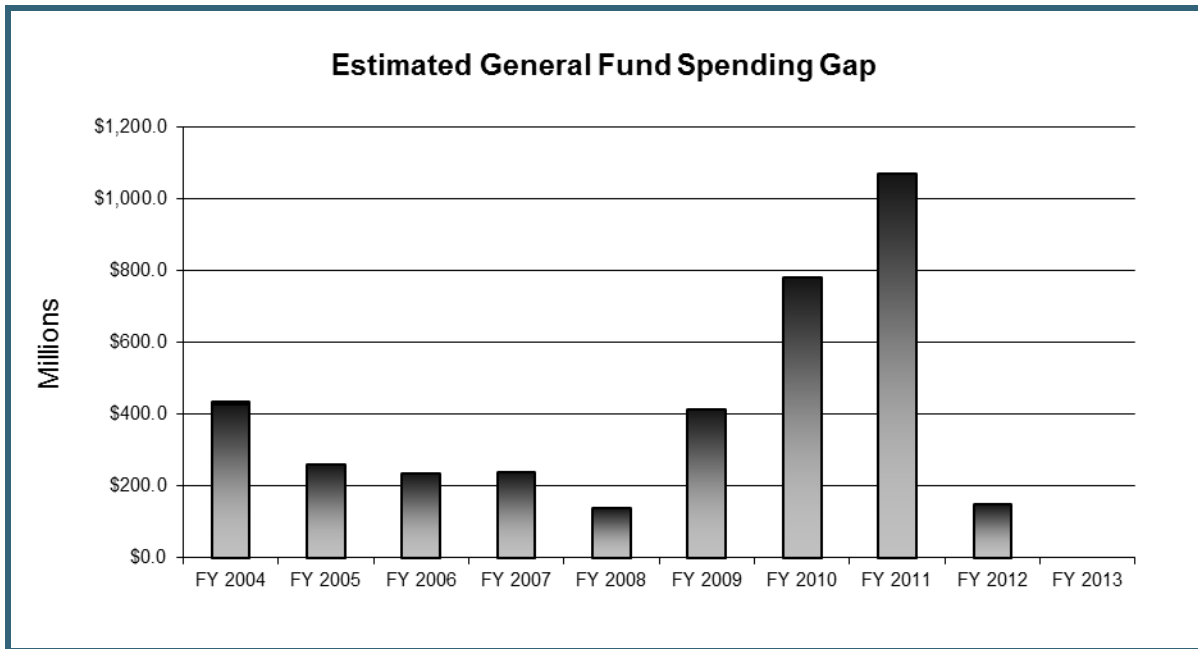
- **Reversions:** Reversions are estimated to total \$2.0 million for FY 2013. Reversions are unspent appropriated funds that remain at the end of the fiscal year.
- **Expenditure Limitation:** The expenditure limitation for FY 2013 is estimated to be \$6,471.0 million. This represents 99.0% of the REC net revenue estimate (\$6.251.6 million) and 100.0% of the \$281.9 million transferred from the Economic Emergency Fund.

FY 2013 Projected General Fund Budget

Based on the above assumptions, the FY 2013 estimated expenditure limitation is projected to exceed the estimated appropriations by \$18.7 million (see the table below). As mentioned previously, the budget projection is intended to provide a framework for identifying legislative actions that will be needed to balance the General Fund budget. During the 2012 Legislative Session, the General Assembly will take actions that produce a balanced budget.

Legislative Services Agency			
Projected Condition of the General Fund Budget			
(Dollars in Millions)			
	Actual FY 2011	Estimated FY 2012	Projected FY 2013
Funds Available:			
Net Receipts	\$ 5,899.0	\$ 6,000.3	\$ 6,251.6
Economic Emergency Fund Transfer		391.5	281.9
Total Funds Available	\$ 5,899.0	\$ 6,391.8	\$ 6,533.5
Expenditure Limitation			\$ 6,471.0
Estimated Appropriations and Expenditures:			
Enacted Appropriations	\$ 5,351.9	\$ 5,999.7	\$ 5,156.0
School Aid Estimate Change		0.3	
State Appeal Board Increase		7.5	
<i>Assumptions for Estimating Purposes</i>			
Restoration of 50% of Operating Budgets			1,060.5
Built-in and Anticipated Increases			235.8
Appropriation Total Before Balance Adj.	\$ 5,351.9	\$ 6,007.5	\$ 6,452.3
Est. Adjustment to Balance Budget			0.0
Total Appropriations	\$ 5,351.9	\$ 6,007.5	\$ 6,452.3
Reversions	\$ - 7.5	\$ - 2.0	\$ - 2.0
Net Appropriations	\$ 5,344.4	\$ 6,005.5	\$ 6,450.3
Ending Balance - Surplus	\$ 554.6	\$ 386.3	\$ 83.2
Under (Over) Expenditure Limitation			\$ 18.7

Historically, the General Assembly has faced projected budget gaps prior to the start of each legislative session. Each year the General Assembly has closed the budget gap and enacted a balanced budget. Since FY 2004, the projected budget gap has averaged \$370.6 million. The estimate for FY 2013 is the first year that a budget surplus has been projected since the LSA began publishing the projections in FY 2004. The following chart shows the budget gaps that have been projected by the LSA prior to each legislative session.



COMPARISON OF ALL APPROPRIATED FUNDS

The Governor is recommending a total of \$7,270.7 million in appropriations from all State funding sources for FY 2013. This represents an increase of \$238.1 million (3.4%) compared to all State appropriations for FY 2012. For this comparison, the FY 2012 General Fund appropriation total includes the Governor's recommended supplemental appropriations of \$6.5 million. The Governor's recommended budget includes an increase of \$229.9 million (3.8%) in General Fund appropriations. The Governor is recommending a total \$1,026.8 million from non-General fund sources. This represents an increase of \$8.2 million (0.8%).

The table on the following page summarizes the appropriations by funding source. Because there are appropriations and transfers between funds, adjustments were made to the General Fund, Rebuild Iowa Infrastructure Fund, and Cash Reserve Fund amounts to eliminate double counting.

Comparison of All Appropriated Funds

Comparison of All Appropriated Funds				
(Dollars in Millions)				
Funding Sources	Actual	Est.	Gov. Rec.	Gov. Rec.
	FY 2011	FY 2012	FY 2013	vs. FY 2012
GENERAL FUND				
Total General Fund Appropriations	\$ 5,351.9	\$ 6,014.0	\$ 6,243.9	\$ 229.9
<i>General Fund Appropriations to Other Funds*</i>				
Health Care Trust Fund	-91.3	0.0	0.0	0.0
Property Tax Credit Fund	-106.0	0.0	0.0	0.0
Total GF Appropriations to Other Funds	-197.3	0.0	0.0	0.0
Net General Fund Appropriations	\$ 5,154.6	\$ 6,014.0	\$ 6,243.9	\$ 229.9
NON-GENERAL FUND APPROPRIATIONS				
Rebuild Iowa Infrastructure Fund	\$ 153.5	\$ 168.0	\$ 182.0	\$ 14.0
RIIF Appropriations to Other Funds*	-43.0	-48.5	-50.0	-1.5
Net RIIF Appropriations	\$ 110.5	\$ 119.5	\$ 132.0	\$ 12.5
Cash Reserve Fund	\$ 272.4	\$ 0.0	\$ 0.0	\$ 0.0
CRF Appropriations to Other Funds*	-54.7	0.0	0.0	0.0
Net CRF Appropriations	\$ 217.7	\$ 0.0	\$ 0.0	\$ 0.0
Federal Recovery and Reinvestment Fund**	\$ 299.0	\$ 0.0	\$ 0.0	\$ 0.0
Primary Road Fund	301.7	298.3	303.2	4.9
IowaCare Fund	147.3	158.3	165.2	6.9
Health Care Trust	106.9	106.4	106.0	-0.4
Road Use Tax Fund	51.6	50.3	50.3	0.0
Fish And Wildlife Trust Fund	38.8	40.0	40.0	0.0
Hospital Health Care Access Trust	40.0	40.0	34.7	-5.3
Environment First Fund	33.0	33.0	33.0	0.0
Iowa Economic Emergency Fund	0.0	7.9	28.5	20.6
Commerce Revolving Fund	27.0	26.9	27.2	0.3
Quality Assurance Trust Fund	33.7	29.0	26.5	-2.5
IPERS Fund	17.6	17.7	17.7	0.0
Technology Reinvestment Fund	10.1	15.5	15.0	-0.5
DPS-Gaming Enforcement Revolving Fund	9.8	10.3	10.3	0.0
Revenue Bonds Capitals II Fund	146.0	4.0	0.0	-4.0
Property Tax Credit Fund	146.0	0.0	0.0	0.0
Senior Living Trust Fund	49.6	0.0	0.0	0.0
Revenue Bonds Capitals Fund	38.4	4.9	0.0	-4.9
School Infrastructure Fund	12.7	0.0	0.0	0.0
Other	67.5	56.6	37.2	-19.4
Total Non-General Fund	1,904.9	1,018.6	1,026.8	8.2
SUBTOTAL OF ALL STATE FUNDS	\$ 7,059.5	\$ 7,032.6	\$ 7,270.7	\$ 238.1
* Appropriations between funding sources are adjusted to avoid double counting.				
** Includes non-appropriated federal stimulus funds received directly by the Medicaid Program that were used to offset State funding.				

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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. The members are:

- Holly Lyons, Fiscal Services Division Director, LSA
- David Roederer, Department of Management Director
- David Underwood, CFO on Demand, Mason City

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 FY 2006, FY 2007, and FY 2009 to allow for expenditure of additional funds.

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 2006 REC for the FY 2008 budget.
 2008 Session: Used April 2009 REC for the FY 2009 budget. Added \$49.1M (\$48.6M after expenditure limit).
 2009 Session: Used March 2009 REC for the FY 2010 budget. March REC was \$269.9M below December estimate.
 2010 Session: Used December 2009 REC for FY 2011 budget.
 2011 Session: Used December 2010 REC for FY 2012 budget.

On December 15, 2011, the REC estimated FY 2013 total State net General Fund revenues, excluding transfers, at \$6,170.4 million. This reflects revenue growth of 4.2% compared to the December REC estimate for FY 2012.

Including transfers, the December REC estimated General Fund FY 2013 revenues at \$6,251.6 million, \$251.3 million (4.2%) above the estimated FY 2012 level.

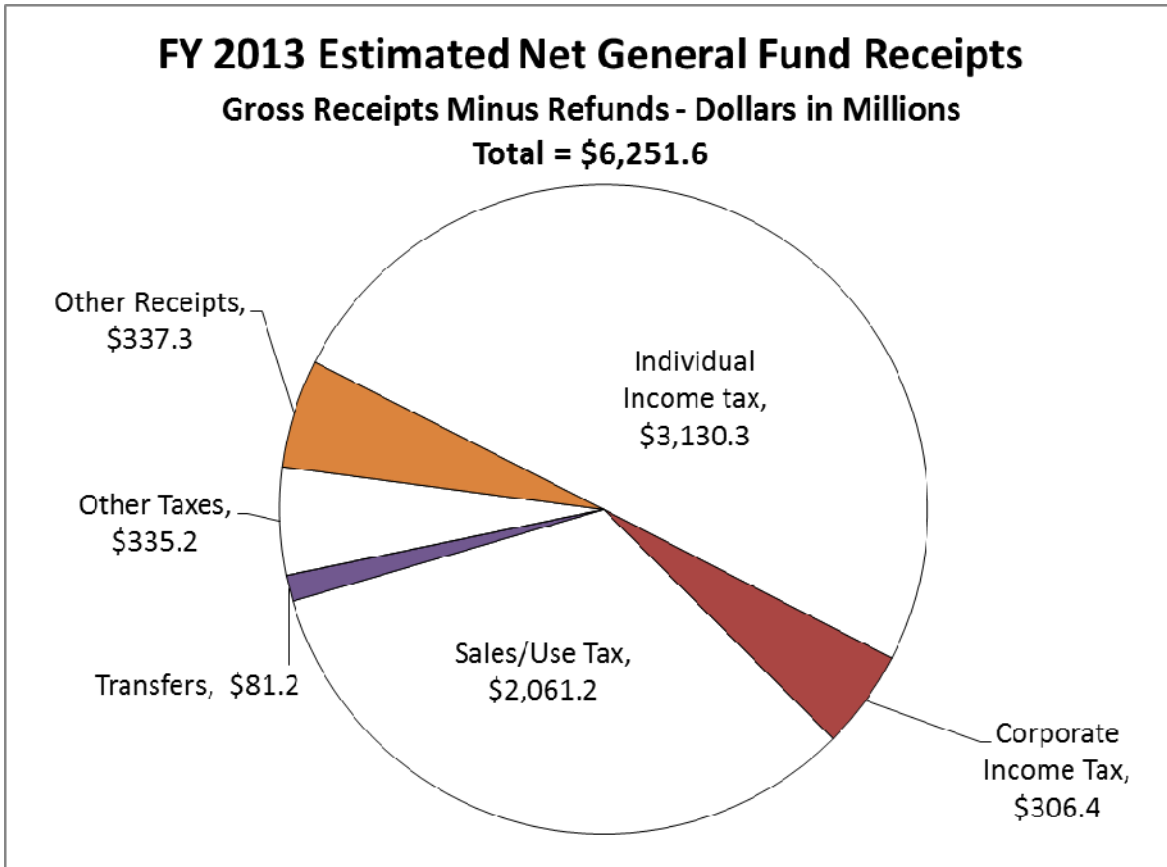
FY 2012 AND FY 2013 REC GENERAL FUND REVENUE PROJECTIONS

(Dollars in Millions)

	FY 11 Actual	% Change FY 11 vs. FY 10 Actual	REC	% Change	REC	% Change
			FY 12 Estimate 15-Dec-11	FY 12 Est. vs. FY 11 Actual	FY 13 Estimate 15-Dec-11	FY 13 Est. vs. FY 12 Estimate
Tax Receipts						
Personal Income Tax	\$ 3,461.7	7.0%	\$ 3,584.0	3.5%	\$ 3,739.3	4.3%
Sales/Use Tax	2,381.4	3.9%	2,445.5	2.7%	2,535.8	3.7%
Corporate Income Tax	394.5	1.3%	450.7	14.2%	484.5	7.5%
Inheritance Tax	66.4	-1.5%	69.1	4.1%	73.9	6.9%
Insurance Premium Tax	97.1	9.6%	98.2	1.1%	102.9	4.8%
Cigarette Tax	200.1	-2.9%	101.6	-49.2%	98.1	-3.4%
Tobacco Tax	27.2	4.6%	15.1	-44.5%	15.1	0.0%
Beer Tax	14.3	-0.7%	14.0	-2.1%	14.1	0.7%
Franchise Tax	36.3	14.9%	39.3	8.3%	40.1	2.0%
Miscellaneous Tax	1.1	n/a	1.1	0.0%	1.1	0.0%
Total Tax Receipts	\$ 6,680.1	5.2%	\$ 6,818.6	2.1%	\$ 7,104.9	4.2%
Other Receipts						
Institutional Payments	\$ 10.0	-32.4%	\$ 15.2	52.0%	\$ 15.3	0.7%
Liquor Profits	89.3	11.1%	90.5	1.3%	92.0	1.7%
Interest	3.0	-25.0%	3.0	0.0%	3.0	0.0%
Fees	30.1	-37.0%	25.9	-14.0%	20.9	-19.3%
Judicial Revenue	101.6	-6.4%	112.0	10.2%	112.0	0.0%
Miscellaneous Receipts	38.4	1.6%	27.3	-28.9%	27.5	0.7%
Racing and Gaming	66.0	0.0%	66.0	0.0%	66.0	0.0%
Total Other Receipts	\$ 338.4	-5.8%	\$ 339.9	0.4%	\$ 336.7	-0.9%
Gross Tax & Other Receipts	\$ 7,018.5	4.6%	\$ 7,158.5	2.0%	\$ 7,441.6	4.0%
Accruals (Net)	\$ 15.0		\$ 16.6		\$ 22.0	
Refund (Accrual Basis)	-826.0	-3.9%	-847.0	2.5%	-870.6	2.8%
School Infras. Refunds (Accrual)	-394.1	5.8%	-407.5	3.4%	-422.6	3.7%
Total Net Receipts	\$ 5,813.4	5.8%	\$ 5,920.6	1.8%	\$ 6,170.4	4.2%
Transfers (Accrual Basis)						
Lottery	\$ 64.9	17.6%	\$ 66.5	2.5%	\$ 68.0	2.3%
Other Transfers	20.7	-75.8%	13.2	-36.2%	13.2	0.0%
Net Receipts Plus Transfers	\$ 5,899.0	4.7%	\$ 6,000.3	1.7%	\$ 6,251.6	4.2%

Note: The Revenue Estimating Conference estimated FY 2012 and FY 2013 General Fund revenues on December 15, 2011. The individual revenue items are projected on a July 1 to June 30 gross cash year basis and do not reflect accrued revenues. The cash revenue total is adjusted for receipts that arrive after June 30 by the Accruals (Net) line at the bottom of the table. Tax refunds, school infrastructure refunds, and transfers are estimated on a fiscal year basis.

The following pie chart illustrates the breakdown of estimated FY 2013 General Fund receipts by category.



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REVENUE AND ECONOMIC OUTLOOK

National Economy

National Recession – On December 1, 2008, the Business Cycle Dating Committee of the National Bureau of Economic Research (NBER) announced the U.S. economy entered a recession in December 2007. The Committee announced on September 20, 2010, that the recession had ended in June 2009, noting that the 18-month recession was the longest since World War II.

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.

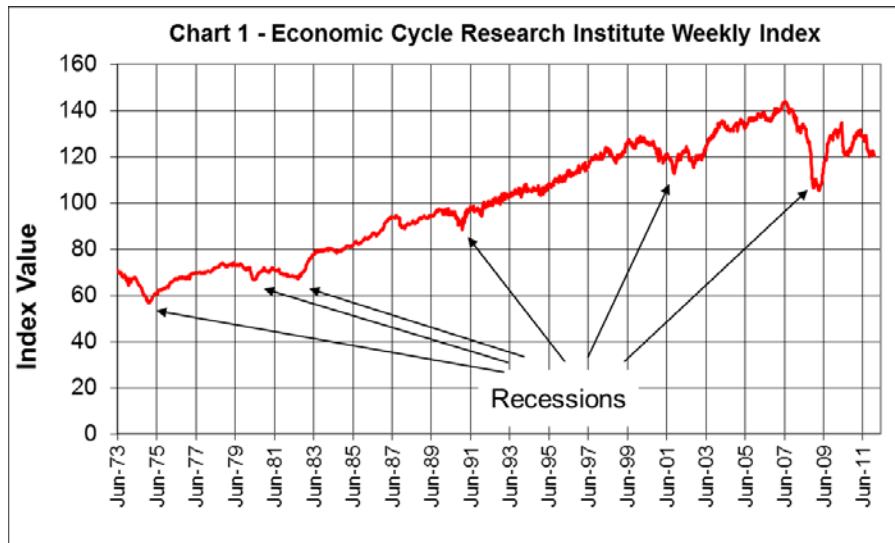
According to the Committee, a recession begins just after the economy reaches a peak of activity and ends as the economy reaches its trough. Between a trough and subsequent peak, the economy is in expansion. Expansion is the normal state of the economy; most recessions are brief. The Committee waits 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 NBER occur well after the recession starts and often after the recession is later determined to have ended.

The following table shows that over the last 41 years, there were seven recessions lasting a total of 83 months, 16.9% of the total 492-month timeframe.

United States Business Cycle			
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	Jun. 2009	73	18
Source: National Bureau of Economic Research			

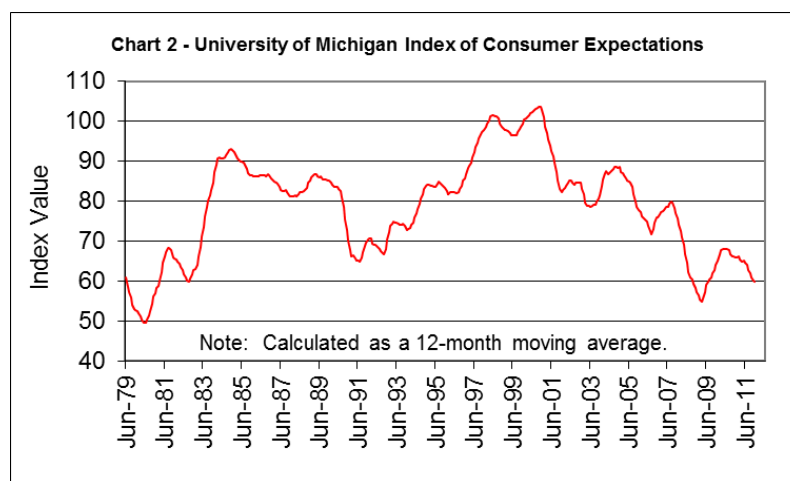
Economic Cycle Research Institute – The Economic Cycle Research Institute (ECRI) is an independent institute whose mission is to advance the tradition of business cycle research established at the NBER and Center for International Business Cycle Research (CIBCR). The ECRI Weekly Leading Index is designed 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 improvement since

the depths of the recession, but very little change over the past 18 months. The Index has declined since June 2011.



Consumer Confidence – Researchers at the University of Michigan conduct a monthly survey of consumers to gauge 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.

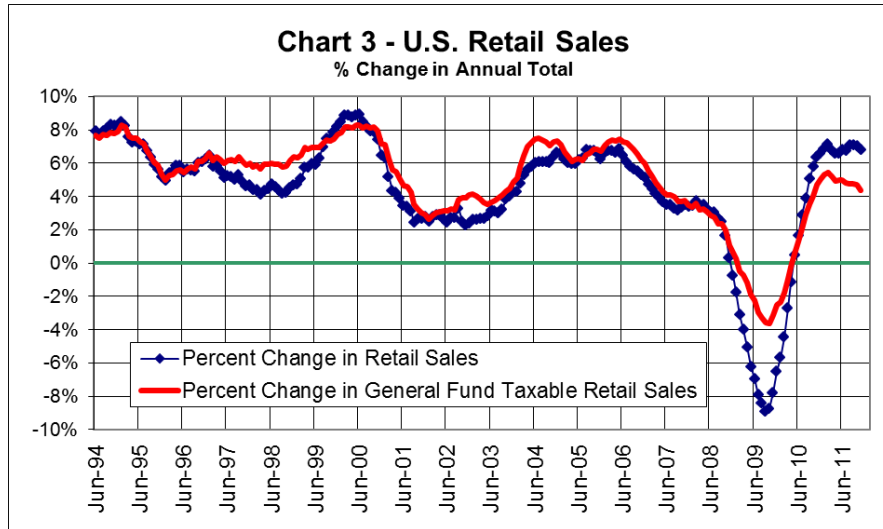
Chart 2 presents a 12-month moving average of the Index. The chart shows consumer confidence as reported through the Index reached a peak in the second half of calendar year 2000. Since that peak, the Index declined steadily through March 2009. The Index improved and then declined since then, and the overall level of consumer confidence is currently at one of its lowest levels on record.



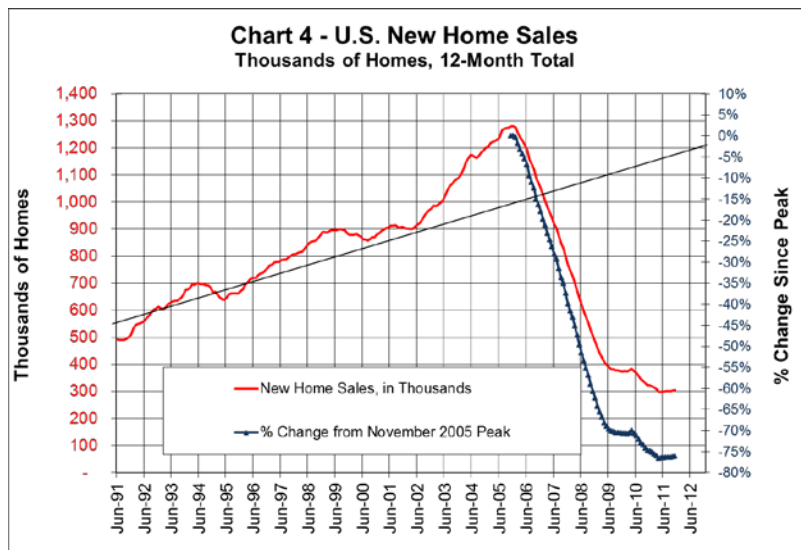
U.S. Retail Sales – The U.S. Census Bureau produces monthly estimates of total national retail sales, with subcategory detail showing a breakdown by type of retail establishment. The 12-month moving retail sales total peaked in July 2008 at \$4.518 trillion. Following that peak, the 12-month total of retail sales fell by 9.2%, bottoming in October 2009. Retail sales exceeded the previous peak (in nominal terms, not adjusted for inflation) in May 2011. The current annual growth rate is 6.8% for total retail sales and it

has been at or near that level since December 2010. That level of retail sales growth compares favorably to the good economic growth periods of the 1990s and 2000s.

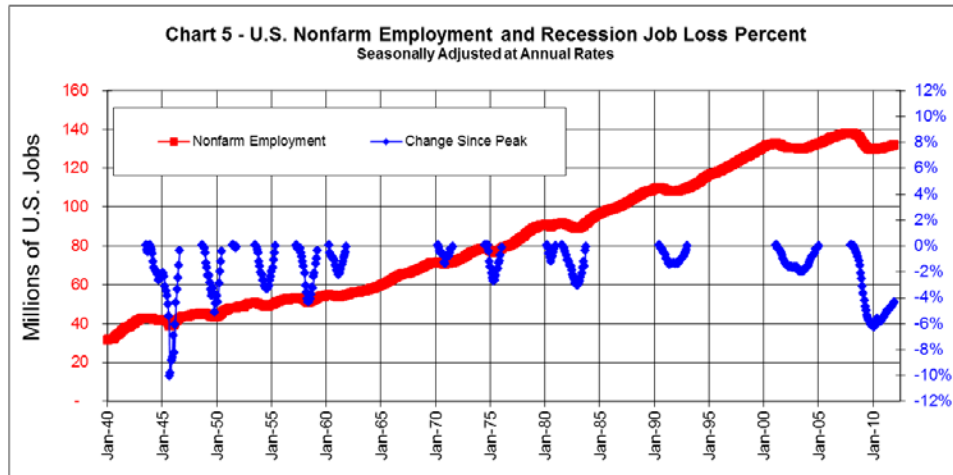
Iowa General Fund sales/use tax receipts depend on the retail sale of taxable items. Excluding three categories of retail sales that are not generally subject to General Fund sales/use tax (food stores, gasoline stations, and motor vehicle dealers); total national sales peaked in September 2008 and decreased 3.7% before rebounding beginning November 2009 (red line on **Chart 3**). The current growth rate in taxable retail sales (4.4% year-over-year) does not compare favorably to the good growth periods of the 1990s and 2000s.



U.S. New Single Family Home Sales – The U.S. Census Bureau produces monthly estimates of U.S. new single family home sales. The 12-month moving average peaked in November 2005 at 1,279,200 annual units (**Chart 4**). Through November 2011, new home sales for the preceding 12 months totaled 306,000, or a drop of 76.1% from the 2005 peak. The top line in the following chart is read from the left axis and provides the annual total of home sales since 1991. The bottom line, read from the right axis, provides the percentage change in the number of annual new home sales, compared to the 2005 peak. The flattening in the decline during the June 2009 to June 2010 can be attributed to federal tax credits to encourage home purchases. The decline resumed after the tax credits expired.



U.S. Employment – Using seasonally adjusted numbers, year-over-year U.S. job growth peaked in March 2006 at 2,870,000 increased jobs, and U.S. nonfarm employment peaked in January 2008 at 137,996,000 total jobs. Annual job growth turned negative in May 2008 and, peak to trough, the seasonally adjusted job series shows job losses totaled 8,705,000 (February 2010). In the 22 months since the bottom, the U.S. has added back 2,654,000 jobs, 30.5% of the peak-to-trough job loss. The red line on **Chart 5** below depicts total U.S. nonfarm employment since 1939, while the blue line indicates the job loss percentage, from the peak, around each recession. From the standpoint of jobs lost, this past recession was the worst recession since the end of World War II. From the standpoint of length of time from one employment peak to the next, this past recession is the worst since the Great Depression.



Iowa Economy

Iowa Employment – After recovering in the mid-1980s from the lingering effects of the farm crisis, 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 Iowa employment peak, the Iowa economy lost almost 40,000 nonfarm jobs before rebounding in late 2003. Iowa nonfarm employment peaked again in October 2008, when the annual average reached 1,526,400 jobs. From that peak, Iowa average annual employment declined 58,800 (-3.9%) and reached a low-point September 2010. The annual employment average has increased 13,900 jobs since September 2010.

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 prerecession peak (May 1996) through the start of the most recent 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, 110 of every 10,000 nonfarm jobs in the U.S. were Iowa jobs, down from 116 in 1996. The recent recession was much more severe for the country as a whole, and the Iowa employment ratio has risen to 113. **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.

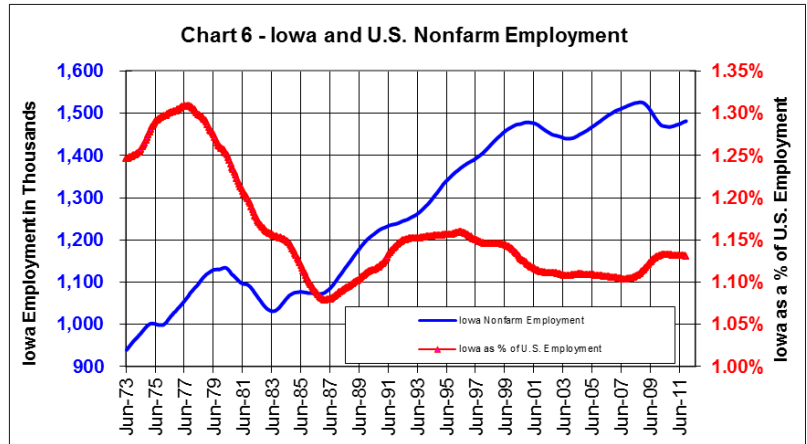
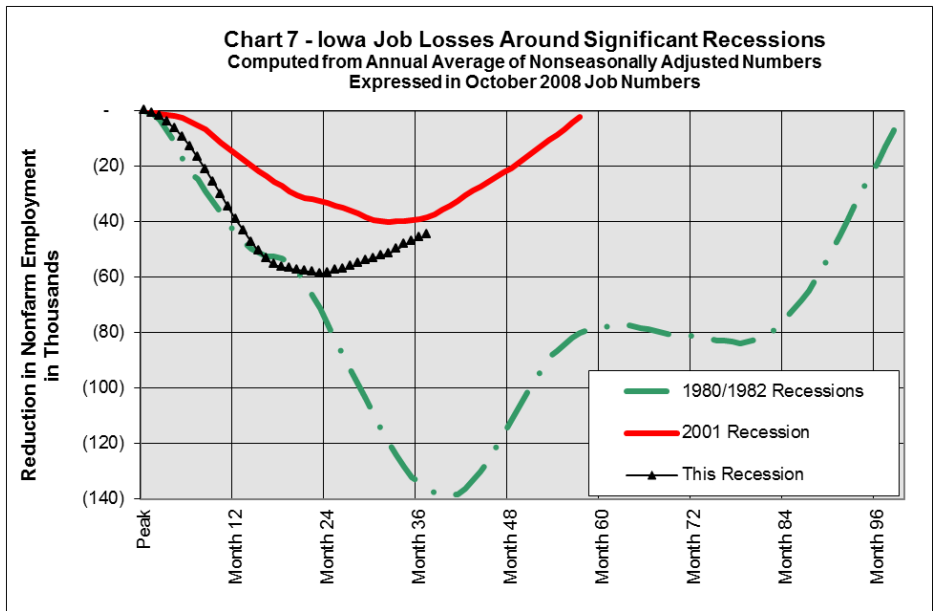


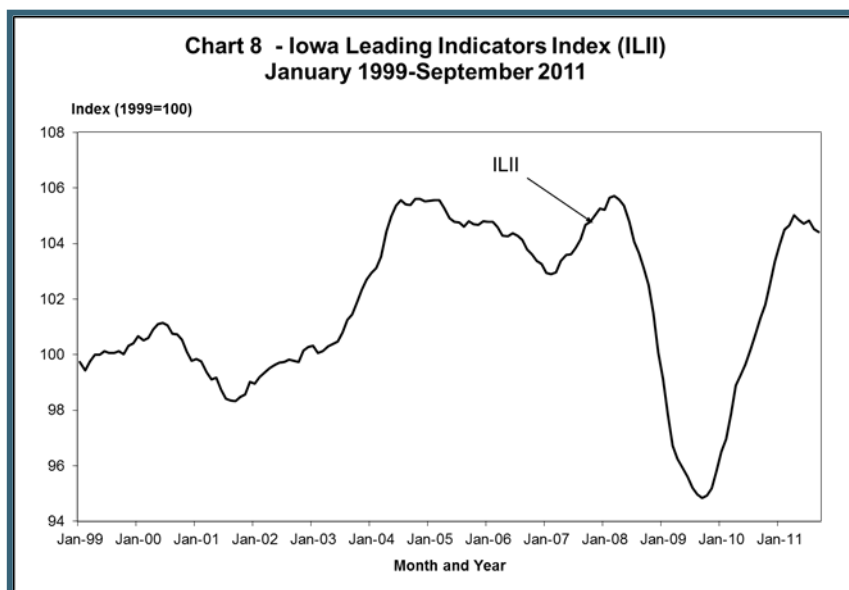
Chart 7 depicts Iowa job losses around the early 1980s, the early 2000s, and the December 2007 recessions. The chart shows the recession of the early 1980s was equivalent to a 140,000 job loss recession today and the recession of the early 2000s was equivalent to a 40,000 job loss recession. The recent recession, at least in terms of Iowa job losses, is more severe than the recession of the early 2000s, but improvement began 12 months earlier. By month 37 since the employment peak, this employment recession is about 6,000 jobs more severe than the early 2000s.



Iowa Leading Indicators Index (ILII) – The Iowa Department of Revenue produces a monthly index based on 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 Board¹ to construct the national leading indicators index. A movement in the ILII for only one month

¹ The Conference Board, Inc. is a nonprofit global business organization supported by business executives that holds conferences, convenes executives, and conducts business management research. For more information see the website: www.conference-board.org/.

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 leading economic indicators reached a peak during March 2008 and then declined for the next 18 months, reaching a bottom in September 2009. Since that time the Index has recovered significantly, but remains well below the prerecession peak.



Iowa General Fund Revenues

Iowa's income, sales/use, and corporate taxes raise approximately 85.5% of the revenue deposited in the State General Fund each year (FY 2011 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 U.S. economy entered a recession in December 2007 and Iowa economic activity peaked in the fall of 2008. The U.S. recession was the longest since World War II, ending after 18 months in June 2009. According to current employment data, Iowa has been slowly adding jobs for about 20 months.

The most recent recession produced a significant drop in Iowa General Fund revenue and the drop reversed around March 2009. **Chart 9** provides the 12-month moving total of net General Fund revenue, excluding transfers. The chart also provides Revenue Estimating Conference (REC) estimates for FY 2012 and FY 2013 (red dots on the right).

The recession of the early 2000s officially started in March 2001, but Iowa net General Fund revenue reached a peak in October 2000 and did not start to show positive growth again until December 2003, 38 months later and well after the end of the recession. The recent recession officially started in December 2007, but Iowa net General Fund revenue did not start to decline until October/November 2008. Growth returned in April 2010. Beginning July 2011, a change to the deposit destination for a portion of annual cigarette and tobacco tax revenue will depress the 12-month annual revenue growth amount through

June 2012. The change, enacted during the 2011 Session, directs the first \$106.0 million in annual cigarette and tobacco tax revenue to the Health Care Trust Fund.

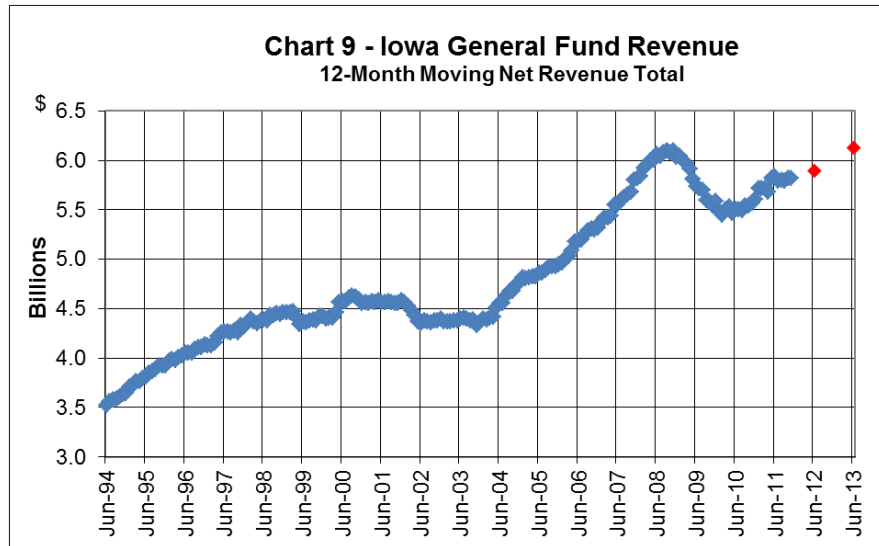


Chart 9 includes the REC estimates for net General Fund revenue, with the FY 2012 and FY 2013 estimates marking the path revenue must travel over the next 18 months to achieve the estimates.

In December 2011, the REC established an FY 2012 net General Fund revenue growth rate of positive 1.8%, excluding transfer revenue.

For FY 2013, the REC estimates growth will be positive 4.2%.

In dollar terms, net revenue is projected to increase \$107.2 million for FY 2012 and increase \$249.8 million for FY 2013.

Including transfer revenue, FY 2012 projected growth is \$101.3 million (1.7%), while FY 2013 growth is projected at \$251.3 million (4.2%)

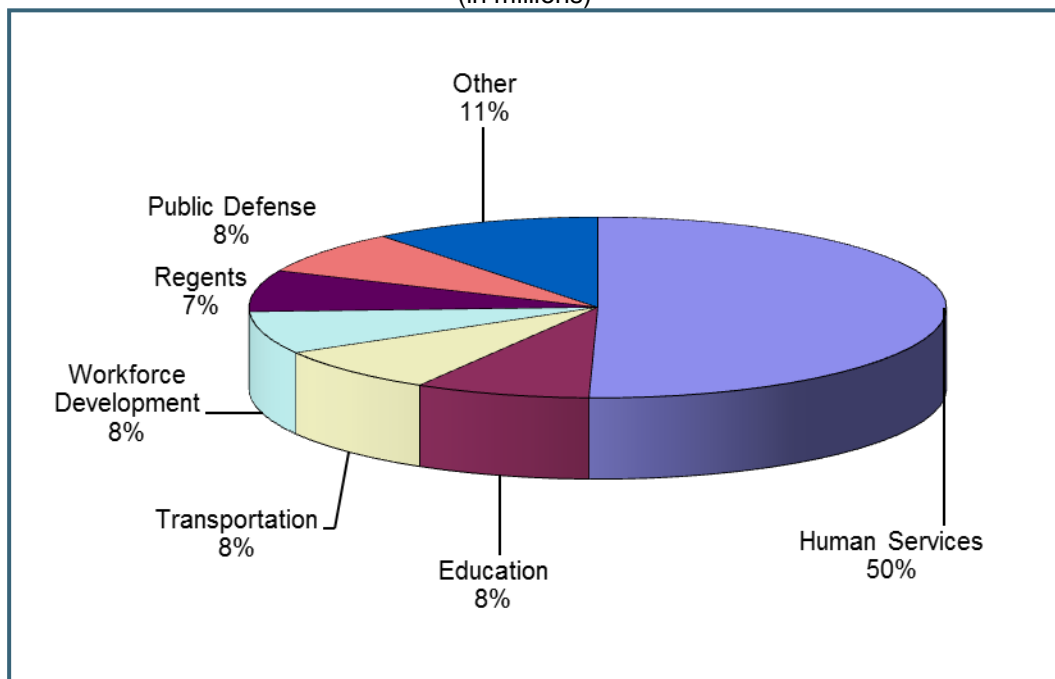
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FEDERAL FUNDS

Federal funds make up a major portion of State government budgets. In Iowa, federal funding accounts for over 50.0% of all expenditures by the State. The greatest percentage of federal funding is received by the Department of Human Services (DHS) where the majority of the DHS federal funds go to the Medicaid Program. The federal government will fund approximately 61.19% of most Medicaid expenditures in FY 2012. It is estimated that Iowa will receive \$6,476.3 million in federal funding for FY 2012 through all Departments.

Estimated Federal Funds Received by Iowa – FY 2012

(in millions)



FY 2010-FY 2012 Federal Funds

(in millions)

Department	Actual FY 2010	Actual FY 2011	Estimated FY 2012
Human Services	\$ 3,206.9	\$ 3,349.2	\$ 3,264.2
Education	584.6	586.9	524.8
Transportation	624.0	580.7	525.1
Workforce Development	1,375.9	1,058.5	491.7
Regents	470.8	497.3	480.5
Public Defense	216.7	287.0	503.8
Other	972.4	746.0	686.2
Department Total	\$ 7,451.3	\$ 7,105.6	\$ 6,476.3

Note:
"Other" includes all State agencies reporting federal funds that were not individually identified above.

Federal Budget Reductions

As part of the federal Budget Control Act of 2011, Congress enacted an automatic across-the-board (ATB) spending reduction in the event deficit reduction legislation was not enacted by January 15. Because this deadline was not met, a process called sequestration will take effect reducing federal spending by \$1.2 trillion over the next 10 years. Of the \$1.2 trillion dollar reduction, half will come from defense spending and half will come from nondefense, nonexempt discretionary and mandatory programs. For federal fiscal year (FFY) 2013 spending reductions will be made through automatic ATB cuts and for FFY 2014-FFY 2021 spending reductions will be determined through the regular appropriations process.

According to information provided by the National Conference of State Legislatures, states will see reductions in federal discretionary grant funds by 1.0-2.0% in FY 2012 and reductions of 8.0-9.0% in FY 2013 in discretionary and mandatory (entitlement) programs. These reductions will occur mainly in the areas of education, energy, environment, criminal justice, labor, community development, and human services. There are a number of federal programs that are exempt from the ATB reductions including Medicaid, the Temporary Assistance for Needy Families (TANF) block grant, the Supplemental Nutrition Assistance Program (SNAP), and other programs designed mainly to serve low-income populations.

According to information provided by Federal Funds Information for States, it is estimated Iowa's federal funds will be reduced by \$23.7 million FFY 2012 and an additional \$73.6 million in FFY 2013 based on an 8.8% reduction in federal funds as calculated by the National Governor's Association. The exact percentage that will be used and that each program will be reduced by is unknown and will be determined by the Office of Management and Budget using the enacted FY 2013 appropriations and baseline projections in effect in January 2013.

Federal Budget Reductions

The Governor is projecting \$6,162.9 million in federal funds for FY 2013. This is a reduction of \$313.4 million compared to estimated FY 2012. The most significant reduction is projected for the Department of Transportation (DOT). The Governor is estimating the (DOT) will see a reduction of \$145.2 million compared to estimated FY 2012.

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GOVERNOR'S EDUCATION REFORM PROPOSAL

Proposal Overview

On January 6, 2012, the Governor released an overview of the components of his education reform proposal. The first section outlines the following components relating to Great Teacher and Leaders:

- **Iowa Education Job Clearinghouse** – Establish a job clearinghouse to provide a statewide web-based education employment system to post every public preK-12 education job in the State and allow applicants to complete one application.
- **Improving Teacher Preparation Program Selectivity and Student Teaching** – Raise standards for entry into teacher preparation programs to include having at least a 3.0 cumulative college grade point average (GPA) and passing a preprofessional skills test in the top 75.0% of applicants nationally. This component also includes extending the student teaching experience to 15 weeks.
- **Alternative Pathways into the Education Profession** – Allow alternative pathways to certification. Alternative pathways would have the same GPA and assessment requirements as the traditional teacher preparation programs.
- **Bringing Educator Licensure into the Iowa Department of Education** – Bring educator licensure into the Iowa Department of Education where a new internal structure will be created focusing on educator effectiveness. The proposal maintains the Board of Educational Examiners to focus solely on educator ethics issues, violations, and sanctions.
- **Educator Evaluation** – Conduct educator evaluations annually, rather than the every three years model currently in place for non-probationary educators. This proposal creates a standing task force to continually improve the evaluation systems for educators and would require the State to build uniform systems of evaluation with supporting electronic data collection programs.
- **Extending Teacher and Administrator Probationary Status to Five Years** – Extend teacher and administrator probationary status to five years from the current two years.
- **Educator Nonrenewal and Dismissal** – Provide districts with the option of not renewing a probationary educator's contract at the end of any school year if the educator is underperforming. For nonprobationary educators who are underperforming and any educator being dismissed for good cause, the school board would make a determination on terminating an educator's contract based on the employee's annual evaluation or other evidence. Terminated employees would have the right to one outside adjudicator review to make sure the employee was evaluated fairly and provided due process. Access to the court system would still be available for any civil rights or employee mistreatment issues.
- **Ending Seniority-Based Layoffs** – Requires that performance be the primary determinant in making layoff decisions. Seniority could be considered as part of the decision, but would be secondary to performance and the needs of the school district.
- **School Administration Manager (SAM) Program** – Expand the SAM Program funded by philanthropic grant dollars to include State funding for training and support. The SAM Program provides principals the time to focus on instruction by delegating some tasks of building management to other staff members.

- **Strategically Aligning Professional Development** – Authorize the Department of Education, based on State needs and direction, to annually target areas for professional development. Area Education Agency's (AEAs) would create plans to address these areas and submit them to the State for approval or revision. School districts would either use an approved AEA-developed professional development plan or ask the Department director for approval to produce their own plans.
- **A Task Force on Teacher Leadership and Compensation** – Create a State taskforce to study teacher leadership and compensation structure and make recommendations for the 2013 Legislative Session.
- The Governor's cost estimate for the Great Leaders and Teachers components is \$1.3 million.

Section two of the proposal outlines the following components relating to High Expectations and Fair Measures:

- **Continuing and Expanding the Work of the Iowa Core** – Expand the Iowa Core into music and other fine arts, foreign languages, entrepreneurial education, physical education, applied arts, and character education.
- **Kindergarten Readiness Measures** – Require all four year olds in the State voluntary preschool program to complete a kindergarten readiness assessment to determine early literacy and numeracy skills.
- **High School End-of-Course Exams** – Develop end-of-course exams in core areas of algebra, English, science, and U.S. History.
- **The Program for International Student Assessment (PISA)** – Require a sampling of about 3,000 students in ninth grade to take the PISA every three years, following the same procedures of countries all over the world.
- **College and Career Readiness Measures** – Require all students in grade eleven to take a college entrance exam such as the ACT or SAT with the State covering the expense of the test. The State would also cover the costs for students that choose to take a career readiness assessment.
- **Value-Added Measures (VAM)** – Make VAM available at the individual student, teacher, grade, school, and district levels. VAM is a method of analyzing assessment data that accounts for student background and demographics in determining whether students are making expected growth.
- **Statewide Literacy Program** – Require the use of evidence-based reading programs for all students, beginning in preschool. Students finishing third grade that do not meet basic literacy requirements across a broad set of measures will be retained and provided intensive reading assistance including one-on-one or small group reading supports, summer school programs, or specialized tutoring.
- **Project Lead the Way** – Make Project Lead the Way eligible for concurrent enrollment supplemental weighted funding for high school/community college credit. Project Lead the Way is a project-based and hands-on middle school and high school science, technology, engineering, and math (STEM) curriculum.
- The Governor's cost estimate for the High Expectations and Fair Measures component totals \$18.8 million. The Governor's proposal indicated no additional cost for the Project Lead the Way component of the proposal. However, the LSA estimates that this may increase the amount of

concurrent enrollment supplementary weighted funding generated through the school aid formula, although that amount is currently not known.

Section three of the proposal outlines the following components relating to Innovation:

- **Innovation Acceleration Fund** – Create an Innovation Acceleration Fund with money from the State, philanthropies and foundations, and the business sector. The funds would be available to schools and community-based nonprofit organizations in Iowa through a competitive bid process, with preference given to schools addressing the toughest problems with the most innovative approaches.
- **Competency-Based Education** – Create a pathway for districts wishing to adopt a competency-based approach to education, without requiring waivers from the Department of Education.
- **Online Learning** – Expand online learning by allowing districts to purchase online content directly from providers and expand the existing Iowa Learning Online (ILO) to serve as a statewide clearing house of online content that districts could purchase from ILO. The ILO expansion will require three years of start-up funding and would be self-sustaining after three years.
- **Charter Schools** – Permit other educational and nonprofit entities to establish charter schools, in addition to school districts.
- **Increased Waiver Authority** – Provide school districts the same flexibility that charter schools have by giving the director of the Department of Education authority to waive compliance with rule or statute for schools wishing to use an innovative approach that is not currently allowed. The Department would report annually to the General Assembly on waivers granted.
- **Statewide Parent Engagement Network** – Expand the existing Iowa Parent Information Resource Center and its federally funded program, the Iowa Sustaining Parent Involvement Network, to a statewide level with a tiered model of supports, providing schools that are struggling with student achievement more targeted and intensive supports.
- **Task Force on Time and Schools** – Create a statewide task force to study the issue of time and schools and make recommendations to the General Assembly for the 2013 Legislative Session. Issues to be discussed include alternative calendars, extended day, extended year, and targeted additional time for struggling students, as well as identifying the cost of any proposed changes.
- The Governor's cost estimate for Innovation components totals \$4.9 million.

The Governor is recommending \$17.0 million from the General Fund to fund the Education Reform Proposal in FY 2013. The additional \$8.0 million for the Education Reform Proposal will include:

- *A redistribution of 10.0% of the professional development supplement funds from school districts and AEAs to the Department of Education. The LSA estimates this amount at \$2.9 million for FY 2013.*
- *An expansion of the allowable uses of the early intervention supplement funds and a requirement that school district use those funds for the Reading Enhancement and Accelerated Development Initiative. The Governor has estimated that funding this initiative will require approximately \$5.2 million.*

The table on the following page provides the Governor's cost estimates for each component of the proposal.

Governor's Education Reform Proposal

Gov. Estimated Costs

Section I - Great Teachers and Leaders

Components:

Iowa Education Job Clearinghouse	\$ 500,000
Improving Teacher Preparation Program Selectivity and Student Teaching	0
Alternative Pathways into the Education Profession	0
Bringing Educator Licensure into the Iowa Department of Education	0
Educator Evaluation	500,000
Extending Teacher and Administrator Probationary Status to Five Years	0
Educator Nonrenewal and Dismissal	0
Ending Seniority-Based or "Last-In-First-Out" (LIFO) Layoffs	0
School Administration Manager (SAM) Program	200,000
Strategically Aligning Professional Development	0
A Task Force on Teacher Leadership and Compensation	100,000 ¹
Total Great Teachers and Leaders	\$ 1,300,000

Section II - High Expectations and Fair Measures

Components:

Continuing and Expanding the Work of the Iowa Core	1,000,000
Kindergarten Readiness Measures	300,000
High School End-of-Course Exams	2,000,000
The Program for International Student Assessment (PISA)	1,500,000 ²
College and Career Readiness Measures	2,500,000
Value-Added Measures (VAM)	1,500,000
Statewide Literacy Program	10,000,000
Project Lead the Way	0
Total High Expectation and Fair Measures	\$ 18,800,000

Section III - Innovation

Components:

Innovation Acceleration Fund	2,000,000
Competency-Based Education	0
Online Learning	1,800,000 ³
Charter Schools	500,000
Increased Waiver Authority	0
Statewide Parent Engagement Network	500,000
Task Force on Time and Schools	100,000 ¹
Total Innovation	\$ 4,900,000

Total Governor's Education Reform Proposal **\$ 25,000,000**

Notes:

¹ For one year only

² Once every three years

³ Annually for three years

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GOVERNOR'S TAX PROPOSALS

COMMERCIAL PROPERTY TAX RECOMMENDATION

The Governor is recommending a reduction in commercial and industrial property taxable value from its current 100.0% of assessed (market) value to 60.0% over an eight-year period. The reduction would begin assessment year 2013 (FY 2015) and reach 60.0% for assessment year 2020 (FY 2022). Federal law will likely require that the taxable value reduction also apply to railroad property.

The fiscal impact of the proposal will depend on the rate of construction of new commercial and industrial property going forward, the rate of appreciation of existing commercial and industrial property, and the change in property tax rates over the eight years.

For reference purposes, had commercial, industrial, and railroad property been taxed at 60.0% of assessed value in FY 2012 instead of 100.0%:

- Without any rate response by taxing authorities, property owners would have paid \$617.5 million less in property taxes to local governments.
- Taxable value statewide would have been \$16.4 billion lower, and this would have required \$88.5 million in additional State School Aid payments.
- If local governments did not increase their tax rates to make up for the reduced revenue, local government property tax revenue would have been \$529.0 million lower (\$617.5 million tax reduction minus the \$88.5 million School Aid increase). That reduction would have been spread as follows:
 - Counties: \$97.6 million
 - Cities: \$175.8 million
 - Schools: \$135.2 million
 - Community Colleges: \$12.0 million
 - Other local governments: \$21.8 million
 - Tax Increment Financing Districts: \$86.6 million
- If there was a rate response by local governments (raising tax rates to address lower revenue), the tax reductions for property owners would be less and the revenue impact on local governments would be lower. NOTE: Iowa school finance law would require school districts to raise tax rates in response to lower taxable value.
- The local government revenue reductions would also be lower if the State reimbursed the property tax system for more than just the School Aid portion. The Governor also recommends appropriating \$50.0 million per year for three fiscal years to backfill local government budgets for a portion of the revenue reduction.

For agricultural and residential property, the Governor recommends reducing the maximum percent increase in taxable value, due to revaluation of existing property, from the current 4.0% per year to 2.0%. This action will slow the growth in taxable value for those classes of property over the long term.

The Governor also recommends restricting the growth in city and county property tax revenue to no more than the rate of inflation, plus an adjustment for the value of new construction.

OTHER PROPOSALS RELATED TO TAXES

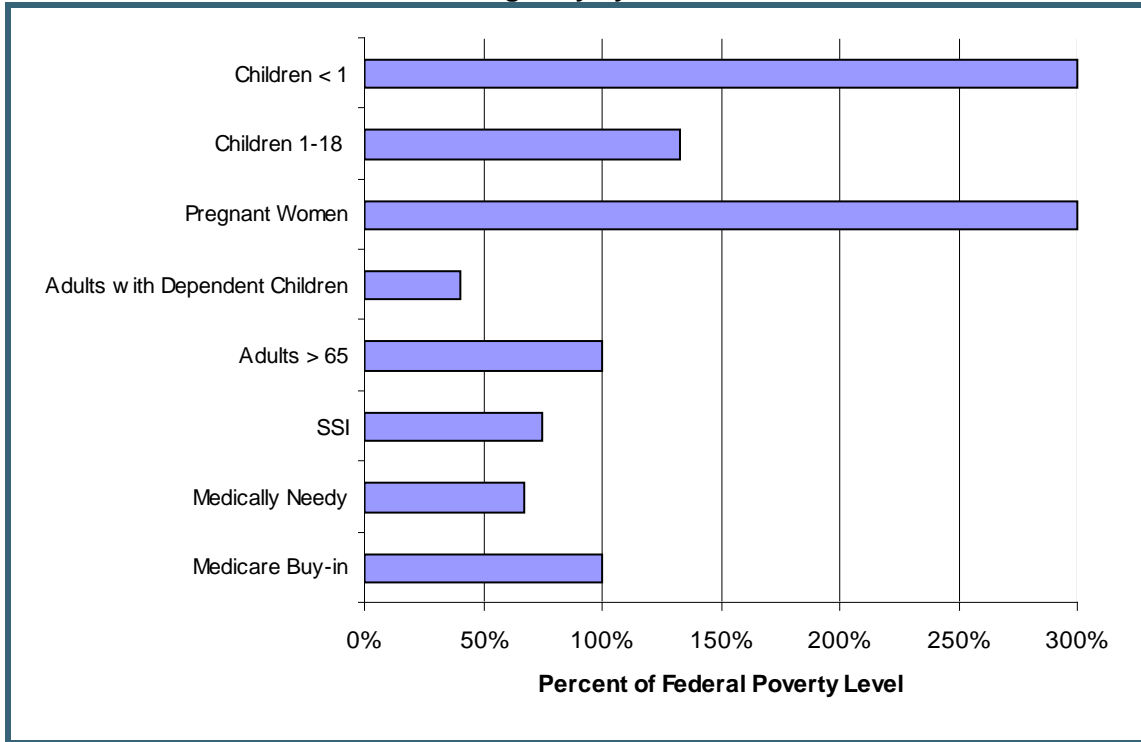
- The Governor is recommending that a net business income adjustment be enacted to reduce the income taxes owed by Iowa-based supply chain companies providing parts to Iowa's manufacturing industry. A fiscal estimate for this proposal was not available and the Legislative Services Agency will provide more information once a bill draft is filed.
- The Governor is recommending the creation of a capital gains deduction for the sale of stock to an Iowa Employee Stock Ownership Plan. A fiscal estimate for this tax proposal was not available and the LSA will provide more information once a bill draft is filed.
- The Governor is recommending that a new \$25.0 million per year economic development incentive program be established, initially funded by an appropriation from the State General Fund. The Governor further recommends replacing that annual appropriation over time by allowing the Economic Development Authority to capture individual income tax withholding revenue that would otherwise be deposited to the State General Fund. The withholding capture would grow by \$2.5 million per year as the annual appropriation was reduced \$2.5 million per year.

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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, under age 21, or members of families with dependent children. For State FY 2012 the federal share of the Medicaid Program is 61.19%.

**Table 1
Medicaid Eligibility by Income Level**



The Iowa Medicaid Program covers individuals at various levels of income as allowed under federal law. To be eligible for Medicaid, an individual must be categorically eligible. This means the individual must meet income requirements and qualify in a category to be eligible. **Table 1** shows the maximum income level for children, pregnant women, adults with dependent children, recipients of Supplemental Security Income, 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 vary by the size of the household. The FPL for a family of four was \$22,350 for 2011.

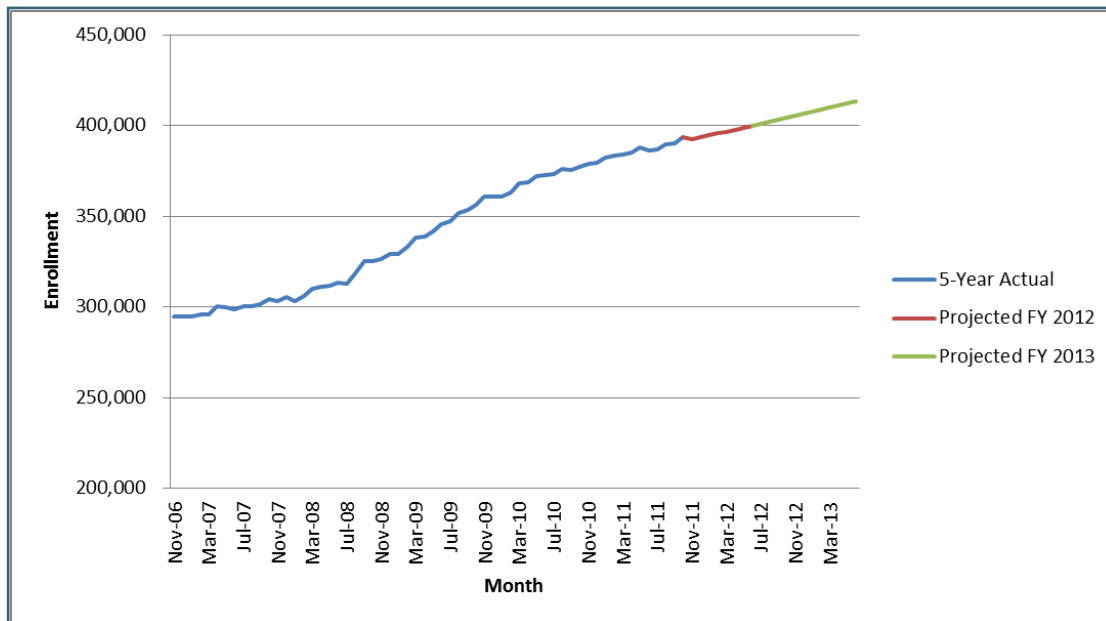
In October 2011, 392,027 Iowans were enrolled in Medicaid. Of this total, 57.2% were children, 16.0% were adults with dependent children, 19.1% were disabled, and 7.7% were over age 65. The FY 2011 State expenditures totaled \$853.5 million. Of the total expenditures, 17.0% was for children, 16.0% was for adults with dependent children, 48.0% was for the disabled, and 19.0% was for adults over age 65. While children account for approximately half of the enrollment, they consume only 18.0% of Medicaid expenditures. Adults over age 65 and disabled individuals account for 27.1% of enrollment but utilize 67.0% of expenditures.

Medical Assistance Program (Medicaid)

Enrollment

Table 2 shows the enrollment growth in Iowa over the past five years. There was negligible growth in FY 2007 as a result of additional citizenship requirements at the federal level. In FY 2008, the Program increased by 2.9%. In FY 2009 and FY 2010 with the poor economy, the Program grew by 8.2% and 9.4%, respectively. In FY 2011, growth slowed to 5.4%.

**Table 2
Medicaid Enrollment**



With slow economic recovery, enrollment is projected to continue to increase steadily in FY 2012 and FY 2013, but at a slower rate than the previous years. The LSA estimates Medicaid enrollment will increase by 3.5% in FY 2012 and 3.3% in FY 2013. The Program added a total of 13,735 individuals in FY 2011, including 8,704 children. In the first six months of FY 2012, the Program added an additional 6,353 individuals for total enrollment of 392,689.

Revenues and Expenditures

Table 3 shows actual expenditures for FY 2009 through FY 2011 and projected expenditures for FY 2012 and FY 2013. The four largest categories that drive costs in the Medicaid Program are hospitals (inpatient and outpatient), nursing homes, pharmaceuticals, and physician costs.

**Table 3
State Medicaid Expenditures – All State Funds**
(Dollars in Millions)

	<u>State Actual</u>	<u>FMAP Savings</u>	<u>Adjusted State Total</u>
FY 2009 Actual	\$ 907.7	\$ -114.0	\$ 793.7
FY 2010 Actual	942.8	-223.6	719.2
FY 2011 Actual	1,012.9	-187.1	825.8
FY 2012 Projected Need	1,119.0	0.0	1,119.0
FY 2013 Projected Need	1,190.3	0.0	1,190.3

Table 4 shows actual revenues and expenditures for FY 2011, projected revenues and expenditures for FY 2012, and the Governor’s recommendation for FY 2013.

**Table 4
Medicaid Balance Sheet**

	<i>Final FY 2011</i>	<i>Estimated FY 2012</i>	<i>Gov's Rec FY 2013</i>
Medicaid Funding			
Carryforward from Previous Year	\$ 57,523,302	\$ 27,700,401	\$ 4,586,463
Veterans Home Transfer	0	2,447,911	0
Behavioral Health Account Carryforward	2,082,504	1,790,859	0
Senior Living Trust Fund	40,437,372	0	0
Transfer from Decat Waiver Waiting List	1,925,000	0	0
Cash Reserve Fund	178,693,397	0	0
Medicaid Fraud Account	0	0	2,000,000
Health Care Transformation Account	0	1,956,245	1,956,245
Health Care Trust Fund	106,599,657	105,725,232	106,046,400
Nursing Facility Quality Assurance Fund	32,458,722	26,500,000	26,500,000
Hospital Trust Fund	31,036,672	36,957,766	33,898,400
CHIPRA Contingency Fund	0	0	4,950,428
hawk-i Performance Bonus	6,760,901	10,517,268	7,860,256
Total Non-General Fund for Medicaid	\$ 457,517,526	\$ 213,595,682	\$ 187,798,192
General Fund Appropriation	\$ 393,683,227	\$ 909,993,421	\$ 958,750,766
Covering All Children	2,297,649	0	0
Total All General Fund Sources	\$ 395,980,876	\$ 909,993,421	\$ 958,750,766
Total Medicaid Funding	\$ 853,498,402	\$ 1,123,589,103	\$ 1,146,548,958
Total Estimated State Medicaid Need	\$ 1,011,653,932	\$ 1,119,002,640	\$ 1,190,254,722
Local Yield Management Cost Containment	0	0	-1,560,000
Medicare Crossover Claims Cost Containment	0	0	-9,009,000
Medical Home Cost Containment	0	0	-4,900,000
Pharm. AWP to Avg. Acquisition Cost Conversion	0	0	-1,911,000
Physc. Brand Name Drug Reimburse Changes	0	0	-85,000
Medicare Part B Disallowance	0	0	-97,500
Estate Recovery Cost Containment	0	0	-780,000
Hospital Readmission Pol. Cost Containment	0	0	-253,500
PMIC Ancillary Reversal	0	0	-2,094,472
MH Risk Pool CarryForward Transfer	0	0	-5,015,292
IowaCare FY 2012 Carryforward	0	0	-1,000,000
ARRA FMAP	-187,141,196	0	0
Behavioral Health Carryforward	1,285,265	0	0
Total Estimated Medicaid Need	\$ 825,798,001	\$ 1,119,002,640	\$ 1,163,548,958
Midpoint of Balance/(Under Funded)	\$ 27,700,401	\$ 4,586,463	\$ -17,000,000

ARRA - American Recovery and Reinvestment Act

FY 2012 Range

A forecasting group consisting of staff from the Department of Management (DOM), the Department of Human Services (DHS), and the Fiscal Services Division of the LSA meets monthly to discuss current enrollment and expenditure data in the Medicaid Program and set a range for projected FY 2012 and FY 2013 expenditures. The forecasting group last met on December 22, 2011. For FY 2012, the group agreed

Medical Assistance Program (Medicaid)

Medicaid will have a need of \$11.5 million to a surplus of \$18.5 million, with a midpoint of a \$3.5 million dollar surplus for FY 2012.

FY 2013 Governor's Recommendation

For FY 2013, the forecasting group agreed Medicaid will have a need of \$77.0 million to \$117.0 million, with a midpoint need of \$97.0 million for FY 2013. *Through a combination of cost containment strategies, savings and additional appropriations, the Governor is recommending funding Medicaid at \$17.0 million below the midpoint of the range agreed on by the forecasting group. The Governor is within the bottom end of the range by \$3.0 million for FY 2013. This includes an additional \$48.8 million from the General Fund, \$16.5 million in new cost containment strategies, \$10.2 million in other savings, and \$4.6 million in carryforward from FY 2012.*

General Fund changes include a net increase of \$48.8 million compared to estimated FY 2012, including:

- An increase of \$75.0 million due to growth and adjustments to the Federal Medical Assistance Percentage (FMAP) match rate.
- A decrease of \$1.6 million to reflect savings from a local yields management cost containment initiative. This change will allow the DHS to physically visit Iowa insurance providers that have been denying claims that Medicaid has paid. Staff will visit with providers regarding disputed denials, follow-up on a nonpayment or insufficient payment, and seek clarity about processes.
- A decrease of \$9.0 million to reflect savings from a hospital Medicare crossover claims cost containment initiative. By federal law, Medicaid is the payer of last resort. This change will realign payments to assure that the total sum of payments does not exceed the Medicaid rates.
- A decrease of \$4.9 million to reflect savings from a medical home cost containment initiative. Medicaid is developing a "Health Home" delivery and payment model for dual eligibles, chronically mentally ill, and disabled populations not enrolled in managed care.
- A decrease of \$1.9 million to reflect savings from changing the reimbursement methodology for pharmacies from Average Wholesale Price (AWP) to Average Acquisition Cost (AAC). The AWP is being phased out due to a class action lawsuit finding the practice to be a fraudulent methodology. The AAC is calculated using invoices from pharmacies.
- A decrease of \$85,000 to reflect savings from changes to physician brand name drug reimbursement. This will align reimbursement for drugs administered by a physician in their office with reimbursement for the same drug when dispensed by a pharmacy.
- A decrease of \$98,000 to reflect a Medicare Part B disallowance. Medicaid will review claims to identify any that the provider should have billed to Medicare rather than Medicaid. Currently, these reviews are only done on Medicare Part A.
- A decrease of \$780,000 to reflect savings from an estate recovery cost containment initiative. This will require beneficiaries applying for estate funds to affirm that the decedent has never been enrolled in Medicaid.
- A decrease of \$254,000 to reflect savings from a hospital readmission policy change cost containment initiative. Under this proposal, when a person is readmitted to the hospital within seven days of discharge, the services will be billed as one hospital stay rather than two.
- A decrease of \$2.1 million to reflect savings from a change in the way the federal government calculates psychiatric medical institutes for children ancillary costs.

- A decrease of \$5.0 million to reflect the transfer of funds from the Mental Health Risk Pool being transferred in to fund Medicaid.
- A decrease of \$3.5 million to reflect available carryforward from FY 2012 to FY 2013.
- A decrease of \$1.1 million to reflect available bonus funds from the Children’s Health Insurance Program Reauthorization Act.
- A decrease of \$1.0 million to reflect \$1.0 million of available carryforward funds from the IowaCare Program.

FMAP Federal Fiscal Year 2013

The federal government released the final FMAP rates for Federal Fiscal Year (FFY) 2013. Iowa’s FMAP rate was reduced by 1.12% compared to FFY 2012. The reduction is significant, but less than the 1.91% reduction the State received between FFY 2011 and FFY 2012. The Medicaid forecasting group has built in a \$36.4 million increase to account for the change in FMAP rates. The FMAP rate will also affect other programs that receive Medicaid match such as IowaCare and the State Resource Centers, as well as hawk-i (hawk-i receives an enhanced match rate).

The FMAP is based on a rolling three-year average of per capita income for each state and is produced by the U.S. Department of Commerce’s Bureau of Economic Analysis. The formula is designed to provide states that have lower per capita income compared to the U.S. as a whole with a greater share of financial assistance. The statute contains both minimum and maximum percentages so no state will have to pay for more than 50.0% of the cost and the federal government will not pay for more than 83.0% of the cost. **Table 5** shows a five-year snapshot of Iowa’s blended FMAP rate. The rate is blended over two federal fiscal years to account for the federal fiscal year starting in October as opposed to the July start for the State.

Table 5
FY 2009 – FY 2013 Regular FMAP Rate

State Fiscal Year	Federal Share	State Share	Federal % Change
FY 2009	62.40%	37.60%	0.60%
FY 2010	63.29%	36.71%	0.89%
FY 2011	62.85%	37.15%	-0.44%
FY 2012	61.19%	38.81%	-1.66%
FY 2013	59.87%	40.13%	-1.32%

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MENTAL HEALTH AND ADULT DISABILITY SERVICES REDESIGN

Senate File 525 (FY 2012 Adult Disability Services Redesign Act) sets a framework to redesign the Adult Disability Service System. The System includes persons with mental illness, intellectual disabilities, or developmental disabilities. The legislation specifies that it is the intent of the General Assembly to implement the following:

- Shifting funding responsibility for the nonfederal share of Medicaid from the counties to the State.
- Reorganizing the System to be administered by counties on a regional basis in a manner that provides multiple points of access in the region for both Medicaid and non-Medicaid funded services.
- Replacing legal settlement as the basis for determining financial responsibility for Adult Disability Services with a determination based on residency.
- Meeting the needs of consumers with disabilities in a responsive and cost effective manner.

Workgroups

Throughout the summer, seven different workgroups met to examine the current system, study best practices, and make recommendations on changes that need to be made in the system. The principles and guidelines used by the workgroups were as follows:

- Incorporating strategies to allow individuals to receive services in accordance with the Olmstead principles.
- Continuing the DHS leadership role in the Medicaid Program in defining services covered, establishing reimbursement methodologies, and engaging in federal options for program enhancements that are beneficial to consumers and the state such as medical or behavioral health homes.
- Implementing mental health crisis response services statewide in a manner determined to be most appropriate by each region.
- Reviewing best practices and programs utilized by other states in identifying new approaches for addressing the needs for publicly funded services for persons with brain injury.
- Developing a proposal for addressing service provider shortages.
- Developing a proposal for service providers addressing co-occurring mental health, intellectual disability, brain injury, and substance abuse disorders.
- Developing a proposal for redesign of publicly funded children's disability services, including but not limited to the needs of children who are placed out-of-state due to the lack of treatment services in State.

With the assistance of the Technical Assistance Collaborative, who facilitated the meeting, a preliminary report was filed October 31, 2011, with recommendations from all seven workgroups. The report is available here: http://www.dhs.iowa.gov/docs/IowaRedesignInterimReportREVFinal_11-08-2011.pdf. The report sets out a roadmap for reforming the systems of service for people with disabilities.

On December 9, 2011, the Department of Human Services released a final report that was submitted to the Interim Legislative Committee. The report is available here: http://www.dhs.iowa.gov/docs/DHS-MHDS_SystemRedesignReportFINAL_12-09-2011.pdf. The report focuses on areas where the workgroups views were unclear or where they had a difference of opinion with the workgroup recommendations. The report also provides financial estimates for redesign of the system.

Interim Study Committee

The Interim Study Committee on Mental Health and Disability Services met three times between October and December of 2011. The Committee reviewed the preliminary workgroup report and then reviewed and approved the final DHS report that will be drafted into legislation with some minor additions and changes. The Committee also spent time reviewing property tax information. Senate File 209 (FY 2012 Tax Changes and Supplemental Appropriations Act) repeals the Mental Health Property Tax Levy effective July 1, 2013. The levy currently raises \$118.3 million and has the potential to raise \$125.8 million annually. Counties are still mandated to provide Mental Health and Disability Services. The Committee did not make any recommendations on how they planned to replace the lost revenue, but they did state that it is necessary for the system that revenue be replaced from some funding source, whether it is property taxes or a General Fund appropriation. For more information on the Mental Health and Disability Services Redesign Interim Study Committee, see the Legislative Interim webpage:

<https://www.legis.iowa.gov/Schedules/committee.aspx?GA=84&CID=541>

Governor's Recommendations

The Governor stated that he supports a phased-in reform including regional management, core services, and the state eventually assuming the full cost of the nonfederal share of Medicaid from the counties. The Governor is recommending \$17.75 million in new funding and an additional \$12.25 million in savings for a total of \$30.0 million to begin the buyout of the nonfederal share of Medicaid and to begin implementing the redesign. The plan requires the State to assume the costs for the Intellectual Disabilities Waiver, Habilitation Services, Target Case Management, a portion of intermediate care facilities for persons with mental retardation (ICF/MR) costs, and other Medicaid expenditures in FY 2013. Counties will continue to fund the State Resource Centers and \$6.4 million of the \$58.0 million total costs of ICF/MR's. The Governor is also recommending \$3.9 million in new initiatives including \$500,000 to create Children's Health Homes; \$3.0 million for Standardized Assessments; and \$400,000 for additional DHS staff. To pay for the State buy down and new initiatives, the State would retain all funds that are currently appropriated to counties (totaling \$201.4 million) and use \$12.3 million in projected savings. Counties would have their property tax levy of \$125.8 million available to pay for non-Medicaid costs and the remaining \$21.3 million in Medicaid costs.

FY 2013 Medicaid Buy Down Chart

	Non Federal Share FY 2013	State Buy Down FY 2013	County Responsibility FY 2013
Intellectual Disiabilites Waiver	\$ 130,920,139	\$ 130,920,139	\$ 0
ICF/MR	58,013,582	51,628,855	6,384,727
State Resource Centers	14,931,144	0	14,931,144
Habilitation	20,629,280	20,629,280	0
Targeted Case Management	6,172,880	6,172,880	0
Other Medicaid Expenditures	371,153	371,153	0
	<u>\$ 231,038,178</u>	<u>\$ 209,722,307</u>	<u>\$ 21,315,871</u>

Additional Information

The Department of Human Services is maintaining a website which has all materials distributed during the redesign process here: <http://www.dhs.iowa.gov/Partners/MHDSRedesign.html>.

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PUBLIC RETIREMENT SYSTEMS

Retirement Systems

The public retirement systems in Iowa include:

- **Iowa Public Employees' Retirement System – IPERS:** Membership includes employees and retirees of State, county, and city governments; other political subdivisions or agencies; and school districts and Area Education Agencies (AEAs). There are two Special Service groups within IPERS including:
 - 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:** 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:** Membership includes uniformed, sworn officers of the Department of Public Safety including 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 411:** The membership includes active and 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.

The following chart shows the total members and total retirees per System.

Retirement System	Total Members	Retired Members	Percent
IPERS	328,975	98,540	29.95%
Judicial	384	176	* 45.83%
PORS	1,226	547	44.62%
MFPRSI	7,959	3,753	47.15%

* Includes retired members, senior judges, and beneficiaries.

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 contribution rates for the Judicial Retirement System are set by Iowa Code section [602.9104](#), and the contribution rates for the PORS are in Iowa Code section [97A.8](#) and are set through FY 2017. The required contribution rates for IPERS Regular Membership, Protection Occupation, and Sheriffs and Deputies, are calculated pursuant to Iowa Code section [97B.11](#) and are based on the most recent actuarial valuation of the System. However, the contribution rates for IPERS Regular Membership cannot vary by more than one percentage point from the previous year. The MFPRSI contribution rates are calculated pursuant to Iowa Code section 411.8 based on an actuarial valuation of the System.

Public Retirement Systems

Earnings covered by the IPERS and Judicial Retirement systems are qualified earnings under Social Security. Earnings covered by the PORS and MFPRSI systems are not. The Old-Age, Survivors, and Disability Insurance (OASDI), commonly referred to as Social Security, is funded through dedicated payroll taxes referred to as the Federal Insurance Contributions Act (FICA).

Prior to 2011, the Social Security tax rate for wages paid is set by federal statute at 6.20% of gross compensation for both the employees and employers, up to a limit of \$106,800. The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 provided for a two percentage point payroll tax cut for employees, reducing their Social Security tax withholding rate from 6.20% to 4.20% of wages paid. Congress extended the payroll tax cut for 60 days into 2012. The Medicare portion of FICA is 1.45% of wages for both employee and employer with no limit. The total Social Security tax is 10.40% and the total Medicare tax is 2.90% of wages.

- Teachers' Insurance and Annuity Association – College Retirement Equities Fund – TIAA-CREF:** The membership includes approximately 24,000 active members that are university, Board of Regents, and some community college employees. The TIAA-CREF is a “defined contribution plan,” meaning moneys are contributed to an individual account for each participant; 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. The contribution rates used by the universities for TIAA-CREF are 5.0% employee and 10.0% employer.
- Deferred Compensation Program (457/401a)** – This is a voluntary defined contribution 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 dollar for dollar match on the first \$75 of monthly 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 2013 Contribution Rates

	Employee Share	Employer Share	Total
IPERS			
Regular	5.78%	8.67%	14.45%
Sheriffs and Deputies	9.90%	9.90%	19.80%
Protection Occupations	6.84%	10.27%	17.11%
Judicial Retirement	9.35%	30.60%	39.95%
PORS	10.35%	27.00%	37.35%
MFPRSI/411	9.40%	26.12%	35.52%

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. Iowa Code section [97D.4\(3\)](#) 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 the 2010 Legislative Session – HF 2518 (Public Retirement Systems Act)
Peace Officers' Retirement, Accident, and Disability System (PORS)

- Increased the employee contribution rate by 0.5% each year for four years beginning July 1, 2011 (FY 2012).
- Increased the employer contribution rate by 2.0% each year for five additional years ending July 1, 2017, (FY 2018) to a total employer contribution rate of 35.0%.
- Allowed members of PORS to purchase permissive service credit for eligible qualified service based on the actuarial cost of the service minus a credit for contributions made to the 411 System when the person was a member of that System. An application had to be filed by July 1, 2011. Three applications were received for a total of \$97,000.
- Beginning July 1, 2012 (FY 2013), a General Fund appropriation of \$5.0 million per year will be made until the PORS Fund reaches an 85.0% funded ratio.
- Changed the escalation amount for PORS members from compounding each year to a set escalation amount in five-year increments.
- Required a comprehensive examination report of the System on or before October 15, 2011. The report has been received by the General Assembly.

Iowa Public Employees' Retirement System (IPERS)
For Regular Membership:

- Beginning July 1, 2011 (FY 2012), increased the total contribution rate from 11.45% to 13.45% and, effective July 1, 2012, allows the System to adjust the rate up or down by no more than one percentage point per year based on the actuarially determined rate. The rate for FY 2013 has been set at 14.45%.
- Effective July 1, 2012 (FY 2013), increased the vesting requirement from four years or upon reaching age 55 to seven years or upon reaching age 65, while in covered employment, whichever comes first.
- Effective July 1, 2012, retirement benefits will be calculated using a member's highest five years of salary instead of the current three years.
- Effective July 1, 2012, for those members retiring prior to normal retirement age, the amount of lifetime monthly benefits is reduced for early retirement increases to 6.0% times the number of years the member receives benefits before age 65.

For Special Service Groups: Added a cancer and infectious disease presumption for in-service disability benefits.

For Licensed Health Care Professionals: Extended a one-month bona fide retirement exception for two years with a sunset on June 30, 2012.

For National Guard Members: Created a bona fide retirement exception for members called to State active duty with a retroactive effective date of May 25, 2008.

Municipal Fire and Police Retirement System of Iowa (411)

- Phased out the State's contribution to the 411 System, eliminating the contribution in FY 2013.
- Required a comprehensive examination report of the System on or before January 10, 2011. The report has been received by the General Assembly.

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SCHOOL AID – FY 2012, FY 2013, AND FY 2014

STATE SCHOOL AID

FY 2012 School Aid

During the 2010 Legislative Session, the General Assembly enacted SF 2045 (FY 2012 Regular School Aid Allowable Growth Rate Act) and SF 2046 (FY 2012 State Categorical Supplement Allowable Growth Rate Act) that postponed the establishment of the FY 2012 regular school aid and State categorical supplement allowable rates until the 2011 Legislative Session. However, during the 2011 Legislative Session, no allowable growth rates for FY 2012 were established. The result was that the allowable growth rates for regular school aid and the State categorical supplements defaulted to 0.0%. The 0.0% allowable growth rates provided that there were no changes in school aid formula per pupil costs between FY 2011 and FY 2012. Funding totals for FY 2012 include:

- \$2,257.0 million for regular school aid. This amount includes \$6.7 million transferred from the Secure and Advanced Vision for Education (SAVE) Fund to the Property Tax Equity and Relief (PTER) Fund for targeted property tax relief through the school aid formula. The amount also includes an additional \$20.0 million reduction in State aid to area education agencies (AEAs).
- \$315.9 million for the State categorical supplements. This includes \$256.8 million for the teacher salary supplement, \$29.1 million for the professional development supplement, and \$29.9 million on the early intervention supplement.
- \$58.4 million for preschool formula funding. The weighting amount was reduced from 0.6 to 0.5 beginning in FY 2012.
- \$1,314.5 million in school aid property taxes.
- \$3,887.3 million for the total of the combined district cost. The amount in general, represents the total funding of State aid and school property taxes for school districts and AEAs generated through the school aid formula.

FY 2013 School Aid

NOTE: Estimates for FY 2013 are preliminary (based on available data and assumptions as of January 2012) and are subject to change. Variables that are currently estimated include taxable valuations, budget enrollments, and pupil weightings. Any variations in assumptions used to calculate these variables will impact the information provided below (including FY 2014 school aid estimates). The Legislative Services Agency (LSA) anticipates that all data will be finalized by May 2012.

During the 2011 Legislative Session, the General Assembly enacted [SF 533](#) (Standing Appropriations Act) that established allowable growth rates of 2.0% for regular school aid and the State categorical supplements. The growth rates increased the FY 2013 State aid formula per pupil amounts by 2.0% over the FY 2012 amounts. State aid estimates for FY 2013 include:

- \$2,287.3 million for regular school aid. This is an increase of \$30.3 million (1.3%) above the FY 2012 amount and includes an estimate of \$7.4 million in SAVE Funds transferred to the PTER Fund and an AEA reduction of \$10.0 million.

School Aid

- \$319.6 million for the State categorical supplements. This is an increase of \$3.8 million (1.2%) compared to the FY 2012 amount. The teacher salary supplement is estimated to total \$259.9 million, the professional development supplement is estimated to total \$29.5 million, and the early intervention supplement is estimated to total \$30.3 million.
- \$59.7 million for preschool formula funding. This is an increase of \$1.3 million (2.2%) compared to the FY 2012 amount.
- \$1,320.6 million in school aid property tax. This is an increase of \$6.1 million (0.5%) compared to the FY 2012 amount.
- \$3,927.5 million for the total of the combined district cost. This is an increase of \$40.2 million (1.0%) compared to the FY 2012 amount.

Early Intervention Block Grant Program Repeal

The Early Intervention Block Grant Program (Iowa Code chapter [256D](#)) is scheduled to be repealed at the beginning of FY 2013. State categorical supplement funding for the Early Intervention supplement will still be generated through the school aid formula in FY 2013, however, the LSA is currently uncertain how the funds will be expended by school districts in FY 2013 if Iowa Code chapter 256D is repealed.

FY 2014 School Aid

During the 2012 Legislative Session, the General Assembly will be required to set the allowable growth rates for the FY 2014 regular school aid and the State categorical supplements. The following table provides School aid amounts for estimated FY 2013 and estimated FY 2014, including estimated FY 2014 at 4.0%, 2.0%, and 0.0% allowable growth rates. The FY 2014 estimates include:

- At a 4.0% allowable growth rate for regular school aid and the State categorical supplements, the total State General Fund amount is estimated to increase \$142.6 million (5.4%) compared to the estimated FY 2013 State General Fund amount. Additionally, school aid property taxes are estimated to increase \$59.0 million (4.5%) and the total combined district cost is estimated to increase \$196.2 million (5.0%).
- At a 2.0% allowable growth rate for regular school aid and the State categorical supplements, the total State General Fund amount is estimated to increase \$75.5 million (2.8%) compared to the estimated FY 2013 State General Fund amount. Additionally, school aid property taxes are estimated to increase \$55.8 million (4.2%) and the total combined district cost is estimated to increase \$127.1 million (3.2%).
- At a 0.0% allowable growth rate for regular school aid and the State categorical supplements, the total State General Fund amount is estimated to increase \$8.9 million (0.3%) compared to the estimated FY 2013 State General Fund amount. Additionally, school aid property taxes are estimated to increase \$67.1 million (5.1%) and the total combined district cost is estimated to increase \$73.6 million (1.9%).

Estimated FY 2013 and FY 2014 State School Aid Amounts (Dollars in Millions)									
School Aid Funding	Estimated FY 2013	FY 2013 Change from FY 2012	FY 2014 Estimates						
			0.0% Allowable Growth Rate Totals	0.0% Allowable Growth Rate - Change from Est. FY 2013	2.0% Allowable Growth Rate Totals	2.0% Allowable Growth Rate - Change from Est. FY 2013	4.0% Allowable Growth Rate Totals	4.0% Allowable Growth Rate - Change from Est. FY 2013	
Regular School Aid	\$ 2,287.3	\$ 30.3	\$ 2,289.2	\$ 2.0	\$ 2,349.5	\$ 62.3	\$ 2,409.8	\$ 122.5	
State Categorical Supplements	319.6	3.8	324.2	4.6	328.7	9.0	334.2	14.6	
Preschool Formula	59.7	1.3	62.7	3.0	63.9	4.2	65.2	5.5	
Est. Total School Aid Amount	\$ 2,666.6	\$ 35.4	\$ 2,676.1	\$ 9.5	\$ 2,742.1	\$ 75.5	\$ 2,809.2	\$ 142.6	
PTER Fund	\$ 7.4	\$ 0.7	\$ 7.4	\$ 0.7	\$ 7.4	\$ 0.0	\$ 7.4	\$ 0.0	
Est. General Fund School Aid Amount	\$ 2,659.2	\$ 34.7	\$ 2,668.8	\$ 8.9	\$ 2,734.8	\$ 75.5	\$ 2,801.9	\$ 142.6	
Est. School Aid Property Tax	\$ 1,320.6	\$ 6.1	\$ 1,387.7	\$ 67.1	\$ 1,376.4	\$ 55.8	\$ 1,379.6	\$ 59.0	
Est. Combined District Cost	\$ 3,927.5	\$ 40.2	\$ 4,001.1	\$ 73.6	\$ 4,054.6	\$ 127.1	\$ 4,123.7	\$ 196.2	

Notes:
 PTER = Property Tax Equity Relief Funds transferred from the Secure an Advanced Vision for Education (SAVE) fund.
 FY 2013 and FY 2014 estimates are based on a variety of assumptions that are subject to change. For a complete list of assumptions, contact the LSA.
 Combined district cost represents the total school foundation funding amount and is not impacted by a reduction in State school aid.
 Totals may not sum due to rounding.
 Estimates are not official or final. The Department of Management will provide the official school aid amounts.
 Estimates as of December 20, 2011
 SCHLAID_V3.3_FY12_FY17.sas

The General Assembly can establish separate allowable growth rates for regular school aid and each of the State categorical supplements. The following table provides a more detailed analysis of the FY 2014 school aid estimates at various allowable growth rates. The matrix provides FY 2014 allowable growth rates for the State categorical supplements across the top of the table and FY 2014 allowable growth rates for regular school aid on the left side of the table with the corresponding school aid estimates at the intersection of the two allowable growth rates.

School Aid

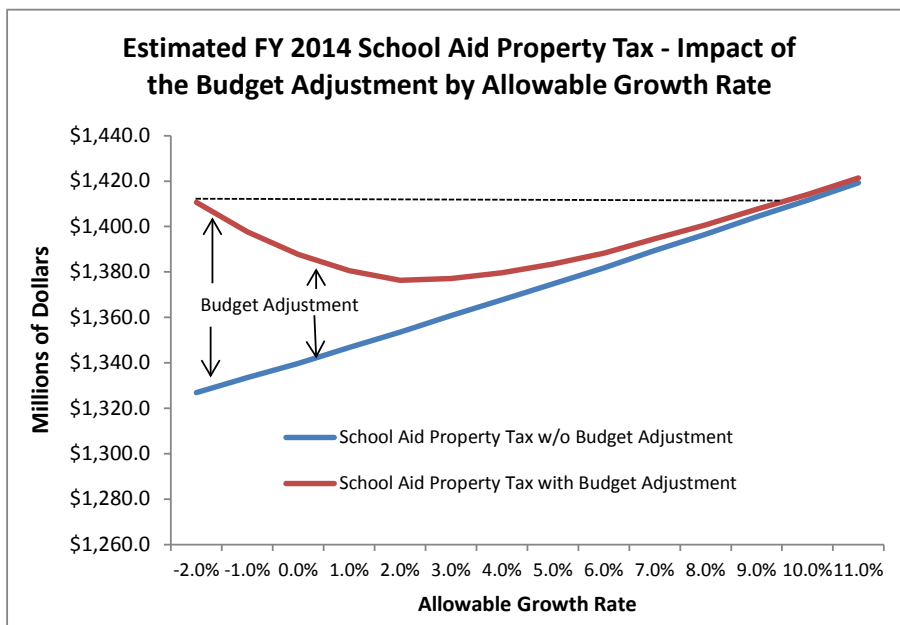
Legislative Services Agency: FY 2014 School Aid Estimates Matrix - Estimates at Various Allowable Growth Rates (Dollars in Millions)											
Regular School Aid Allowable Growth Rate	State Categorical Supplement Allowable Growth Rates	4.0%		3.0%		2.0%		1.0%		0.0%	
		Change from FY 2013		Change from FY 2013		Change from FY 2013		Change from FY 2013		Change from FY 2013	
		Total	2013	Total	2013	Total	2013	Total	2013	Total	2013
4.0%	Regular State School Aid	\$2,409.8	\$ 122.5	\$2,409.8	\$ 122.5	\$2,409.8	\$ 122.5	\$2,409.8	\$ 122.5	\$2,409.8	\$ 122.5
	Preschool Formula State Aid	65.2	5.5	65.2	5.5	65.2	5.5	65.2	5.5	65.2	5.5
	State Categorical Supplement	334.2	14.6	331.4	11.8	328.7	9.0	326.2	6.6	324.2	4.6
	Total State School Aid	\$2,809.2	\$ 142.6	\$2,806.4	\$ 139.8	\$2,803.7	\$ 137.1	\$2,801.2	\$ 134.6	\$2,799.2	\$ 132.6
	School Aid Property Tax	\$1,379.6	\$ 59.0	\$1,379.6	\$ 59.0	\$1,379.6	\$ 59.0	\$1,379.6	\$ 59.0	\$1,379.6	\$ 59.0
	Budget Guarantee	11.9	-4.8	11.9	-4.8	11.9	-4.8	11.9	-4.8	11.9	-4.8
	State Categorical Budget Guarantee	1.0	-0.1	1.4	0.3	1.9	0.7	2.6	1.5	3.8	2.7
3.0%	Regular State School Aid	\$2,379.4	\$ 92.1	\$2,379.4	\$ 92.1	\$2,379.4	\$ 92.1	\$2,379.4	\$ 92.1	\$2,379.4	\$ 92.1
	Preschool Formula State Aid	64.6	4.9	64.6	4.9	64.6	4.9	64.6	4.9	64.6	4.9
	State Categorical Supplement	334.2	14.6	331.4	11.8	328.7	9.0	326.2	6.6	324.2	4.6
	Total State School Aid	\$2,778.2	\$ 111.6	\$2,775.4	\$ 108.7	\$2,772.6	\$ 106.0	\$2,770.1	\$ 103.5	\$2,768.2	\$ 101.6
	School Aid Property Tax	\$1,377.1	\$ 56.5	\$1,377.1	\$ 56.5	\$1,377.1	\$ 56.5	\$1,377.1	\$ 56.5	\$1,377.1	\$ 56.5
	Budget Guarantee	16.3	-0.5	16.3	-0.5	16.3	-0.5	16.3	-0.5	16.3	-0.5
	State Categorical Budget Guarantee	1.0	-0.1	1.4	0.3	1.9	0.7	2.6	1.5	3.8	2.7
2.0%	Regular State School Aid	\$2,349.5	\$ 62.3	\$2,349.5	\$ 62.3	\$2,349.5	\$ 62.3	\$2,349.5	\$ 62.3	\$2,349.5	\$ 62.3
	Preschool Formula State Aid	63.9	4.2	63.9	4.2	63.9	4.2	63.9	4.2	63.9	4.2
	State Categorical Supplement	334.2	14.6	331.4	11.8	328.7	9.0	326.2	6.6	324.2	4.6
	Total State School Aid	\$2,747.7	\$ 81.1	\$2,744.9	\$ 78.3	\$2,742.1	\$ 75.5	\$2,739.7	\$ 73.1	\$2,737.7	\$ 71.1
	School Aid Property Tax	\$1,376.4	\$ 55.8	\$1,376.4	\$ 55.8	\$1,376.4	\$ 55.8	\$1,376.4	\$ 55.8	\$1,376.4	\$ 55.8
	Budget Guarantee	22.9	6.2	22.9	6.2	22.9	6.2	22.9	6.2	22.9	6.2
	State Categorical Budget Guarantee	1.0	-0.1	1.4	0.3	1.9	0.7	2.6	1.5	3.8	2.7
1.0%	Regular State School Aid	\$2,319.1	\$ 31.8	\$2,319.1	\$ 31.8	\$2,319.1	\$ 31.8	\$2,319.1	\$ 31.8	\$2,319.1	\$ 31.8
	Preschool Formula State Aid	63.3	3.6	63.3	3.6	63.3	3.6	63.3	3.6	63.3	3.6
	State Categorical Supplement	334.2	14.6	331.4	11.8	328.7	9.0	326.2	6.6	324.2	4.6
	Total State School Aid	\$2,716.7	\$ 50.1	\$2,713.8	\$ 47.2	\$2,711.1	\$ 44.5	\$2,708.6	\$ 42.0	\$2,706.6	\$ 40.0
	School Aid Property Tax	\$1,380.6	\$ 60.0	\$1,380.6	\$ 60.0	\$1,380.6	\$ 60.0	\$1,380.6	\$ 60.0	\$1,380.6	\$ 60.0
	Budget Guarantee	33.8	17.1	33.8	17.1	33.8	17.1	33.8	17.1	33.8	17.1
	State Categorical Budget Guarantee	1.0	-0.1	1.4	0.3	1.9	0.7	2.6	1.5	3.8	2.7
0.0%	Regular State School Aid	\$2,289.2	\$ 2.0	\$2,289.2	\$ 2.0	\$2,289.2	\$ 2.0	\$2,289.2	\$ 2.0	\$2,289.2	\$ 2.0
	Preschool Formula State Aid	62.7	3.0	62.7	3.0	62.7	3.0	62.7	3.0	62.7	3.0
	State Categorical Supplement	334.2	14.6	331.4	11.8	328.7	9.0	326.2	6.6	324.2	4.6
	Total State School Aid	\$2,686.2	\$ 19.6	\$2,683.3	\$ 16.7	\$2,680.6	\$ 14.0	\$2,678.1	\$ 11.5	\$2,676.1	\$ 9.5
	School Aid Property Tax	\$1,387.7	\$ 67.1	\$1,387.7	\$ 67.1	\$1,387.7	\$ 67.1	\$1,387.7	\$ 67.1	\$1,387.7	\$ 67.1
	Budget Guarantee	47.9	31.2	47.9	31.2	47.9	31.2	47.9	31.2	47.9	31.2
	State Categorical Budget Guarantee	1.0	-0.1	1.4	0.3	1.9	0.7	2.6	1.5	3.8	2.7
-1.0%	Regular State School Aid	\$2,258.8	\$ -28.4	\$2,258.8	\$ -28.4	\$2,258.8	\$ -28.4	\$2,258.8	\$ -28.4	\$2,258.8	\$ -28.4
	Preschool Formula State Aid	62.1	2.4	62.1	2.4	62.1	2.4	62.1	2.4	62.1	2.4
	State Categorical Supplement	334.2	14.6	331.4	11.8	328.7	9.0	326.2	6.6	324.2	4.6
	Total State School Aid	\$2,655.1	\$ -11.5	\$2,652.3	\$ -14.3	\$2,649.6	\$ -17.0	\$2,647.1	\$ -19.5	\$2,645.1	\$ -21.5
	School Aid Property Tax	\$1,397.7	\$ 77.1	\$1,397.7	\$ 77.1	\$1,397.7	\$ 77.1	\$1,397.7	\$ 77.1	\$1,397.7	\$ 77.1
	Budget Guarantee	64.1	47.4	64.1	47.4	64.1	47.4	64.1	47.4	64.1	47.4
	State Categorical Budget Guarantee	1.0	-0.1	1.4	0.3	1.9	0.7	2.6	1.5	3.8	2.7

Notes:
 FY 2014 allowable growth rates have not been established.
 FY 2014 and comparisons to FY 2013 total state school aid includes Secure an Advanced Vision for Education (SAVE) funds transferred to the Property Tax Equity and Relief (PTER) Fund.
 Estimates are based on an assumed Statewide taxable valuation increase of 3.8% for FY 2013 and 4.1% for FY 2014.
 Additional assumptions used for estimates are available from the LSA upon request.
 Totals may not sum due to rounding.
 Program used: Schlaid_V3.3_FY12
 Data as of: 1/3/2012.

FY 2014 School Aid Property Tax Estimated Impacts

The following graph provides an analysis of the impact of the allowable growth rate on school aid property tax estimates for FY 2014. Although the phase-out of the budget guarantee has been completed, school districts are still eligible to receive a budget adjustment that provides a guarantee (with School Board approval) that a district will receive 101.0% of the regular program cost for the previous year. Since the budget adjustment calculation is based on a school district's cost per pupil and budget enrollment, the budget adjustment amount is a factor of the allowable growth rate and the growth in the

district’s budget enrollment. At lower allowable growth rates, the school aid property tax amount without the budget adjustment is lower than at higher allowable growth rates (this is reflected in the blue line in the graph) and increases linearly. However, when the budget adjustment is included in the school aid property tax amount, it increases the overall school aid property tax amount. The red line in the graph shows the school aid property tax amount with the budget adjustment included. As the allowable growth rate increases, the amount of budget adjustment decreases. The result of this is that although the school aid property tax amount without the budget adjustment is lower at lower the allowable growth rates, factoring in the budget adjustment can result in higher school aid property tax total amount than at higher allowable growth rates. The current estimate for FY 2014 shows that the total school aid property tax is approximately equivalent at a -2.0% allowable growth rate and a 9.0% allowable growth rate and that the lowest estimated property tax amount is at the 2.0% allowable growth rate.



Governor’s Recommendations for School Aid

The Governor is not making a recommendation for the FY 2014 allowable growth rates for regular school aid or the State categorical supplements.

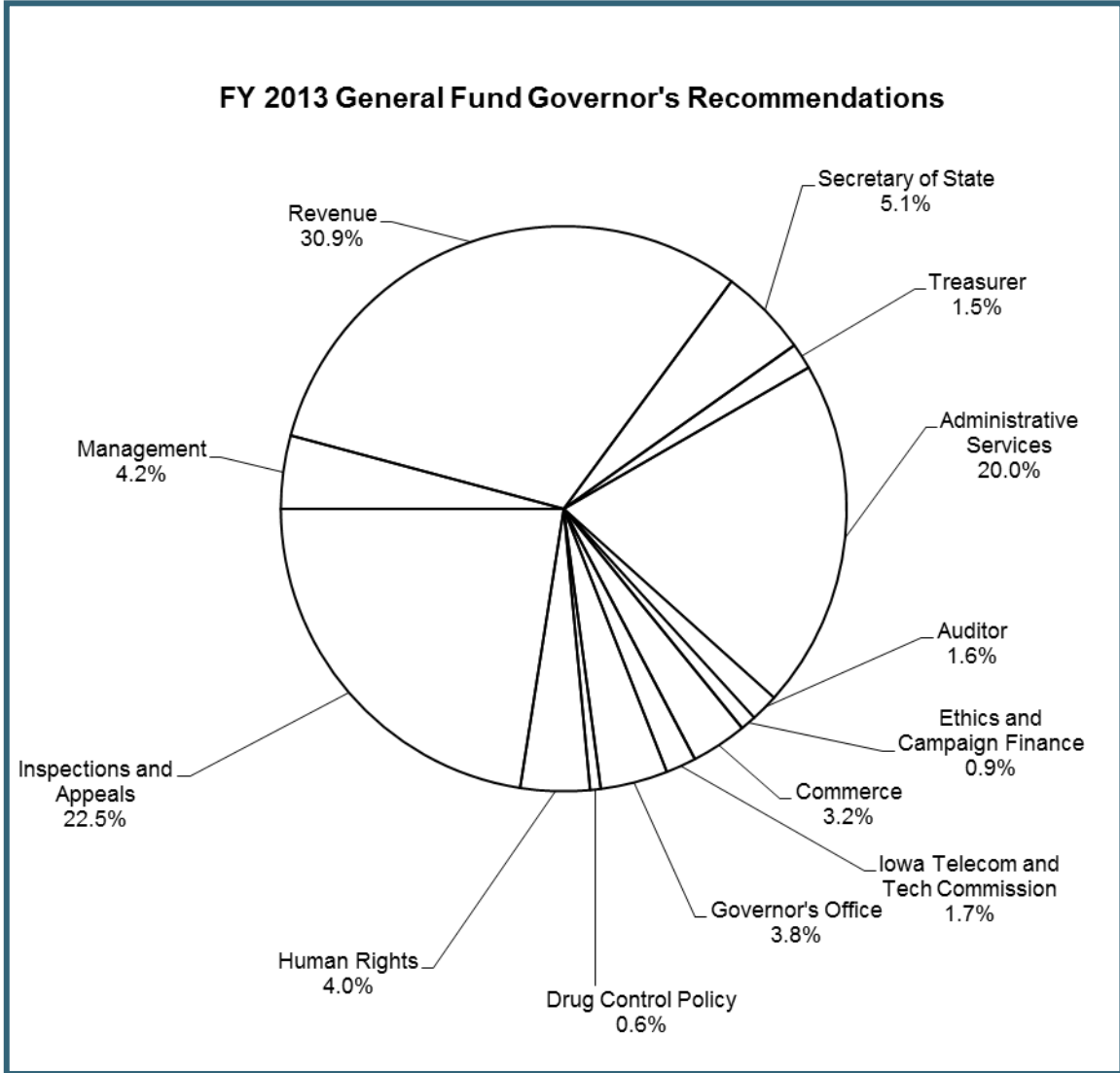
For FY 2013, the Governor has recommended an additional \$10.0 million State aid reduction to the AEAs. During the 2011 Legislative Session, a \$10.0 million State aid reduction was enacted for FY 2013. The Governor is recommending that the State aid reduction for AEAs total \$20.0 million for FY 2013. With the additional AEA reduction, the Governor’s total estimated General Fund appropriation for State school aid is \$2,649.2 million.

Additionally, the Governor is proposing a variety of education reform components. Those recommendations are detailed under the “Governor’s Education Reform Proposal” section of this document and may have implications on school aid formula funding.

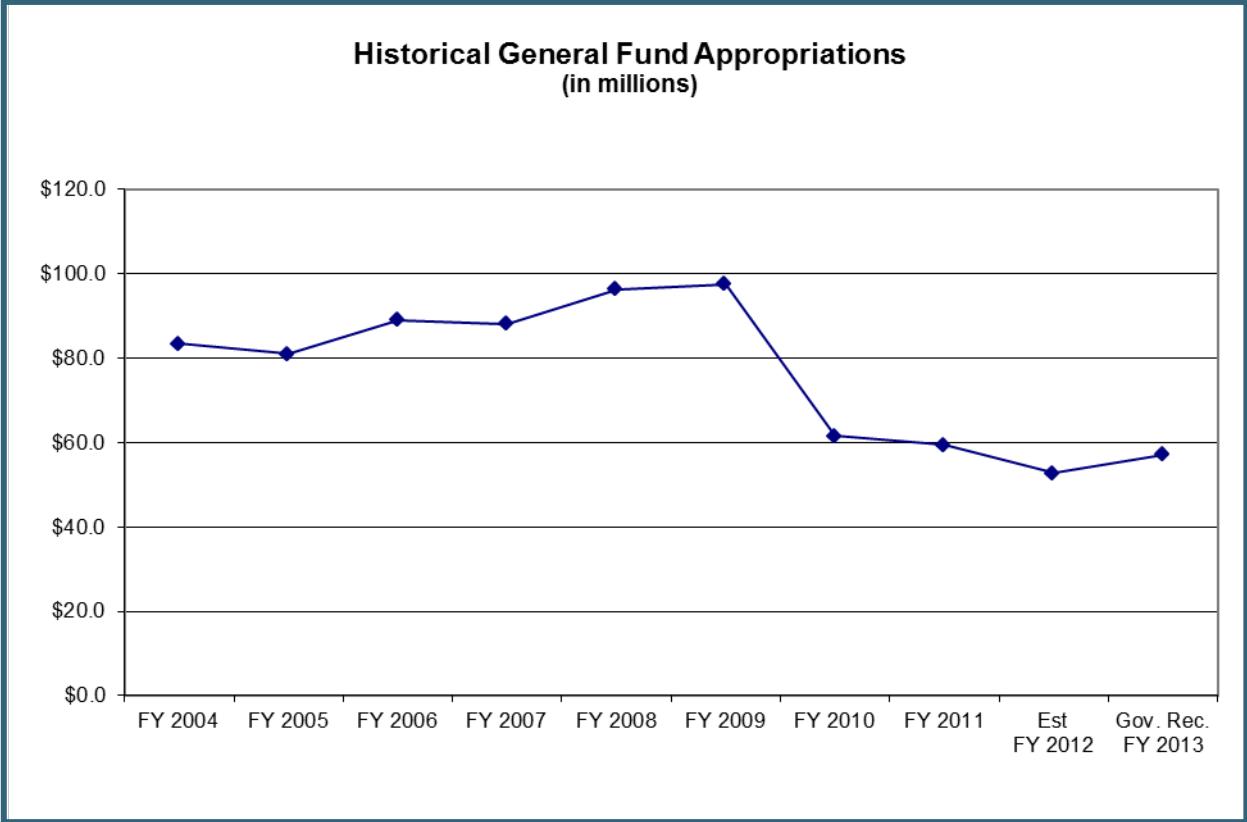
Additional information regarding K-12 funding is available on the LSA website at: <http://www.legis.iowa.gov/LSAReports/k12Education.aspx>

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ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE



Administrative Services	\$	11,419,310
Auditor		905,468
Ethics and Campaign Finance		510,000
Commerce		1,820,744
Iowa Telecom and Tech Commission		992,913
Governor's Office		2,194,914
Drug Control Policy		346,213
Human Rights		2,258,072
Inspections and Appeals		12,865,304
Management		2,393,998
Revenue		17,659,484
Secretary of State		2,895,585
Treasurer		854,289
Total	\$	57,116,294



FY 2013 GOVERNOR’S RECOMMENDATIONS

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, the General Services Enterprise, the Human Resources Enterprise, and the State Accounting Enterprise.

The Governor is recommending FY 2013 General Fund appropriations totaling \$11.4 million. This is an increase of \$93,000 compared to estimated FY 2012 to transfer a food and housekeeping coordinator and a housekeeper from the Governor and Lt. Governor Office to DAS.

The Governor’s recommendations include no FY 2013 other fund appropriations, which is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated</u> <u>FY 2012</u>	<u>Gov Rec</u> <u>FY 2013</u>	<u>Gov Rec vs</u> <u>Est. FY 2012</u>
<u>Administrative Services, Dept. of</u>			
Administrative Services			
Administrative Services, Dept.	\$ 4,020,344	\$ 4,020,344	\$ 0
Utilities	2,626,460	2,626,460	0
Terrace Hill Operations	405,914	499,025	93,111
I3 Distribution	3,277,946	3,277,946	0
Iowa Building Operations	<u>995,535</u>	<u>995,535</u>	<u>0</u>
Total Administrative Services, Dept. of	<u>\$ 11,326,199</u>	<u>\$ 11,419,310</u>	<u>\$ 93,111</u>

Issues

Fees for Services – The Department has a total operating budget of \$227.1 million for FY 2013, including a Governor’s recommendation of \$11.4 million from the General Fund, with the remainder from fees for services. The Subcommittee may want to examine the fee for service process.

Consolidation of Services – The Department is continuing consolidation within the Information Technology Enterprise, with the Department of Human Services and Department of Revenue joining in the near future. The Subcommittee may want to examine the efficiencies produced by consolidations.

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 2013 General Fund appropriations of \$905,000. This represents no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Auditor of State</u>			
Auditor Of State			
Auditor of State - General Office	\$ 905,468	\$ 905,468	\$ 0
Total Auditor of State	<u>\$ 905,468</u>	<u>\$ 905,468</u>	<u>\$ 0</u>

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 2013 General Fund appropriations of \$510,000. This is an increase of \$35,000 compared to estimated FY 2012 to fund reclassification of auditor positions.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Ethics and Campaign Disclosure</u>			
Campaign Finance Disclosure			
Ethics & Campaign Disclosure Board	\$ 475,000	\$ 510,000	\$ 35,000
Total Ethics and Campaign Disclosure	<u>\$ 475,000</u>	<u>\$ 510,000</u>	<u>\$ 35,000</u>

Issues

Impact of Early Retirements – In FY 2011, the Board had a complete turnover of professional staff. The new director was hired in December 2010, and three new auditors were hired to replace those who took early retirement in 2010. Only an administrative assistant position remained filled. Approximately 10.0% of the budget is used to pay for the early retirement benefits. The savings from new staff having lower salaries helps pay these costs.

Department of Commerce

The Department of Commerce is comprised of six divisions, including the Alcoholic Beverages Division, the Division of Banking, the Credit Union Division, the Insurance Division, Professional Licensing and Regulation, and the 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 2013 General Fund appropriations totaling \$1.8 million, which is no change compared to estimated FY 2012.

The Governor is recommending other fund appropriations for FY 2013 totaling \$24.1 million from the Department of Commerce Revolving Fund and Housing Improvement Fund, which is an increase of \$312,000 compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Commerce, Dept. of</u>			
Alcoholic Beverages			
Alcoholic Beverages Operations	\$ 1,220,391	\$ 1,220,391	\$ 0
Professional Licensing and Reg.			
Professional Licensing Bureau	\$ 600,353	\$ 600,353	\$ 0
Total Commerce, Dept. of	<u>\$ 1,820,744</u>	<u>\$ 1,820,744</u>	<u>\$ 0</u>

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Commerce, Dept. of</u>			
Banking Division			
Banking Division - CMRF	\$ 8,851,670	\$ 9,098,170	\$ 246,500
Credit Union Division			
Credit Union Division - CMRF	\$ 1,727,995	\$ 1,792,995	\$ 65,000
Insurance Division			
Insurance Division - CMRF	\$ 4,983,244	\$ 4,983,244	\$ 0
Utilities Division			
Utilities Division - CMRF	\$ 8,173,069	\$ 8,173,069	\$ 0
Professional Licensing and Reg.			
Field Auditor - Housing Impr. Fund	\$ 62,317	\$ 62,317	\$ 0
Total Commerce, Dept. of	<u>\$ 23,798,295</u>	<u>\$ 24,109,795</u>	<u>\$ 311,500</u>

Significant changes include:

- An increase of \$247,000 for the Banking Division for additional bank examiners along with the associated training and computer equipment, for vehicle replacement, and for Conference for State Bank Supervisors membership dues.
- An increase of \$65,000 for the Credit Union Division to add a credit union examiner.

Issues

Department of Commerce Revolving Fund – House File 809 (FY 2010 Administration and Regulation Appropriations Act) created the Department of Commerce Revolving Fund. Fees collected from industries regulated by these divisions are deposited in the Department of Commerce Revolving Fund

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with the State Treasurer. All operating costs for the Banking, Credit Union, Insurance, and Utilities Divisions are payable from the Revolving Fund. Each division is required to receive legislative authorization to use funds in the Revolving Fund. The July 1, 2012, sunset of the Department of Commerce Revolving Fund was repealed in HF 646 (FY 2012 Administration and Regulation Appropriations Act). The Insurance Division administers the fund and is required to report quarterly to the Department of Management and the Legislative Services Agency.

Iowa Telecommunication and Technology Commission

The Iowa Telecommunications and Technology Commission (ITTC) was established in 1994 to supervise the Iowa Communications Network (ICN). The Commission provides for the centralized, coordinated use and control of the Network. Educational applications are given the highest priority for use of the ICN by the ITTC.

The Governor is recommending FY 2013 General Fund appropriations of \$993,000. This shifts funding from Iowa Public Television (IPTV) to the Iowa Communications Network and is no change in funding level compared to the estimated FY 2012 appropriation to IPTV.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Iowa Tele. & Tech. Commission</u>			
Iowa Communications Network			
Regional Telecom Councils	\$ 0	\$ 992,913	\$ 992,913
Total Iowa Tele. & Tech. Commission	<u>\$ 0</u>	<u>\$ 992,913</u>	<u>\$ 992,913</u>

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 2013 General Fund appropriations totaling \$2.2 million. This is a decrease of \$93,000 compared to estimated FY 2012 to transfer cooking and housekeeping back to the Department of Administrative Services budget.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Governor</u>			
Governor's Office			
Governor/Lt. Governor's Office	\$ 2,288,025	\$ 2,194,914	\$ -93,111
Total Governor	<u>\$ 2,288,025</u>	<u>\$ 2,194,914</u>	<u>\$ -93,111</u>

Governor’s Office of Drug Control Policy

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

The Governor is recommending FY 2013 General Fund appropriations totaling \$346,000. This is an increase of \$56,000 compared to estimated FY 2012 to provide partial funding to retain a position used to administer the Pseudoephedrine Tracking System and drug control grants. The ODCP will use \$44,000 from federal sources to fund the remaining costs for this position.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Governor's Office of Drug Control Policy</u>			
Office of Drug Control Policy			
Drug Policy Coordinator	\$ 290,000	\$ 346,213	\$ 56,213
Total Governor's Office of Drug Control Policy	<u>\$ 290,000</u>	<u>\$ 346,213</u>	<u>\$ 56,213</u>

Department of Human Rights

The Iowa Department of Human Rights (DHR) is comprised of three divisions: Human Rights Administration, Community Advocacy and Services, and Criminal and Juvenile Justice. The Community Advocacy and Services Division is comprised of seven offices that promote self-sufficiency of their respective constituency populations by providing training, developing partnerships, and advocating on their behalf. The seven offices are the Offices of Asian and Pacific Islanders, Deaf Services, Latino Affairs, Native Americans, Persons with Disabilities, African Americans, and the Status of Women.

The Governor is recommending FY 2013 General Fund appropriations totaling \$2.3 million, which is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Human Rights, Dept. of</u>			
Human Rights, Department of			
Human Rights Administration	\$ 206,103	\$ 206,103	\$ 0
Community Advocacy and Services	1,028,077	1,028,077	0
Criminal & Juvenile Justice	1,023,892	1,023,892	0
Total Human Rights, Dept. of	<u>\$ 2,258,072</u>	<u>\$ 2,258,072</u>	<u>\$ 0</u>

Issues

Federal Program Funding – In addition to the FY 2012 General Fund appropriation, DHR will receive a total of \$105.8 million in federal funding for grants and programs it administers. Federal funding remains uncertain, and FY 2013 cuts are expected for the federal Low-Income Energy Assistance Program and for the Weatherization Assistance Program.

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 DIA consists of four major divisions: the Administration Division, the Administrative Hearings Division, the Health Facilities Division, and the Investigations Division. The DIA also includes five administrative units: the Child Advocacy Board, the Employment Appeal Board, the Hospital Licensing Board, the Iowa Racing and Gaming Commission, and the State Public Defender. The State Public Defender is funded through the Justice System Appropriation Subcommittee and is not discussed here. The Governor is recommending the creation of a Food and Consumer Safety Division.

The Governor is recommending FY 2013 General Fund appropriations totaling \$12.9 million. This is an increase of \$3.4 million compared to estimated FY 2012.

The Governor is recommending other fund appropriations totaling \$7.4 million for FY 2013. This is a decrease of \$3.4 million compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Inspections & Appeals, Dept. of</u>			
Inspections and Appeals, Dept. of			
Administration Division	\$ 1,527,740	\$ 248,409	\$ -1,279,331
Administrative Hearings Division	528,753	678,942	150,189
Investigations Division	1,168,639	2,172,971	1,004,332
Health Facilities Division	3,555,328	5,763,146	2,207,818
Employment Appeal Board	42,215	42,215	0
Child Advocacy Board	2,680,290	2,680,290	0
Food and Consumer Safety	0	1,279,331	1,279,331
Total Inspections & Appeals, Dept. of	\$ 9,502,965	\$ 12,865,304	\$ 3,362,339

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Inspections & Appeals, Dept. of</u>			
Inspections and Appeals, Dept. of			
DIA - RUTF	\$ 1,623,897	\$ 1,623,897	\$ 0
DIA - Med Fraud - Dependent Adult Abuse	250,000	0	-250,000
Medicaid Fraud - EBT Investigations	119,070	0	-119,070
Medicaid Fraud - Boarding Homes	119,480	0	-119,480
Medicaid Fraud - Dependent Adult	885,262	0	-885,262
Medicaid Fraud - Assisted Living	1,339,527	0	-1,339,527
Medicaid Fraud - Health Facilities	650,000	0	-650,000
Total Inspections and Appeals, Dept. of	<u>\$ 4,987,236</u>	<u>\$ 1,623,897</u>	<u>\$ -3,363,339</u>
Racing Commission			
Pari-Mutuel Regulation Fund	\$ 2,628,519	\$ 2,898,925	\$ 270,406
Riverboat Regulation Fund	3,194,244	2,923,838	-270,406
Total Racing Commission	<u>\$ 5,822,763</u>	<u>\$ 5,822,763</u>	<u>\$ 0</u>
Total Inspections & Appeals, Dept. of	<u>\$ 10,809,999</u>	<u>\$ 7,446,660</u>	<u>\$ -3,363,339</u>

Significant changes include:

- A General Fund increase of \$3.4 million to replace funding from the Medicaid Trust Fund for the Administrative Hearings, Investigations, and Health Facilities Divisions.
- Shifting funding of \$1.3 million of General Fund moneys from the Administration Division to separately appropriate funding for a new Food and Consumer Safety Division.
- Shifting \$270,000 from the Riverboat Regulation Fund to the Pari-Mutuel Regulation Fund to adjust the allocation of administrative costs.

Issues

Nursing Home Inspections – Federal requirements for surveying (i.e., inspecting) care facilities will be changing. The Quality Indicator Survey (QIS) process is a new federal survey process that utilizes a software program for a comprehensive review of the facility’s compliance and identification of concern areas for further investigation by the surveyor. The QIS process requires survey teams to review a larger sample of residents than the current survey process, may require upfront time to train personnel, and will take more hours to complete. As a result, the Department anticipates that implementation of QIS will require an increase in FTEs to meet the federal timeframes for survey frequency. There is a temporary hold on implementation, so Iowa may not implement the process until FY 2014.

Medicaid Fraud Fund – The Medicaid Fraud Fund receives revenues from a portion of the settlements of national Medicaid fraud cases, with the reimbursement going to the Medicaid Program and the penalty funds deposited in the Medicaid Fraud Fund. Since FY 2002, receipts have varied from a low of \$25,000 to a high of \$4.1 million with an annual average of \$1.1 million. The Fund balances have ranged from a low of \$2,700 to a high of \$5.7 million, with an average balance of \$1.9 million. During the first six months of FY 2012, the Fund has had receipts of \$716,000 and has a balance of \$3.1 million as of

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December 2011. Of the FY 2012 projected ending-balance, \$2.7 million has been appropriated for FY 2013 for several Divisions within the Department.

Department of Management

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

The Governor is recommending FY 2013 General Fund appropriations of \$2.4 million. This is no change compared to estimated FY 2012.

The Governor is also recommending an FY 2013 other fund appropriation of \$56,000. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Management, Dept. of</u>			
Management, Dept. of Department Operations	\$ 2,393,998	\$ 2,393,998	\$ 0
Total Management, Dept. of	<u>\$ 2,393,998</u>	<u>\$ 2,393,998</u>	<u>\$ 0</u>

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Management, Dept. of</u>			
Management, Dept. of DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 0
Total Management, Dept. of	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>\$ 0</u>

Issues

Open Government – The DOM has begun implementing Iowa DataShare, a website application providing the public access to financial, tax, and performance data. The Governor is recommending that DOM continue to work with State agencies to expand the amount of data and information available through the website.

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 2013 General Fund appropriations totaling \$17.7 million. This is no change compared to estimated FY 2012.

The Governor is also requesting an appropriation of \$1.3 million from the Motor Vehicle Fuel Tax Fund for FY 2013. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
Revenue, Dept. of			
Revenue, Dept. of			
Revenue, Department of	\$ 17,659,484	\$ 17,659,484	\$ 0
Total Revenue, Dept. of	<u>\$ 17,659,484</u>	<u>\$ 17,659,484</u>	<u>\$ 0</u>

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
Revenue, Dept. of			
Revenue, Dept. of			
Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 0
Total Revenue, Dept. of	<u>\$ 1,305,775</u>	<u>\$ 1,305,775</u>	<u>\$ 0</u>

Issues

Optimum Staffing for Revenue Examiners – The Department received an appropriation for five additional revenue examiners which were projected to produce additional revenues of \$2.7 million in FY 2011. The additional examiners were more productive than expected and produced actual additional revenues of \$3.4 million. The Subcommittee may want to examine the optimal staffing for revenue examiners.

Cigarette Stamp Costs – Funding for printing of Cigarette Stamps is shown under the standing appropriations. The vendor supplying cigarette stamps has been raising prices over the last few years. The prices increased from \$0.73 per thousand stamps for FY 2010 and before, to \$1.01 per thousand in FY 2011, to \$3.50 per thousand in FY 2012. The vendor attributes much of the increase to new security and fraud prevention measures.

Secretary of State

The Secretary of State is responsible for receiving documents such as Uniform Commercial Code 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.

Administration and Regulation Appropriations Subcommittee

The Governor is recommending FY 2013 General Fund appropriations totaling \$2.9 million. This represents no change compared to estimated FY 2012.

The Governor is also recommending elimination of the \$75,000 one-time funding from lowAccess that was used to support redistricting activities during FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Secretary of State</u>			
Secretary of State			
Secretary of State - Operations	\$ 2,895,585	\$ 2,895,585	\$ 0
Total Secretary of State	<u>\$ 2,895,585</u>	<u>\$ 2,895,585</u>	<u>\$ 0</u>

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Secretary of State</u>			
Secretary of State			
Redistricting-lowAccess	\$ 75,000	\$ 0	\$ -75,000
Total Secretary of State	<u>\$ 75,000</u>	<u>\$ 0</u>	<u>\$ -75,000</u>

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 2013 General Fund appropriation of \$854,000 for operation of the Office. This is no change compared to estimated FY 2012.

The Governor is also recommending a Road Use Tax Fund appropriation of \$93,000 for FY 2013 to fund I/3 budget system expenses. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Treasurer of State</u>			
Treasurer of State			
Treasurer - General Office	\$ 854,289	\$ 854,289	\$ 0
Total Treasurer of State	<u>\$ 854,289</u>	<u>\$ 854,289</u>	<u>\$ 0</u>

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Treasurer of State</u>			
Treasurer of State			
I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 0
Total Treasurer of State	<u>\$ 93,148</u>	<u>\$ 93,148</u>	<u>\$ 0</u>

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 \$17.7 million from the IPERS Trust Fund for FY 2013 for administration of the Fund. This is no change compared to estimated FY 2012.

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>IPERS Administration</u>			
IPERS Administration			
IPERS Administration	\$ 17,686,968	\$ 17,686,968	\$ 0
Total IPERS Administration	<u>\$ 17,686,968</u>	<u>\$ 17,686,968</u>	<u>\$ 0</u>

LSA Publications

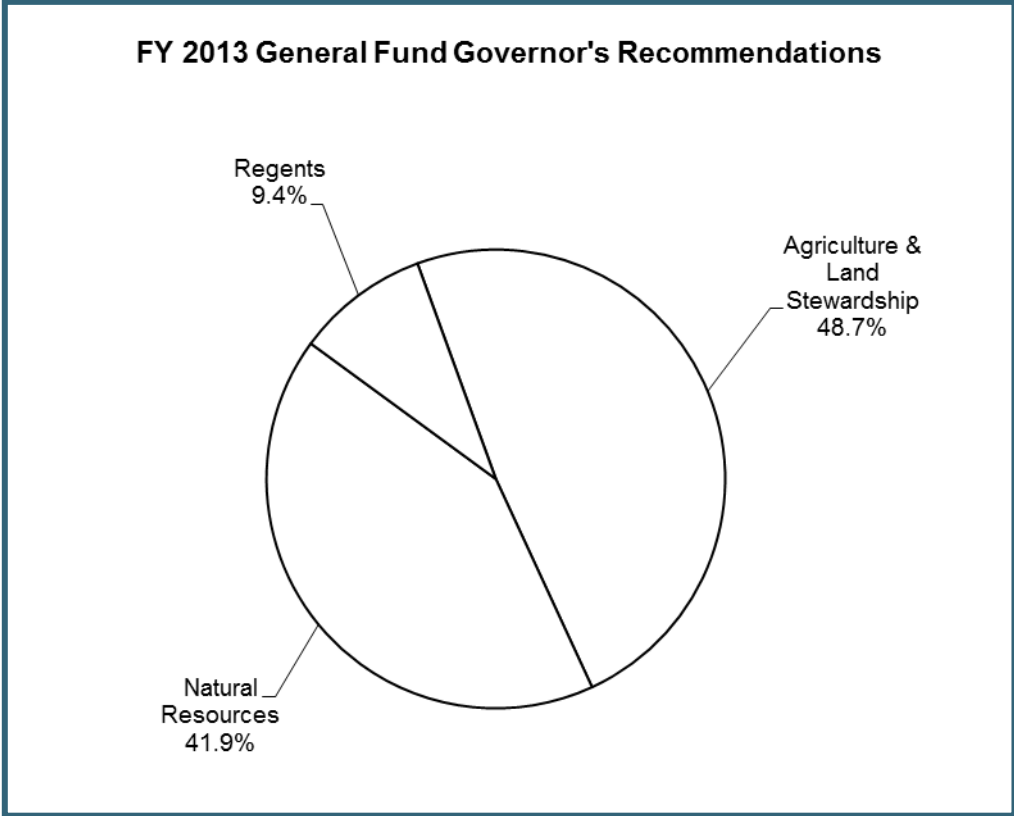
The following *Fiscal Topics* have been issued by the LSA that relate to the Administration and Regulation Appropriations Subcommittee:

- *Fiscal Topic:* [Budget Unit: Auditor of State](#)
- *Fiscal Topic:* [Budget Unit: Department of Administrative Services](#)
- *Fiscal Topic:* [Budget Unit: Treasurer of State](#)
- *Fiscal Topic:* [State Appeals Board Appropriations](#)
- *Fiscal Topic:* [FY 2011 Gaming Revenues](#)
- *Fiscal Topic:* [Performance of Duty Appropriations](#)

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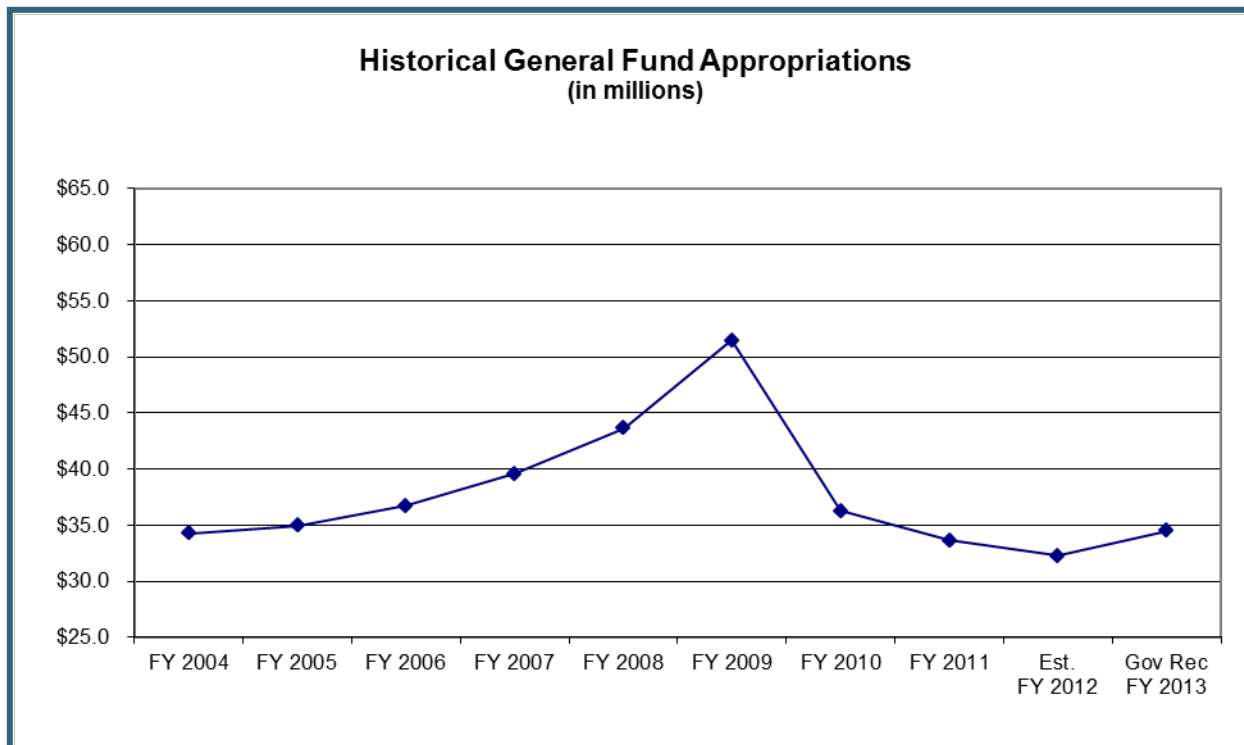
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AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE



FY 2013 General Fund Governor's Recommendations

Agriculture & Land Stewardship	\$	16,783,504
Natural Resources		14,466,688
Regents		<u>3,237,636</u>
	\$	<u><u>34,487,828</u></u>



FY 2013 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 2013 General Fund appropriations totaling \$16.8 million. This is no change compared to estimated FY 2012. The Governor is also recommending FY 2013 other fund appropriations totaling \$13.5 million. This is no change compared to estimated FY 2012.

General Fund Recommendations

	Estimated FY 2012	Gov Rec FY 2013	Gov Rec vs Est. FY 2012
<u>Agriculture and Land Stewardship</u>			
Agriculture and Land Stewardship			
Administrative Division	\$ 16,497,308	\$ 16,497,308	\$ 0
Milk Inspections	189,196	189,196	0
Farmers with Disabilities	97,000	97,000	0
Total Agriculture and Land Stewardship	\$ 16,783,504	\$ 16,783,504	\$ 0

Other Fund Recommendations

	<u>Estimated</u> <u>FY 2012</u>	<u>Gov Rec</u> <u>FY 2013</u>	<u>Gov Rec vs</u> <u>Est. FY 2012</u>
<u>Agriculture and Land Stewardship</u>			
Agriculture and Land Stewardship			
Native Horse & Dog Prog-Unclaimed Winnings	\$ 305,516	\$ 305,516	\$ 0
Motor Fuel Inspection - RFIF	500,000	500,000	0
Conservation Reserve Enhance - EFF	1,000,000	1,000,000	0
Watershed Protection Fund - EFF	900,000	900,000	0
Farm Management Demo - EFF	625,000	625,000	0
Soil & Water Conservation - EFF	2,000,000	2,000,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	0
Cost Share - EFF	6,300,000	6,300,000	0
Fuel Inspection - UST	250,000	250,000	0
Iowa FFA Foundation - EFF	25,000	25,000	0
Local Food & Farm Program - EFF	75,000	75,000	0
Total Agriculture and Land Stewardship	<u>\$ 12,980,516</u>	<u>\$ 12,980,516</u>	<u>\$ 0</u>
Loess Hills Dev. and Conservation			
Loess Hills - EFF	\$ 475,000	\$ 475,000	\$ 0
Total Agriculture and Land Stewardship	<u>\$ 13,455,516</u>	<u>\$ 13,455,516</u>	<u>\$ 0</u>

Issues

Soil and Water Conservation Cost Share – The Department works with Soil and Water Conservation Districts to identify problem watersheds to reduce soil erosion, protect water quality, provide flood reduction, and protect natural resources. The Soil Conservation Cost Share Fund provides funding to landowners for projects that address these issues. In addition, the landowner provides 50.0% of the funding for the project. The Governor is recommending funding of \$6.3 million from the Environment First Fund for FY 2013. This is no change compared to FY 2012.

Urban Conservation – The Urban Conservation Program provides technical assistance to help communities install new storm water management systems and retrofit existing infrastructure in ways that move water off streets while keeping soil and pollutants out of waterways. Urban conservationists help develop large-scale development projects that feature low-impact development strategies, and assist with securing grants and low-interest loans through the State Revolving Loan Fund.

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 2013 General Fund appropriations totaling \$14.5 million. This is an increase of \$2.2 million (17.9%) compared to estimated FY 2012 for the following:

- \$200,000 in operations for animal agricultural assistance.
- \$2.0 million for the Floodplain Management Program. For FY 2012, the Program was funded from the Rebuild Iowa Infrastructure Fund (RIIF).

Agriculture and Natural Resources Appropriations Subcommittee

The Governor is recommending other fund appropriations of \$43.9 million. This is no change compared to estimated FY 2012. The Governor is also recommending \$20.6 million for capital projects. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Natural Resources, Dept. of</u>			
Natural Resources			
Natural Resources Operations	\$ 12,266,688	\$ 12,466,688	\$ 200,000
Floodplain Management Program	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total Natural Resources, Dept. of	<u>\$ 12,266,688</u>	<u>\$ 14,466,688</u>	<u>\$ 2,200,000</u>

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Natural Resources, Dept. of</u>			
Natural Resources			
Fish & Game - DNR Admin Expenses	\$ 39,951,171	\$ 39,951,171	\$ 0
GWF - Storage Tanks Study	100,303	100,303	0
GWF - Household Hazardous Waste	447,324	447,324	0
GWF - Well Testing Admin 2%	62,461	62,461	0
GWF - Groundwater Monitoring	1,686,751	1,686,751	0
GWF - Landfill Alternatives	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
Snowmobile Registration Fees	100,000	100,000	0
Administration Match - UST	200,000	200,000	0
Technical Tank Review - UST	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Total Natural Resources, Dept. of	<u>\$ 43,907,003</u>	<u>\$ 43,907,003</u>	<u>\$ 0</u>
<u>Natural Resources Capital</u>			
Natural Resources Capital			
Volunteers and Keepers of Land - EFF	\$ 100,000	\$ 100,000	\$ 0
Park Operations & Maintenance - EFF	3,210,000	3,210,000	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
Animal Feeding Operations - EFF	420,000	420,000	0
Air Quality Monitoring-Ambient - EFF	425,000	425,000	0
Water Quantity - EFF	495,000	495,000	0
REAP - EFF	12,000,000	12,000,000	0
Geological And Water Survey - EFF	200,000	200,000	0
Forestry Health Management - EFF	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Natural Resources Capital	<u>\$ 20,600,000</u>	<u>\$ 20,600,000</u>	<u>\$ 0</u>

Issues

Flood Plain Management – The DNR Floodplain Management Program protects life and property as well as promotes the orderly development of Iowa’s floodplain. To achieve these goals the DNR directs and administers the following four functions.

- Floodplain permits: The DNR determines if projects require an approved floodplain development permit.
- Dam safety: The DNR is responsible for the safety of existing dams, and the review and approval of new construction.
- Floodplain mapping: The DNR, working with other partners, is creating new, comprehensive, accurate floodplain maps for Iowa’s cities and counties.
- National Flood Insurance Program: The DNR works with communities and counties to develop and administer local floodplain management programs, coordinates the National Flood Insurance Program, and assists the Federal Emergency Management Agency and the Iowa Emergency Management Division in responding to flood disasters.

Unsewered Communities – Many small communities have outdated septic systems for the removal of waste that allows untreated waste water to enter other waterbodies. The DNR is working with these unsewered communities to upgrade their systems by providing funding resources and technical assistance.

Board of Regents

The Board of Regents oversees the three State universities, including Iowa State University (ISU). The Veterinary Diagnostic Laboratory at ISU has historically received funding through the Agriculture and Natural Resources Appropriations Subcommittee.

The Governor is recommending a \$3.2 million appropriation for FY 2013 for the Veterinary Diagnostic Laboratory. This is no change compared to estimated FY 2012.

General Fund Recommendations

	Estimated FY 2012	Gov Rec FY 2013	Gov Rec vs Est. FY 2012
<u>Regents, Board of</u>			
Regents, Board of			
ISU - Veterinary Diagnostic Laboratory	\$ 3,237,636	\$ 3,237,636	\$ 0
Total Regents, Board of	\$ 3,237,636	\$ 3,237,636	\$ 0

Environment First Fund

The Environment First Fund was created by the 2000 General Assembly to provide funding for environmental programs and began with a standing appropriation of \$35.0 million in FY 2001 from the Rebuild Iowa Infrastructure Fund (RIIF); however, funding levels have varied over the years. The

Agriculture and Natural Resources Appropriations Subcommittee

Agriculture and Natural Resources Appropriations Subcommittee makes recommendations to the General Assembly regarding programs that should receive appropriations from the Fund.

The Governor is recommending funding of \$33.0 million from the Environment First Fund. This is no change compared to estimated FY 2012. House File 648 (FY 2012 Infrastructure Appropriations Act) appropriated \$35.0 million to the Environment First Fund for FY 2013. The following chart compares Program funding for estimated FY 2012 and the Governor's recommendations for FY 2013.

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Dept. of Agriculture and Land Stewardship</u>			
Agriculture and Land Stewardship			
Conservation Reserve Enhancement	\$ 1,000,000	\$ 1,000,000	\$ 0
Watershed Protection Fund	900,000	900,000	0
Farm Management Demonstration	625,000	625,000	0
Soil & Water Conservation	2,000,000	2,000,000	0
Conservation Reserve Program	1,000,000	1,000,000	0
Cost Share	6,300,000	6,300,000	0
Iowa FFA Foundation	25,000	25,000	0
Local Food & Farm Program	75,000	75,000	0
Total Agriculture and Land Stewardship	<u>\$ 11,925,000</u>	<u>\$ 11,925,000</u>	<u>\$ 0</u>
Loess Hills Dev. and Conservation			
Loess Hills	\$ 475,000	\$ 475,000	\$ 0
Total Agriculture and Land Stewardship	<u>\$ 12,400,000</u>	<u>\$ 12,400,000</u>	<u>\$ 0</u>
<u>Dept. of Natural Resources</u>			
Natural Resources Capital			
Volunteers and Keepers of Land	\$ 100,000	\$ 100,000	\$ 0
Park Operations & Maintenance	3,210,000	3,210,000	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
Animal Feeding Operations	420,000	420,000	0
Air Quality Monitoring	425,000	425,000	0
Water Quantity	495,000	495,000	0
REAP	12,000,000	12,000,000	0
Geological And Water Survey	200,000	200,000	0
Forestry Health Management	100,000	100,000	0
Total Dept. of Natural Resources	<u>\$ 20,600,000</u>	<u>\$ 20,600,000</u>	<u>\$ 0</u>
Total Environment First Fund	<u>\$ 33,000,000</u>	<u>\$ 33,000,000</u>	<u>\$ 0</u>

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

Lake Macbride Study Committee

The Lake Macbride Study Committee was charged with reviewing requirements and making recommendations pertaining to the use of motorboats on Lake Macbride in Johnson County. Motorboats

are allowed to operate at no-wake speed on all artificial lakes of more than 100 acres in size under the jurisdiction of the DNR, except at Lake Macbride. The use of motorboats on Lake Macbride is restricted to those with a power unit not exceeding 10 horsepower during the period beginning on the Friday before Memorial Day and ending on Labor Day inclusively. The Study Committee met on November 3, 2011, to hear testimony from the DNR, as well as organizations and citizens representing those wishing to remove the special exemption and those wishing to maintain the status quo. The Study Committee did not make any recommendations.

State Fish and Game Protection Fund Study Committee

The Fish and Game Protection Fund Study Committee was established to review expenditures from the State Fish and Game Protection Fund. The Fish and Game Protection Fund is a constitutionally protected fund. Fee-generated revenue from the sale of hunting and fishing licenses and associated federal funds are deposited in the Fund and can only be used for the purposes of promoting, managing, researching, and regulating hunting, fishing, and trapping in Iowa. The Study Committee met on November 16, 2011, to review presentations and hear testimony from the Legislative Services Agency and the DNR. Additional discussion topics included the Help Us Stop Hunger (HUSH) Program, water trails, and the efforts to improve pheasant hunting. The Study Committee did not make any recommendations. A copy of the DNR Fish and Game Protection Fund Report is at the following website: http://www.iowadnr.gov/Portals/idnr/uploads/files/legacy_reportfy11.pdf.

Water Resources Coordinating Council

House File 643 (FY 2012 Water Resource Coordinating Council Transfer Act), enacted during the 2011 Legislative Session, moved the Water Resources Coordinating Council (WRCC) from the Governor's Office to the DALS and designated the Secretary of Agriculture or his designee as the chair. In addition to existing duties, the WRCC was charged with reviewing and assessing the water monitoring plan of the DNR and to develop a protocol to prioritize the use of Iowa's water quality monitoring resources. For more information refer to the Council website: <http://www.iowaagriculture.gov/WRCC.asp>.

Watershed Planning Advisory Council

The Watershed Planning Advisory Council was created in HF 2459 (FY 2011 Watershed Planning Advisory Council Act) and required an annual report with recommendations to improve water quality and mitigate floods. For more information refer to the Council website: <http://www.iowadnr.gov/InsideDNR/BoardsCommissions/WatershedPlanningAdvisory.aspx>.

LSA Publications

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

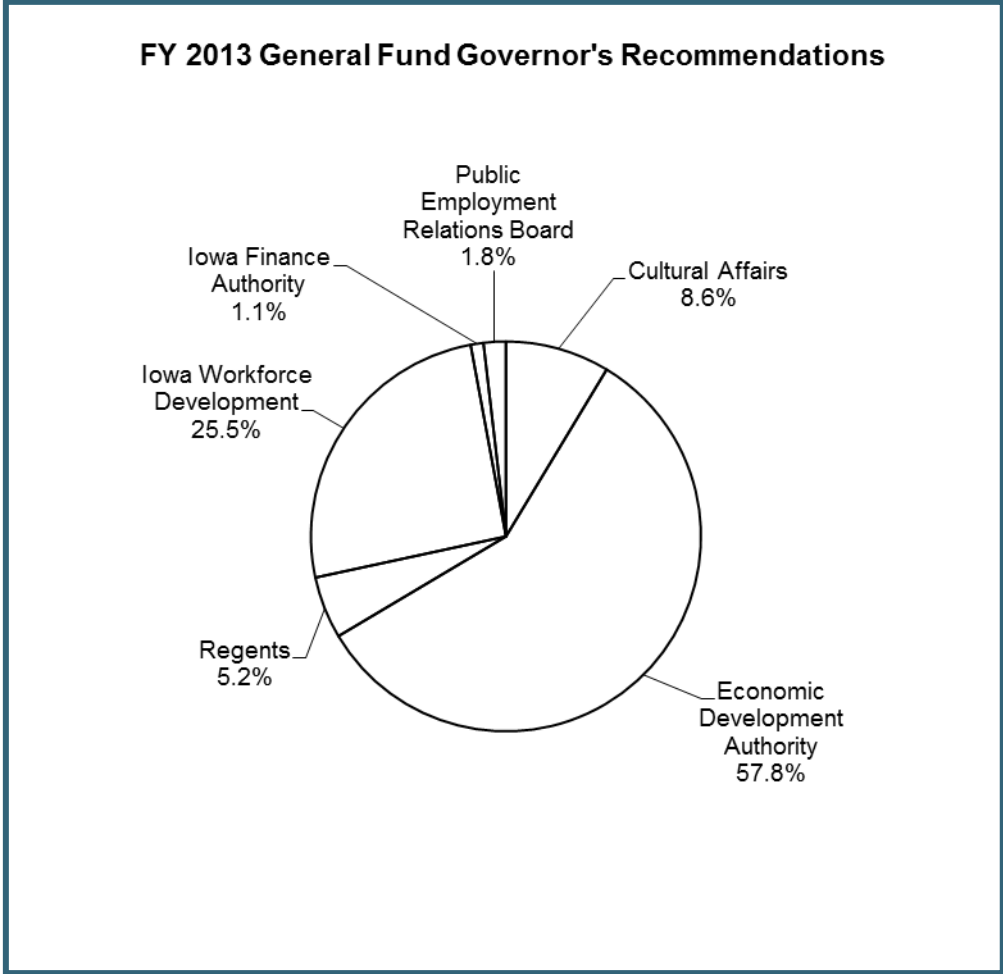
- *Issue Review:* [Nonresident Deer](#)
- *Fiscal Topic:* [Air Contaminant Source Fund](#)

Agriculture and Natural Resources Appropriations Subcommittee

- *Fiscal Topic:* [Budget Unit: Department of Agriculture and Land Stewardship Administrative Division](#)
- *Fiscal Topic:* [Budget Unit: Department of Natural Resources Operations](#)
- *Fiscal Topic:* [Commercial Establishment Fund](#)
- *Fiscal Topic:* [Environment First Fund](#)
- *Fiscal Topic:* [Livestock Remediation Fund](#)
- *Fiscal Topic:* [Resource Enhancement and Protection Fund](#)

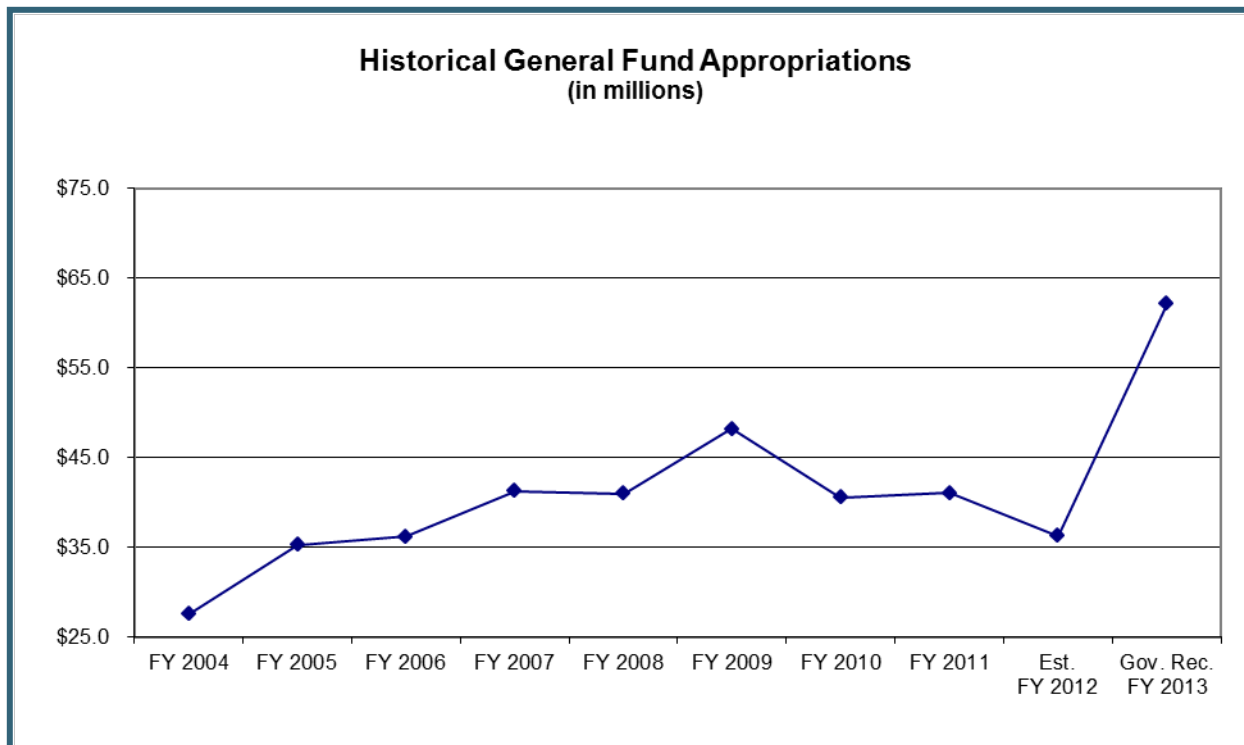
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Adam Broich (515-281-8223) adam.broich@legis.state.ia.us

**ECONOMIC DEVELOPMENT APPROPRIATIONS
SUBCOMMITTEE**



FY 2013 General Fund Governor's Recommendations

Cultural Affairs	\$	5,374,942
Economic Development Authority		35,961,557
Regents		3,208,297
Iowa Workforce Development		15,851,758
Iowa Finance Authority		658,000
Public Employment Relations Board		1,148,426
	\$	<u>62,202,980</u>



FY 2013 GOVERNOR'S RECOMMENDATIONS

Department of Cultural Affairs

The [Iowa Department of Cultural Affairs](#) (DCA) 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 2013 General Fund appropriations totaling \$5.4 million. This is an increase of \$400,000 compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated</u> <u>FY 2012</u>	<u>Gov Rec</u> <u>FY 2013</u>	<u>Gov Rec vs</u> <u>Est. FY 2012</u>
<u>Cultural Affairs, Dept. of</u>			
Cultural Affairs, Dept. of			
Administration Division	\$ 171,813	\$ 171,813	\$ 0
Community Cultural Grants	172,090	172,090	0
Historical Division	2,767,701	2,767,701	0
Historic Sites	426,398	426,398	0

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Cultural Affairs, Dept. of - continued</u>			
Arts Division	933,764	933,764	0
Great Places	150,000	150,000	0
Archiving Former Governor's Papers	65,933	65,933	0
Records Center Rent	227,243	227,243	0
Battle Flag Stabilization	60,000	60,000	0
Film Office	0	400,000	400,000
Total Cultural Affairs, Dept. of	<u>\$ 4,974,942</u>	<u>\$ 5,374,942</u>	<u>\$ 400,000</u>

The Governor is recommending an increase of \$400,000 to create a Film Office within the DCA. The Governor does not recommend lifting the suspension of the film tax credits.

Issues

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 9, 2012, is \$5.9 million. Iowa Code Section 15G.111(7) allocates \$1.0 million annually from the \$50.0 million Economic Development Fund (formerly the Grow Iowa Values Fund) appropriation to the Trust through FY 2015. The allocation for the Trust was adjusted to \$300,000 for FY 2012. However, the Economic Development Fund will be repealed at the end of FY 2012.

Iowa Economic Development Authority

The main products and services offered by the [Iowa Economic Development Authority](#) 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 2013 General Fund appropriations totaling \$36.0 million. This is an increase of \$25.5 million compared to estimated FY 2012. The Governor is also recommending other fund appropriations totaling \$4.0 million for FY 2013. This is no change compared to estimated FY 2012.

Economic Development Appropriations Subcommittee

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Economic Development Authority</u>			
Economic Development Authority			
Economic Development Appropriation	\$ 9,783,424	\$ 9,783,424	\$ 0
World Food Prize	500,000	1,000,000	500,000
Iowa Comm. Volunteer Serv - Promise Incentives	178,133	178,133	0
	<u>0</u>	<u>25,000,000</u>	<u>25,000,000</u>
Total Economic Development Authority	<u>\$ 10,461,557</u>	<u>\$ 35,961,557</u>	<u>\$ 25,500,000</u>

Changes include:

- A new General Fund appropriation of \$25.0 million for an Incentives Fund operated by the Authority.
- An increase of \$500,000 for the World Food Prize to fund the appropriation at the statutory level.

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Economic Development Authority</u>			
Economic Development Authority			
Workforce Development Fund	\$ 4,000,000	\$ 4,000,000	\$ 0
Total Economic Development Authority	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 0</u>

Issues

Councils of Governments – The Subcommittee may want to review the funding for the Iowa Council of Governments (COGs). The COGs have been funded in the past in a number of manners.

- For fiscal year 2007, the COGs were funded through a \$150,000 appropriation from the loan repayments of the Rural Community 2000 (RC 2000) Fund.
- For fiscal year 2008, the appropriation to the COGs was \$40,412 from the repayments to the RC 2000 fund.
- For fiscal year 2009, the subcommittee appropriated \$160,000 out of the Grow Iowa Values Fund interest and loan payments received by the RC 2000 Program, which were \$20,000.
- For fiscal year 2010, the subcommittee appropriated \$144,000 from the Federal Economic Stimulus and Jobs Holding Account interest.
- In the 2010 Legislative Session, SF 2389 (Infrastructure Appropriations Act) created a standing allocation in Iowa Code Section 15G.111 of \$175,000 from the Economic Development Fund (formerly the Grow Iowa Values Fund) interest for fiscal years 2011 through 2013. However, the Economic Development Fund will be repealed at the end of FY 2012.

The money is used to leverage federal and local dollars for various programs. State dollars and membership dues by local government members are essentially the only funds available for COGs to utilize in securing matching grants.

Employee Stock Ownership Plans (ESOP) – *The Governor proposes committing \$1.0 million for outreach, education, and technical assistance to increase the use and formation of ESOPs. The source of funding for this proposal has not been identified. An ESOP is a tool used to allow a business to be sold to its employees.*

Incentive Fund – *The Governor is recommending a \$25.0 million General Fund appropriation to an Incentive Fund to replace the Economic Development Fund (formerly the Grow Iowa Values Fund) that is set to sunset at the end of FY 2012. Previous Economic Development Fund appropriations have come from the Rebuild Iowa Infrastructure Fund for fiscal years 2009 through 2012. This proposal will add a loan assistance component to the High Quality Jobs Program. Additionally, the Governor proposes reducing the state appropriation to this component by \$2.5 million each year as the Fund begins to redirect a portion of tax revenue from jobs directly attributable to the program.*

The World Food Prize – The Subcommittee may want to review the funding of the World Food Prize (WFP). Iowa Code Section 15.368 appropriates \$1.0 million from the General Fund to support the WFP. For fiscal years 2010 through 2012, the Subcommittee appropriated \$750,000, \$650,000 and \$500,000 respectively, from the General Fund. An additional \$100,000 was appropriated from the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2011 and 2012. *For FY 2013 the Governor is recommending an appropriation of \$1.0 million.*

Notice of Appropriation Transfer – On August 11, 2011, the Legislative Services Agency received notice that \$165,000 of FY 2011 funding was being transferred from the Main Street Challenge Match Grant appropriation to the (former) Iowa Department of Economic Development Administrative Services Division. The transfer was requested to help absorb a midyear reduction of \$307,000 to the original appropriation for the Administrative Services Division, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act). The funds being transferred were available from the Main Street Challenge Grants because no awards were made through January of FY 2011 when the request was made. The transfer amount represents 50.0% of the balance available from the Revised Estimated Net FY 2011 appropriation and the FY 2010 balance carryforward for the Main Street Challenge Grant Match appropriation. There are no funds appropriated to the Main Street Challenge Grant Match for FY 2012 appropriation. The actual transfer amount of \$145,775 was finalized August 31, 2011.

Board of Regents

The Economic Development Appropriations Subcommittee appropriates funds to the [Board of Regents](#) universities for the following purposes:

- The University of Iowa (UI) Economic Development appropriation includes the University of Iowa Pharmaceuticals, Research Park, and Technology Innovation Center.
- The Iowa State University (ISU) Economic Development appropriation includes the Institute for Physical Research and Technology, Small Business Development Centers, and Research Park.
- The University of Northern Iowa (UNI) Economic Development appropriation includes the Institute for Decision Making, Metal Casting Center, and MyEntre.Net Program.

The Governor is recommending FY 2013 General Fund appropriations totaling \$3.2 million. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Regents, Board of</u>			
Regents, Board of			
ISU - Economic Development	\$ 2,424,302	\$ 2,424,302	\$ 0
UI - Economic Development	209,279	209,279	0
UNI - Economic Development	<u>574,716</u>	<u>574,716</u>	<u>0</u>
Total Regents, Board of	<u>\$ 3,208,297</u>	<u>\$ 3,208,297</u>	<u>\$ 0</u>

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 2013 General Fund appropriations totaling \$15.9 million. This is no change compared to estimated FY 2012. The Governor is also recommending other fund appropriations totaling \$5.5 million for FY 2013. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Iowa Workforce Development</u>			
Iowa Workforce Development			
Labor Services Division	\$ 3,495,440	\$ 3,495,440	\$ 0
Workers' Compensation Division	2,949,044	2,949,044	0
Operations - Field Offices	8,671,352	8,671,352	0
Offender Reentry Program	284,464	284,464	0
Employee Misclassification Program	<u>451,458</u>	<u>451,458</u>	<u>0</u>
Total Iowa Workforce Development	<u>\$ 15,851,758</u>	<u>\$ 15,851,758</u>	<u>\$ 0</u>

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Iowa Workforce Development</u>			
Iowa Workforce Development			
Field Offices - Spec Cont Fund	\$ 1,217,084	\$ 1,217,084	\$ 0
Field Offices - UI Reserve Interest	<u>4,238,260</u>	<u>4,238,260</u>	<u>0</u>
Total Iowa Workforce Development	<u>\$ 5,455,344</u>	<u>\$ 5,455,344</u>	<u>\$ 0</u>

Issues

Workforce Development Field Offices Funding – The Subcommittee may want to review the funding streams for the Workforce Development Field Offices. The total estimated FY 2012 appropriation from all funds is \$14.1 million. The FY 2013 Governor’s recommendation is no change, with \$4.2 million from interest on the Unemployment Compensation Reserve Fund, \$1.2 million from the Special Contingency Fund (also known as the Penalty & Interest Fund), and the remaining amounts appropriated from the General Fund. The Reserve Fund balance as of January 9, 2012, is approximately \$152.5 million. The IWD estimates interest from the Reserve Fund earned in FY 2013 will be \$500,000.

Notice of Appropriation Transfer – On August 12, 2011, the LSA received notice that \$25,000 was being transferred from the Security Employee Training Program to the Labor Services Division. The Department carried forward \$4,668 from FY 2009 to FY 2010 that was not authorized. After adjusting for the FY 2009 carryforward, an estimated \$24,367 was available to transfer. The actual transfer of \$12,872 was finalized on August 31, 2011. The transfer was requested due to a shortfall in federal funding. The funds being transferred were available because the Department is not operating the Training Program. The transfer amount represents 44.3% of the balance available from the Revised Estimated Net FY 2011 appropriation and the FY 2010 balance carryforward for the Offender Reentry appropriation. The Training Program received a transfer of \$225 for FY 2009. There are no funds appropriated for the Training Program for FY 2012.

Notice of Appropriation Transfer – On August 12, 2011, the LSA received notice that \$250,000 was being transferred from the IWD Offender Reentry Program to IWD Field Offices and Operations. The current and past Economic Development Appropriations Acts authorize the IWD to carry forward funds for both of these appropriations. The transfer was requested to assist in the transition from 55 field offices to 16 offices during FY 2012. The funds being transferred were available because staffing and office expenses for the Offender Reentry Program were below what was anticipated by the IWD. The transfer amount represents 49.7% of the balance available from the Revised Estimated Net FY 2011 appropriation and the FY 2010 balance carryforward for the Offender Reentry appropriation. The Offender Reentry Program transferred out \$194,375 during FY 2009 and \$5,513 during FY 2010. The actual transfer of \$250,000 was finalized on August 31, 2011.

Iowa Finance Authority

The [Iowa Finance Authority](#) (IFA) mission is to finance, administer, advance and preserve affordable housing, and to promote community and economic development for Iowans.

Economic Development Appropriations Subcommittee

The Governor is recommending an FY 2013 General Fund appropriation of \$658,000. This is a decrease of \$100,000 compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Iowa Finance Authority</u>			
Iowa Finance Authority			
Rent Subsidy Program	\$ 658,000	\$ 658,000	\$ 0
Hills & Dales	<u>100,000</u>	<u>0</u>	<u>-100,000</u>
Total Iowa Finance Authority	<u>\$ 758,000</u>	<u>\$ 658,000</u>	<u>\$ -100,000</u>

The change is due to a decrease of \$100,000 for Hills & Dales due to a one-time appropriation.

Public Employment Relations Board

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

The Governor is recommending an FY 2013 General Fund appropriation of \$1.1 million. This is an increase of \$91,000 compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Public Employment Relations Board</u>			
Public Employment Relations			
General Office	\$ 1,057,871	\$ 1,148,426	\$ 90,555
Total Public Employment Relations Board	<u>\$ 1,057,871</u>	<u>\$ 1,148,426</u>	<u>\$ 90,555</u>

The recommended increase will pay for the salary and benefits of a third board member.

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

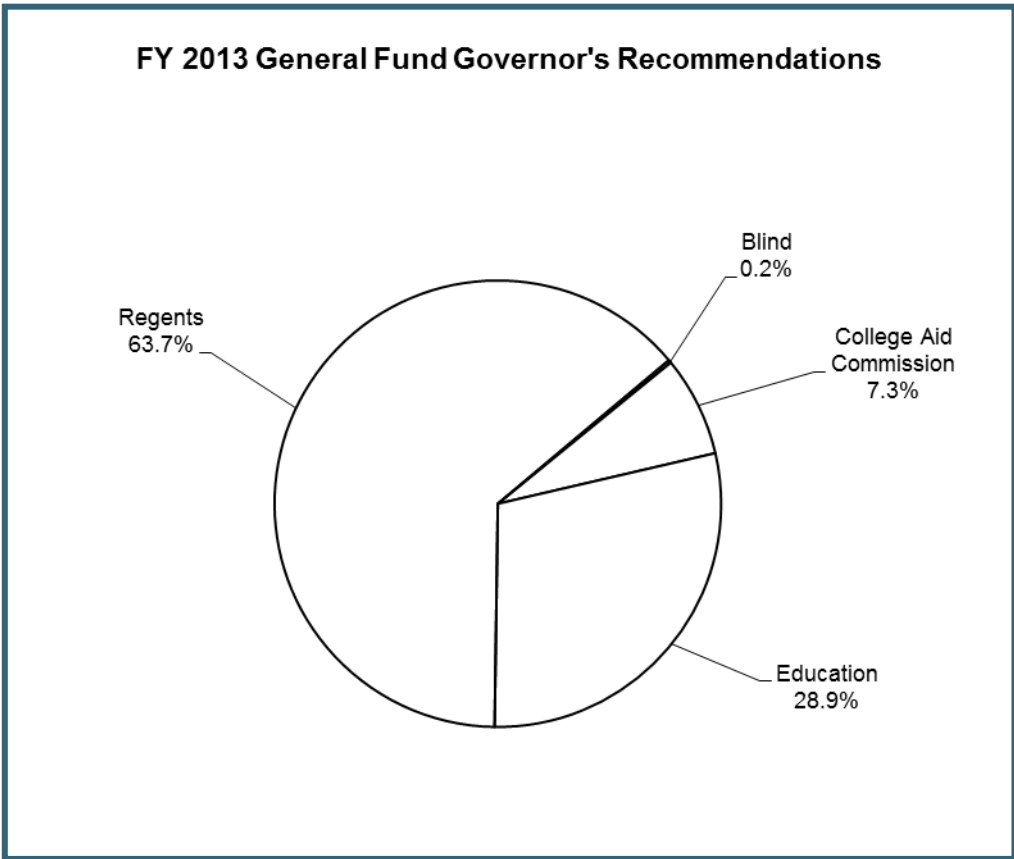
Publications

The following documents have been published by the LSA that relate to the Economic Development Appropriations Subcommittee:

- *Fiscal Topic* -- [Iowa's Gross State Product](#)
- *Fiscal Topic* -- [Budget Units: Iowa Great Places Program](#)
- *Fiscal Topic* -- [Budget Unit: Archiving Papers of Former Governors](#)
- *Fiscal Topic* -- [Budget Unit: The World Food Prize](#)
- *Fiscal Topic* -- [Budget Unit: University of Iowa - Economic Development](#)
- *Fiscal Topic* -- [Budget Unit: Iowa State University - Economic Development](#)
- *Fiscal Topic* -- [Budget Unit: University of Northern Iowa - Economic Development](#)
- *Fiscal Topic* -- [Budget Unit: Labor Services Division of Iowa Workforce Development](#)
- *Fiscal Topic* -- [Budget Unit: Public Employment Relations Board](#)

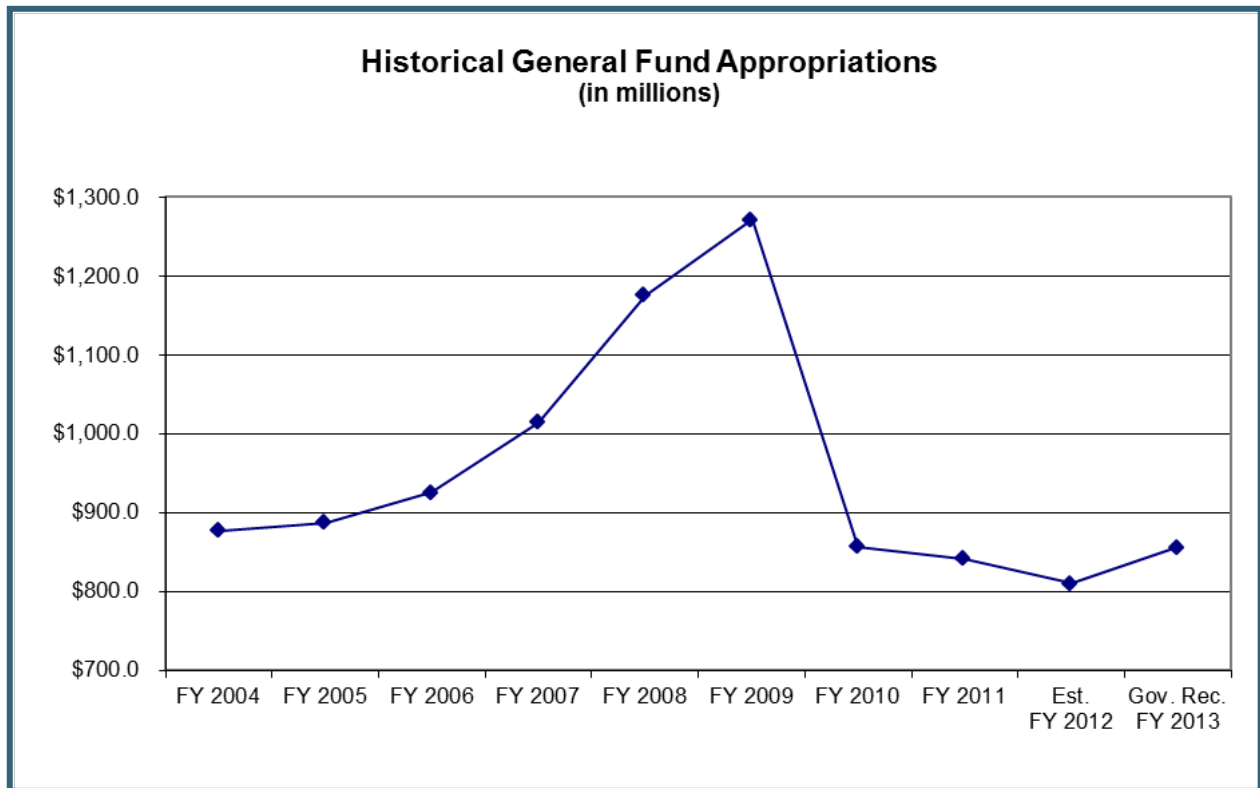
Staff Contacts: Kent Ohms (515-725-2200) kenneth.ohms@legis.state.ia.us

EDUCATION APPROPRIATIONS SUBCOMMITTEE



FY 2013 General Fund Governor's Recommendations

Blind	\$ 1,841,815
College Student Aid	62,105,112
Education	247,160,705
Regents	545,035,206
	<u>\$ 856,142,838</u>



FY 2013 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 2013 General Fund appropriation of \$1.8 million, an increase of \$100,000 compared to estimated FY 2012.

General Fund Recommendation

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Blind, Dept. for the</u>			
Blind, Dept. for the			
Department for the Blind	\$ 1,691,815	\$ 1,791,815	\$ 100,000
Newsline for the Blind	50,000	50,000	0
Total Blind, Dept. for the	<u>\$ 1,741,815</u>	<u>\$ 1,841,815</u>	<u>\$ 100,000</u>

Issues

State Match Requirements for Federal Funds – The majority of the General Fund appropriation for the Department for the Blind serves as nonfederal match to draw down federal funds at a ratio of 21%/79%. This funding is also subject to a maintenance of effort (MOE) requirement. Reduction in this State funding can lead to audits or a loss of funding.

The Department did not meet MOE requirements for the federal fiscal years ending September 30, 2010, and September 30, 2011. This deficiency resulted in a MOE penalty of \$105,000 being assessed in federal fiscal year ending September 30, 2011. In the same fiscal year, the Department was unable to draw down \$981,000 in federal funds due to insufficiency of state match.

For the federal fiscal year ending September 30, 2011, the Department spent \$643,000 less than required by the MOE. Violation of the MOE requirement requires a reduction of federal funds at a dollar for dollar ratio. The Department expects their funds to be reduced by \$643,000 by the end of the federal fiscal year ending September 30, 2012.

The Governor is recommending an increase in State funding for the Department for State FY 2013 of \$100,000, a 6.0% increase.

Reserve Funds – The Department has approximately \$3.5 million in reserve funds that it has been using to maintain services during the economic downturn. These funds are accumulated from the Federal Stimulus Program and from federal formula grants where the matching requirement has already been met or grants that required no matching.

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 has served 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 2013 General Fund appropriations totaling \$62.1 million, an increase of \$4.5 million compared to estimated FY 2012.

General Fund Recommendations

	Estimated FY 2012	Gov Rec FY 2013	Gov Rec vs Est. FY 2012
<u>College Aid Commission</u>			
College Student Aid Comm.			
College Aid Commission	\$ 232,943	\$ 232,943	\$ 0
Iowa Grants	791,177	791,177	0
DMU Health Care Prof Recruitment	325,973	325,973	0
National Guard Benefits Program	3,186,233	5,686,233	2,500,000
Teacher Shortage Loan Forgiveness	392,452	392,452	0
All Iowa Opportunity Foster Care Grant	554,057	554,057	0
All Iowa Opportunity Scholarships	2,240,854	2,240,854	0
Nurse & Nurse Educator Loan Program	80,852	80,852	0
Barber & Cosmetology Tuition Grant	36,938	36,938	0
Tuition Grant Program - Standing	43,513,448	45,513,448	2,000,000
Tuition Grant - For-Profit	4,000,000	4,000,000	0
Vocational Technical Tuition Grant	2,250,185	2,250,185	0
Total College Aid Commission	\$ 57,605,112	\$ 62,105,112	\$ 4,500,000

The Governor is recommending increases to the National Guard Benefits Program of \$2.5 million and the Tuition Grant Program (Nonprofit) of \$2.0 million.

Issues

National Guard Benefits – Due to a reduction in deployments as a result of the withdrawal of U.S. troops from Iraq, the National Guard is anticipating an increased need for tuition assistance. The Guard is estimating that \$5.2 million will be needed for approximately 1,500 unduplicated students or 2,400 semester awards. On December 28, 2011, the Iowa National Guard announced that for the remaining funds appropriated for tuition assistance for FY 2012, the maximum award for the spring semester will be reduced to 50.0% of tuition costs or \$1,604. For FY 2013, the Governor is recommending a General Fund appropriation of \$5.7 million for this program.

Federal Family Education Loan Program (FFELP) – The federal Health Care and Education Reconciliation Act of 2010 took effect on July 1, 2010, and eliminated the FFELP. Students are now being referred to the Direct Loan Program to borrow directly from the U.S. Department of Education instead of borrowing through banks and private lenders. In recent years, the Commission has received General Fund appropriations of \$250,000 to \$300,000 for administration and has been able to use revenues generated by the various fees related to the FFELP to pay the remainder of the approximately \$2.0 million in annual administrative costs for the 14 State grant and loan programs and four State-associated programs.

Federal Funds – The federal College Access Challenge Grant (CACG) requires that the state meet MOE standards defined in section 137(a) of the Higher Education Act to access grant funds. According to CACG MOE provisions, Iowa must demonstrate a commitment to affordable higher education by funding both (a) public postsecondary education, and (b) financial aid to students attending private institutions of higher education in amounts equal to the average of the previous five years. Because FY 2010 State appropriations did not meet CACG MOE standards, Iowa did not receive a CACG award in FY 2012. The Commission, in collaboration with the Governor’s Office and the Iowa Department of

Management, continues to work with the U.S. Department of Education to obtain a waiver of program MOE requirements to allow Iowa to receive the \$1.5 million award for FY 2012. However, the waiver has not yet been granted four months into the Federal Fiscal Year.

Percentage of Average Tuition and Fees – Because of State funding reductions, the percentage of average tuition and fees covered by the Commission’s need-based programs has decreased as follows:

- Iowa Tuition Grant (not-for-profit): FY 2005 – 18.0%; FY 2012 – 14.0%
- Iowa Tuition Grant (for-profit): FY 2005 – 13.0%; FY 2012 – 7.0%
- Vocational-Technical Tuition Grant (community colleges): FY 2005 – 30.0%; FY 2012 – 23.0%
- All-Iowa Opportunity Scholarship: FY 2008 (first year of funding) – 79.0%; FY 2012 – 70.0%

National Comparisons – The National Association of State Student Grant and Aid Programs (NASSGAP) 2009-2010 Academic Year Survey shows that, among the 50 states, the District of Columbia, and Puerto Rico, Iowa ranks:

- 27th in per capita grant dollars.
- 29th in need-based grant dollars per undergraduate FTE (full-time equivalent enrollment).
- 29th in total State grant expenditures as a percentage of State fiscal support for higher education.
- 29th in total grant aid awarded.
- 31st in grant dollars per resident ages 18 to 24.
- 34th in total grant dollars per undergraduate FTE.
- 50th in percentage of need-based grants awarded to students attending public institutions.

The College Student Aid Commission reports that Iowa awards 10.3% of need-based grants to students attending public institutions, while NASSGAP reports the national average as 65.1%. Only Kansas and Wyoming rank lower than Iowa on this measure. The Commission also reports that Iowa awards 81.0% of need-based grants to students attending private, not-for-profit institutions and 8.6% to students attending private, for-profit institutions. While the NASSGAP report no longer provides direct comparisons to these percentages, it is clear that Iowa is among the highest-ranking states in need-based grants awarded to students attending private institutions.

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 2013 General Fund appropriations totaling \$247.2 million. This is an increase of \$18.6 million compared to estimated FY 2012. The appropriation increase includes \$17.0 million for the Governor’s Education Reform Proposal, outlined in more detail in the “Governor’s Education Reform Proposal” section in this document.

The Governor is recommending no other fund appropriations for FY 2013. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated</u> <u>FY 2012</u>	<u>Gov Rec</u> <u>FY 2013</u>	<u>Gov Rec vs</u> <u>Est. FY 2012</u>
<u>Education, Dept. of</u>			
Education, Dept. of			
Administration	\$ 5,913,812	\$ 5,913,812	\$ 0
Vocational Education Administration	449,276	547,840	98,564
Vocational Education Secondary	2,630,134	2,630,134	0
Food Service	2,176,797	2,176,797	0
State Library	1,209,619	1,209,619	0
State Library - Enrich Iowa	1,674,227	1,674,228	1
State Library - Library Service Areas	1,005,444	1,005,444	0
ECI General Aid (SRG)	5,386,113	5,386,113	0
ECI Preschool Tuition Assistance (SRG)	5,428,877	5,428,877	0
ECI Family Support and Parent Ed (SRG)	12,364,434	12,364,434	0
Special Ed. Services Birth to 3	1,721,400	1,721,400	0
Nonpublic Textbook Services	560,214	560,214	0
Model Core Curriculum	1,000,000	1,000,000	0
Student Achievement/Teacher Quality	4,785,000	4,785,000	0
Jobs For America's Grads	40,000	540,000	500,000
Community Colleges General Aid	163,774,647	167,774,647	4,000,000
Community College Salary Increase	500,000	500,000	0
Midwestern Higher Education Compact	100,000	100,000	0
Workforce Training and Econ Dev Funds	5,000,000	3,000,000	-2,000,000
Governor's Education Reform	0	17,000,000	17,000,000
Total Education, Dept. of	\$ 215,719,994	\$ 235,318,559	\$ 19,598,565
Vocational Rehabilitation			
Vocational Rehabilitation	\$ 4,963,168	\$ 4,963,168	\$ 0
Independent Living	39,128	39,128	0
Entrepreneurs with Disabilities Program	145,535	145,535	0
Independent Living Center Grant	40,294	40,294	0
Total Vocational Rehabilitation	\$ 5,188,125	\$ 5,188,125	\$ 0
Iowa Public Television			
Iowa Public Television	\$ 6,654,021	\$ 6,654,021	\$ 0
Regional Telecom. Councils	992,913	0	-992,913
Total Iowa Public Television	\$ 7,646,934	\$ 6,654,021	\$ -992,913
Total Education, Dept. of	\$ 228,555,053	\$ 247,160,705	\$ 18,605,652

Changes include:

- An increase of \$99,000 or 22.0% for Vocational Education Administration.
- An increase of \$500,000 or 1,250.0% for Iowa Jobs for America's Graduates (IJAG), to restore the FY 2011 level of funding. This program received an FY 2011 appropriation of \$540,000 from the Cash Reserve Fund. In FY 2010, IJAG received a General Fund appropriation of \$540,000.
- An overall increase of \$4.0 million or 2.4% for Community College General Aid.
- A decrease of \$2.0 million or 40.0% for Workforce Training and Economic Development.
- A new appropriation of \$17.0 million for the Governor's Education Reform Proposal.

Issues

Federal Funds – Department of Education – There are four appropriations under the Department of Education that fulfill MOE requirements for federal funds.

- **Vocational Education Administration and Vocational Education Secondary** – These funds are part of the State’s receipt of federal Perkins funding. To fulfill MOE requirements, the State must spend an amount equal to or greater than the amount spent the previous year, unless the federal award is decreased. Failure to meet MOE requirements in either of these appropriations may jeopardize the entire Perkins funding of nearly \$12.0 million. For FY 2012, the State appropriation for Vocational Education Administration failed to meet the MOE requirement. The Department was cited and is expected to correct the MOE requirement for FY 2013. *The Governor is recommending a 21.9% increase totaling \$99,000 for Vocational Education Administration.*
- **School Food Service** – Based on past usage, the federal government determines how much funding the State is eligible for in the coming year and then determines the amount of State match required. The current match rate is 27.8%. Reductions in State funding for this appropriation may result in the need to lower meal reimbursement rates to schools. *The Governor is recommending no change for this appropriation.*
- **Special Education Services Birth to Three** – This appropriation funds the State’s early childhood special education services under the federal Individuals with Disabilities Education Act (IDEA). Any reduction in State funding for this Program results in the loss of all federal funds for this Program that currently totals \$4.0 million. *The Governor is recommending no change for this appropriation.*

Federal Funds – Iowa Vocational Rehabilitation Services (IVRS) – For FFY 2011 (ended September 30, 2011), the IVRS had a shortage of non-federal match of \$1.7 million, and this resulted in the loss of \$6.3 million in federal funds not earned. The Division also failed the MOE requirement by \$1.2 million; as a result, the federal funding available to the Division in the subsequent year is reduced by that amount.

- For FFY 2012, the IVRS anticipates a match shortage of \$1.7 million, and will mean the loss of \$6.3 million in federal funds not earned. The Division is also anticipating a MOE deficit of \$162,000.
- For FFY 2013, the IVRS estimates a match shortage of \$1.7 million and a subsequent loss of federal funds not earned of \$6.3 million. IVRS is also expecting an MOE deficit of \$187,000.

The Governor is recommending no change in State funding for IVRS for State FY 2013.

Governor’s New Education Reform Proposal – On January 6, 2012, the Governor released an overview of the components of the Education Reform Proposal. The Governor estimates a total cost estimate for the Proposal of \$25.0 million. The proposal is outlined in the section of this document titled “Governor’s Education Reform Proposal.”

Regional Telecommunication Councils (RTCs) – The Governor is recommending the annual funding for RTCs be appropriated directly to the Iowa Telecommunications and Technology Commission (ITTC) rather than to IPTV. This would complete the transition, beginning in 1998, of ICN-related funding from IPTV to the ITTC.

Board of Regents

The Board of Regents is a nine-member board that oversees the University of Iowa, Iowa State University, the University of Northern Iowa, the 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 2013 General Fund appropriations totaling \$545.0 million. This is an increase of \$23.0 million compared to estimated FY 2012.

The Governor is recommending funding of \$25.1 million for tuition replacement from the Rebuild Iowa Infrastructure Fund (RIIF), an increase of \$825,000 compared to estimated FY 2012. The Governor is also recommending total funding of \$89.2 million for the University of Iowa Hospitals and Clinics from IowaCare funds, an increase of \$1.4 million compared to estimated FY 2012. These other fund appropriations are under the purview of the Transportation, Infrastructure, and Capitals Appropriations Subcommittee and the Health and Human Services Appropriations Subcommittee, respectively.

General Fund Recommendations

	<u>Estimated</u> <u>FY 2012</u>	<u>Gov Rec</u> <u>FY 2013</u>	<u>Gov Rec vs</u> <u>Est. FY 2012</u>
<u>Regents, Board of</u>			
Regents, Board of			
Regent Board Office	\$ 1,065,005	\$ 1,065,005	\$ 0
GRA - SW Iowa Regents Resource Ctr	87,471	87,471	0
GRA - Tri State Graduate Center	66,601	66,601	0
GRA - Quad Cities Graduate Center	129,776	129,776	0
IPR - Iowa Public Radio	391,568	391,568	0
University of Iowa - General	209,737,311	209,737,311	0
UI - Oakdale Campus	2,186,558	2,186,558	0
UI - Hygienic Laboratory	3,536,716	3,536,716	0
UI - Family Practice Program	1,788,265	1,788,265	0
UI - Specialized Children Health Services	659,456	659,456	0
UI - Iowa Cancer Registry	149,051	149,051	0
UI - Substance Abuse Consortium	55,529	55,529	0
UI - Biocatalysis	723,727	723,727	0
UI - Primary Health Care	648,930	648,930	0
UI - Iowa Birth Defects Registry	38,288	38,288	0
UI - Iowa Nonprofit Resource Center	162,539	162,539	0
UI - IA Online Advanced Placement Acad.	481,849	481,849	0

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Regents, Board of - continued</u>			
Iowa State University - General	164,345,198	164,345,198	0
ISU - Agricultural Experiment Station	28,111,877	28,111,877	0
ISU - Cooperative Extension	17,936,722	17,936,722	0
ISU - Leopold Center	397,417	397,417	0
ISU - Livestock Disease Research	172,845	172,845	0
University of Northern Iowa - General	74,734,586	74,734,586	0
UNI - Recycling and Reuse Center	175,256	175,256	0
UNI - Math and Science Collaborative	1,734,656	4,734,656	3,000,000
UNI - Real Estate Education Program	125,302	125,302	0
Iowa School for the Deaf	8,679,964	8,679,964	0
Iowa Braille and Sight Saving School	3,618,931	3,618,931	0
ISD/IBS - Tuition and Transportation	11,763	11,763	0
ISD/IBS - Licensed Classroom Teachers	82,049	82,049	0
FY 13 Regents Operations	0	20,000,000	20,000,000
Total Regents, Board of	<u>\$ 522,035,206</u>	<u>\$ 545,035,206</u>	<u>\$ 23,000,000</u>

In addition to a general increase of \$20.0 million for Board of Regents operations, the Governor is recommending an increase of \$3.0 million for the Math and Science Collaborative (Science, Technology, Engineering, and Mathematics) compared to estimated FY 2012.

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Regents, Board of</u>			
Regents, Board of			
ISU - Midwest Grape and Wine Industry Institute	\$ 120,000	\$ 0	\$ -120,000
Total Regents, Board of	<u>\$ 120,000</u>	<u>\$ 0</u>	<u>\$ -120,000</u>

The Governor is not recommending funding for the Midwest Grape and Wine Industry Institute at Iowa State University for FY 2013. This results in a decrease in funding of \$120,000.

Issues

Tuition and Fees – Tuition and fees at Iowa Regents universities have grown significantly over the past decade. At the University of Iowa (UI), tuition and fees for resident students have grown from \$4,933 in FY 2003 to \$8,057 in FY 2013, an increase of 63.3%. Iowa State University's (ISU) tuition and fees have grown from \$4,110 to \$7,486, an 82.1% increase, and the University of Northern Iowa's (UNI) tuition and fees have grown from \$4,916 to \$7,350 for an increase of 49.5%.

Over the past five years, since FY 2008, tuition and fees have grown as follows:

- UI – 23.8%
- ISU – 21.5%
- UNI – 18.7%

Flood Recovery and Mitigation – The University of Iowa continues to recover from the 2008 flood with flood-related expenses reaching \$178.0 million by the end of September 2011. The cost for the campus to fully recover, including temporary facilities and future flood mitigation, has been estimated at \$953.2 million, with approximately 70.0% of that cost covered by grants from the Federal Emergency Management Agency (FEMA) and 12.5% covered by proceeds from Academic Building Revenue Bonds authorized by the General Assembly in 2009. The current timeline calls for full completion of all projects by August 2016.

In July and August 2010, severe storms and related flooding in the Ames area impacted at least 95 Iowa State University campus facilities and other assets, both on and off campus. As of October 2011, ISU has repaired all but one structure and flood-proofed Hilton Coliseum and the Scheman Building. The only recovery work remaining is to replace a maintenance shed for the Veenker Golf Course on higher ground. Iowa State University has collected \$7.8 million in flood insurance proceeds and successfully renegotiated flood reinsurance as a result of planned mitigations. In October 2011, ISU submitted 33 damage claims to FEMA totaling \$26.2 million, with an additional \$1.7 million of proposed hazard mitigation plans. Further mitigation strategies have been identified by ISU and FEMA, estimated to cost \$2.6 million. Those plans will be submitted to FEMA through a separate process.

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

LSA Publications

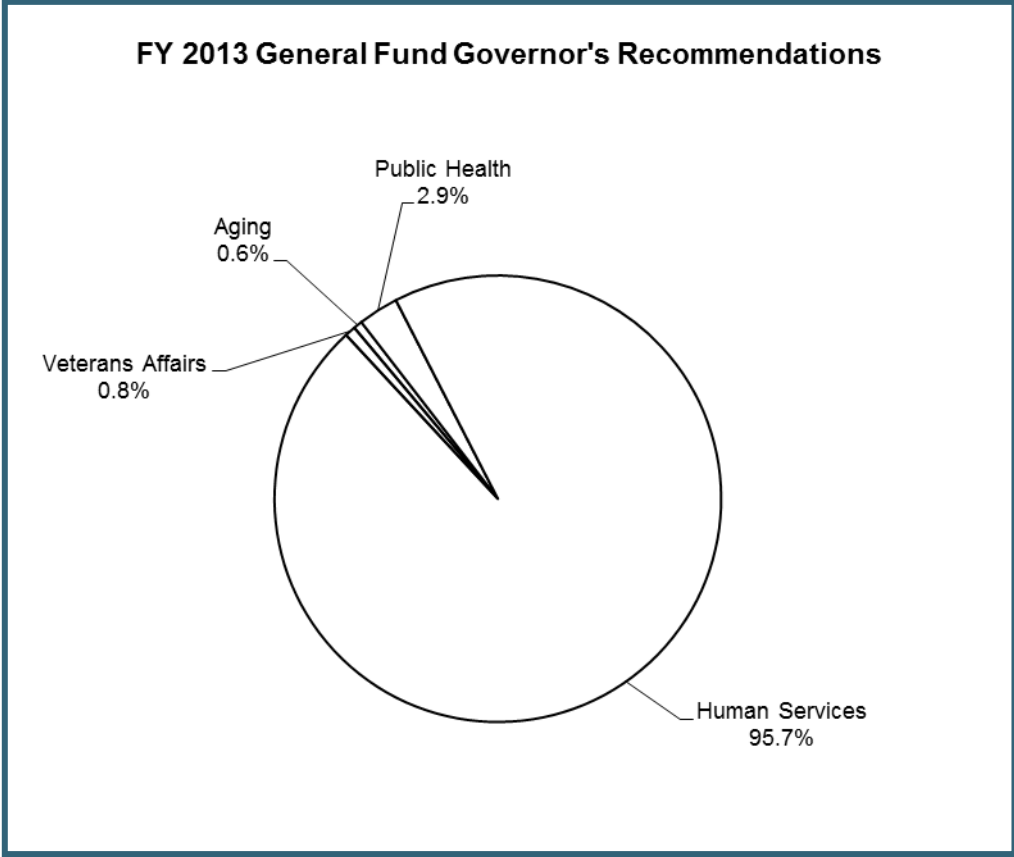
The following documents that relate to the Education Appropriations Subcommittee have been published by the LSA:

- *Fiscal Topic:* [Board of Educational Examiners](#)
- *Fiscal Topic:* [Community College Revenue](#)
- *Fiscal Topic:* [Budget Unit: School Food Service](#)
- *Fiscal Topic:* [Budget Units: Vocational Education Administration and Vocational Education Secondary](#)
- *Fiscal Topic:* [Budget Unit: Community College General Aid](#)

- *Fiscal Topic:* [Budget Guarantee Phase-Out](#)
- *Fiscal Topic:* [Community Colleges: State Funding](#)
- *Fiscal Topic:* [Budget Unit: Special Education Services for Children from Birth to Age Three](#)
- *Fiscal Topic:* [Community College Property Tax Revenue](#)
- *Fiscal Topic:* [School Aid Formula Funding: Returning Dropout/Dropout Prevention Programs](#)
- *Issue Review:* [Instructional Support Program Funding Inequities](#)

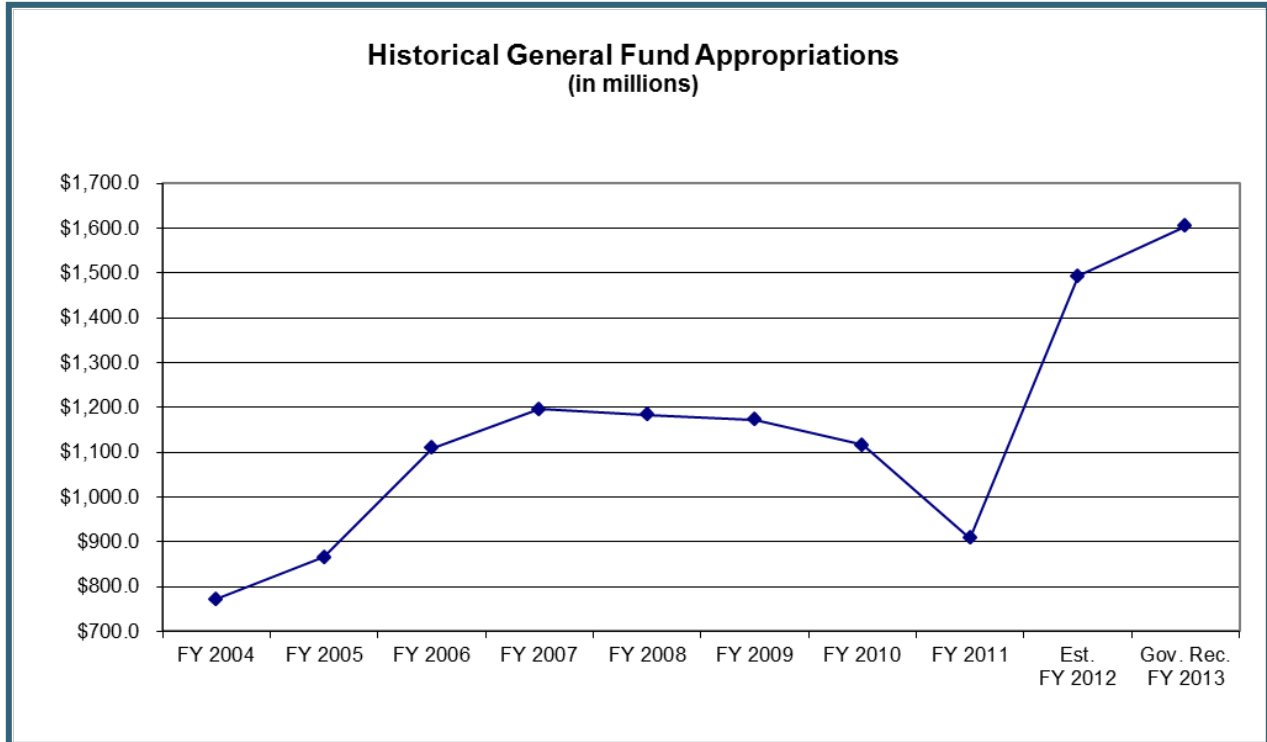
Staff Contacts: Robin Madison (515-281-5270) robin.madison@legis.state.ia.us
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**HEALTH AND HUMAN SERVICES
APPROPRIATIONS SUBCOMMITTEE**



FY 2013 General Fund Governor's Recommendations

Aging	\$ 10,302,577
Public Health	46,846,834
Human Services	1,535,026,034
Veterans Affairs	12,565,399
	<u>\$ 1,604,740,844</u>



FY 2013 GOVERNOR'S RECOMMENDATIONS

Department on Aging

The Department on Aging 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 across the State.

The Governor is recommending an FY 2013 General Fund appropriation of \$10.3 million. This is no change compared to estimated FY 2012.

General Fund Recommendation

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Aging, Dept. on</u>			
Aging, Dept. on			
Aging Programs	\$ 10,302,577	\$ 10,302,577	\$ 0
Total Aging, Dept. on	<u>\$ 10,302,577</u>	<u>\$ 10,302,577</u>	<u>\$ 0</u>

Issues

Area Agency on Aging Reorganization – House File 45 (FY 2011 Appropriations Adjustment Act) required the Department to develop a plan to reduce the number of Area Agencies on Aging in the State. The Department has submitted this plan along with legislation to implement the plan. The Legislature may wish to review this plan and the companion legislation.

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 2013 General Fund appropriations totaling \$46.8 million. This is no change compared to estimated FY 2012. The Governor is not recommending any other fund appropriations for FY 2013. This recommendation is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Public Health, Dept. of</u>			
Public Health, Dept. of			
Addictive Disorders	\$ 23,503,190	\$ 23,503,190	\$ 0
Healthy Children and Families	2,594,270	2,594,270	0
Chronic Conditions	3,361,656	3,361,656	0
Community Capacity	4,235,166	4,235,166	0
Healthy Aging	7,297,142	7,297,142	0
Environmental Hazards	813,777	813,777	0
Infectious Diseases	1,345,847	1,345,847	0
Public Protection	2,776,232	2,776,232	0
Resource Management	819,554	819,554	0
Vision Screening	100,000	100,000	0
Total Public Health, Dept. of	\$ 46,846,834	\$ 46,846,834	\$ 0

Issues

Iowa e-Health Initiative – In March of 2010, DPH received federal funding from the American Recovery and Reinvestment Act (ARRA) of \$8.4 million for a four-year State Health Information Exchange (HIE) Cooperative Agreement Program. In order to meet the matching requirements related to this grant in SFY 2013, the Department will need an increase of \$364,000 above their annual appropriation of \$160,000, for a total General Fund appropriation of \$524,000. *The Governor is recommending this funding increase for FY 2013. See “DPH Transfer e-Health – HTCA” in “other funds” under the Department of Human*

Services below. The e-Health Executive Committee and Advisory Council has developed a sustainability plan that projects a significantly reduced General Fund request beginning in FY 2014.

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 2013 General Fund appropriations totaling \$1,535.0 million. This is an increase of \$109.8 million compared to estimated FY 2012. The Governor is also recommending other fund appropriations totaling \$258.7 million for FY 2013. This recommendation is a decrease of \$8.4 million compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Human Services, Dept. of</u>			
Assistance			
Family Investment Program/JOBS	\$ 50,171,027	\$ 51,581,161	\$ 1,410,134
Medical Assistance	909,993,421	958,750,766	48,757,345
State Supplementary Assistance	16,850,747	16,850,747	0
State Children's Health Insurance	32,806,102	40,400,160	7,594,058
Child Care Assistance	53,237,662	53,237,662	0
Child and Family Services	82,830,163	79,941,095	-2,889,068
Adoption Subsidy	33,266,591	31,526,402	-1,740,189
Family Support Subsidy	1,167,998	1,096,784	-71,214
Connors Training	33,622	33,622	0
MI/MR/DD State Cases	12,169,482	12,169,482	0
MH/DD Community Services	14,211,100	14,211,100	0
Volunteers	84,660	84,660	0
MH/DD Growth Factor	54,697,893	74,697,893	20,000,000
Medical Contracts	0	8,460,680	8,460,680
State Mental Health Systems	0	314,047	314,047
Mental Health Redesign	0	17,750,000	17,750,000
Total Assistance	<u>\$ 1,261,520,468</u>	<u>\$ 1,361,106,261</u>	<u>\$ 99,585,793</u>
Toledo Juvenile Home			
Toledo Juvenile Home	\$ 8,258,251	\$ 8,328,264	\$ 70,013
Eldora Training School			
Eldora Training School	\$ 10,638,677	\$ 10,740,988	\$ 102,311

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Human Services, Dept. of - continued</u>			
Cherokee			
Cherokee MHI	\$ 5,877,308	\$ 5,641,037	\$ -236,271
Clarinda			
Clarinda MHI	\$ 6,411,734	\$ 6,463,337	\$ 51,603
Independence			
Independence MHI	\$ 10,275,685	\$ 9,804,212	\$ -471,473
Mt Pleasant			
Mt Pleasant MHI	\$ 944,323	\$ 944,323	\$ 0
Glenwood			
Glenwood Resource Center	\$ 18,507,801	\$ 19,092,576	\$ 584,775
Woodward			
Woodward Resource Center	\$ 12,785,658	\$ 13,176,093	\$ 390,435
Cherokee CCUSO			
Civil Commitment Unit for Sexual Offenders	\$ 7,550,727	\$ 8,413,668	\$ 862,941
Field Operations			
Child Support Recoveries	\$ 13,119,255	\$ 13,377,993	\$ 258,738
Field Operations	54,789,921	62,315,440	7,525,519
Total Field Operations	<u>\$ 67,909,176</u>	<u>\$ 75,693,433</u>	<u>\$ 7,784,257</u>
General Administration			
General Administration	<u>\$ 14,596,745</u>	<u>\$ 15,621,842</u>	<u>\$ 1,025,097</u>
Total Human Services, Dept. of	<u>\$ 1,425,276,553</u>	<u>\$ 1,535,026,034</u>	<u>\$ 109,749,481</u>

Significant changes include:

- **Family Investment Program(FIP)/Promise Jobs** – A net increase of \$1.4 million compared to estimated FY 2012, including:
 - An increase of \$3.8 million to replace one-time Temporary Assistance for Needy Families (TANF) carryforward.
 - A decrease of \$2.2 million due to a reduction in FIP caseload.
 - A decrease of \$121,000 as a result of postage savings in the Food Assistance Program.
- **Medicaid** – A net increase of \$48.8 million compared to estimated FY 2012, including:
 - An increase of \$75.0 million due to growth and adjustments to the Federal Medical Assistance Percentage (FMAP) match rate.
 - A decrease of \$1.6 million as a result of savings from a local yields management cost containment initiative.
 - A decrease of \$9.0 million as a result of savings from a hospital Medicare crossover claims cost containment initiative.
 - A decrease of \$4.9 million as a result of savings from a medical home cost containment initiative.
 - A decrease of \$1.9 million due to a changing reimbursement methodology for pharmacies from Average Wholesale Price (AWP) to Average Acquisition Cost (AAC).

- A decrease of \$85,000 due to savings from changes to physician brand-name drug reimbursement.
- A decrease of \$98,000 due to a Medicare Part B disallowance.
- A decrease of \$780,000 as a result of savings from an estate recovery cost containment initiative.
- A decrease of \$254,000 as a result of savings from hospital readmission policy change cost containment initiative.
- A decrease of \$2.1 million due to a change in the way the federal government calculates Psychiatric Medical Institute for Children (PMIC) ancillary costs.
- A decrease of \$5.0 million due to funds from the Mental Health Risk Pool being transferred to fund Medicaid.
- A decrease of \$3.5 million due to available carryforward from FY 2012 to FY 2013.
- A decrease of \$1.1 million due to available funds from a Children's Health Insurance Program Reauthorization Act (CHIPRA) bonus.
- A decrease of \$1.0 million due to \$1.0 million dollars in available carryforward from the IowaCare Program.
- **State Children's Health Insurance Program (SCHIP)** – An increase of \$7.6 million dollars compared to estimated FY 2012. The increase is due to Program growth and changes to the FMAP rate.
- **Child Care Assistance** – No overall net change. The following changes are recommended:
 - An increase of \$3.7 million in lieu of a transfer from Child and Family Services for Protective Assistance.
 - An increase of \$4.3 million for growth over FY 2012 levels.
 - A decrease of \$8.0 million to be replaced by CHIP contingency funding.
- **Child and Family Services** – A net decrease of \$2.9 million, including:
 - An increase of \$240,000 for the annual adjustment in Iowa's average FMAP rate.
 - Elimination of the transfer of \$3.7 million to Child Care Protective Services.
 - An increase of \$347,000 to maintain Attorney General reimbursement and staff.
 - An increase of \$198,000 for child welfare training.
 - An increase of \$23,000 for Preparation for Adult Living Program caseload growth.
- **Adoption Subsidy** – A decrease of \$1.7 million, including:
 - A reduction of \$186,000 to the carryforward replacement.
 - An increase of \$1.9 million to fund the FY 2012 shortfall in FY 2013.
 - An increase of \$680,000 to fund FY 2013 caseload growth.
 - An increase of \$1.2 million for annual FMAP change and overall program growth.
 - A decrease of \$5.3 million to be replaced with CHIP contingency funding.
- **Family Support Subsidy** – An decrease of \$71,000, including:
 - A decrease of \$59,000 due to children aging out of the program.

- A decrease of \$12,000 from efforts to expand children-at-home to the new areas of the state.
 - **Mental Health/Developmentally Disabled (MH/DD) Growth Factor** – An increase of \$20.0 million compared to estimated FY 2012. In FY 2012, \$20.0 million was funded from a supplemental appropriation carried forward from FY 2011. There is actually no change in funding between FY 2012 and FY 2013.
 - **Mental Health Redesign** – A net increase of \$17.8 million compared to estimated FY 2012, including:
 - An increase of \$30.0 million to buyout the county Medicaid expenditures.
 - A decrease of \$11.3 million due to a savings from rebalancing the Medicaid Program.
 - A decrease of \$1.0 million due to a recoupment from Magellan (managed care contractor for Medicaid).
 - **Medical Contracts** – A net increase of \$8.4 million, including:
 - An increase of \$8.2 million to fund Medical Contracts. In FY 2012, Medical Contracts was funded from the Pharmaceutical Settlement Account.
 - A decrease of \$5,000 due to savings related to a NevadaCare lawsuit.
 - A decrease of \$54,000 due to eliminating one-time IME reprourement costs.
 - An increase of \$64,000 due to administration of the Electronic Health Records Incentive Program.
 - An increase of \$22,000 due to increases in operational costs and inflation.
 - An increase of \$255,000 due to increased rental space cost.
 - A decrease of \$400,000 due to additional funds available in the Health Care Transformation Account.
 - **State Mental Health System** – An increase of \$314,000 compared to estimated FY 2012, including:
 - An increase of \$236,000 to replace one time Substance Abuse and Mental Health Services Administration (SAMSHA) Circle of Care grant.
 - An increase of \$78,000 to restore one-time Central Iowa System of Care carryforward.
 - **Toledo Juvenile Home** – An increase of \$70,013 compared to estimated FY 2012, including:
 - An increase of \$53,000 for increases in pharmacy, food, transportation, and utilities costs.
 - An increase of \$17,000 for increases in printing, postage, IT, and workers compensation costs.
 - **Eldora Training School** – An increase of \$102,310 compared to estimated FY 2012, including:
 - An increase of \$78,000 for increases in pharmacy, food, transportation, and utilities costs.
 - An increase of \$25,000 for increases in printing, postage, IT, and workers compensation costs.
 - **Cherokee Mental Health Institute** – A net decrease of \$237,000 compared to estimated FY 2012, including:
 - An increase of \$102,000 for increased cost of food, pharmaceuticals transportation and utilities.
 - An increase of \$30,000 for increased costs of printing, postage, technology, and workers compensation costs.
 - A decrease of \$369,000 due to a transfer to the Civil Commitment Unit for Sex Offenders (CCUSCO).
-

- **Clarinda Mental Health Institute** – An increase of \$52,000 compared to estimated FY 2012, including:
 - An increase of \$40,000 for increased cost of food, pharmaceuticals transportation and utilities.
 - An increase of \$11,000 for increased costs of printing, postage, technology, and workers compensation costs.
- **Independence Mental Health Institute** – An net decrease of \$471,000 compared to estimated FY 2012, including:
 - An increase of \$93,000 for increased cost of food, pharmaceuticals transportation and utilities.
 - An increase of \$24,000 for increased costs of printing, postage, technology, and workers compensation costs.
 - An increase of \$12,000 due to a reduction in the federal FMAP rate.
 - A decrease of \$600,000 due to increased federal revenue for PMIC's.
- **Glenwood Resource Center** – An increase of \$585,000 compared to FY 2012. The increase is due to a reduction in the federal FMAP rate.
- **Woodward Resource Center** – An increase of \$390,000 compared to FY 2012. The increase is due to a reduction in the federal FMAP rate.
- **Cherokee Civil Commitment Unit for Sex Offender** – An increase of \$863,000 compared to estimated FY 2012, including:
 - An increase of \$9,000 for increases in printing, postage, IT, and workers compensation costs.
 - An increase of \$485,000 for 12 additional court-ordered offenders.
 - An increase of \$369,000 to maintain services at projected FY 2012 levels.
- **Child Support Recoveries** – An increase of \$259,000 compared to FY 2012. The increase is due to increased cost of service.
- **Field Operations** – An increase of \$7.5 million compared to estimated FY 2012, including:
 - An increase of \$4.4 million to maintain field staff at FY 2012 levels.
 - An increase of \$3.2 million to maintain cases per worker at FY 2012 levels.
- **General Administration** – An increase of 1.0 million, including:
 - An increase of \$550,000 to restore general administration to the FY 2011 service level, which was funded with carryforward in FY 2012.
 - An increase of \$255,000 to restore remaining carryforward from FY 2011 to FY 2012.
 - An increase of \$220,000 for the increased costs of services from the Department of Administrative Services (DAS).

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
Human Services, Dept. of			
Assistance			
Medical Assistance - HCTF	\$ 106,363,275	\$ 106,046,400	\$ -316,875
Medical Contracts-Pharm Settlement - PhSA	10,907,457	2,716,807	-8,190,650
Broadlawns Hospital - ICA	65,000,000	69,000,000	4,000,000
Regional Provider Network - ICA	3,472,176	4,986,366	1,514,190
Nonparticipating Providers - NPPR	2,000,000	2,000,000	0
Medical Information Hotline - HCTA	100,000	100,000	0
Health Partnership Activities - HCTA	600,000	600,000	0
Audits, Performance Eval., Studies - HCTA	125,000	125,000	0
IowaCare Admin. Costs - HCTA	1,132,412	1,132,412	0
Dental Home for Children - HCTA	1,000,000	1,000,000	0
MH/DD Workforce Development - HCTA	50,000	50,000	0
Medical Contracts - HCTA	2,000,000	2,400,000	400,000
Broadlawns Admin - HCTA	290,000	290,000	0
Medical Assistance - QATF	29,000,000	26,500,000	-2,500,000
Medical Assistance-HHCAT	39,223,800	33,898,400	-5,325,400
Nonparticipating Provider Reimb Fund-HHCAT	776,200	801,600	25,400
Electronic Medical Records - HCTA	100,000	100,000	0
Medical Assistance - HCTA	1,956,245	1,956,245	0
Care Coordination - ICA	500,000	500,000	0
Lab Test & Radiology Pool - ICA	1,500,000	1,500,000	0
Uniform Cost Report - HCTA	150,000	150,000	0
DPH Transfer Health Care Access Council - HCTA	134,214	134,214	0
Accountable Care Pilot - HCTA	100,000	100,000	0
DPH Transfer e-Health - HCTA	363,987	363,987	0
DPH Transfer Medical Home - HCTA	233,357	233,357	0
Medicaid Supplemental - Medicaid Fraud	0	2,000,000	2,000,000
Total Human Services, Dept. of	\$ 267,078,123	\$ 258,684,788	\$ -8,393,335

Significant changes include:

- A decrease of \$317,000 from the Health Care Trust Fund to Medicaid. The decrease is a result of less interest available in the fund.
- A decrease of \$8.2 million from the Pharmaceutical Settlement Account to Medical Contracts. The decrease is a result of one-time funds available in FY 2012 from a large settlement.
- An increase of \$4.0 million from the IowaCare Account to Broadlawns Hospital.
- An increase of \$1.5 million from the IowaCare Account for the IowaCare Regional Provider Network.
- An increase of \$400,000 from the Health Care Transformation Account to Medical Contracts.
- A decrease of \$2.5 million from the Quality Assurance Trust Fund to Medicaid. The decrease is a result of less revenue in the fund.
- A decrease of \$5.3 million from the Hospital Health Care Access Trust Fund to Medicaid. The decrease is a result of less revenue in the fund.

Health and Human Services Appropriations Subcommittee

- An increase of \$25,000 from the Hospital Health Care Access Trust Fund to the Hospital Nonparticipating Provider Account. This will continue the Program at a \$2.0 million dollar level with federal match.
- An increase of \$2.0 million from the Medicaid Fraud Account for Medicaid.

Issues

Child Care Assistance (CCA) – The CCA Program is facing a projected funding gap in FY 2013 of \$8.0 million to \$12.8 million, with a midpoint need of \$10.4 million. This need is in addition to the \$53.2 million base appropriation for FY 2012. The following factors are involved:

- Caseloads continue to grow in FY 2012 and are projected to grow slightly in FY 2013.
- \$3.3 million carried forward from FY 2011 to FY 2012 will not be available in FY 2013.

For FY 2013, the Governor is recommending no net General Fund change to the CCA Program, for a total General Fund appropriation of \$53.2 million. The Governor's funding recommendations include a direct General Fund appropriation to replace the FY 2012 transfer from Children and Family Services to CCA of \$3.7 million and an allowance for FY 2013 growth of \$4.3 million. The allowance for growth is below the projected FY 2013 range of need of \$8.0 million to \$12.8 million, with a midpoint of \$10.4 million. The Governor is recommending \$8.0 million in federal CHIP contingency funding to cover one-time state funded program costs in FY 2013, thus producing no net increase in the General Fund appropriation.

Additionally, it is possible that the DHS may be required to pay back \$2.5 million in federal funds as a result of a FY 2004 reobligation issue noted in an Office of Inspector General audit. The DHS intends to appeal the audit finding.

Adoption Subsidy Program – The United States Department of Health and Human Services released Federal Fiscal Year 2013 FMAP rates in November 2011. The average FMAP rate for Iowa will decrease by 1.32% in SFY 2013 compared to SFY 2012. Additional State funds may be needed to address this decrease in federal funds.

It is projected that the Adoption Subsidy Program will have a funding gap in FY 2013 of \$3.6 million. Caseload growth and the decrease in the average FMAP rate are the leading reasons for the need in FY 2013. *For FY 2013, the Governor is recommending a net General Fund decrease of \$1.7 million to the Adoption Subsidy Program for a total General Fund appropriation of \$31.5 million. The Governor's recommended increases to fund the FMAP rate change and caseload growth address the projected \$3.6 million need. The Governor's recommendations allocate \$5.3 million in federal CHIP contingency funding to one-time state program costs in FY 2013, thus producing a net General Fund decrease of \$1.7 million.*

Medicaid – *The Governor is recommending an additional \$48.8 million General Fund appropriation for Medicaid in FY 2013. With the General Fund appropriation and various cost containment strategies, savings, and additional appropriations, the Governor is recommending funding of Medicaid at \$17.0 million below the midpoint of the range agreed upon by staff from LSA, DHS, and the Department of Management (DOM). The Governor is within the bottom end of the range by \$3.0 million for FY 2013. For more information see the Medicaid Section in this document.*

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 2013 General Fund appropriations totaling \$12.6 million. This is an increase of \$1.6 million compared to estimated FY 2012. The Governor is not recommending other fund appropriations to the Department of Veterans Affairs. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Veterans Affairs, Dept. of</u>			
Veterans Affairs, Department of			
General Administration	\$ 998,832	\$ 1,010,832	\$ 12,000
War Orphans Educational Assistance	12,416	12,416	0
Vets Home Ownership Program	0	1,600,000	1,600,000
Veterans County Grants	990,000	990,000	0
Total Veterans Affairs, Department of	<u>\$ 2,001,248</u>	<u>\$ 3,613,248</u>	<u>\$ 1,612,000</u>
Veterans Affairs, Dept. of			
Iowa Veterans Home	\$ 8,952,151	\$ 8,952,151	\$ 0
Total Veterans Affairs, Dept. of	<u>\$ 10,953,399</u>	<u>\$ 12,565,399</u>	<u>\$ 1,612,000</u>

Significant changes include:

- **Department of Veterans Affairs Administration** – An increase of \$12,000.
- **Vets Home Ownership Program** – An increase of \$1.6 million. This program was provided \$1.0 million through the Rebuild Iowa Infrastructure Fund (RIIF) in FY 2012. The Governor’s recommended budget moves this program to the General Fund in FY 2013 and increases the total appropriation by \$600,000.
- **Veterans County Grants Program** – No change. This recommendation would continue to permit each county to receive the \$10,000.

Issues

Veterans Home Ownership Assistance Program – The Veterans Home Ownership Assistance Program is administered by the Iowa Finance Authority. The Program was created in FY 2005 and provides eligible service members and veterans with a \$5,000 grant that may be used as a down payment and towards closing costs for the purchase of a home in Iowa. As of November 15, 2011, the Iowa Finance Authority is no longer accepting Military Homeownership Assistance program grant requests, due to the funding level. The Program received an appropriation from the Rebuild Iowa Infrastructure Fund of \$1.0 million in FY 2012. *The Governor is recommending an FY 2013 appropriation of \$1.6 million from the General Fund.*

Iowa Veterans Home Carryforward Funding – It is estimated that the Veteran’s Home will have approximately \$2.8 million in carryforward from FY 2012 to FY 2013. The code allows the Veterans Home to carry all of this money forward. *The Governor is recommending that the Veterans Home use \$976,000 of these funds to replace a boiler. The Governor then allows the Veterans Home to carryforward \$500,000, with the balance of the carryforward reverting to the General Fund.*

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 \$89.2 million for FY 2012. This is an increase of \$1.4 million compared to estimated FY 2012. The increase is a result of growth in the IowaCare Program.

	<u>Estimated</u> <u>FY 2012</u>	<u>Gov Rec</u> <u>FY 2013</u>	<u>Gov Rec vs</u> <u>Est. FY 2012</u>
<u>Regents, Board of</u>			
Regents, Board of			
UI - UIHC IowaCares Program - ICA	\$ 27,284,584	\$ 27,284,584	\$ 0
UI - UIHC IowaCares Expansion Pop - ICA	44,226,279	45,654,133	1,427,854
UI - UIHC IowaCares Physicians - ICA	<u>16,277,753</u>	<u>16,277,753</u>	<u>0</u>
Total Regents, Board of	<u>\$ 87,788,616</u>	<u>\$ 89,216,470</u>	<u>\$ 1,427,854</u>

Legislative Health Care Coverage Commission

The Mental Health and Disability Services Study Committee was created in SF 525 (FY 2012 Adult Disability Services System Redesign Act). The Committee was charged with working with the DHS and stakeholders to redesign the current county mental health system. For more information on the Study Committee and recommendations, please see the Mental Health and Disability Services Section of this document.

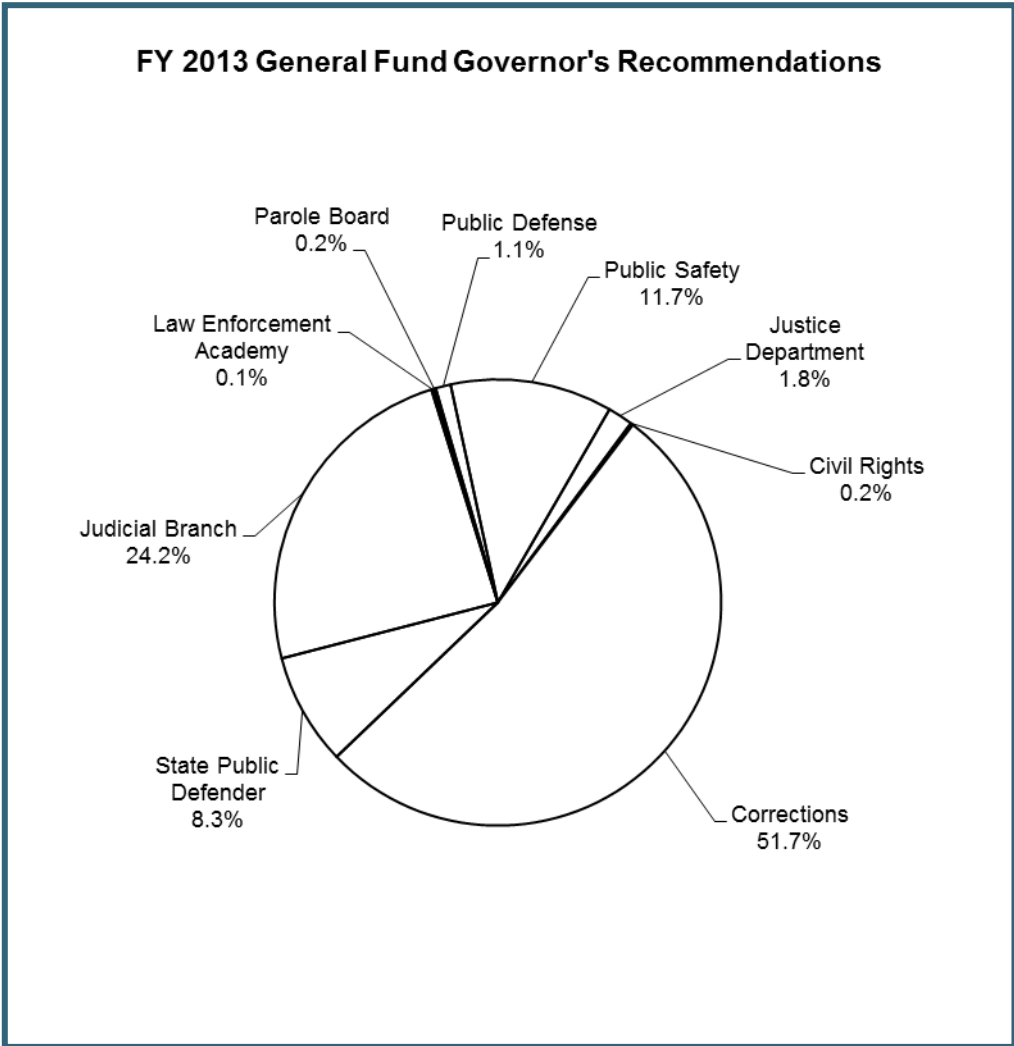
LSA Publications

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

- Fiscal Topic: [Budget Unit: Addictive Disorders](#)
- Fiscal Topic: [Budget Unit: Child Care Assistance](#)
- Fiscal Topic: [Budget Unit: Iowa Veterans Home](#)
- Fiscal Topic: [Budget Unit: Medicaid](#)
- Fiscal Topic: [Budget Unit: State Children’s Health Insurance Program](#)
- Fiscal Topic: [Federal Medical Assistance Percentage \(FMAP\) Rates](#)
- Fiscal Topic: [Iowa Veterans Home](#)
- Fiscal Topic: [Shelter Care](#)

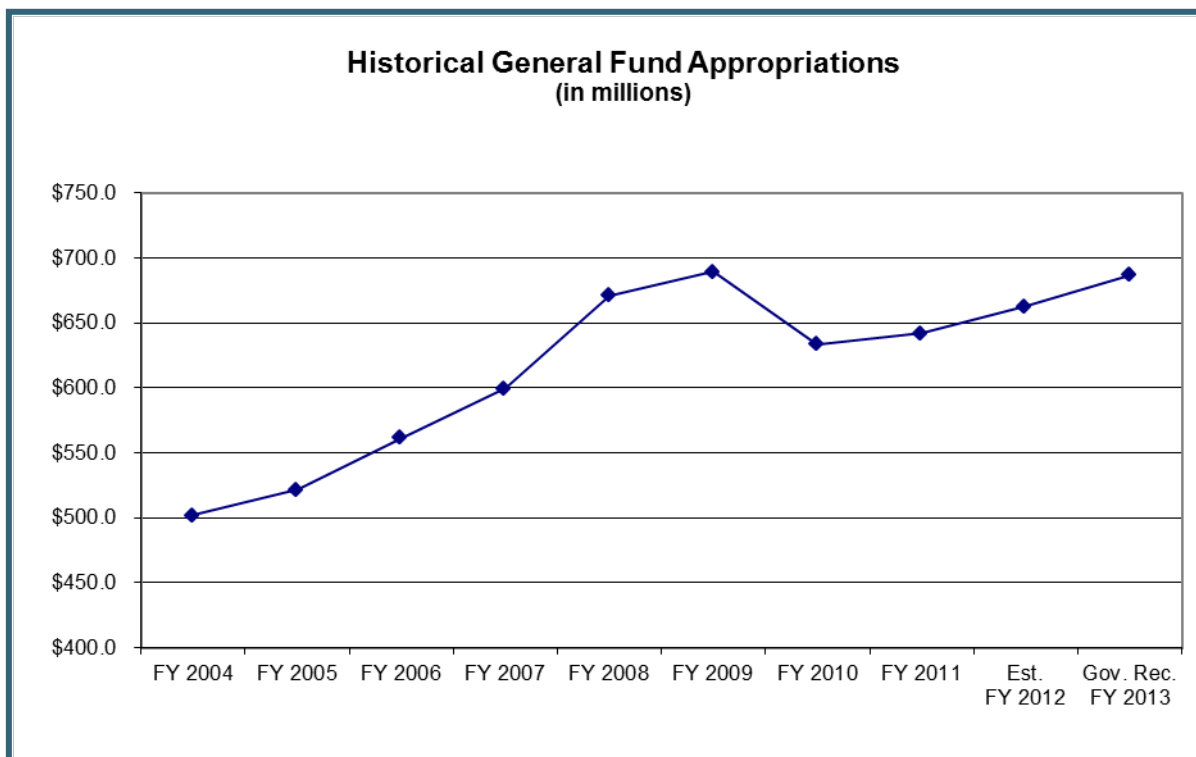
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JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE



FY 2013 General Fund Governor's Recommendations

Justice Department	\$ 12,484,161
Civil Rights	1,297,069
Corrections	360,654,803
State Public Defender	55,764,111
Judicial Branch	166,404,540
Law Enforcement Academy	968,698
Parole Board	1,203,835
Public Defense	7,511,919
Public Safety	80,589,254
	<u>\$ 686,878,390</u>



FY 2013 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 criminal offenders at the request of county attorneys and handles all criminal appeals, and administers the following programs: Farm Mediation, Crime Victim Assistance, and Legal Services Poverty Grants. Refer to the *Fiscal Topic Budget Unit: Office of the Attorney General* for more information.

The Governor is recommending FY 2013 General Fund appropriations totaling \$12.5 million. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Justice, Department of</u>			
Justice, Dept. of			
General Office A.G.	\$ 7,792,930	\$ 7,792,930	\$ 0
Victim Assistance Grants	2,876,400	2,876,400	0
Legal Services Poverty Grants	1,814,831	1,814,831	0
Total Justice, Department of	<u>\$ 12,484,161</u>	<u>\$ 12,484,161</u>	<u>\$ 0</u>

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Justice, Department of</u>			
Consumer Advocate			
Consumer Advocate - CMRF	\$ 3,136,163	\$ 3,136,163	\$ 0
Total Justice, Department of	<u>\$ 3,136,163</u>	<u>\$ 3,136,163</u>	<u>\$ 0</u>

Issues

FY 2012 Budget – During the Governor’s budget hearing, Attorney General Tom Miller provided the Governor with an overview of the Iowa Department of Justice’s budget. The Attorney General indicated the budget is reaching perilous levels and further cuts cannot be sustained. He highlighted that area prosecutions (assistance to county attorneys), criminal appeals (the Office handles all appeals to the Appellate Courts), and special litigation (workers compensation and tort claims) have all had double digit reductions since FY 2009. Attorney General Miller also stated that victim services must remain a funding priority.

Appellate Cases - The Governor and Attorney General discussed the Supreme Court changing its approach to appellate defender motions to withdraw for frivolous appeals. This will increase the workload of both the State Public Defender’s Office and the Office of the Attorney General.

Notice of Mortgage Foreclosure Counseling and Mediation Services - The Attorney General indicated during his budget hearing with the Governor that he prefers extending a requirement that a notice of the availability of mortgage foreclosure counseling and mediation services be provided to individuals facing foreclosure proceedings. Current law provides that the requirement to provide such notice expires on July 1, 2012.

Second Injury Fund - Current law in Iowa Code section 85.67 permits the Office of the Attorney General to be reimbursed up to \$150,000 annually from the Second Injury Fund. The Attorney General indicated during his budget hearing with the Governor that he would like to see that reimbursement cap increased to reflect the increased second injury caseload handled by his Office.

Proposed Legislation – The Attorney General is proposing the following legislation:

- Amend Iowa’s law on the possession of child pornography by allowing prosecutors to file multiple charges against defendants for possession of multiple computer images of child pornography. Currently, only one charge may be pursued if only one computer is involved.
- Enhance the penalty for domestic abuse cases involving strangulation.
- Require a person convicted of an aggravated misdemeanor to submit a DNA sample.
- Revise the crime victim compensation program (1) to allow compensation for elderly victims of financial exploitation and for victims of identity theft, (2) to establish a consistent definition of “homicide victim survivor,” and (3) to allow money in the crime victim compensation fund to be used for the identity theft passport program.
- Increase the jurisdictional limit of the Iowa Consumer Credit Code from \$25,000 to \$50,000 in the case of purchase or lease of motor vehicles.
- Require mobile home owners to have good cause to terminate a mobile home rental agreement.
- Extend the notice for mortgage foreclosure counseling and mediation services.
- Increase the reimbursement cap on the Second Injury Fund.

Legal Services Poverty Grants – The Legal Services Poverty Grants General Fund appropriation supports Iowa Code section 13.34 to provide civil legal services to people in poverty. Federal funds are a significant portion of the budget. These funds may be reduced due to anticipated future federal budget expenditure reductions. Please refer to the *Fiscal Topic Budget Unit: Legal Services Poverty Grants* for more information.

Office of the Consumer Advocate – The Office is funded from the Department of Commerce Revolving Fund at \$3.1 million in FY 2012. This is a decrease of \$190,000 compared to FY 2011. The Office underspent its funding authority by \$372,000 in FY 2011. This is not a reversion. The expenses were not incurred and, therefore, the utility industry was not billed. Please see the *Fiscal Topic Budget Unit: Office of the Consumer Advocate* for additional information. The Governor is recommending \$3.1 million for the Office of the Consumer Advocate in FY 2013. This is no change compared to estimated FY 2012.

False Claims Act – Senate File 2088 (Government Reorganization and Efficiency Act) created a new Iowa Code Chapter, False Claims Act, that is an attempt to secure a larger recovery for the State (10.0%) under Medicaid fraud actions. The language is broader than Medicaid fraud. The Act provides a procedure for the State and private individuals to bring an action for fraud against a person that may result in financial loss to the government. The State statute was approved by the federal Department of Health and Human Services in December 2011 so it can now be implemented. Iowa had been operating under the federal False Claims Act. As of January 2012, there are approximately six *qui tam* cases under seal. The Attorney General’s Office has not brought or intervened in any cases. The 10.0% increase in recovery amounts may apply to some of these cases.

Civil Rights Commission

The Commission exists to protect the civil rights of all persons throughout Iowa. The [Civil Rights 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. Refer to the *Fiscal Topic Budget Unit: Iowa Civil Rights Commission* for additional information.

The Governor is recommending an FY 2013 General Fund appropriation of \$1.3 million. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Civil Rights Commission</u>			
Civil Rights Commission			
Civil Rights Commission	\$ 1,297,069	\$ 1,297,069	\$ 0
Total Civil Rights Commission	<u>\$ 1,297,069</u>	<u>\$ 1,297,069</u>	<u>\$ 0</u>

Issues

State Audit Report – The Auditor of State issued the FY 2010 audit report of the Iowa Civil Rights Commission. One of the finding pertained to the Commission seeking voluntary contributions in the range of \$100 to \$300 to settle housing cases and using the funds to provide fair housing training. The Auditor’s Office found nothing in the Iowa Code, agency rules, or case law that expressly permits the Commission to seek voluntary contributions as part of mediation or the predetermination process. The Commission ceased seeking voluntary contributions as a term of settlement as of February 2011.

Statistics – The Commission closed 1,763 cases in FY 2011, a decrease of 190 (9.7%) compared to FY 2010. Additionally, the average number of days to process a case increased 3.74 days (1.5%) during the same period. The decrease in case closures and increase in processing time was due to staff turnover and/or transitioning of multiple staff members, the change in Directors, and change in focus of the Commission. The nonhousing investigative process was overhauled in August 2011 in an effort to address the backlog and improve the investigations and decisions made by the Commission.

FY 2012 Budget – Director Beth Townsend indicates the goal of the Commission is to end discrimination in the State of Iowa. This can best be done by eliminating the nonhousing backlog, improving the quality of screening decisions and investigations, and completing investigations and processing of non-housing complaints within six months of filing. Improved investigations and decisions may help reduce litigation in State courts. The Director has implemented the following changes in FY 2012.

- The administrative unit has been reorganized and now completes the work previously done by three civil rights specialists.
- These three positions were reclassified and downgraded to administrative clerk specialists that will result in significant salary savings. Salary expenditures are expected to decrease in FY 2013 due to staff turnover, recent retirements, and the reclassification of three positions. Work rules for the office were established in March 2011, providing more guidance and structure for employees.
- The screening process for civil rights complaints has been overhauled by providing more in-depth reviews to the parties. Attorneys for the plaintiff and the respondent are involved in an in-depth screening process so cases can be resolved quickly.

Justice System Appropriations Subcommittee

- Twenty attorneys statewide have agreed to be mediators for the Commission. Mediators are paid mileage but not compensation. These attorneys are experienced in employment law and provide an alternative to the parties to resolve cases before they are investigated.
- The U.S. Department of Housing and Urban Development (HUD) has changed the allocation of their resources by requiring any local agency handling cases for HUD to investigate a minimum of 10 cases annually. Agencies with fewer than 10 complaints annually will be referring cases to the Iowa Civil Rights Commission. This is expected to shift and increase the number of housing cases processed by the Commission.
- There is a significant lack of information from both HUD and the Equal Employment Opportunity Commission regarding federal funding.
- The Commission has implemented infrastructure upgrades by purchasing required software licenses and updates; providing new computers with CD write and play capabilities for all civil rights specialists; providing network scanning capabilities throughout the Commission, and purchasing a subscription to WESTLAW for more efficient legal research.

Department of Corrections

The [Department of Corrections](#)' 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 2013 General Fund appropriations totaling \$360.7. This is an increase of \$14.0 million (4.0%) compared to estimated FY 2012. The Governor is also recommending a FY 2012 supplemental appropriation of \$6.5 million. The Governor's recommendation for FY 2013 General Fund appropriations would be an increase of \$7.5 million (2.1%) compared to FY 2012 when the Governor's recommended supplemental appropriation is included.

General Fund Recommendations

	<u>Estimated FY 2012</u>		<u>Gov Rec FY 2013</u>		<u>Gov Rec vs Est. FY 2012</u>
<u>Corrections, Dept. of</u>					
Fort Madison					
Ft. Madison Institution	\$ 41,031,283	\$	42,686,899	\$	1,655,616
Anamosa					
Anamosa Institution	\$ 31,985,974	\$	32,760,186	\$	774,212
Oakdale					
Oakdale Institution	\$ 55,594,426	\$	57,950,613	\$	2,356,187
Newton					
Newton Institution	\$ 25,958,757	\$	27,127,290	\$	1,168,533

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Corrections, Dept. of - continued</u>			
Mt Pleasant			
Mt. Pleasant Inst.	\$ 25,917,815	\$ 26,751,707	\$ 833,892
Rockwell City			
Rockwell City Institution	\$ 9,316,466	\$ 9,584,151	\$ 267,685
Clarinda			
Clarinda Institution	\$ 24,639,518	\$ 25,054,229	\$ 414,711
Mitchellville			
Mitchellville Institution	\$ 15,615,374	\$ 16,124,759	\$ 509,385
Fort Dodge			
Ft. Dodge Institution	\$ 29,062,235	\$ 29,668,270	\$ 606,035
Central Office			
Corrections Administration	\$ 4,835,542	\$ 5,327,854	\$ 492,312
County Confinement	775,092	1,075,092	300,000
Federal Prisoners/Contractual	239,411	484,411	245,000
Corrections Education	2,308,109	2,308,109	0
Iowa Corrections Offender Network	424,364	424,364	0
Mental Health/Substance Abuse	22,319	22,319	0
Hepatitis Treatment And Education	167,881	167,881	0
Total Central Office	<u>\$ 8,772,718</u>	<u>\$ 9,810,030</u>	<u>\$ 1,037,312</u>
CBC District 1			
CBC District I	\$ 12,204,948	\$ 12,958,763	\$ 753,815
CBC District 2			
CBC District II	\$ 10,336,948	\$ 10,739,572	\$ 402,624
CBC District 3			
CBC District III	\$ 5,599,765	\$ 6,238,455	\$ 638,690
CBC District 4			
CBC District IV	\$ 5,391,355	\$ 5,469,811	\$ 78,456
CBC District 5			
CBC District V	\$ 18,742,129	\$ 19,220,091	\$ 477,962
CBC District 6			
CBC District VI	\$ 13,112,563	\$ 14,095,408	\$ 982,845
CBC District 7			
CBC District VII	\$ 6,492,814	\$ 6,895,634	\$ 402,820
CBC District 8			
CBC District VIII	<u>\$ 6,879,715</u>	<u>\$ 7,518,935</u>	<u>\$ 639,220</u>
Total Corrections, Dept. of	<u><u>\$ 346,654,803</u></u>	<u><u>\$ 360,654,803</u></u>	<u><u>\$ 14,000,000</u></u>

Significant changes include:

- A transfer of \$123,507 and 1.0 FTE position from the Clarinda Correctional Facility to the Iowa Medical and Classification Center at Oakdale Central Pharmacy. This recommendation has a net reduction of \$38,000 to the Clarinda budget.
- An increase of \$6.5 million to annualize the recommended FY 2012 supplemental appropriation. This recommendation is for five of the nine prisons, five of the eight CBC District Departments, Central Office, and State mandated Accounts for County Confinement and Federal Prisoners Reimbursement. The recommendation funds currently filled but unfunded critical staffing positions (\$5.9 million) and supplements the County Confinement and Federal Prisoners Reimbursement Accounts (\$545,000). The County Confinement Account is used to reimburse counties for holding alleged violators of conditions of parole, work release, or certain OWI offenders in county jail pending a revocation hearing. The Federal Prisoners Account reimburses the U.S. Bureau of Prisons for holding incorrigible Iowa prison inmates in federal prisons.
- An increase of \$7.7 million to maintain current critical staff in FY 2013.
- A decrease of \$171,000 at the Iowa State Penitentiary at Fort Madison to reflect the transfer of two program planners from the Institution's General Fund budget to Iowa State Industries' Revolving Fund. This budget recommendation reflects the transfer of administration of the Habitat for Humanity Program from the Institution to Iowa Prison Industries in FY 2012.

Issues

Recidivism – Director Baldwin provided information from the Pew Center for the States that shows four of the 10 states with the greatest drop in crime were also among the top 10 states that lowered their incarceration rates. He also indicated that Iowa's prison incarceration rate is higher than its crime rate. He stated the challenge was to remain within appropriated resources while increasing public safety. The Department of Corrections (DOC) plans to reduce recidivism by concentrating on high-risk cases, using the validated risk assessment tool Level of Services Inventory-Revised. The DOC is providing opportunities for offender reentry into the community by collaborating with Iowa Workforce Development and the Departments of Human Services, Public Health, and Inspections and Appeals.

FY 2012 Supplemental Appropriation – *The Governor is recommending an FY 2012 General Fund supplemental appropriation of \$6.5 million for five of the nine prisons, five of the eight CBC District Departments, Central Office, and state mandated Accounts for County Confinement and Federal Prisoners Reimbursement. The recommendation funds currently filled but unfunded critical staffing positions (\$5.9 million) and supplements the County Confinement and Federal Prisoners Reimbursement Accounts (\$545,000). The County Confinement Account is used to reimburse counties for holding alleged violators of conditions of parole, work release, or certain OWI offenders in county jail pending a revocation hearing. The Federal Prisoners Account reimburses the U.S. Bureau of Prisons for holding incorrigible Iowa prison inmates in federal prisons.*

Inmate Education – The General Fund appropriation for inmate education peaked in FY 2001 at \$3.3 million. The FY 2012 General Fund appropriation is \$2.3 million, an increase of \$750,000 (48.1%) compared to FY 2011 but a decrease of \$1.0 million (30.3%) 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. Vocational education is provided primarily in conjunction with Prison Industries.

Canteen Funds – Senate File 510 (FY 2012 Justice System Appropriations Act) requires the DOC to transfer at least \$300,000 from the Canteen Funds to the Corrections Education Account. The Governor vetoed this requirement, stating there were insufficient funds to meet the transfer requirement. There is \$175,000 budgeted from the Canteen Funds for the FY 2012 education budget.

Telephone Rebate Fund – The DOC has been relying on the Telephone Rebate Fund to supplement the inmate education budget (\$450,000) and to fund victim services (\$99,000), translation services (\$1,000), Step Program (training materials related to borderline personality disorder - \$45,000), and inmate telephone administration (\$56,000). Receipts to the Fund have been declining. The amount budgeted for inmate education in FY 2012 may not be available in FY 2013. The DOC estimates an increase of \$250,000 in the General Fund appropriation for corrections education would maintain existing services. *The Governor is not recommending the replacement of the FY 2012 Telephone Rebate Fund allocation with an FY 2013 General Fund appropriation.*

Staffing – The DOC indicates its critical staffing needs at \$16.6 million and 277.6 FTE positions for the Institutions, CBCs, and Central Office. *The Governor is recommending an FY 2012 supplemental appropriation of \$5.9 million to fund 86.3 FTE positions that are currently filled but not funded. The Governor is recommending annualizing the \$5.9 million FY 2012 supplemental appropriation plus an additional \$7.7 million to maintain existing positions in FY 2013.*

Correctional Officer Staffing – Senate File 510 (Justice System Appropriations Act) provided an increase of \$2.1 million to fund 40.0 new correctional officer FTE positions as follows:

- 3.0 at the Director's discretion (assigned to Clarinda Correctional Facility).
- 17.0 at the Clarinda Correctional Facility.
- 20.0 at the Anamosa State Penitentiary.

The funding (\$1,048,000) for 20.0 new FTE positions at the Clarinda Correctional Facility will be used to maintain existing positions. The positions may be filled later in the fiscal year, if the budget permits it. The Anamosa State Penitentiary hired 5.0 new correctional officer FTE positions with its funding (\$1,048,000). The remaining funds (\$786,000) will be used to maintain existing positions. The positions may be filled later in the fiscal year, if the budget permits it.

Operating Costs for New Beds – The DOC estimates \$19.1 million and 277.4 FTE positions are needed for staffing new facilities in the CBC District Departments plus Mitchellville and Fort Madison. It is likely construction will be completed on all the CBC beds in FY 2012. *The Governor is not recommending any funds for these facilities in FY 2013.*

Forensic Psychiatric Hospital – The DOC indicates \$1.1 million and 18.0 FTE positions would address staffing issues of the Forensic Psychiatric Hospital at Oakdale. While patient count fluctuates daily, the trend is to use the beds for civilians rather than convicted offenders. *The Governor is not recommending any funds for the hospital.*

Iowa Corrections Offender Network Audit – The State Auditor's Office issued a report December 5, 2011, regarding the procurement process in State government. The audit was for the period July 1, 2007, through December 31, 2008. The audit focused on contracting controls and procedures. The report provides findings related to the procurement and ongoing development of the Iowa Corrections Offender Network (ICON) system.

The ICON system is an offender management suite of programs. The programs include 10 modules: offender case management, medical/mental health, View (intelligence system), dietary, commissary, grievance, pharmacy, banking, critical incident reporting, and OMail. Examples of what the programs do include facilitating the issuance of smart cards to inmates to make services more efficient and cost effective, streamlining collections from inmates for restitution, child support, DOC sanctions, and savings plans, and reducing paper in mailrooms and the DOC office. The ICON system continues to evolve and develop. Critical modules are implemented to benefit the DOC and the criminal justice community generally. For FY 2011, some of the development included a data exchange between the Criminal Justice Information System (CJIS) with the State sex offender registry, a CJIS Statewide crime code table to be used by the entire criminal justice community, and CJIS electronic presentence investigations.

The audit report indicates the DOC improperly referenced a master agreement to procure Information Technology (IT) services and no contract was established with the provider Automated Technologies Group (ATG). From FY 2000 through FY 2010, the DOC paid the provider \$22.0 million with no contract in place. The DOC entered into a contract with ATG in FY 2011. The report indicates the Auditor's Office does not understand why it took the DOC so long to have a valid contract in place. The DOC was initially scheduled to receive 50.0% of all licensing fees that ATG generated by selling software modules developed in conjunction with the DOC. Several payments were made to the DOC totaling \$3.6 million between FY 2003 and FY 2007. However, an amendment cancelling the DOC's rights to any licensing fees was signed on July 27, 2003. This cancellation resulted in the loss of potentially millions of dollars in receipts. The Director's explanation for cancellation of the licensing fee agreement could not be documented. Below are the State Auditor recommendations and the DOC's response.

- The DOC should work with the Attorney General's (AG) Office to decide if further review of the relationship between the DOC and ATG is warranted and take any corrective action if necessary. The Auditor also recommended that DOC procurement staff and purchasing agents should continue to receive training from the Department of Administrative Services (DAS) on documentation required for processing payments. The DOC indicated it would work with the AG's Office and the DAS on procurement activities and contracts. The DOC stated that the DAS has granted the Department advance procurement authority, and certain staff are either progressing towards or are certified in advanced procurement procedures. The Auditor accepted this response.
- The Auditor stated the DOC should ensure all future payments to ATG are based on negotiations for pricing that is verified to be fair and reasonable. The DOC indicated steps have been taken to improve documentation through the change order process. The Auditor's Office indicated that change orders are a good control procedure for contracting. However, it has not reviewed the change order process of the DOC.
- The Auditor recommended the DOC should determine if hiring staff, rather than contracting for IT services, would be financially beneficial. The DOC's response included a variety of indicators of cost avoidance, such as not building a prison, staff efficiencies, central pharmacy savings, telemedicine capability, and data sharing with the Department of Public Safety. Comparisons to other States' corrections IT costs were also made. No cost analysis of bringing the IT function in-house was provided. The Auditor's Office reiterated that this response does not address whether or not hiring IT staff would be financially beneficial.
- The Auditor recommended DAS should implement control procedures over service contracts for all State agencies to ensure compliance with purchasing requirements. The Auditor also recommended the DAS should review the DOC's procurement practices with other providers to determine if proper

procedures are being followed. The DOC indicated it would continue to work with the DAS. The Auditor accepted this response.

Food, Fuel, and Pharmacy – The DOC estimates an additional \$845,000 is needed for food, fuel, and pharmacy expenditures due to cost increases and serving additional offenders. *The Governor is not recommending any funds for these items.*

Central Pharmacy – The DOC began implementing a central pharmacy model in FY 2008 and hired a pharmacy director in FY 2009. There are two central pharmacies – Oakdale and Des Moines – and because of the ICON pharmacy software program, each can fill medication orders for any facility, providing redundancy in case of emergencies. The DOC costs for drugs and biologicals include both prescription and over-the-counter medications. The DOC costs have increased 67.1% from FY 2005 to FY 2010. However, costs for drugs and biologicals have decreased in FY 2009 (\$113,000), FY 2010 (\$1.2 million), and FY 2011 (\$632,000) primarily due to creating and adhering to a formulary (list of medication choices available to physicians) and implementing a centralized pharmacy.

The Des Moines Central Pharmacy is currently processing prescriptions for Newton, Mitchellville, Fort Dodge, Rockwell City, and Clarinda's DOC patients. Oakdale is processing themselves, Anamosa, and Fort Madison. Mount Pleasant still maintains a pharmacy on-site that processes both the DOC and Department of Human Services (DHS) patients. *The Governor is recommending the realignment of pharmacy staff by transferring \$123,000 and 1.0 FTE position from Clarinda to Oakdale. There would be a net savings of \$38,000 to the Clarinda budget.*

The five facilities served by the Des Moines Central Pharmacy all use the 30-day punch cards. Oakdale is changing their unit dose system from the old individually packaged medicines in carts with patient drawers to the 30-day punch cards. That process is about 50.0% complete through December 2011. The DOC is also moving forward with a plan to transition Mount Pleasant's DOC services to one of the two DOC locations. The private provider contract for pharmacy (Diamond Services) ended May 31, 2011.

The DOC is working on a pilot project from the AG's office related to provision of medications for offenders after release through the Iowa Prescription Drug Corporation's voucher program for indigent/low income patients. The goal of this program is to reduce recidivism, especially among offenders with mental health needs, by providing expanded medication coverage for them during the 30 to 90 days immediately after their release, until they can form a relationship with a provider in the community.

The DOC formulary is updated quarterly through its Formulary Review Committee. The process for reviewing nonformulary requests is still in place and is up to date. At this time, the DOC is not directly providing medicines for CBCs or jails, although there has been discussion at various times about this possibility in the future. Refer to the *Issue Review* [Department of Corrections Centralized Pharmacy](#) for additional information.

County Confinement and Federal Prisoners Accounts – The State reimburses counties for holding alleged violators of parole, work release, and OWI Third Offense conditions pending a revocation hearing. These reimbursements are through General Fund appropriations to the County Confinement Account. The State reimburses the U.S. Bureau of Prisons for holding certain Iowa offenders by General Fund appropriations to the Federal Prisoners Account. The DOC indicates an additional \$545,000 is needed to meet the projected expenditures of these reimbursements. *The Governor is recommending an FY 2012 supplemental appropriation of \$545,000 for the County Confinement Account (\$300,000) and Federal Prisoners Account (\$245,000). The Governor is recommending the FY 2012 supplemental appropriations be annualized in FY 2013.*

Clarinda Mental Health Unit – The DOC estimates an additional General fund appropriation of \$725,000 and 9.0 FTE positions would fund the operation of a small mental health unit for youthful violent offenders serving long mandatory minimum sentences. *The Governor is not recommending this proposal.*

Substance Abuse Treatment Contracts – The DOC estimates \$836,000 is needed to restore substance abuse treatment funding in the CBCs. These contracts have been reduced or eliminated due to budget reductions in previous fiscal years. *The Governor is not recommending this proposal.*

Private Sector Employment of Inmates – Iowa Prison Industries oversees the private sector employment of inmates as permitted in Iowa Code Section 904.809 and federal regulations. Currently four prisons have private sector employment of inmates:

- North Central Correctional Facility at Rockwell City has four employers.
- Newton Correctional Facility has two employers.
- Fort Dodge Correctional Facility has one employer.
- Clarinda Correctional Facility has one employer.

Prison Population – The [Criminal and Juvenile Justice Planning Division \(CJJPD\)](#) 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 11,330 inmates by June 30, 2021, an increase of 29.1% over the next 10 years.

By FY 2021 and without any additional prison beds, overcrowding is expected to reach 147.8% 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 2021. If the population reaches 11,330 inmates, three additional 800-bed prisons will need to be built, in addition to the expansions authorized at Fort Madison and Mitchellville. If three additional prisons are built over the next decade, projected design capacity will be 10,066 beds with a projected population of 11,330 offenders; the prison system would be operating at 112.6% of capacity. The cost of one 800-bed prison with a mix of medium and minimum custody levels is approximately \$85.0 million in construction costs; construction of three such prisons would be approximately \$255.0 million. Operating costs are estimated to be at least \$30.0 million annually per prison.

Refer to the CJJPD's full report "[Iowa Prison Population Forecast FY 2011 – 2021](#)" for additional information. For additional information regarding corrections capacity, see the LSA *Issue Review* titled "[Corrections Construction and Capacity](#)".

Proposed Legislation – The Board of Corrections approved the following proposed amendments to Iowa law:

- Grant access to confidential records to certain DOC and CBC staff.
- Increase the number of days from 15 to 35 for counties to bill the State for reimbursement for holding alleged violators of parole, work release, and OWI conditions in county jails. The proposal also requires the reimbursement request to be denied if not submitted within 35 days of the end of the calendar quarter.
- Increase the penalty from an aggravated misdemeanor to a Class D felony for certain people who engage in sexual misconduct with offenders and juveniles.

Supreme Court Case – In July 2011, the Iowa Supreme Court ruled in *Anderson vs. State of Iowa* that offenders revoked from probation to prison or jail are eligible for jail credit. Previous to this ruling, the

DOC granted credit for time served on parole, work release, and OWI, while in a residential facility or county jail. Under the Supreme Court ruling, the DOC now grants credit for time served on probation as well, if that probation results in a revocation to prison. The DOC staff recalculated discharge dates for 3,520 offenders, with the following results:

- 253 offenders were immediately discharged from prison.
- 33 offenders on work release or OWI convictions were immediately discharged.
- 265 offenders were immediately discharged from parole.
- 2,588 offenders had a change in their tentative discharge date, but were not immediately released.
- 320 offenders had no change in their tentative discharge date.
- 25 offenders that were discharged immediately absconded before they were notified. These offenders have discharged their sentence.
- 36 offenders absconded before the recalculation was completed. These offenders have not discharged their sentence. Their tentative discharge date will be recalculated when they return to custody.

The DOC indicates no sexually violent predators were released; but their tentative discharge date may have moved. The DOC will track the outcomes of offenders affected by the Supreme Court ruling. The DOC is not proposing any legislative changes due to the Supreme Court ruling.

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 postconviction 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 2013 General Fund appropriations totaling \$55.8 million for the State Public Defender and Indigent Defense. This is no change compared to estimated FY 2012. The governor is recommending the transfer of \$779,000 from the Indigent Defense Fund to the State Public Defender’s Office to maintain existing staff.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Inspections & Appeals, Dept. of</u>			
Public Defender			
Public Defender	\$ 25,083,182	\$ 25,862,182	\$ 779,000
Indigent Defense Appropriation	<u>30,680,929</u>	<u>29,901,929</u>	<u>-779,000</u>
Total Inspections & Appeals, Dept. of	<u>\$ 55,764,111</u>	<u>\$ 55,764,111</u>	<u>\$ 0</u>

Issues

Governor's Budget Hearing – State Public Defender Sam Langholz presented the FY 2013 budget. Mr. Langholz provided an overview of the Office structure, locations of local offices around the State, indigent defense spending (public defenders and private attorneys), and cost comparisons between public defenders and the private bar. The cost per case for public defenders is \$268 while the cost per claim for private attorneys is \$444.

In FY 2011, additional staff was added to existing offices and a new local office was opened in Ottumwa. This resulted in approximately \$599,000 in cost containment. Additional savings should occur in FY 2012, as the staff was not on board for a full year in FY 2011. Mr. Langholz indicated the following fiscal challenges:

- Lack of control over criminal and juvenile court filings and limited control over costs of representation.
- The Supreme Court case, *Simmons v. State Public Defender*, 791N.W.2d 69 (Iowa 2010), struck down flat fee contracts for appellate cases. This has increased costs for appeals because private attorneys are submitting itemized bills in excess of the original contract caps.
- The Supreme Court case, *State v. Dudley*, 766 N.W.2d 606 (Iowa 2009), made changes with respect to client notification of certain restitution obligations.
- The Supreme Court is changing its approach to appellate defender motions to withdraw for frivolous appeals. This will increase the workload of both the State Public Defender's Office and the Office of the Attorney General. The Governor indicated he may follow up with the Chief Justice of the Supreme Court.
- The Judicial Branch is implementing the Electronic Document Management System (EDMS). In the short term, this will impact the support budget for the State Public Defender's Office (shifting some work currently performed by the Clerk of Court offices to the State Public Defender). In the long term, there should be savings as the criminal court system becomes paperless.

Mr. Langholz outlined opportunities for cost savings including:

- Implementing an online indigent defense claim submission system. The Office is in the process of issuing a Request for Proposals (RFP).
- Increasing the use of specialized contracts with attorneys and other providers.
- Evaluating targeted expansions of local public defender offices.

Proposed Legislation – The State Public Defender's Office indicates it will file a legislative proposal to address the *Simmons* and *Dudley* Supreme Court cases, as well as statutory changes to enhance flexibility of the Office to improve efficiencies. Please review the [Report on Iowa's Indigent Defense System](#) submitted by the State Public Defender in December 2011.

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.

For the [Judicial Branch](#), the Governor passed through the FY 2013 General Fund appropriation request totaling \$166.4 million. This includes a request of \$163.3 million for the operating budget and \$3.1 million for the Jury and Witness Fee Revolving Fund. This is an increase of \$10.0 million (6.4%) compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Judicial Branch</u>			
Judicial Branch			
Judicial Branch	\$ 154,111,822	\$ 163,304,540	\$ 9,192,718
Jury & Witness	<u>2,300,000</u>	<u>3,100,000</u>	<u>800,000</u>
Total Judicial Branch	<u>\$ 156,411,822</u>	<u>\$ 166,404,540</u>	<u>\$ 9,992,718</u>

The Governor is recommending the following Judicial Branch requests for FY 2013:

- Base budget of \$154.1 million to restore the operating budget to the FY 2012 funding level and a base budget of \$2.3 million to restore the Jury and Witness Fee Revolving Fund to the FY 2012 funding level.
- An appropriation of \$2.2 million to restore 53.0 Clerk of Court FTE positions.
- An appropriation of \$2.5 million to restore 42 of the 180 positions that were eliminated due to the 7.1% across the board reduction of \$11.4 million in FY 2010.
- An appropriation of \$4.5 million for eight additional Information Technology staff to implement the EDMS allowing the Judicial Branch to switch from a paper-based environment to an electronic-based environment and to pay for basic, on-going Iowa Court Information System operations from the General Fund rather than the Enhanced Court Technology and Modernization Fund.
- An increase of \$800,000 for the Jury and Witness Fee Revolving Fund due to the change in the deposit of two-year old court debt and the expenditure of the remaining excess carry forward in the Fund.

Electronic Document Management System Update

- **Plymouth County**
Plymouth County pilot project of the EDMS is complete. The pilot began on January 4, 2010. However, minor technical problems during the first week required a temporary suspension of the pilot project. These issues were resolved and the pilot resumed on February 22. All cases initiated in Plymouth County since January 1, 2010, are electronic and additional filings are being handled electronically. As of November 23, 2011, 10,687 total cases had been electronically filed or converted to an electronic case through the E-File portal, and 74,493 documents were stored in EDMS for Plymouth County.
- **Story County**
The Judicial Branch expanded the pilot of EDMS to Story County in November 2010 for civil filings and June 2011 for criminal filings. All cases initiated in Story County since June 1, 2011,

are electronic and additional filings are being handled electronically. As of November 23, 2011, 20,852 total cases had been electronically filed or converted to an electronic case through the E-File portal, and 113,204 documents were stored in EDMS for Story County. The pilot in Story is essentially complete with some adjustments being made as more cases are filed and the system is monitored and adjusted for efficiencies.

- **Sioux County**

The Judicial Branch implemented EDMS in Sioux County on July 25, 2011, for all case filings. All cases initiated in Sioux County since July 25, 2011, are electronic and additional filings are being handled electronically. As of November 23, 2011, 4,570 total cases had been electronically filed or converted to an electronic case through the E-File portal, and 13,837 documents were stored in EDMS for Sioux County.

- **Woodbury County**

The Judicial Branch implemented EDMS in Woodbury County on November 1, 2011, for civil filings (except juvenile cases). All civil cases initiated in Woodbury County since November 23, 2011, are electronic and additional filings are being handled electronically. As of November 23, 2011, 3,248 total cases had been electronically filed or converted to an electronic case through the E-File portal, and 15,513 documents were stored in EDMS for Woodbury County. Woodbury County juvenile and criminal filings will be brought online on January 24, 2012.

- **Appellate Courts**

The design and development of EDMS for the Appellate courts has been delayed due to the time taken to complete pilots and adjust the product for further efficiencies for users inside and outside the Court System. The Appellate development and pilot are planned for the first half of calendar year 2012.

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 2013 General Fund appropriation of \$969,000. This is an increase of \$100,000 (11.5%) compared to estimated FY 2012 to offset the decline in basic enrollments from local governments.

General Fund Recommendations

	Estimated FY 2012	Gov Rec FY 2013	Gov Rec vs Est. FY 2012
<u>Law Enforcement Academy</u>			
Law Enforcement Academy			
Law Enforcement Academy	\$ 868,698	\$ 968,698	\$ 100,000
Total Law Enforcement Academy	\$ 868,698	\$ 968,698	\$ 100,000

Issues

Law Enforcement Academy Billings – In FY 2012, the total cost to attend the 14-week Basic Academy is \$7,506 per person and the Academy will bill approximately two-thirds (\$5,000) to the law enforcement agency. The rate for FY 2013 will be set at the April 2012 Academy Council meeting. The Departments of Transportation and Natural Resources are billed the full amount (\$7,506) to attend.

FY 2011 Appropriation Transfer – The Iowa Law Enforcement Academy received an appropriation transfer totaling \$105,000 from the Department of Inspections and Appeals, Indigent Defense Fund. The funds were needed due to a reduction in attendance by local law enforcement agencies in FY 2011, with a corresponding decrease in receipts. Also, there was a delay in receiving approximately \$20,000 in payments until October, after the books closed. The Academy reverted \$73,996 (70.5%) of the \$105,000 due to cost savings measures implemented within the Academy and the receipt of delayed payments.

FY 2012 Budget Issues – In FY 2011, 160 students attended the ILEA Academy. For FY 2012, the Academy is anticipating 151 students. The decline in students is estimated to result in a reduction in revenue of approximately \$40,000. To address the potential reduction in revenues, the Academy has taken the following action:

- Reviewed communication and phone lines
- Using E85 in vehicles
- May not purchase ammunition for this upcoming year
- Maintaining three vacant FTE positions

The Governor is recommending an increase of \$100,000 to offset the decline in basic enrollments from local governments.

Board of Parole

The [Board of Parole'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. For more information regarding the duties and workload, see the *Fiscal Topic*, "[Board of Parole](#)."

The Governor is recommending an FY 2013 General Fund appropriation of \$1.2 million. This is an increase of \$150,000 (14.2%) compared to estimated FY 2012. The increase funds the costs of adding an Administrative Law Judge (ALJ) pursuant to a ruling by the Public Employees Relations Board (PERB).

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Parole, Board of</u>			
Parole Board			
Parole Board	\$ 1,053,835	\$ 1,203,835	\$ 150,000
Total Parole, Board of	<u>\$ 1,053,835</u>	<u>\$ 1,203,835</u>	<u>\$ 150,000</u>

Issues

FY 2012 Budget – Board Chair Elizabeth Robinson indicates:

- The Board is conducting a cost analysis of implementing a paperless system. The Iowa Board of Parole has also requested from the Attorney General’s office a written opinion for legal advice on any potential major changes.
- Board members would need secure internet connections to vote on Parole Board decisions from mobile devices.
- The cost analysis will include scanning confidential files onto a secure network.

The Board had significant turnover in membership over the last three years. New members are scheduled to receive training in March, as well as ongoing on the job training. Parole grants from prison increased by 4.7% from FY 2010 to FY 2011. The Board is not requesting an increase for its operating budget in FY 2013. The Board may request additional funds to implement its paperless system, depending on the outcomes of the cost analysis.

Public Employees Relations Board Ruling – The DOC and American Federation of State, County, and Municipal Employees were sued by 27 former supervisors and one former staff of the Board of Parole regarding the loss of bumping rights in a lay off that occurred in 2010. The PERB ruled against the State. The DOC worked with the 18 successful claimants (17 from DOC and one from the Board of Parole) to discuss their options. In December 2011, financial settlements were made with 12 people; total costs were approximately \$469,000. There are six cases pending.

The DOC and Board of Parole have used the current FY 2012 operating budgets to fund the financial settlements. The DOC plans to file a claim with the State Appeals Board for any costs related to previous fiscal years. If successful, the FY 2012 budgets would be reimbursed for costs related to FY 2010 and FY 2011.

One claimant opted to return to employment with the Board of Parole as an Administrative Law Judge (ALJ). The Board is budgeted for one ALJ but now has two. One employee is currently deployed with the military and the other returned due to the PERB decision. The Board of Parole’s budget for FY 2013 is at a projected deficit given current funding and staffing. *The Governor is recommending an increase of \$150,000 to fund the ALJ position and support costs.*

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 2013 General Fund appropriations totaling \$7.5 million. This is an increase of \$148,000 (2.7%) compared to estimated FY 2012 for the Deputy Adjutant General Army position.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Public Defense, Dept. of</u>			
Public Defense, Dept. of			
Public Defense, Department of	\$ 5,527,042	\$ 5,675,042	\$ 148,000
Emergency Management Division			
Homeland Security & Emer. Mgmt.	\$ 1,836,877	\$ 1,836,877	\$ 0
Total Public Defense, Dept. of	<u>\$ 7,363,919</u>	<u>\$ 7,511,919</u>	<u>\$ 148,000</u>

Issues

Tuition Assistance – Due to a reduction in deployments as a result of the withdrawal of U.S. troops from Iraq, the National Guard is anticipating an increased need for tuition assistance through the College Student Aid Commission. The Guard is estimating that approximately \$5.2 million would be needed for 1,500 unduplicated students or 2,400 semester awards. *The Governor is recommending \$5.2 million for this Program in order to reach 100.0% reimbursement level. This appropriation is part of the Education Appropriations Subcommittee budget.*

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 (DCI), Division of Narcotics Enforcement, Fire Marshal's Office, and the State Patrol Division.

The Governor is recommending FY 2013 General Fund appropriations totaling \$80.6 million. This is no change compared to estimated FY 2012.

General Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Public Safety, Department of</u>			
Public Safety, Dept. of			
Public Safety Administration	\$ 4,007,075	\$ 4,007,075	\$ 0
Public Safety DCI	12,533,931	12,533,931	0
DCI - Crime Lab Equipment/Training	302,345	302,345	0
Narcotics Enforcement	6,429,884	6,429,884	0
Public Safety Undercover Funds	109,042	109,042	0
DPS Fire Marshal	4,298,707	4,298,707	0
Iowa State Patrol	51,903,233	51,903,233	0
DPS/SPOC Sick Leave Payout	279,517	279,517	0
Fire Fighter Training	725,520	725,520	0
Total Public Safety, Department of	<u>\$ 80,589,254</u>	<u>\$ 80,589,254</u>	<u>\$ 0</u>

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Public Safety, Department of</u>			
Public Safety, Dept. of			
DPS Gaming Enforcement	\$ 10,335,709	\$ 10,335,709	\$ 0
Total Public Safety, Department of	<u>\$ 10,335,709</u>	<u>\$ 10,335,709</u>	<u>\$ 0</u>

Issues

Sex Offender Registry Compliance and Loss of Federal Funds – Due to not being in compliance with the Adam Walsh Child Protection and Safety Act of 2006 (Public Law 109-248), Iowa will lose approximately \$200,000 (or 10.0%) in Byrne Justice Assistance Grants funding for FFY 2012. This will primarily impact the Office of Drug Control Policy and the pass-through funds available to local law enforcement.

The US Department of Justice has announced a reallocation program for states that are not in compliance with the Act. States can reapply for the money they are set to lose. However, if a reallocation is awarded, the funds can only be used for Sex Offender Registry enhancements and improvements. If Iowa receives a reallocation amount, the DPS proposes to use some of the money to update the criminal history database and the remainder of the money would be used to purchase computers and electronic signature pads for Sheriffs' offices who are in need of new computers to be used to register offenders on the State database. The Department stated it will be late January before the reallocation request is approved or denied.

Gaming Enforcement Fund – The Gaming Enforcement Revolving Fund under the control of the DPS was created for the collection of fees for direct and indirect costs paid by licensees for the regulation of boats and racetracks by the DCI. The Fund supports 120.0 FTE positions at an estimated cost of \$10.3 million. Any future direct and indirect cost increases, such as supplies, equipment, fuel, and costs associated with support personnel, will need to be adjusted in legislation in order to allow DPS the ability to bill the gaming industry and retain the receipts. The DCI no longer receives a General Fund appropriation for gaming enforcement but instead receives funding from the Gaming Enforcement Revolving Fund. The Fund is capped at \$10.3 million and 120.0 FTE positions. These figures will need to be reviewed by the Justice System Appropriations Subcommittee on an annual basis. The Justice System Appropriations Subcommittee may wish to review the boiler plate language in the budget bill for when casinos come on-line when the Legislature is not in Session and also may wish to look at the appropriation and FTE cap in the Justice budget bill to take into account the additional FTE needed for a high patronage boat.

Iowa State Patrol Vehicles – For FY 2012, the Department ordered a total of 75 vehicles (25 2011 Dodge Chargers and 50 2012 Dodge Chargers) purchased with FY 2011 funds. The delivery was staggered, with the Department receiving approximately 10 cars per month, and all being received by January 2012. The Department's goal is to replace cars on a three-year cycle, maintaining the mileage below 100,000 miles per car. However, due to budget reductions, mileage is closer to 130,000 per car and the replacement cycle is closer to a four-year cycle. The Department also purchased four Chevrolet Tahoes which will be used by troopers assigned to the K-9 unit. (There are four dogs assigned to the Iowa State Patrol and trained in detecting controlled substances.) The vehicle order of approximately 100 vehicles for FY 2012 will be placed later this Spring with a staggered delivery date. Of the 387 vehicles, 150 (38.8%) are below 70,000 miles.

As of November 2011:

Vehicles in excess of 100,000 miles = 114

Vehicles in excess of 90,000 miles = 57

Vehicles in excess of 80,000 miles = 38

Vehicles in excess of 70,000 miles = 28

Total = 237

Peace Officers Retirement Fund 2.0% Contribution Rate Increase – The State contribution rate for the Peace Officer's Retirement Fund will increase from 25.0% to 27.0% for FY 2013. These increases are funded through the Salary Adjustment Act. In years when there is no salary adjustment, the Department has to absorb the cost increase within the operating budget. The increase is approximately \$882,800 compared to estimated FY 2012. The following is the increase by Division:

- Division of Criminal Investigation - \$88,583
- Narcotics Enforcement - \$84,641
- Fire Marshal's Office - \$43,157
- Iowa State Patrol - \$529,024
- Gaming Enforcement Fund Special Agents - \$137,393

The Governor is not recommending the funding of salary adjustment for FY 2013.

Merging DOT Motor Vehicle Enforcement officers with the Department of Public Safety – During the 2011 Interim, the DOT announced it was exploring a proposal to merge the Department's motor vehicle enforcement duties and up to 106 DOT Motor Vehicle Enforcement (MVE) officers with the Iowa State Patrol in the Department of Public Safety (DPS). The primary duties of the MVE officers are to enforce weight requirements, equipment safety and other laws pertaining to the commercial trucking industry operating on highways in the State. In contrast, the Iowa State Patrol enforces overall traffic laws and

assists in general law enforcement roles. An example of a potential impact that needs to be considered moving forward is the effect on the Iowa Law Enforcement Academy (ILEA) budget if they do not train MVE officers. On average, the DOT pays the ILEA \$75,000 a year for MVE officer training. In December 2011, the DPS and the DOT submitted a memo to the General Assembly outlining the planning stages of a possible merger that highlighted integration of traffic engineering and law enforcement activities while maintaining respective departmental authority. The memo stated that \$5.3 million from the General Fund would be needed to complete the merger. Further, the memo specified that the Departments would recommend movement of the MVE officers to DPS during the 2013 Legislative Session. The LSA will continue to monitor the issue and provide updates during the 2012 Legislative Session

Narrowband Mandate and State Agency Communications Systems – The Federal Communications Commission mandated that all nonfederal public safety license holders on frequencies ranging from 150-512 MHz reduce their operating bandwidth from 25 kHz to 12.5 kHz narrowband channels and update their operating licenses by January 1, 2013. Failure to do so may result in the loss of communication capabilities and fines. Most State public safety radio systems use 25.0 kHz channels. Narrowbanding to 12.5 kHz will affect radio and pager coverage. Agencies that narrowband in analog will have further reductions of coverage. The mandate affects several agencies, including the Departments of Public Safety, Transportation, Natural Resources, Public Health, Agriculture and Land Stewardship, and Corrections.

The Departments of Public Health and Agriculture and Land Stewardship reported that their radios have been narrowbanded. The DOT has begun the process of upgrading their radios using funds from the Road Use Tax Fund and the Primary Road Fund, via the Material and Equipment Revolving Fund (established in [Iowa Code section 307.47](#)). The Department of Natural Resources (DNR) received authorization in SF 509 (FY 2012 Agriculture and Natural Resources Appropriations Act) to use unappropriated funds in the Fish and Game Protection Fund to purchase the radios. As of December 2011, the DNR has issued an RFP for that effort. In HF 648 (FY 2012 Infrastructure Appropriations Act), the DPS received \$2.5 million annually from the Technology Reinvestment Fund for FY 2012 through FY 2014 to work toward achieving compliance and upgrading their radio equipment and work toward a goal of interoperability. The DPS is purchasing radios through an existing State Master Agreement established through the Department of Administrative Services. The Department of Corrections (DOC) did not receive funding for upgrades in FY 2012, but will require funding for upgrades in order to meet the mandate.

Per HF 648, the DPS is required to report on the status of efforts and estimated needs and costs for DPS, DOC, and DNR to meet the federal narrowbanding mandate. The report is due to the Legislative Services Agency and Department of Management by January 13, 2012.

The Governor is recommending \$3.5 million from the RIIF to the Department of Corrections for FY 2013 for purposes of complying with the mandate. In addition, the previously enacted appropriations for radio communications upgrades for the Department of Public Safety for FY 2013 and FY 2014 from the Technology Reinvestment Fund are maintained.

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

Inmate Geriatric and Psychiatric Patients Study Committee

The [Inmate Geriatric and Psychiatric Patients Study Committee](#) met at the Iowa Medical Classification Center (IMCC) at Oakdale on September 28 and in Des Moines November 30, 2011. Committee members and staff toured the forensic hospital and medical services area of the IMCC. Iowa is the only state that houses its forensic hospital in a prison setting. Information and testimony included:

- The Directors of the Departments of Human Services and Corrections presented information and responded to questions regarding mental health issues and treatment, as well as security and funding.
- Dr. Deol, Medical Director of the DOC, presented information concerning the medical and mental health trends in the corrections system.
- Board of Parole Chair Elizabeth Robinson and Vice Chair Doris Kelley provided input via the Iowa Communications Network. Eligibility of any proposed medical parole was discussed.
- DOC Director John Baldwin presented the Department's report for treatment options for geriatric and psychiatric patients.
- Director Baldwin also provided information regarding cost comparisons of nursing homes and gero-psychiatric care, care provided by the University of Iowa Hospitals and Clinics, and the forensic hospital at Oakdale.
- Director Baldwin also provided an overview of the DOC's interaction with the Board of Parole, data exchanges, and release recommendations.

Other presentations included:

- Superintendent Mark Lund presented an overview of the Clarinda Treatment Complex, concentrating on services provided by the Department of Human Services. Space is available to house more gero-psychiatric patients, but additional funds are required.
- State Medicaid Director Jennifer Vermeer and Division Administrator Rick Shults presented information regarding federal Medicaid requirements. Generally, the recipient must be at least 65 years of age and on probation or parole to receive Medicaid.
- Superintendent Jason Smith provided a synopsis of treatment profiles for civilly committed sex offenders.
- Board of Parole Chair Elizabeth Robinson explained the Board's risk assessment tool, as well as information considered for granting a release from prison.

The Committee is next scheduled to meet January 12, 2012, in Senate Room 22.

Criminal and Juvenile Justice Planning Division

The [Criminal and Juvenile Justice Planning Division](#) of the Department of Human Rights staffs several committees and issues research reports on topics of interest to the justice system. Reports issued by CJJPD include research on both the adult and juvenile justice systems. Reports can be accessed at: <http://www.humanrights.iowa.gov/cjpp/publications/index.html>. The CJJPD provides [Prison Population Forecasts](#), [recidivism studies](#), [reports on sex offenders](#), [violent offender reports](#), and other documents. Additional information is available on the [CJJP website](#).

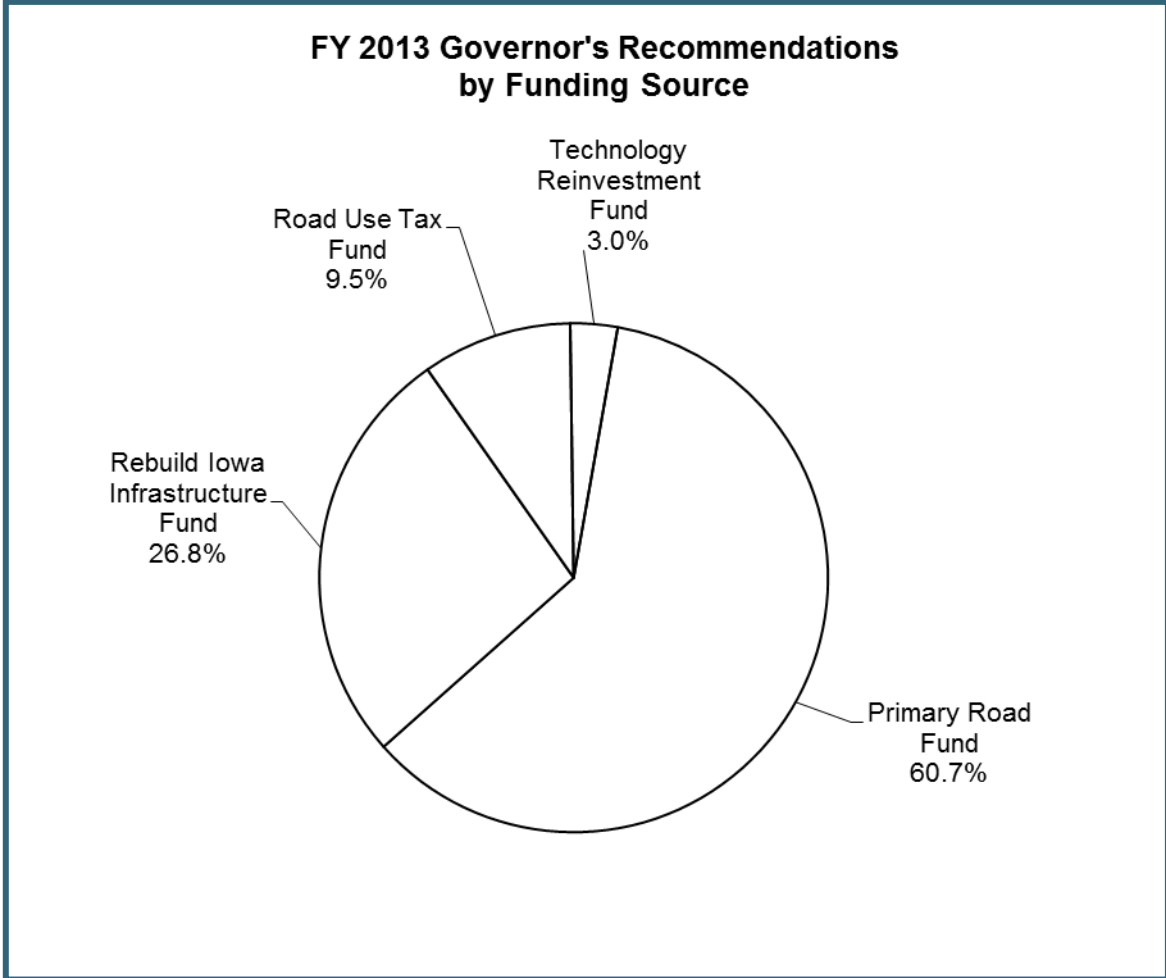
LSA Publications

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

- *Issue Review:* [Corrections Construction and Capacity](#)
- *Fiscal Topic:* [Budget Unit: Department of Public Defense Military Division](#)
- *Fiscal Topic:* [Budget Unit: Homeland Security and Emergency Management Division](#)
- *Fiscal Topic:* [Community-Based Corrections](#)
- *Fiscal Topic:* [Budget Unit: Department of Public Safety Administrative Services Division](#)
- *Fiscal Topic:* [Budget Unit: State Police Officers Council Sick Leave Payout](#)
- *Fiscal Topic:* [Judgeships](#)
- *Fiscal Topic:* [Budget Unit: Legal Services Poverty Grants](#)
- *Fiscal Topic:* [Department of Corrections: State Criminal Alien Assistance Program](#)
- *Fiscal Topic:* [Budget Unit: Iowa State Patrol](#)
- *Fiscal Topic:* [Budget Unit: Undercover Funds](#)
- *Fiscal Topic:* [Budget Unit: Office of the Consumer Advocate](#)
- *Fiscal Topic:* [Budget Unit: Iowa Civil Rights Commission](#)
- *Fiscal Topic:* [Budget Unit: Board of Parole](#)
- *Fiscal Topic:* [Budget Unit: Office of the Attorney General](#)
- *Fiscal Topic:* [Budget Unit: Division of Criminal Investigation](#)
- *Fiscal Topic:* [Budget Unit: Iowa Law Enforcement Academy](#)
- *Fiscal Topic:* [Budget Unit: Iowa State Patrol](#)
- *Fiscal Topic:* [Budget Unit: State Fire Marshal's Office](#)
- *Fiscal Topic:* [Community-Based Corrections Residential Facilities](#)
- *Fiscal Topic:* [Department of Corrections Training](#)

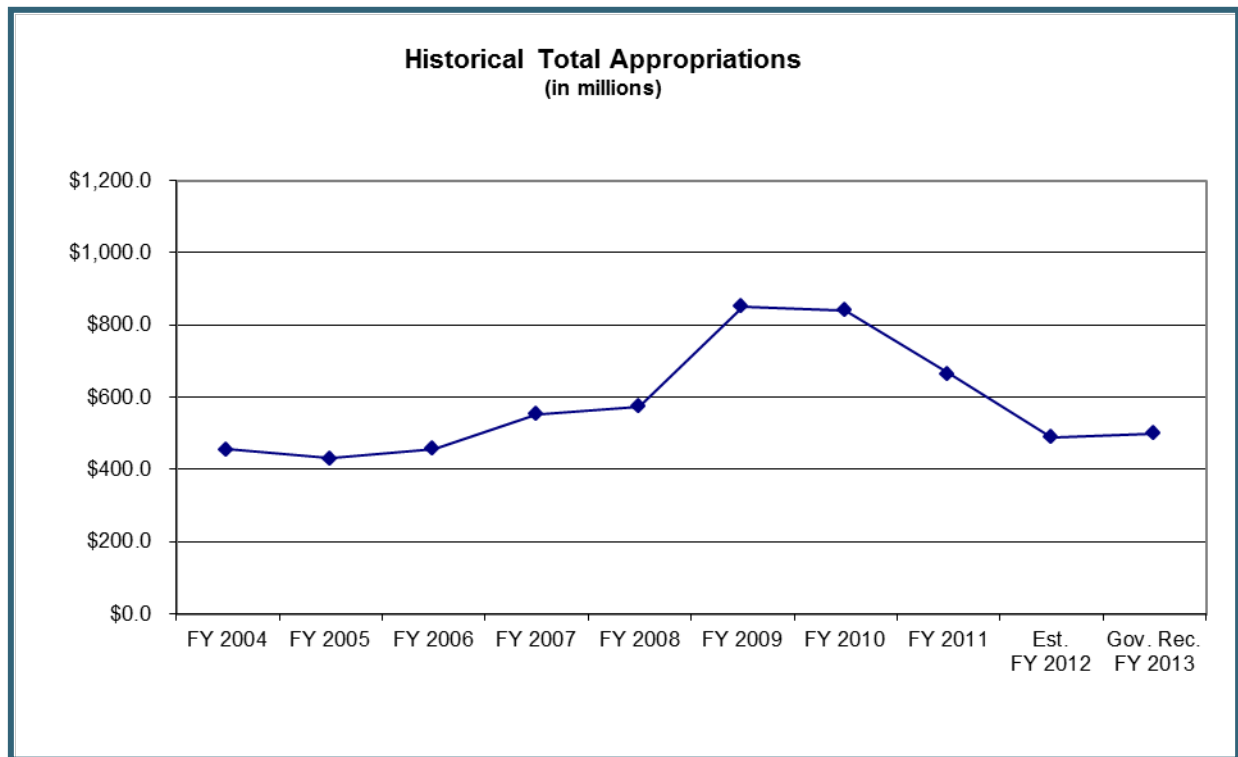
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TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE



FY 2013 Governor's Recommendations by Funding Source

Primary Road Fund	\$ 303,216,337
Rebuild Iowa Infrastructure Fund	134,044,598
Road Use Tax Fund	47,622,319
Technology Reinvestment Fund	14,977,560
	<u>\$ 499,860,814</u>



FY 2013 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 division budget units but are essential for operation of the Department.

The Governor is recommending FY 2013 appropriations totaling \$350.8 million. This is an increase of \$4.9 million compared to estimated FY 2012. The total recommendation includes \$47.6 million from the Road Use Tax Fund and \$303.2 million from the Primary Road Fund.

Road Use Tax Fund and Primary Road Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs. Est. FY 2012</u>
<u>Transportation, Department of</u>			
Road Use Tax Fund			
Motor Vehicle	\$ 33,921,000	\$ 33,921,000	\$ 0
Operations	6,570,000	6,570,000	0
Drivers' Licenses	3,876,000	3,876,000	0
County Treasurers Support	1,406,000	1,406,000	0
Scale Replacement	550,000	550,000	0
Planning & Programming	458,000	458,000	0
Department of Administrative Services	225,000	228,000	3,000
Scale/MVD Facilities Maintenance	200,000	200,000	0
Workers' Compensation	119,000	121,000	2,000
Road/Weather Conditions Info	100,000	100,000	0
Indirect Cost Recoveries	78,000	78,000	0
Auditor Reimbursement	67,319	67,319	0
Mississippi River Parkway Commission	40,000	40,000	0
Unemployment Compensation	7,000	7,000	0
Subtotal - Road Use Tax Fund	<u>\$ 47,617,319</u>	<u>\$ 47,622,319</u>	<u>\$ 5,000</u>
Primary Road Fund			
Highway	\$ 230,913,992	\$ 232,672,498	\$ 1,758,506
Operations	40,356,529	40,607,023	250,494
Planning & Programming	8,697,095	8,697,095	0
Inventory & Equipment	5,366,000	5,366,000	0
Workers' Compensation	2,846,000	2,889,000	43,000
Swea City Garage	2,100,000	0	-2,100,000
New Hampton Garage	0	5,200,000	5,200,000
Motor Vehicle	1,413,540	1,413,540	0
Department of Administrative Services	1,388,000	1,404,000	16,000
Wastewater Treatment	1,000,000	1,000,000	0
Field Facility Deferred Maintenance	1,000,000	1,000,000	0
Garage Fuel & Waste Management	800,000	800,000	0
Indirect Cost Recoveries	572,000	572,000	0
Auditor Reimbursement	415,181	415,181	0
Utility Improvements	400,000	400,000	0
HVAC Improvements	400,000	200,000	-200,000
Transportation Maps	242,000	242,000	0
Garage Roofing Projects	200,000	200,000	0
Unemployment Compensation	138,000	138,000	0
Ames Elevator Upgrade	100,000	0	-100,000
Subtotal - Primary Road Fund	<u>\$ 298,348,337</u>	<u>\$ 303,216,337</u>	<u>\$ 4,868,000</u>
Total Department of Transportation	<u>\$ 345,965,656</u>	<u>\$ 350,838,656</u>	<u>\$ 4,873,000</u>

Significant recommendations for the Highway budget unit include:

- An overall net increase of \$1.8 million that reflects:
 - A transfer of \$251,000 and 3.0 FTE positions from the Highway budget to the Operations budget unit to consolidate all civil rights monitoring activities within the Operations Division of the DOT.
 - An increase of \$1.3 million for road salt costs.
 - An increase of \$130,000 for support to maintain additional lane miles added to the State system.
 - An increase of \$330,000 for traffic line marking paint.
 - An increase of \$203,000 for equipment depreciation.

Significant special purpose recommendations include:

- Equipment Replacement – Maintaining the FY 2012 funding level, \$5.4 million, for inventory and equipment replacement. This item is discussed in the *Issues* section below.
- Workers' Compensation – An increase of \$45,000 for workers' compensation payments.
- Department of Administrative Services (DAS) – An increase of \$19,000 for personnel and utility services from the DAS.

Significant DOT capitals for FY 2013 that were previously enacted in HF 683 (FY 2012 Transportation Appropriations Act) and maintained by the Governor's recommendations include:

- \$5.2 million for costs associated with a new maintenance garage and administrative building in New Hampton. The DOT typically tries to replace one of its 109 garages per year.
- \$1.0 million for wastewater treatment.
- \$1.0 million for field facility deferred maintenance.
- \$550,000 for scale replacement.
- \$400,000 for utility improvements.
- \$200,000 for garage roofing projects.
- \$200,000 for motor vehicle division field facility maintenance.
- \$200,000 for HVAC improvements at various locations. This is a decrease of \$200,000 compared to FY 2012. Funding at this level, however, allows the DOT to resume HVAC improvements on a normal schedule and was the requested amount for FY 2013. The FY 2012 funding was higher in order to update exhaust and radiant heat systems at locations that had been backlogged.

Issues

Merging DOT Motor Vehicle Enforcement officers with the Department of Public Safety – During the 2011 Interim, the DOT announced it was exploring a proposal to merge the Department's motor vehicle enforcement duties and up to 106 DOT Motor Vehicle Enforcement (MVE) officers with the Iowa State Patrol in the Department of Public Safety (DPS). The primary duties of the MVE officers are to enforce weight requirements, equipment safety and other laws pertaining to the commercial trucking industry operating on highways in the State. In contrast, the Iowa State Patrol enforces overall traffic laws and

assists in general law enforcement roles. An example of a potential impact that needs to be considered moving forward is the effect on the Iowa Law Enforcement Academy (ILEA) budget if they do not train MVE officers. On average, the DOT pays the ILEA \$75,000 a year for MVE officer training. In December 2011, the DPS and the DOT submitted a memo to the General Assembly outlining the planning stages of a possible merger that highlighted integration of traffic engineering and law enforcement activities while maintaining respective departmental authority. The memo stated that \$5.3 million from the General Fund would be needed to complete the merger. Further, the memo specified that the Departments would recommend movement of the MVE officers to DPS during the 2013 Legislative Session. The LSA will continue to monitor the issue and provide updates during the 2012 Legislative Session.

Equipment Replacement Backlog – In FY 2012, the DOT requested and received an increase of \$3.1 million for inventory and equipment replacement funds. For FY 2013, the DOT requested the same level of funding as estimated FY 2012. The funding will cover the incremental difference (replacement cost minus original cost) in replacement equipment costs. The DOT did not request an appropriation for inventory and equipment in FY 2003 to FY 2006 as a way to keep budget increases down. From FY 2007 through FY 2011, the amount was held constant at \$2.3 million. The funding has not been sufficient to replace the equipment on schedule, and a backlog of equipment needs exists. The sustained higher level in the inventory and equipment appropriation will help the Department address the needs over the new few fiscal years so that a normal replacement schedule can resume.

The additional FY 2013 funding will purchase six medium duty trucks (\$913,000), eight heavy duty trucks (\$1,410,000), two snow blowers (\$750,000), and two medium duty loaders (\$212,000). The last purchase of a snow blower was twenty one years ago, and parts are no longer available from the manufacturer. The Department advises that funding for inventory and equipment will need to remain at the higher level of \$5.4 million for a few years to eliminate the backlog of equipment needs.

The Governor is recommending \$5.4 million for inventory and equipment replacement for FY 2013.

The Governor's Transportation 2020 Citizen Advisory Commission – In March 2011, Governor Branstad created the Governor's Transportation 2020 Citizen Advisory Commission to assess the condition of the current and future roadway system in Iowa. The Commission gathered input from the public and stakeholders regarding the condition of the public roadway system, the impact of the system, whether additional funds were needed to maintain/improve the system, and, if so, what funding mechanisms ought to be considered. In December 2011, the Commission concluded its work and suggested:

- An increase in state fuel tax rates across the board by eight to ten cents;
- An increase in the "Fee for New Registration" from 5.0% to 6.0%;
- The DOT should evaluate and recommend a funding mechanism in their report to the 2012 General Assembly that applies to alternatively fueled, hybrid, and high fuel efficiency vehicles (including commercial vehicles);
- New funding should go to the TIME-21 Fund up to the cap (\$225.0 million) and remaining new funding should be distributed consistent with the Road Use Tax Fund distribution formula;
- The Iowa Code should be changed to require the study of the sufficiency of Iowa's road funds to meet road system needs every two years instead of every five years;
- The DOT should annually convene meetings with cities and counties to review the operation, maintenance, and improvement of Iowa's public roadway system to identify ways to jointly increase efficiency; efficiency actions should be quantified, measured and reported to the public on a regular basis;

- And, by June 30, 2012, the DOT should complete a study of vehicles and equipment that use Iowa’s public roadway system but do not pay user fees or that pay substantially lower user fees than other vehicles and equipment.

In January 2012, the Chairs of the Senate and House Transportation Committees introduced a bipartisan proposal for legislation that incorporates many of the above recommendations as well as renaming driver license fees so that these funds would have the same constitutional protection as gas tax and registration fees.

As of November 2011, the Governor asked the DOT to find \$50.0 million in cost savings and efficiencies within the Iowa public roadway system and noted that he would not propose a gas tax increase during the 2012 Legislative Session. The DOT is looking internally, as well as working with local jurisdictions, to identify funding efficiencies.

Infrastructure and Capital Recommendations

The Governor is recommending a total of \$149.0 million for infrastructure-related projects and programs for FY 2013. This is an overall increase of \$5.1 million compared to estimated FY 2012. Primary infrastructure funding sources for FY 2013 include the Rebuild Iowa Infrastructure Fund (RIIF) and the Technology Reinvestment Fund. In estimated FY 2012, additional infrastructure resources included the Revenue Bonds Capitals Fund and Revenue Bonds Capitals II Fund.

Of the \$149.0 million in recommendations, \$134.0 million is being recommended from the RIIF and \$15.0 million from the Technology Reinvestment Fund.

Rebuild Iowa Infrastructure Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Administrative Services - Capitals</u>			
Administrative Services - Capitals			
Lucas Bldg SOS Office Security	\$ 45,000	\$ 0	\$ -45,000
Historical Building Repairs	1,200,000	0	-1,200,000
Total Administrative Services - Capitals	\$ 1,245,000	\$ 0	\$ -1,245,000
<u>Blind Capitals, Dept. for the</u>			
Dept. for the Blind Capitals			
Replace Air Handlers and Improvements	\$ 1,065,674	\$ 0	\$ -1,065,674
Total Blind Capitals, Dept. for the	\$ 1,065,674	\$ 0	\$ -1,065,674

Transportation, Infrastructure, and Capitals Appropriations Subcommittee

	Estimated FY 2012	Gov Rec FY 2013	Gov Rec vs Est. FY 2012
<u>Corrections Capital</u>			
Corrections Capital			
Radio Replacement per Mandate	\$ 0	\$ 3,500,000	\$ 3,500,000
Newton Hot Water Loop Repair	0	425,000	425,000
Mitchellville Construction and Expansion	14,761,556	14,170,062	-591,494
Fort Madison ISP One-Time Costs	5,155,077	18,269,124	13,114,047
Construction Project Management	4,500,000	1,000,000	-3,500,000
Total Corrections Capital	\$ 24,416,633	\$ 37,364,186	\$ 12,947,553
<u>Cultural Affairs, Dept. of</u>			
Cultural Affairs, Dept. of			
Great Places Infrastructure Grants	\$ 1,000,000	\$ 0	\$ -1,000,000
Historical Museum Renovation and Visitor Ctr	0	2,000,000	2,000,000
Total Cultural Affairs, Dept. of	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000
<u>Economic Development Authority</u>			
Economic Development, Dept. of			
ACE Infrastructure Comm Colleges	\$ 5,000,000	\$ 0	\$ -5,000,000
Regional Sports Authorities	500,000	0	-500,000
World Food Prize Borlaug/Ruan Scholar	100,000	0	-100,000
Community Attraction & Tourism Grants	5,300,000	0	-5,300,000
Grow Iowa Values Fund	15,000,000	0	-15,000,000
Camp Sunnyside Cabins	250,000	0	-250,000
Total Economic Development Authority	\$ 26,150,000	\$ 0	\$ -26,150,000
<u>Education Capital</u>			
Education Capital			
IPTV Building Purchase	\$ 1,255,550	\$ 0	\$ -1,255,550
IPTV - Inductive Output Tubes	0	320,000	320,000
Community College Infrastructure	1,000,000	0	-1,000,000
Total Education Capital	\$ 2,255,550	\$ 320,000	\$ -1,935,550
<u>Human Services Capital</u>			
Human Services - Capital			
Nursing Facility Const/Improvements	\$ 285,000	\$ 0	\$ -285,000
Total Human Services Capital	\$ 285,000	\$ 0	\$ -285,000
<u>Iowa Finance Authority</u>			
Iowa Finance Authority			
State Housing Trust Fund	\$ 3,000,000	\$ 2,000,000	\$ -1,000,000
Total Iowa Finance Authority	\$ 3,000,000	\$ 2,000,000	\$ -1,000,000
<u>Management, Dept. of</u>			
Management, Dept. of			
Grants Enterprise Management Sys	\$ 0	\$ 125,000	\$ 125,000
Total Management, Dept. of	\$ 0	\$ 125,000	\$ 125,000

Transportation, Infrastructure, and Capitals Appropriations Subcommittee

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Natural Resources, Dept. of</u>			
Natural Resources			
Floodplain Mgmt and Dam Safety	\$ 2,000,000	\$ 0	\$ -2,000,000
State Park Infrastructure	5,000,000	5,000,000	0
Lakes Restoration & Dredging	5,459,000	5,459,000	0
Lake Delhi Improvements	0	2,500,000	2,500,000
Total Natural Resources	\$ 12,459,000	\$ 12,959,000	\$ 500,000
<u>Public Defense Capital</u>			
Public Defense Capital			
Facility/Armory Maintenance	\$ 2,000,000	\$ 2,000,000	\$ 0
Muscatine Readiness Center	100,000	0	-100,000
Statewide Modernization Readiness Ctrs	1,800,000	0	-1,800,000
Camp Dodge Infrastructure Upgrades	1,000,000	0	-1,000,000
Joint Forces HQ Renovation	1,000,000	0	-1,000,000
Total Public Defense Capital	\$ 5,900,000	\$ 2,000,000	\$ -3,900,000
<u>Regents, Board of</u>			
Regents, Board of			
Regents Tuition Replacement	\$ 24,305,412	\$ 25,130,412	\$ 825,000
UI - Iowa Flood Center	1,300,000	0	-1,300,000
Fire Safety and Deferred Maintenance	2,000,000	2,000,000	0
ISU - Ag/Biosystems Engineering	1,000,000	20,800,000	19,800,000
UI - Dental Science Building	1,000,000	12,000,000	11,000,000
UNI - Bartlett Hall	1,000,000	8,286,000	7,286,000
Total Regents, Board of	\$ 30,605,412	\$ 68,216,412	\$ 37,611,000
<u>Transportation, Dept. of</u>			
Transportation, Dept. of			
Recreational Trails Grants	\$ 3,000,000	\$ 2,500,000	\$ -500,000
Public Transit Infrastructure Grants	1,500,000	1,500,000	0
Commercial Aviation Infrastructure Grants	1,500,000	1,500,000	0
General Aviation Infrastructure Grants	750,000	750,000	0
Railroad Revolving Loan & Grant	2,000,000	1,750,000	-250,000
Total Transportation, Dept. of	\$ 8,750,000	\$ 8,000,000	\$ -750,000
<u>Treasurer of State</u>			
Treasurer of State			
County Fair Improvements	\$ 1,060,000	\$ 1,060,000	\$ 0
Total Treasurer of State	\$ 1,060,000	\$ 1,060,000	\$ 0

	Estimated FY 2012	Gov Rec FY 2013	Gov Rec vs Est. FY 2012
<u>Veterans Affairs, Dept. of</u>			
Veterans Affairs, Department of			
Veterans Home Ownership Assistance	\$ 1,000,000	\$ 0	\$ -1,000,000
Total Veterans Affairs, Dept. of	<u>\$ 1,000,000</u>	<u>\$ 0</u>	<u>\$ -1,000,000</u>
<u>Veterans Affairs Capitals</u>			
Veterans Affairs Capital			
IVH Generator Emissions	\$ 250,000	\$ 0	\$ -250,000
Total Veterans Affairs Capitals	<u>\$ 250,000</u>	<u>\$ 0</u>	<u>\$ -250,000</u>
Total Rebuild Iowa Infrastructure Fund	<u>\$ 119,442,269</u>	<u>\$ 134,044,598</u>	<u>\$ 14,602,329</u>

Changes to Current Law RIIF Appropriations:

House File 648 (FY 2012 Infrastructure Appropriations Act) included several out-year appropriations, but did not specifically fund 50.0% of the FY 2012 funding levels. Multi-year projects received funding out to FY 2015, in some cases. Under current law, there is \$124.5 million in previously enacted and standing appropriations from the RIIF for FY 2013. *The Governor is recommending the deappropriation of \$8.0 million from these FY 2013 appropriations, allowing for other items to receive funding.*

Significant changes to current law FY 2013 RIIF appropriations are as follows:

- Reducing the appropriation from the RIIF for the Environment First Fund from \$35.0 million to \$33.0 million. The standing appropriation is \$42.0 million, but in the 2011 Legislative Session, HF 648 reduced the amount for FY 2013 to \$35.0 million. The appropriation was reduced to \$33.0 million for FY 2011 and FY 2012, so the funding level maintains the same level compared to estimated FY 2012. The appropriation is slated to resume at the statutory amount of \$42.0 million in FY 2014.
- Reducing the standing appropriation for the Housing Trust Fund from \$3.0 million to \$2.0 million.
- Eliminating the \$5.0 million RIIF appropriation for the Community Attraction and Tourism (CAT) Grant Program. The funding from RIIF was slated to sunset at the end of FY 2013 under current law. The CAT Grant Program received a total of \$7.3 million from the RIIF and the Revenue Bonds Capitals II Fund in FY 2012. House File 648 eliminated the General Fund appropriation for FY 2013, so only the RIIF appropriation remained in current law.

Significant RIIF recommendations include:

- Department of Corrections – \$3.5 million for upgrading radios per the federal narrowbanding mandate. For a detailed discussion about the narrowbanding mandate see the *Issues* section below. And, \$425,000 for hot water loop repair at the Newton Correctional Facility. The \$3.9 million in new recommendations is in addition to the \$33.4 million for Fort Madison and Mitchellville prison construction and construction management that was previously enacted from the RIIF.

- Department of Cultural Affairs – \$2.0 million for interior repairs and renovation and construction of a visitor’s center at the State Historical Building for the 25th anniversary of the Historical Museum. For estimated FY 2012, \$1.2 million was appropriated to the DAS for exterior repairs at the Historical Building.
- Department of Natural Resources – \$5.5 million for lake restoration and water quality improvement program, including dredging projects to maintain the same level of funding compared to estimated FY 2012. In addition, for FY 2013, the Governor is recommending \$2.5 million for dam restoration at Lake Delhi. For additional discussion see the *Issues* section below. The FY 2013 recommendations maintain the \$5.0 million appropriation for State park infrastructure that was previously enacted.
- Department of Public Defense (Iowa National Guard) – A total of \$2.0 million for facility maintenance projects at the Guard’s readiness centers. This is a decrease of \$3.9 million compared to estimated FY 2012 funding for Iowa National Guard projects.
- Board of Regents – \$25.1 million for the tuition replacement appropriation that pays the debt service on academic revenue bonds. The recommendations maintain the \$43.1 million for FY 2013 for capital projects at the three universities that was previously enacted in HF 648.
- Department of Transportation – A total of \$8.0 million for several multimodal programs, including the Commercial Air Service Infrastructure Grants, General Aviation Infrastructure Grants, Public Transit Infrastructure Grants, recreational trails, and the Rail Revolving Loan and Grant program (freight rail). This is a decrease of \$750,000 compared to estimated FY 2012.

Items Moving from the RIIF to the General Fund

Some items that had been funded from the RIIF are being moved to the General Fund in the Governor’s recommendations for FY 2013, including the following:

- Floodplain Management Program – received \$2.0 million in estimated FY 2012 from the RIIF. Funding of \$2.0 million is being recommended from the General Fund under the Agriculture and Natural Resources Appropriations Subcommittee. See additional discussion in that Subcommittee Section.
- Iowa Flood Center – received \$1.3 million in estimated FY 2012 from the RIIF. According to the Department of Management, funding is being included in the overall General Fund appropriation for the Board of Regents operations, but not a specific line item appropriation. The operations appropriation is included in the Educations Appropriations Subcommittee.
- Military Home Ownership Program – received \$1.0 million in estimated FY 2012 from the RIIF. Funding of \$1.6 million is being recommended from the General Fund under the Health and Human Services Appropriations Subcommittee. See additional discussion in that Subcommittee Section.

Note: The amount of \$134.0 million recommended from the RIIF does not reflect the \$33.0 million for the Environment First Fund or the \$15.0 million for the Technology Reinvestment Fund (in order to avoid double counting). Total appropriations recommended from the RIIF as reflected on the RIIF balance sheet equal \$182.0 million. See **Appendix C** for the RIIF balance sheet.

Technology Reinvestment Fund (TRF) Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Administrative Services</u>			
Administrative Services			
ITE Pooled Technology	\$ 1,643,728	\$ 0	\$ -1,643,728
Total Administrative Services	\$ 1,643,728	\$ 0	\$ -1,643,728
<u>Corrections, Dept. of</u>			
Central Office			
Iowa Corrections Offender Network	\$ 500,000	\$ 500,000	\$ 0
Total Corrections, Dept. of	\$ 500,000	\$ 500,000	\$ 0
<u>Education, Dept. of</u>			
Education, Dept. of			
ICN Part III Leases & Maintenance	\$ 2,727,000	\$ 2,727,000	\$ 0
Statewide Ed Data Warehouse	600,000	600,000	0
Total Education, Dept. of	\$ 3,327,000	\$ 3,327,000	\$ 0
<u>Human Rights, Dept. of</u>			
Human Rights, Department of			
Criminal Justice Info System (CJIS)	\$ 1,689,307	\$ 1,689,307	\$ 0
Total Human Rights, Dept. of	\$ 1,689,307	\$ 1,689,307	\$ 0
<u>Human Services Capital</u>			
Human Services - Capital			
Medicaid Technology	\$ 3,494,176	\$ 4,667,600	\$ 1,173,424
Ctrl IA Ctr for Indep Living	11,000	0	-11,000
Total Human Services Capital	\$ 3,505,176	\$ 4,667,600	\$ 1,162,424
<u>Iowa Tele. & Tech. Commission</u>			
Iowa Communications Network			
ICN Equipment Replacement	\$ 2,248,653	\$ 2,248,653	\$ 0
Total Iowa Tele. & Tech. Commission	\$ 2,248,653	\$ 2,248,653	\$ 0
<u>Management, Dept. of</u>			
Management, Dept. of			
Searchable Online Databases	\$ 50,000	\$ 45,000	\$ -5,000
Total Management, Dept. of	\$ 50,000	\$ 45,000	\$ -5,000

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Public Safety Capital</u>			
Public Safety Capital			
Radio Replacement-TRF	\$ 2,500,000	\$ 2,500,000	\$ 0
Dubuque Fire Training Simulator	<u>80,000</u>	<u>0</u>	<u>-80,000</u>
Total Public Safety Capital	<u>\$ 2,580,000</u>	<u>\$ 2,500,000</u>	<u>\$ -80,000</u>
Total Technology Reinvestment Fund	<u>\$ 15,543,864</u>	<u>\$ 14,977,560</u>	<u>\$ -566,304</u>

Shifting the Technology Reinvestment Fund to the RIIF

Iowa Code section 8.57C provides a standing limited appropriation of \$17.5 million from the General Fund to the Technology Reinvestment Fund. In recent fiscal years, the General Assembly has shifted the funding from the General Fund to the RIIF. Since FY 2010, the funding amount has been reduced from the \$17.5 million. For estimated FY 2012, the funding level was \$15.5 million from the RIIF. The funding to the Technology Reinvestment Fund was slated to resume at the statutory amount from the General Fund in FY 2013. *The Governor is recommending shifting the funding source from the General Fund to the RIIF and reducing the amount to \$15.0 million.*

Current Law Appropriations

House File 648 (FY 2012 Infrastructure Appropriations Act) provided \$7.2 million out-year funding for FY 2013 from the Technology Reinvestment Fund (TRF). The Governor’s recommendations maintain these FY 2013 current law appropriations:

- \$4.7 million for Medicaid technology.
- \$2.5 million for the Department of Public Safety for radio communication upgrades, per the federal narrowbanding mandate. For additional discussion on the radio upgrades, see the *Issues* section below.

Significant TRF recommendations include:

- \$1.7 million for continued development of Criminal Justice Information Systems Integration (CJIS) that maintains the same level of funding compared to estimated FY 2012.
- \$2.7 million for the Department of Education for leases and maintenance associated with the build-out of Part III of the Iowa Communications Network (ICN). This maintains the same level of funding compared to estimated FY 2012.
- \$2.3 million for the Iowa Telecommunications and Technology Commission (ITTC) for ICN equipment replacement. This maintains the same level of funding compared to estimated FY 2012.
- \$45,000 for the Department of Management for the searchable online budget and tax database. This is a decrease of \$5,000 compared to estimated FY 2012 for the project.

Issues

Iowa Communications Network RFP Implementation – During the 2011 Legislative Session, the General Assembly enacted legislation requiring the ITTC to issue a Request for Proposal (RFP) to sell or lease the ICN. The ITTC and ICN staff have been working toward this goal, issued an RFP, and hired Fiberutilities Group to coordinate the effort for issuing the RFP to sell or lease the network. During the 2011 Legislative Interim, several stakeholders were invited to be part of an RFP Implementation Team (RIT) that will provide input and help focus the assumptions that will be incorporated into the RFP. The groups represented were: ITTC, Governor’s Office/Department of Management, Auditor’s Office, Attorney General’s Office, Department of Public Safety, Department of Education, Iowa Hospital Association, Community Colleges, as well as legislative members from both chambers (all four caucuses). The RIT was not mandated as part of the legislation, but the ITTC reached out to the stakeholders and asked if they would be willing to participate in forming and crafting the foundational assumptions needed for the RFP. The RIT has completed its work and anticipated foundational assumptions will be finalized by February 1, 2012, after review by the ITTC. The ICN staff and Fiberutilities Group are working on property, contract, and asset identification and documentation during the first quarter of 2012. The RFP projected plan and outline will be created by March 2012. The legislation required the RFP to provide for the sale to be concluded or the lease to commence during FY 2013.

Narrowband Mandate and State Agency Communications Systems – The Federal Communications Commission mandated that all nonfederal public safety license holders on frequencies ranging from 150-512 MHz reduce their operating bandwidth from 25 kHz to 12.5 kHz narrowband channels and update their operating licenses by January 1, 2013. Failure to do so may result in the loss of communication capabilities and fines. Most State public safety radio systems use 25.0 kHz channels. Narrowbanding to 12.5 kHz will affect radio and pager coverage. Agencies that narrowband in analog will have further reductions of coverage. The mandate affects several agencies, including the Departments of Public Safety, Transportation, Natural Resources, Public Health, Agriculture and Land Stewardship, and Corrections.

The Departments of Public Health and Agriculture and Land Stewardship reported that their radios have been narrowbanded. The DOT has begun the process of upgrading their radios using funds from the Road Use Tax Fund and the Primary Road Fund, via the Material and Equipment Revolving Fund (established in [Iowa Code section 307.47](#)). The Department of Natural Resources (DNR) received authorization in SF 509 (FY 2012 Agriculture and Natural Resources Appropriations Act) to use unappropriated funds in the Fish and Game Protection Fund to purchase the radios. As of December 2011, the DNR has issued an RFP for that effort. In HF 648 (FY 2012 Infrastructure Appropriations Act), the DPS received \$2.5 million annually from the Technology Reinvestment Fund for FY 2012 through FY 2014 to work toward achieving compliance and upgrading their radio equipment and work toward a goal of interoperability. The DPS is purchasing radios through an existing State Master Agreement established through the Department of Administrative Services. The Department of Corrections (DOC) did not receive funding for upgrades in FY 2012, but will require funding for upgrades in order to meet the mandate.

Per HF 648, the DPS is required to report on the status of efforts and estimated needs and costs for DPS, DOC, and DNR to meet the federal narrowbanding mandate. The report is due to the Legislative Services Agency and Department of Management by January 13, 2012.

The Governor is recommending \$3.5 million from the RIIF to the Department of Corrections for FY 2013 for purposes of complying with the mandate. In addition, the previously enacted appropriations for radio

communications upgrades for the Department of Public Safety for FY 2013 and FY 2014 from the Technology Reinvestment Fund are maintained.

Lake Delhi – Lake Delhi was created in the 1920s by the construction of a hydroelectric dam on the Maquoketa River. Lake Delhi previously received State appropriations for dam maintenance, lake dredging, and related improvements. In FY 2011, Lake Delhi received a \$100,000 allocation from the Revenues Bonds Capitals Fund appropriation for lake restoration. Lake Delhi received \$100,000 in both FY 2008 and FY 2009 from the RIIF for dam maintenance and lake dredging. The dam flooded and failed in July 2010.

House File 648 (FY 2012 Infrastructure Appropriations Act) provided \$350,000 for a hydrological and engineering study for preconstruction of the dam at Lake Delhi. The study was recommended by the Lake Delhi Task Force in December 2010. Once the preconstruction dam restoration study is completed, it must be filed with the General Assembly. The Act included intent language for the General Assembly to appropriate funds for the restoration and reconstruction of the Lake Delhi dam in FY 2013 and FY 2014, contingent on receipt of the completed preconstruction hydrological and engineering study. Amounts for the future funding were not specified in the Act. In earlier versions of the Infrastructure Appropriations Bill, amounts of \$2.5 million per year had been in the legislation, but during the Conference Committee on the Infrastructure budget, the specified amounts were removed so the legislation that was enacted did not include specified amounts. After the 2011 Legislative Session, the Governor vetoed the paragraph containing the intent language that the General Assembly will appropriate an unspecified amount of funds in FY 2013 and FY 2014 to repair the dam, stating that it was premature to assume the State will obligate funds for the dam until the study is completed and analyzed by the Governor and General Assembly.

The Lake Delhi Recreational Facility and Water Quality District Board of Trustees facilitated the start of the study in September 2011. The first step in the study was to use a drill rig to bore down and retrieve rock samples so engineers can determine if there are any fissures, cracks, or other weaknesses in the foundation. According to press articles released in September 2011, the local Community Fund to Rebuild Lake Delhi has raised \$1.5 million toward a new dam, with a goal of raising \$3.5 million. The engineering study final report was completed on December 21, 2011. According to the report, the estimated cost of the recommended project for restoration of the dam is \$11.9 million.

The Governor is recommending \$2.5 million from the RIIF for FY 2013 for the Lake Delhi dam restoration.

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 \(RIIF\)](#) (as of December 2011)
- *Budget Unit Fiscal Topic:* [511 Travel Information System](#)
- *Budget Unit Fiscal Topic:* [Department of Transportation Planning, Programming and Modal Division](#)
- *Issue Review:* [Rebuild Iowa Infrastructure Fund \(RIIF\) - discussing history, trends, and status](#)

Documents that will be forthcoming in 2012 are:

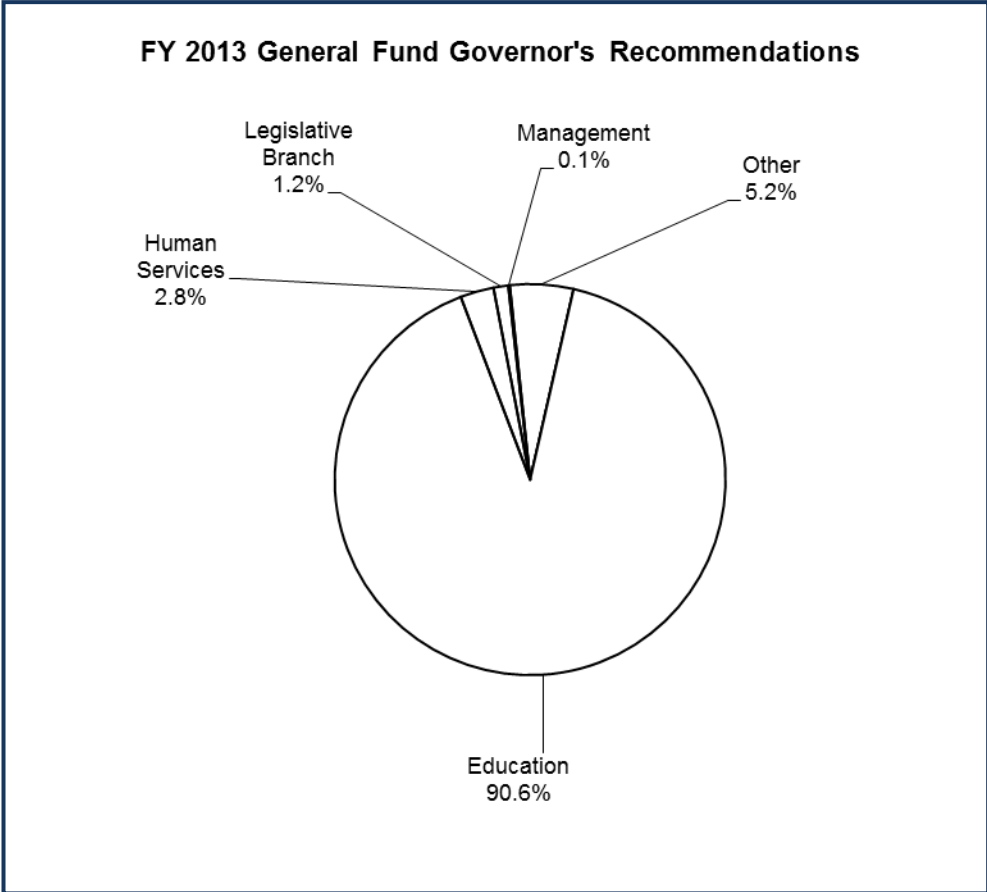
- *Outstanding Obligations Report*: Status of Outstanding Obligations on Selected State Obligations
- *Annual Infrastructure Status Reports*: Submitted from agencies that received infrastructure funding and compiled by the LSA.
- [Lunch and Learn Presentations](#): Presentations on Road Funding and Infrastructure Funding

Other items published on the website of interest may be:

- [Fiscal One-On-Ones](#): Interviews conducted by Fiscal Services staff with various State agencies on topics of interest.

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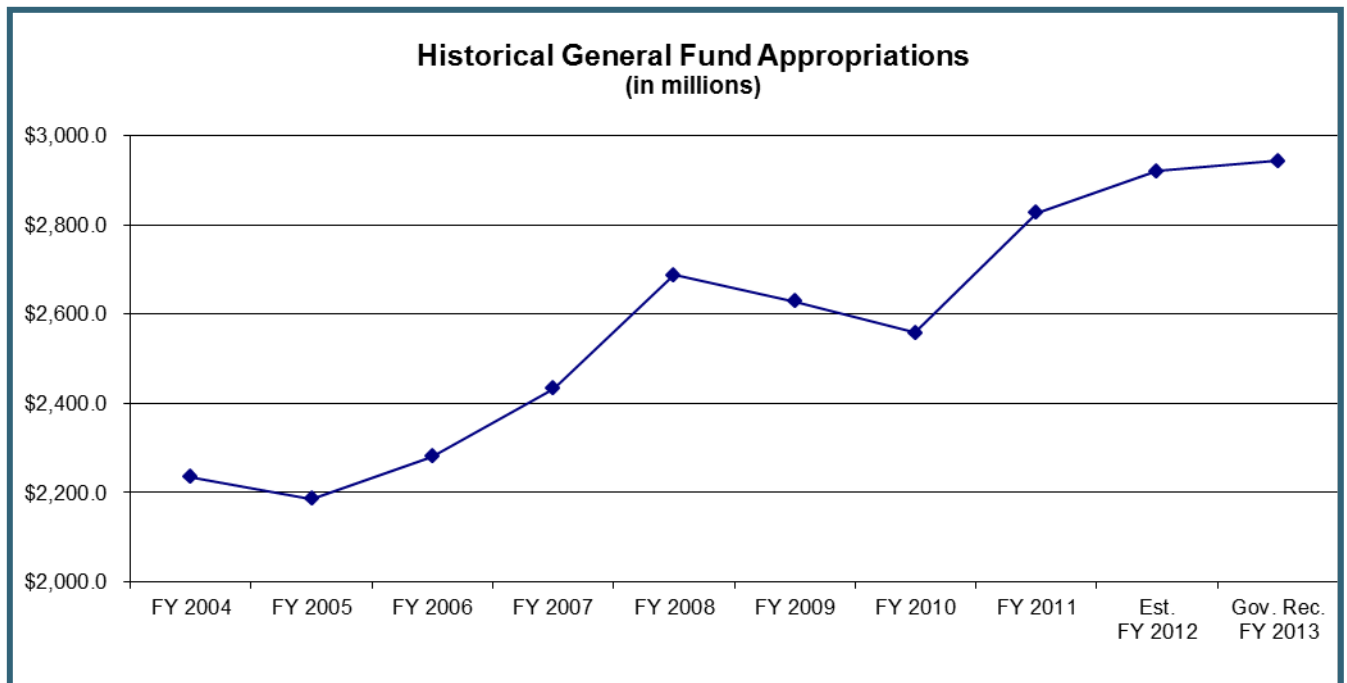
UNASSIGNED STANDING APPROPRIATIONS



FY 2013 General Fund Governor's Recommendations

Administrative Services	\$	796,958
Corrections		59,733
Cultural Affairs		416,702
Economic Development		810,306
Education		2,667,067,822
Executive Council		119,847
Legislative Branch		35,900,000
Governor		3,032
Public Health		171,121
Human Services		81,561,946
Management		3,636,307
Public Defense		344,644
Public Safety		5,000,000
Revenue		146,458,934
		<u>\$ 2,942,347,352</u>

Unassigned Standing Appropriations



FY 2013 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 appropriation to the Technology Reinvestment Fund in [Iowa Code section 8.57C.3\(a\)](#) that states, “There is appropriated from the General Fund of the State for the fiscal year beginning, July 1, 2012, and for each subsequent fiscal year thereafter, the sum of seventeen million five hundred thousand dollars to the technology reinvestment fund.” However, in actual practice for the past several years, this appropriation has been notwithstanding and a lesser amount has been appropriated from the Rebuild Iowa Infrastructure Fund to the Technology Reinvestment Fund.
- Standing Unlimited Appropriations – These are appropriations of an unspecified dollar amount. An example is State aid for public schools pursuant to [Iowa Code Section 257.16](#) that states, “There is appropriated each year from the General Fund of the state an amount necessary to pay the foundation aid under [this chapter](#), the preschool foundation aid under [chapter 256C](#), supplementary aid under [section 257.4, subsection 2](#), and adjusted additional property tax levy aid under [section 257.15, subsection 4](#).” The General Assembly may choose to place a dollar limit on a standing unlimited appropriation in a particular year to cap expenditures.

General Fund Recommendations

	Estimated FY 2012	Gov Rec FY 2013	Gov Rec vs Est. FY 2012
<u>Administrative Services, Dept. of</u>			
State Accounting Trust Accounts			
Federal Cash Management - Standing	\$ 356,587	\$ 356,587	\$ 0
Unemployment Compensation - Standing	440,371	440,371	0
Municipal Fire & Police Retirement	750,000	0	-750,000
Total Administrative Services, Dept. of	\$ 1,546,958	\$ 796,958	\$ -750,000
<u>Corrections, Dept. of</u>			
Central Office			
State Cases Court Costs	\$ 59,733	\$ 59,733	\$ 0
Total Corrections, Dept. of	\$ 59,733	\$ 59,733	\$ 0
<u>Cultural Affairs, Dept. of</u>			
Cultural Affairs, Dept. of			
County Endowment Funding - DCA Grants	\$ 416,702	\$ 416,702	\$ 0
Total Cultural Affairs, Dept. of	\$ 416,702	\$ 416,702	\$ 0
<u>Economic Development, Dept. of</u>			
Economic Development, Dept. of			
Tourism Mktg - Adjusted Gross Receipts	\$ 810,306	\$ 810,306	\$ 0
Total Economic Development, Dept. of	\$ 810,306	\$ 810,306	\$ 0
<u>Education, Dept. of</u>			
Education, Dept. of			
Child Development	\$ 10,728,891	\$ 10,728,891	\$ 0
Sac Fox Settlement Education	100,000	100,000	0
State Foundation School Aid	2,624,519,013	2,649,178,000	24,658,987
Nonpublic School Trans - Reduction	7,060,931	7,060,931	0
Total Education, Dept. of	\$ 2,642,408,835	\$ 2,667,067,822	\$ 24,658,987
<u>Executive Council</u>			
Executive Council			
Court Costs	\$ 59,772	\$ 59,772	\$ 0
Public Improvements	39,848	39,848	0
Drainage Assessment	20,227	20,227	0
Total Executive Council	\$ 119,847	\$ 119,847	\$ 0
<u>Legislative Branch</u>			
Legislative Services Agency			
Legislative Branch	\$ 35,750,000	\$ 35,900,000	\$ 150,000
Total Legislative Branch	\$ 35,750,000	\$ 35,900,000	\$ 150,000

Unassigned Standing Appropriations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Governor</u>			
Governor's Office			
Interstate Extradition	\$ 3,032	\$ 3,032	\$ 0
Total Governor	\$ 3,032	\$ 3,032	\$ 0
<u>Public Health, Dept. of</u>			
Public Health, Dept. of			
Congenital & Inherited Disorders Registry	\$ 171,121	\$ 171,121	\$ 0
Total Public Health, Dept. of	\$ 171,121	\$ 171,121	\$ 0
<u>Human Services, Dept. of</u>			
General Administration			
Commission of Inquiry	\$ 1,394	\$ 1,394	\$ 0
Non Resident Transfers	67	67	0
Non Resident Commitment Mental Illness	142,802	142,802	0
Total General Administration	\$ 144,263	\$ 144,263	\$ 0
Assistance			
MH Property Tax Relief	\$ 81,199,911	\$ 81,199,911	\$ 0
Child Abuse Prevention	217,772	217,772	0
Total Assistance	\$ 81,417,683	\$ 81,417,683	\$ 0
Total Human Services, Dept. of	\$ 81,561,946	\$ 81,561,946	\$ 0
<u>Management, Dept. of</u>			
Management, Dept. of			
Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 0
Appeal Board Claims	11,104,556	3,586,307	-7,518,249
Total Management, Dept. of	\$ 11,154,556	\$ 3,636,307	\$ -7,518,249
<u>Public Defense, Dept. of</u>			
Public Defense, Dept. of			
Compensation and Expense	\$ 344,644	\$ 344,644	\$ 0
Total Public Defense, Dept. of	\$ 344,644	\$ 344,644	\$ 0
<u>Public Safety, Department of</u>			
Public Safety, Dept. of			
DPS-POR Unfunded Liabilities Until 85%	\$ 0	\$ 5,000,000	\$ 5,000,000
Total Public Safety, Department of	\$ 0	\$ 5,000,000	\$ 5,000,000

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
Revenue, Dept. of			
Revenue, Dept. of			
Ag Land Tax Credit - GF	\$ 32,395,131	\$ 32,395,131	\$ 0
Homestead Tax Credit Aid - GF	86,188,387	86,188,387	0
Elderly & Disabled Tax Credit - GF	24,957,000	24,957,000	0
Printing Cigarette Stamps	124,652	500,000	375,348
Tobacco Reporting Requirements	18,416	18,416	0
Military Service Tax Refunds	<u>2,400,000</u>	<u>2,400,000</u>	<u>0</u>
Total Revenue, Dept. of	<u>\$ 146,083,586</u>	<u>\$ 146,458,934</u>	<u>\$ 375,348</u>
Total Unassigned Standings	<u><u>\$ 2,920,431,266</u></u>	<u><u>\$ 2,942,347,352</u></u>	<u><u>\$ 21,916,086</u></u>

The comments below discuss the General Fund standing appropriations for FY 2012 and proposed for FY 2013. These are the amounts specified in statute for the limited appropriations and the estimated need for the unlimited appropriations. The Governor is recommending an estimated \$2.9 billion for unassigned General Fund standings for FY 2013, an increase of \$21.9 million (0.8%) compared to estimated FY 2012. Major changes include:

- Municipal Fire and Police Retirement (Department of Administrative Services). The decrease of \$750,000 reflects completion of the phaseout the State’s contribution authorized in HF 2518 (Public Retirement Systems Act) enacted during the 2010 Legislative Session. For more information see the section of this document titled “Public Retirement Systems.”
- State School Foundation Aid (Department of Education). The Governor is recommending an appropriation totaling \$2,649.2 million for FY 2013 (maintains the 2.0% allowable growth rate). This amount includes an additional State aid reduction to area education agencies of \$10.0 million and results in a total State aid reduction of \$20.0 million for FY 2013. The \$20.0 million reduction matches the reduction amount made in FY 2012. Additional detail about this increase is included in a separate overall section in this document titled “School Aid – FY 2011, FY 2012, and FY 2013.”
- Legislative Branch. The increase of \$150,000 represents the revised budget estimate for FY 2013 submitted by the Legislative Branch. The Governor does not make a recommendation regarding the Legislative Branch budget.
- Appeal Board Claims (Department of Management). The decrease of \$7.5 million reflects the reduction related to State Appeal Board claims during FY 2012 associated with the settlement of the lawsuit involving Film Tax Credits.
- Peace Officers Retirement System (PORS) (Department of Public Safety). The increase of \$5.0 million reflects funding appropriated in HF 2518 (Public Retirement Systems Act) enacted during the 2010 Legislative Session. These funds are to be used to help the PORS to achieve an 85.0% funded ratio. For more information see the section of this document titled “Public Retirement Systems.”

Unassigned Standing Appropriations

- Printing Cigarette Stamps (Department of Revenue). The Governor is recommending an increase of \$375,000 to reflect increased costs charged by the vendor supplying cigarette stamps. The prices have increased from \$0.73 per thousand stamps for FY 2010 and before, to \$1.01 per thousand in FY 2011, to \$3.50 per thousand in FY 2012. The vendor attributes much of the increase to new security and fraud prevention measures.

Other Fund Recommendations

	<u>Estimated FY 2012</u>	<u>Gov Rec FY 2013</u>	<u>Gov Rec vs Est. FY 2012</u>
<u>Economic Development, Dept. of</u>			
Economic Development, Dept. of			
Endow Iowa Admin - County Endw Fund	\$ 70,000	\$ 70,000	\$ 0
Total Economic Development, Dept. of	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 0</u>
<u>Executive Council</u>			
Executive Council			
Performance Of Duty	\$ 7,927,897	\$ 28,488,749	\$ 20,560,852
Total Executive Council	<u>\$ 7,927,897</u>	<u>\$ 28,488,749</u>	<u>\$ 20,560,852</u>
<u>Human Services, Dept. of</u>			
Assistance			
Mental Health Growth Factor	\$ 10,000,000	\$ 0	\$ -10,000,000
Total Human Services, Dept. of	<u>\$ 10,000,000</u>	<u>\$ 0</u>	<u>\$ -10,000,000</u>
<u>Management, Dept. of</u>			
Management, Dept. of			
Environment First Fund - RIIF	\$ 33,000,000	\$ 33,000,000	\$ 0
Technology Reinvestment Fund - RIIF	15,541,000	15,000,000	-541,000
Total Management, Dept. of	<u>\$ 48,541,000</u>	<u>\$ 48,000,000</u>	<u>\$ -541,000</u>
<u>Transportation, Dept. of</u>			
Transportation, Dept. of			
RUTF-Personal Delivery of Services	\$ 225,000	\$ 225,000	\$ 0
RUTF-County Treasurer Equipment Standing	650,000	650,000	0
Total Transportation, Dept. of	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 0</u>
Total Unassigned Standings Other Funds	<u>\$ 67,413,897</u>	<u>\$ 77,433,749</u>	<u>\$ 10,019,852</u>

The Governor is recommending and estimating \$77.4 million for unassigned other fund standing appropriations for FY 2013, an increase of \$10.0 million (14.9%) compared to estimated FY 2012. Major changes include:

- Performance of Duty (Executive Council). The increase of \$20.6 million reflects revised estimates submitted by the Emergency Management and Homeland Security Division of the Department of Public Defense. These funds are used by the Executive Council to fund disaster-related costs. The funds are also used to match a significant amount of federal funds authorized by the Federal Emergency Management Agency (FEMA).

- Mental Health Allowed Growth Factor (Department of Human Services). The Governor's recommendation reflects the elimination of a one-time appropriation of \$10.0 million. The Governor is recommending replacing this funding with a General Fund appropriation for FY 2013 (see tracking for the Health and Human Services Appropriations Subcommittee). The recommended replacement amount is \$20.0 million and includes the \$10.0 million provided from other funds for FY 2012 and \$10.0 million of carryforward funds.
- Technology Reinvestment Fund (Department of Management). The decrease of \$541,000 reflects the reduction in the amount appropriated from the Rebuild Iowa Infrastructure Fund to the Technology Reinvestment Fund to cover the appropriations the Governor is recommending from the Technology Reinvestment Fund. Under current law the Technology Reinvestment Fund receives a \$17.5 million standing appropriation from the General Fund. However, in recent years this appropriation has been notwithstanding and replaced with a reduced appropriation from the RIIF. See additional information under the Transportation, Capitals, and Infrastructure Appropriations Subcommittee section and the other fund balance sheet for the Technology Reinvestment Fund in Appendix C.

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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 =	Groundwater Protection Fund
HCTA =	Health Care Transformation Account
HCTF =	Health Care Trust Fund
ICA =	IowaCare Account
ISU =	Iowa State University
LSTA =	Library Service and Technology Act
MVFT =	Motor Vehicle Fuel Tax
MHI =	Mental Health Institute
NAEP =	National Assessment of Educational Progress

Appendix A – Appropriations Tracking

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
RBC =	Revenue Bonds Capitals Fund
RBC2 =	Revenue Bonds Capitals II Fund
RCF =	Restricted Capital Fund (Tobacco Settlement Trust Fund)
RC2 =	Endowment for Iowa Health Restricted Capitals Fund (Tobacco Settlement Trust Fund)
RFIF =	Renewable Fuel Infrastructure Fund
RIIF =	Rebuild Iowa Infrastructure Fund
RUTF =	Road Use Tax Fund
SAF =	State Aviation Fund
SIF =	School Infrastructure Fund
SLTF =	Senior Living Trust Fund
UI =	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
VTF =	Veterans Trust Fund

Summary Data General Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
Administration and Regulation	\$ 59,366,162	\$ 52,669,829	\$ 26,334,920	\$ 30,781,374	\$ 57,116,294	\$ 4,446,465	8.4%
Agriculture and Natural Resources	33,648,481	32,287,828	16,049,316	18,438,512	34,487,828	2,200,000	6.8%
Economic Development	41,127,114	36,312,425	18,106,216	44,096,764	62,202,980	25,890,555	71.3%
Education	841,540,240	809,937,186	404,968,609	451,174,229	856,142,838	46,205,652	5.7%
Health and Human Services	907,763,017	1,493,379,363	1,266,544,608	338,196,236	1,604,740,844	111,361,481	7.5%
Justice System	641,766,498	662,487,672	331,243,845	355,634,545	686,878,390	24,390,718	3.7%
Unassigned Standings	<u>2,826,643,023</u>	<u>2,920,431,266</u>	<u>3,092,778,882</u>	<u>-150,431,530</u>	<u>2,942,347,352</u>	<u>21,916,086</u>	<u>0.8%</u>
Grand Total	<u><u>\$ 5,351,854,535</u></u>	<u><u>\$ 6,007,505,569</u></u>	<u><u>\$ 5,156,026,396</u></u>	<u><u>\$ 1,087,890,130</u></u>	<u><u>\$ 6,243,916,526</u></u>	<u><u>\$ 236,410,957</u></u>	<u><u>3.9%</u></u>

Administration and Regulation General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Administrative Services, Dept. of</u>							
Administrative Services							
Administrative Services, Dept.	\$ 4,467,583	\$ 4,020,344	\$ 2,010,172	\$ 2,010,172	\$ 4,020,344	\$ 0	0.0%
Utilities	3,126,547	2,626,460	1,313,230	1,313,230	2,626,460	0	0.0%
Terrace Hill Operations	263,329	405,914	202,957	296,068	499,025	93,111	22.9%
I3 Distribution	0	3,277,946	1,638,973	1,638,973	3,277,946	0	0.0%
Iowa Building Operations	0	995,535	497,768	497,767	995,535	0	0.0%
Technology Procurement	2,113,169	0	0	0	0	0	--
Total Administrative Services, Dept. of	\$ 9,970,628	\$ 11,326,199	\$ 5,663,100	\$ 5,756,210	\$ 11,419,310	\$ 93,111	0.8%
<u>Auditor of State</u>							
Auditor Of State							
Auditor of State - General Office	\$ 904,193	\$ 905,468	\$ 452,734	\$ 452,734	\$ 905,468	\$ 0	0.0%
Total Auditor of State	\$ 904,193	\$ 905,468	\$ 452,734	\$ 452,734	\$ 905,468	\$ 0	0.0%
<u>Ethics and Campaign Disclosure</u>							
Campaign Finance Disclosure							
Ethics & Campaign Disclosure Board	\$ 371,910	\$ 475,000	\$ 237,500	\$ 272,500	\$ 510,000	\$ 35,000	7.4%
Total Ethics and Campaign Disclosure	\$ 371,910	\$ 475,000	\$ 237,500	\$ 272,500	\$ 510,000	\$ 35,000	7.4%
<u>Commerce, Dept. of</u>							
Alcoholic Beverages							
Alcoholic Beverages Operations	\$ 1,449,887	\$ 1,220,391	\$ 610,196	\$ 610,195	\$ 1,220,391	\$ 0	0.0%
Professional Licensing and Reg.							
Professional Licensing Bureau	\$ 644,825	\$ 600,353	\$ 300,177	\$ 300,176	\$ 600,353	\$ 0	0.0%
Total Commerce, Dept. of	\$ 2,094,712	\$ 1,820,744	\$ 910,373	\$ 910,371	\$ 1,820,744	\$ 0	0.0%
<u>Iowa Tele & Tech Commission</u>							
Iowa Communications Network							
Regional Telecom Councils	\$ 0	\$ 0	\$ 0	\$ 992,913	\$ 992,913	\$ 992,913	--
Total Iowa Tele & Tech Commission	\$ 0	\$ 0	\$ 0	\$ 992,913	\$ 992,913	\$ 992,913	--

Administration and Regulation

General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Governor</u>							
Governor's Office							
Governor/Lt. Governor's Office	\$ 1,972,752	\$ 2,288,025	\$ 1,144,013	\$ 1,050,901	\$ 2,194,914	\$ -93,111	-4.1%
Administrative Rules Coordinator	122,829	0	0	0	0	0	--
Terrace Hill Quarters	127,075	0	0	0	0	0	--
National Governor's Association	70,783	0	0	0	0	0	--
State-Federal Relations	40,832	0	0	0	0	0	--
Total Governor's Office	\$ 2,334,271	\$ 2,288,025	\$ 1,144,013	\$ 1,050,901	\$ 2,194,914	\$ -93,111	-4.1%
Governor Elect Expenses							
Governor Elect Expenses	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Governor	\$ 2,344,271	\$ 2,288,025	\$ 1,144,013	\$ 1,050,901	\$ 2,194,914	\$ -93,111	-4.1%
<u>Governor's Office of Drug Control Policy</u>							
Office of Drug Control Policy							
Drug Policy Coordinator	\$ 346,213	\$ 290,000	\$ 145,000	\$ 201,213	\$ 346,213	\$ 56,213	19.4%
Total Governor's Office of Drug Control Policy	\$ 346,213	\$ 290,000	\$ 145,000	\$ 201,213	\$ 346,213	\$ 56,213	19.4%
<u>Human Rights, Dept. of</u>							
Human Rights, Department of							
Human Rights Administration	\$ 205,636	\$ 206,103	\$ 103,052	\$ 103,051	\$ 206,103	\$ 0	0.0%
Community Advocacy and Services	1,120,915	1,028,077	514,039	514,038	1,028,077	0	0.0%
Criminal & Juvenile Justice	1,141,883	1,023,892	511,946	511,946	1,023,892	0	0.0%
Total Human Rights, Dept. of	\$ 2,468,434	\$ 2,258,072	\$ 1,129,037	\$ 1,129,035	\$ 2,258,072	\$ 0	0.0%
<u>Inspections & Appeals, Dept. of</u>							
Inspections and Appeals, Dept. of							
Administration Division	\$ 1,629,656	\$ 1,527,740	\$ 763,870	\$ -515,461	\$ 248,409	\$ -1,279,331	-83.7%
Administrative Hearings Division	587,493	528,753	264,377	414,565	678,942	150,189	28.4%
Investigations Division	1,240,626	1,168,639	584,320	1,588,651	2,172,971	1,004,332	85.9%
Health Facilities Division	3,787,852	3,555,328	1,777,664	3,985,482	5,763,146	2,207,818	62.1%
Employment Appeal Board	44,746	42,215	21,108	21,107	42,215	0	0.0%
Child Advocacy Board	2,678,008	2,680,290	1,340,145	1,340,145	2,680,290	0	0.0%
Food and Consumer Safety	0	0	0	1,279,331	1,279,331	1,279,331	--
Total Inspections and Appeals, Dept. of	\$ 9,968,381	\$ 9,502,965	\$ 4,751,484	\$ 8,113,820	\$ 12,865,304	\$ 3,362,339	35.4%

Administration and Regulation

General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Racing Commission							
Pari-Mutuel Regulation	\$ 2,495,376	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Riverboat Regulation	3,078,100	0	0	0	0	0	--
Total Racing Commission	\$ 5,573,476	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Inspections & Appeals, Dept. of	\$ 15,541,857	\$ 9,502,965	\$ 4,751,484	\$ 8,113,820	\$ 12,865,304	\$ 3,362,339	35.4%
Management, Dept. of							
Management, Dept. of							
Department Operations	\$ 1,993,328	\$ 2,393,998	\$ 1,196,999	\$ 1,196,999	\$ 2,393,998	\$ 0	0.0%
Grants Enterprise Management	170,670	0	0	0	0	0	--
Total Management, Dept. of	\$ 2,163,998	\$ 2,393,998	\$ 1,196,999	\$ 1,196,999	\$ 2,393,998	\$ 0	0.0%
Rebuild Iowa Office							
Rebuild Iowa Office							
Rebuild Iowa Office	\$ 472,361	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Rebuild Iowa Office	\$ 472,361	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Revenue, Dept. of							
Revenue, Dept. of							
School Infrastructure Transfer	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Revenue, Department of	18,625,258	17,659,484	8,829,742	8,829,742	17,659,484	0	0.0%
Revenue Examiners	315,801	0	0	0	0	0	--
Total Revenue, Dept. of	\$ 18,941,059	\$ 17,659,484	\$ 8,829,742	\$ 8,829,742	\$ 17,659,484	\$ 0	0.0%
Secretary of State							
Secretary of State							
Secretary of State - Operations	\$ 2,892,261	\$ 2,895,585	\$ 1,447,793	\$ 1,447,792	\$ 2,895,585	\$ 0	0.0%
Total Secretary of State	\$ 2,892,261	\$ 2,895,585	\$ 1,447,793	\$ 1,447,792	\$ 2,895,585	\$ 0	0.0%
Treasurer of State							
Treasurer of State							
Treasurer - General Office	\$ 854,265	\$ 854,289	\$ 427,145	\$ 427,144	\$ 854,289	\$ 0	0.0%
Total Treasurer of State	\$ 854,265	\$ 854,289	\$ 427,145	\$ 427,144	\$ 854,289	\$ 0	0.0%
Total Administration and Regulation	\$ 59,366,162	\$ 52,669,829	\$ 26,334,920	\$ 30,781,374	\$ 57,116,294	\$ 4,446,465	8.4%

Agriculture and Natural Resources General Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
<u>Agriculture and Land Stewardship</u>							
Agriculture and Land Stewardship							
Administrative Division	\$ 16,868,118	\$ 16,497,308	\$ 8,248,654	\$ 8,248,654	\$ 16,497,308	\$ 0	0.0%
Milk Inspections	0	189,196	0	189,196	189,196	0	0.0%
Farmers with Disabilities	0	97,000	0	97,000	97,000	0	0.0%
Farmers with Disabilities	0	0	48,500	-48,500	0	0	--
Total Agriculture and Land Stewardship	\$ 16,868,118	\$ 16,783,504	\$ 8,297,154	\$ 8,486,350	\$ 16,783,504	\$ 0	0.0%
<u>Natural Resources, Dept. of</u>							
Natural Resources							
Natural Resources Operations	\$ 13,336,069	\$ 12,266,688	\$ 6,133,344	\$ 6,333,344	\$ 12,466,688	\$ 200,000	1.6%
Floodplain Management Program	0	0	0	2,000,000	2,000,000	2,000,000	--
Total Natural Resources, Dept. of	\$ 13,336,069	\$ 12,266,688	\$ 6,133,344	\$ 8,333,344	\$ 14,466,688	\$ 2,200,000	17.9%
<u>Regents, Board of</u>							
Regents, Board of							
ISU - Veterinary Diagnostic Laboratory	\$ 3,444,294	\$ 3,237,636	\$ 1,618,818	\$ 1,618,818	\$ 3,237,636	\$ 0	0.0%
Total Regents, Board of	\$ 3,444,294	\$ 3,237,636	\$ 1,618,818	\$ 1,618,818	\$ 3,237,636	\$ 0	0.0%
Total Agriculture and Natural Resources	\$ 33,648,481	\$ 32,287,828	\$ 16,049,316	\$ 18,438,512	\$ 34,487,828	\$ 2,200,000	6.8%

Economic Development General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Cultural Affairs, Dept. of</u>							
Cultural Affairs, Dept. of							
Administration Division	\$ 189,739	\$ 171,813	\$ 85,907	\$ 85,906	\$ 171,813	\$ 0	0.0%
Community Cultural Grants	273,500	172,090	86,045	86,045	172,090	0	0.0%
Historical Division	2,941,185	2,767,701	1,383,851	1,383,850	2,767,701	0	0.0%
Historic Sites	453,615	426,398	213,199	213,199	426,398	0	0.0%
Arts Division	992,886	933,764	466,882	466,882	933,764	0	0.0%
Great Places	204,815	150,000	75,000	75,000	150,000	0	0.0%
Archiving Former Governor's Papers	70,142	65,933	32,967	32,966	65,933	0	0.0%
Records Center Rent	227,243	227,243	113,622	113,621	227,243	0	0.0%
Battle Flag Stabilization	0	60,000	30,000	30,000	60,000	0	0.0%
Film Office	0	0	0	400,000	400,000	400,000	--
Battleship Iowa	3,000,000	0	0	0	0	0	--
Total Cultural Affairs, Dept. of	\$ 8,353,125	\$ 4,974,942	\$ 2,487,473	\$ 2,887,469	\$ 5,374,942	\$ 400,000	8.0%
<u>Economic Development, Dept. of</u>							
Economic Development, Dept. of							
Economic Development Appropriation	\$ 0	\$ 9,783,424	\$ 0	\$ 9,783,424	\$ 9,783,424	\$ 0	0.0%
World Food Prize	650,000	500,000	250,000	750,000	1,000,000	500,000	100.0%
Iowa Comm. Volunteer Ser.-Promise	109,716	178,133	89,067	89,066	178,133	0	0.0%
Incentives	0	0	0	25,000,000	25,000,000	25,000,000	--
Economic Dev. Administration	1,668,291	0	4,891,712	-4,891,712	0	0	--
Business Development	4,779,918	0	0	0	0	0	--
Community Development Division	4,463,077	0	0	0	0	0	--
Main Street Grants	165,775	0	0	0	0	0	--
Total Economic Development, Dept. of	\$ 11,836,777	\$ 10,461,557	\$ 5,230,779	\$ 30,730,778	\$ 35,961,557	\$ 25,500,000	243.7%
<u>Regents, Board of</u>							
Regents, Board of							
ISU - Economic Development	\$ 2,575,983	\$ 2,424,302	\$ 1,212,151	\$ 1,212,151	\$ 2,424,302	\$ 0	0.0%
UI - Economic Development	222,372	209,279	104,640	104,639	209,279	0	0.0%
UNI - Economic Development	610,674	574,716	287,358	287,358	574,716	0	0.0%
Total Regents, Board of	\$ 3,409,029	\$ 3,208,297	\$ 1,604,149	\$ 1,604,148	\$ 3,208,297	\$ 0	0.0%

Economic Development General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Iowa Workforce Development</u>							
Iowa Workforce Development							
Labor Services Division	\$ 3,139,752	\$ 3,495,440	\$ 1,747,720	\$ 1,747,720	\$ 3,495,440	\$ 0	0.0%
Workers' Compensation Division	2,411,799	2,949,044	1,474,522	1,474,522	2,949,044	0	0.0%
Operations - Field Offices	10,326,640	8,671,352	4,335,676	4,335,676	8,671,352	0	0.0%
Offender Reentry Program	302,621	284,464	142,232	142,232	284,464	0	0.0%
Employee Misclassification Program	480,274	451,458	225,729	225,729	451,458	0	0.0%
Security Employee Training Program	12,711	0	0	0	0	0	--
Total Iowa Workforce Development	\$ 16,673,797	\$ 15,851,758	\$ 7,925,879	\$ 7,925,879	\$ 15,851,758	\$ 0	0.0%
<u>Iowa Finance Authority</u>							
Iowa Finance Authority							
Rent Subsidy Program	\$ 0	\$ 658,000	\$ 329,000	\$ 329,000	\$ 658,000	\$ 0	0.0%
Hills & Dales	0	100,000	0	0	0	-100,000	-100.0%
Total Iowa Finance Authority	\$ 0	\$ 758,000	\$ 329,000	\$ 329,000	\$ 658,000	\$ -100,000	-13.2%
<u>Public Employment Relations Board</u>							
Public Employment Relations							
General Office	\$ 854,386	\$ 1,057,871	\$ 528,936	\$ 619,490	\$ 1,148,426	\$ 90,555	8.6%
Total Public Employment Relations Board	\$ 854,386	\$ 1,057,871	\$ 528,936	\$ 619,490	\$ 1,148,426	\$ 90,555	8.6%
Total Economic Development	\$ 41,127,114	\$ 36,312,425	\$ 18,106,216	\$ 44,096,764	\$ 62,202,980	\$ 25,890,555	71.3%

Education General Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
Blind, Dept. for the							
Blind, Dept. for the							
Department for the Blind	\$ 1,814,950	\$ 1,691,815	\$ 845,908	\$ 945,907	\$ 1,791,815	\$ 100,000	5.9%
Newsline for the Blind	0	50,000	25,000	25,000	50,000	0	0.0%
Total Blind, Dept. for the	\$ 1,814,950	\$ 1,741,815	\$ 870,908	\$ 970,907	\$ 1,841,815	\$ 100,000	5.7%
College Aid Commission							
College Student Aid Comm.							
College Aid Commission	\$ 249,897	\$ 232,943	\$ 116,472	\$ 116,471	\$ 232,943	\$ 0	0.0%
Iowa Grants	848,761	791,177	395,589	395,588	791,177	0	0.0%
DMU Health Care Prof Recruitment	0	325,973	162,987	162,986	325,973	0	0.0%
DSM University - Osteopathic Loans	79,251	0	0	0	0	0	--
DSM University - Physician Recruit.	270,448	0	0	0	0	0	--
National Guard Benefits Program	3,186,233	3,186,233	1,593,117	4,093,116	5,686,233	2,500,000	78.5%
Teacher Shortage Loan Forgiveness	421,016	392,452	196,226	196,226	392,452	0	0.0%
All Iowa Opportunity Foster Care Grant Program	594,383	554,057	277,029	277,028	554,057	0	0.0%
All Iowa Opportunity Scholarships	2,403,949	2,240,854	1,120,427	1,120,427	2,240,854	0	0.0%
Nurse & Nurse Educator Loan Program	86,736	80,852	40,426	40,426	80,852	0	0.0%
Barber & Cosmetology Tuition Grant Program	39,626	36,938	18,469	18,469	36,938	0	0.0%
Tuition Grant Program - Standing	44,013,448	43,513,448	21,756,724	23,756,724	45,513,448	2,000,000	4.6%
Tuition Grant - For-Profit	4,650,487	4,000,000	2,000,000	2,000,000	4,000,000	0	0.0%
Vocational Technical Tuition Grant	2,413,959	2,250,185	1,125,093	1,125,092	2,250,185	0	0.0%
Total College Aid Commission	\$ 59,258,194	\$ 57,605,112	\$ 28,802,559	\$ 33,302,553	\$ 62,105,112	\$ 4,500,000	7.8%

Education General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Education, Dept. of							
Education, Dept. of							
Administration	\$ 6,344,236	\$ 5,913,812	\$ 2,956,906	\$ 2,956,906	\$ 5,913,812	\$ 0	0.0%
Vocational Education Administration	449,240	449,276	224,638	323,202	547,840	98,564	21.9%
Vocational Education Secondary	2,590,675	2,630,134	1,315,067	1,315,067	2,630,134	0	0.0%
Food Service	2,121,058	2,176,797	1,088,399	1,088,398	2,176,797	0	0.0%
State Library	1,297,658	1,209,619	604,810	604,809	1,209,619	0	0.0%
State Library - Enrich Iowa	1,796,081	1,674,227	837,114	837,114	1,674,228	1	0.0%
State Library - Library Service Areas	1,078,622	1,005,444	502,722	502,722	1,005,444	0	0.0%
ECI General Aid (SRG)	5,729,907	5,386,113	2,693,057	2,693,056	5,386,113	0	0.0%
ECI Preschool Tuition Assistance (SRG)	7,583,912	5,428,877	2,714,439	2,714,438	5,428,877	0	0.0%
ECI Family Support and Parent Ed (SRG)	13,153,653	12,364,434	6,182,217	6,182,217	12,364,434	0	0.0%
Special Ed. Services Birth to 3	1,721,400	1,721,400	860,700	860,700	1,721,400	0	0.0%
Statewide Voluntary Preschool	12,228,767	0	0	0	0	0	--
Nonpublic Textbook Services	600,987	560,214	280,107	280,107	560,214	0	0.0%
Administrator Mentoring	195,157	0	0	0	0	0	--
Model Core Curriculum	1,899,556	1,000,000	500,000	500,000	1,000,000	0	0.0%
Student Achievement/Teacher Quality	6,817,433	4,785,000	2,392,500	2,392,500	4,785,000	0	0.0%
Jobs For America's Grads	0	40,000	20,000	520,000	540,000	500,000	1250.0%
Comm College - Northeast Iowa (I)	7,888,455	0	0	0	0	0	--
Comm College - North Iowa Area (II)	8,408,384	0	0	0	0	0	--
Comm College - Iowa Lakes (III)	7,736,495	0	0	0	0	0	--
Comm College - Northwest (IV)	3,801,124	0	0	0	0	0	--
Comm College - Iowa Central (V)	8,735,449	0	0	0	0	0	--
Comm College - Iowa Valley (VI)	7,404,286	0	0	0	0	0	--
Comm College - Hawkeye (VII)	11,051,482	0	0	0	0	0	--
Comm College - Eastern Iowa (IX)	13,756,305	0	0	0	0	0	--
Comm College - Kirkwood (X)	24,263,489	0	0	0	0	0	--
Comm College - Des Moines Area (XI)	24,481,690	0	0	0	0	0	--
Comm College - Western Iowa Tech (XII)	9,025,883	0	0	0	0	0	--
Comm College - Iowa Western (XIII)	9,294,922	0	0	0	0	0	--
Comm College - Southwestern (XIV)	3,860,407	0	0	0	0	0	--
Comm College - Indian Hills (XV)	12,096,214	0	0	0	0	0	--
Comm College - Southeastern (XVI)	6,949,647	0	0	0	0	0	--
Community Colleges General Aid	0	163,774,647	81,887,324	85,887,323	167,774,647	4,000,000	2.4%
Community College Salary Increase	825,012	500,000	250,000	250,000	500,000	0	0.0%
Midwestern Higher Education Compact	39,000	100,000	0	100,000	100,000	0	0.0%
Workforce Training and Economic Development F	0	5,000,000	2,500,000	500,000	3,000,000	-2,000,000	-40.0%
Governor's Education Reform	0	0	0	17,000,000	17,000,000	17,000,000	--
Midwestern Higher Ed Consortium	0	0	50,000	-50,000	0	0	--
Total Education, Dept. of	\$ 225,226,586	\$ 215,719,994	\$ 107,860,000	\$ 127,458,559	\$ 235,318,559	\$ 19,598,565	9.1%

Education General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Vocational Rehabilitation							
Vocational Rehabilitation	\$ 4,761,426	\$ 4,963,168	\$ 2,481,584	\$ 2,481,584	\$ 4,963,168	\$ 0	0.0%
Independent Living	41,947	39,128	19,564	19,564	39,128	0	0.0%
Entrepreneurs with Disabilities Program	156,128	145,535	72,768	72,767	145,535	0	0.0%
Independent Living Center Grant	43,227	40,294	20,147	20,147	40,294	0	0.0%
Total Vocational Rehabilitation	\$ 5,002,728	\$ 5,188,125	\$ 2,594,063	\$ 2,594,062	\$ 5,188,125	\$ 0	0.0%
Iowa Public Television							
Iowa Public Television	\$ 7,137,397	\$ 6,654,021	\$ 3,327,011	\$ 3,327,010	\$ 6,654,021	\$ 0	0.0%
Regional Telecom. Councils	1,065,180	992,913	496,457	-496,457	0	-992,913	-100.0%
Total Iowa Public Television	\$ 8,202,577	\$ 7,646,934	\$ 3,823,468	\$ 2,830,553	\$ 6,654,021	\$ -992,913	-13.0%
Total Education, Dept. of	\$ 238,431,891	\$ 228,555,053	\$ 114,277,531	\$ 132,883,174	\$ 247,160,705	\$ 18,605,652	8.1%

Education General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Regents, Board of							
Regents, Board of							
Regent Board Office	\$ 1,105,123	\$ 1,065,005	\$ 532,503	\$ 532,502	\$ 1,065,005	\$ 0	0.0%
GRA - SW Iowa Regents Resource Ctr	90,766	87,471	43,736	43,735	87,471	0	0.0%
GRA - Tri State Graduate Center	69,110	66,601	33,301	33,300	66,601	0	0.0%
GRA - Quad Cities Graduate Center	134,665	129,776	64,888	64,888	129,776	0	0.0%
IPR - Iowa Public Radio	406,318	391,568	195,784	195,784	391,568	0	0.0%
University of Iowa - General	217,638,034	209,737,311	104,868,656	104,868,655	209,737,311	0	0.0%
UI - Oakdale Campus	2,268,925	2,186,558	1,093,279	1,093,279	2,186,558	0	0.0%
UI - Hygienic Laboratory	3,669,943	3,536,716	1,768,358	1,768,358	3,536,716	0	0.0%
UI - Family Practice Program	1,855,628	1,788,265	894,132	894,132	1,788,265	0	0.0%
UI - Specialized Children Health Services	684,297	659,456	329,728	329,728	659,456	0	0.0%
UI - Iowa Cancer Registry	154,666	149,051	74,526	74,525	149,051	0	0.0%
UI - Substance Abuse Consortium	57,621	55,529	27,765	27,764	55,529	0	0.0%
UI - Biocatalysis	750,990	723,727	361,864	361,863	723,727	0	0.0%
UI - Primary Health Care	673,375	648,930	324,465	324,465	648,930	0	0.0%
UI - Iowa Birth Defects Registry	39,730	38,288	19,144	19,144	38,288	0	0.0%
UI - Iowa Nonprofit Resource Center	168,662	162,539	81,270	81,269	162,539	0	0.0%
UI - IA Online Advanced Placement Acad.	0	481,849	240,925	240,924	481,849	0	0.0%
Iowa State University - General	170,536,017	164,345,198	82,172,599	82,172,599	164,345,198	0	0.0%
ISU - Agricultural Experiment Station	29,170,840	28,111,877	14,055,939	14,055,938	28,111,877	0	0.0%
ISU - Cooperative Extension	18,612,391	17,936,722	8,968,361	8,968,361	17,936,722	0	0.0%
ISU - Leopold Center	412,388	397,417	198,709	198,708	397,417	0	0.0%
ISU - Livestock Disease Research	179,356	172,845	86,423	86,422	172,845	0	0.0%
University of Northern Iowa - General	77,549,809	74,734,586	37,367,293	37,367,293	74,734,586	0	0.0%
UNI - Recycling and Reuse Center	181,858	175,256	87,628	87,628	175,256	0	0.0%
UNI - Math and Science Collaborative	1,800,000	1,734,656	867,328	3,867,328	4,734,656	3,000,000	172.9%
UNI - Real Estate Education Program	130,022	125,302	62,651	62,651	125,302	0	0.0%
Iowa School for the Deaf	8,679,964	8,679,964	4,339,982	4,339,982	8,679,964	0	0.0%
Iowa Braille and Sight Saving School	4,917,361	3,618,931	1,809,466	1,809,465	3,618,931	0	0.0%
ISD/IBS - Tuition and Transportation	12,206	11,763	5,882	5,881	11,763	0	0.0%
ISD/IBS - Licensed Classroom Teachers	85,140	82,049	41,025	41,024	82,049	0	0.0%
FY 13 Regents Operations	0	0	0	20,000,000	20,000,000	20,000,000	--
Total Regents, Board of	\$ 542,035,205	\$ 522,035,206	\$ 261,017,611	\$ 284,017,595	\$ 545,035,206	\$ 23,000,000	4.4%
Total Education	\$ 841,540,240	\$ 809,937,186	\$ 404,968,609	\$ 451,174,229	\$ 856,142,838	\$ 46,205,652	5.7%

Health and Human Services General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Aging, Dept. on</u>							
Aging, Dept. on							
Aging Programs	\$ 4,391,322	\$ 10,302,577	\$ 5,151,288	\$ 5,151,289	\$ 10,302,577	\$ 0	0.0%
Total Aging, Dept. on	\$ 4,391,322	\$ 10,302,577	\$ 5,151,288	\$ 5,151,289	\$ 10,302,577	\$ 0	0.0%
<u>Public Health, Dept. of</u>							
Public Health, Dept. of							
Addictive Disorders	\$ 27,391,053	\$ 23,503,190	\$ 11,751,595	\$ 11,751,595	\$ 23,503,190	\$ 0	0.0%
Healthy Children and Families	2,608,410	2,594,270	1,297,135	1,297,135	2,594,270	0	0.0%
Chronic Conditions	3,324,548	3,361,656	1,680,828	1,680,828	3,361,656	0	0.0%
Community Capacity	5,059,107	4,235,166	2,117,583	2,117,583	4,235,166	0	0.0%
Healthy Aging	7,804,406	7,297,142	3,648,571	3,648,571	7,297,142	0	0.0%
Environmental Hazards	833,927	813,777	406,888	406,889	813,777	0	0.0%
Infectious Diseases	1,431,752	1,345,847	672,923	672,924	1,345,847	0	0.0%
Public Protection	3,126,036	2,776,232	1,388,116	1,388,116	2,776,232	0	0.0%
Resource Management	871,866	819,554	409,777	409,777	819,554	0	0.0%
Vision Screening	0	100,000	0	100,000	100,000	0	0.0%
Total Public Health, Dept. of	\$ 52,451,105	\$ 46,846,834	\$ 23,373,416	\$ 23,473,418	\$ 46,846,834	\$ 0	0.0%

Health and Human Services General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Human Services, Dept. of							
Assistance							
Family Investment Program/JOBS	\$ 31,040,373	\$ 50,171,027	\$ 25,085,513	\$ 26,495,648	\$ 51,581,161	\$ 1,410,134	2.8%
Medical Assistance	393,683,227	909,993,421	914,993,421	43,757,345	958,750,766	48,757,345	5.4%
State Supplementary Assistance	18,259,235	16,850,747	8,425,373	8,425,374	16,850,747	0	0.0%
State Children's Health Insurance	23,637,040	32,806,102	16,403,051	23,997,109	40,400,160	7,594,058	23.1%
Child Care Assistance	31,635,103	53,237,662	26,618,831	26,618,831	53,237,662	0	0.0%
Child and Family Services	77,865,550	82,830,163	41,415,081	38,526,014	79,941,095	-2,889,068	-3.5%
Adoption Subsidy	31,856,896	33,266,591	16,633,295	14,893,107	31,526,402	-1,740,189	-5.2%
Family Support Subsidy	1,167,998	1,167,998	583,999	512,785	1,096,784	-71,214	-6.1%
Connors Training	33,622	33,622	16,811	16,811	33,622	0	0.0%
MI/MR/DD State Cases	11,295,207	12,169,482	6,084,741	6,084,741	12,169,482	0	0.0%
MH/DD Community Services	14,211,100	14,211,100	14,211,100	0	14,211,100	0	0.0%
Volunteers	84,660	84,660	42,330	42,330	84,660	0	0.0%
MH/DD Growth Factor	48,697,893	54,697,893	74,697,893	0	74,697,893	20,000,000	36.6%
Health Insurance Premium Payment	347,964	0	0	0	0	0	--
Medical Contracts	8,917,277	0	5,453,728	3,006,952	8,460,680	8,460,680	--
Medical Assistance, Hawk-i, Hawk-i Expansion	10,049,532	0	0	0	0	0	--
State Mental Health Systems	0	0	0	314,047	314,047	314,047	--
Mental Health Redesign	0	0	0	17,750,000	17,750,000	17,750,000	--
Total Assistance	\$ 702,782,677	\$ 1,261,520,468	\$ 1,150,665,167	\$ 210,441,094	\$ 1,361,106,261	\$ 99,585,793	7.9%
Toledo Juvenile Home							
Toledo Juvenile Home	\$ 7,032,006	\$ 8,258,251	\$ 4,129,125	\$ 4,199,139	\$ 8,328,264	\$ 70,013	0.8%
Licensed Classroom Teachers	91,150	0	0	0	0	0	--
Total Toledo Juvenile Home	\$ 7,123,156	\$ 8,258,251	\$ 4,129,125	\$ 4,199,139	\$ 8,328,264	\$ 70,013	0.8%
Eldora Training School							
Eldora Training School	\$ 9,911,234	\$ 10,638,677	\$ 5,319,338	\$ 5,421,650	\$ 10,740,988	\$ 102,311	1.0%
Cherokee							
Cherokee MHI	\$ 3,587,101	\$ 5,877,308	\$ 2,938,654	\$ 2,702,383	\$ 5,641,037	\$ -236,271	-4.0%
Clarinda							
Clarinda MHI	\$ 6,016,968	\$ 6,411,734	\$ 3,205,867	\$ 3,257,470	\$ 6,463,337	\$ 51,603	0.8%
Independence							
Independence MHI	\$ 8,432,195	\$ 10,275,685	\$ 5,137,842	\$ 4,666,370	\$ 9,804,212	\$ -471,473	-4.6%

Health and Human Services General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Mt Pleasant							
Mt Pleasant MHI	\$ 647,004	\$ 944,323	\$ 472,161	\$ 472,162	\$ 944,323	\$ 0	0.0%
Glenwood							
Glenwood Resource Center	\$ 13,686,515	\$ 18,507,801	\$ 9,253,900	\$ 9,838,676	\$ 19,092,576	\$ 584,775	3.2%
Woodward							
Woodward Resource Center	\$ 8,534,431	\$ 12,785,658	\$ 6,392,829	\$ 6,783,264	\$ 13,176,093	\$ 390,435	3.1%
Cherokee CCUSO							
Civil Commitment Unit for Sexual Offenders	\$ 6,419,692	\$ 7,550,727	\$ 3,775,363	\$ 4,638,305	\$ 8,413,668	\$ 862,941	11.4%
Field Operations							
Child Support Recoveries	\$ 10,892,103	\$ 13,119,255	\$ 6,559,627	\$ 6,818,366	\$ 13,377,993	\$ 258,738	2.0%
Field Operations	46,253,980	54,789,921	27,394,960	34,920,480	62,315,440	7,525,519	13.7%
Total Field Operations	<u>\$ 57,146,083</u>	<u>\$ 67,909,176</u>	<u>\$ 33,954,587</u>	<u>\$ 41,738,846</u>	<u>\$ 75,693,433</u>	<u>\$ 7,784,257</u>	<u>11.5%</u>
General Administration							
General Administration	\$ 14,607,992	\$ 14,596,745	\$ 7,298,372	\$ 8,323,470	\$ 15,621,842	\$ 1,025,097	7.0%
Council on Human Investment	250,000	0	0	0	0	0	--
Total General Administration	<u>\$ 14,857,992</u>	<u>\$ 14,596,745</u>	<u>\$ 7,298,372</u>	<u>\$ 8,323,470</u>	<u>\$ 15,621,842</u>	<u>\$ 1,025,097</u>	<u>7.0%</u>
Total Human Services, Dept. of	<u>\$ 839,145,048</u>	<u>\$ 1,425,276,553</u>	<u>\$ 1,232,543,205</u>	<u>\$ 302,482,829</u>	<u>\$ 1,535,026,034</u>	<u>\$ 109,749,481</u>	<u>7.7%</u>
<u>Veterans Affairs, Dept. of</u>							
Veterans Affairs, Department of							
General Administration	\$ 928,104	\$ 998,832	\$ 499,416	\$ 511,416	\$ 1,010,832	\$ 12,000	1.2%
War Orphans Educational Assistance	12,416	12,416	6,208	6,208	12,416	0	0.0%
Vets Home Ownership Program	0	0	0	1,600,000	1,600,000	1,600,000	--
Injured Veterans Grant Program	1,000,000	0	0	0	0	0	--
Veterans County Grants	900,000	990,000	495,000	495,000	990,000	0	0.0%
Total Veterans Affairs, Department of	<u>\$ 2,840,520</u>	<u>\$ 2,001,248</u>	<u>\$ 1,000,624</u>	<u>\$ 2,612,624</u>	<u>\$ 3,613,248</u>	<u>\$ 1,612,000</u>	<u>80.5%</u>
Veterans Affairs, Dept. of							
Iowa Veterans Home	\$ 8,935,022	\$ 8,952,151	\$ 4,476,075	\$ 4,476,076	\$ 8,952,151	\$ 0	0.0%
Total Veterans Affairs, Dept. of	<u>\$ 11,775,542</u>	<u>\$ 10,953,399</u>	<u>\$ 5,476,699</u>	<u>\$ 7,088,700</u>	<u>\$ 12,565,399</u>	<u>\$ 1,612,000</u>	<u>14.7%</u>
Total Health and Human Services	<u>\$ 907,763,017</u>	<u>\$ 1,493,379,363</u>	<u>\$ 1,266,544,608</u>	<u>\$ 338,196,236</u>	<u>\$ 1,604,740,844</u>	<u>\$ 111,361,481</u>	<u>7.5%</u>

Justice System General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Justice, Department of</u>							
Justice, Dept. of							
General Office A.G.	\$ 7,782,682	\$ 7,792,930	\$ 3,896,465	\$ 3,896,465	\$ 7,792,930	\$ 0	0.0%
Victim Assistance Grants	3,060,000	2,876,400	1,438,200	1,438,200	2,876,400	0	0.0%
Legal Services Poverty Grants	1,930,671	1,814,831	907,416	907,415	1,814,831	0	0.0%
Total Justice, Department of	\$ 12,773,353	\$ 12,484,161	\$ 6,242,081	\$ 6,242,080	\$ 12,484,161	\$ 0	0.0%
<u>Civil Rights Commission</u>							
Civil Rights Commission							
Civil Rights Commission	\$ 1,334,589	\$ 1,297,069	\$ 648,534	\$ 648,535	\$ 1,297,069	\$ 0	0.0%
Total Civil Rights Commission	\$ 1,334,589	\$ 1,297,069	\$ 648,534	\$ 648,535	\$ 1,297,069	\$ 0	0.0%
<u>Corrections, Dept. of</u>							
Fort Madison							
Ft. Madison Institution	\$ 38,453,601	\$ 41,031,283	\$ 20,515,641	\$ 22,171,258	\$ 42,686,899	\$ 1,655,616	4.0%
Anamosa							
Anamosa Institution	\$ 29,563,854	\$ 31,985,974	\$ 15,992,987	\$ 16,767,199	\$ 32,760,186	\$ 774,212	2.4%
Oakdale							
Oakdale Institution	\$ 55,000,040	\$ 55,594,426	\$ 27,797,213	\$ 30,153,400	\$ 57,950,613	\$ 2,356,187	4.2%
Newton							
Newton Institution	\$ 25,700,753	\$ 25,958,757	\$ 12,979,379	\$ 14,147,911	\$ 27,127,290	\$ 1,168,533	4.5%
Mt Pleasant							
Mt. Pleasant Inst.	\$ 25,551,510	\$ 25,917,815	\$ 12,958,908	\$ 13,792,799	\$ 26,751,707	\$ 833,892	3.2%
Rockwell City							
Rockwell City Institution	\$ 9,078,666	\$ 9,316,466	\$ 4,658,233	\$ 4,925,918	\$ 9,584,151	\$ 267,685	2.9%
Clarinda							
Clarinda Institution	\$ 23,016,294	\$ 24,639,518	\$ 12,241,178	\$ 12,813,051	\$ 25,054,229	\$ 414,711	1.7%
Mitchellville							
Mitchellville Institution	\$ 15,283,848	\$ 15,615,374	\$ 7,807,687	\$ 8,317,072	\$ 16,124,759	\$ 509,385	3.3%
Fort Dodge							
Ft. Dodge Institution	\$ 28,310,185	\$ 29,062,235	\$ 14,531,118	\$ 15,137,152	\$ 29,668,270	\$ 606,035	2.1%

Justice System General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Central Office							
Corrections Administration	\$ 4,237,054	\$ 4,835,542	\$ 2,417,771	\$ 2,910,083	\$ 5,327,854	\$ 492,312	10.2%
County Confinement	775,092	775,092	387,546	687,546	1,075,092	300,000	38.7%
Federal Prisoners/Contractual	239,411	239,411	119,706	364,705	484,411	245,000	102.3%
Corrections Education	1,558,109	2,308,109	1,154,055	1,154,054	2,308,109	0	0.0%
Iowa Corrections Offender Network	424,364	424,364	212,182	212,182	424,364	0	0.0%
Mental Health/Substance Abuse	22,319	22,319	11,160	11,159	22,319	0	0.0%
Hepatitis Treatment And Education	167,881	167,881	83,941	83,940	167,881	0	0.0%
New Correctional Officers	0	0	78,581	-78,581	0	0	--
Total Central Office	\$ 7,424,230	\$ 8,772,718	\$ 4,464,942	\$ 5,345,088	\$ 9,810,030	\$ 1,037,312	11.8%
CBC District 1							
CBC District I	\$ 11,920,098	\$ 12,204,948	\$ 6,102,474	\$ 6,856,289	\$ 12,958,763	\$ 753,815	6.2%
CBC District 2							
CBC District II	\$ 10,336,948	\$ 10,336,948	\$ 5,168,474	\$ 5,571,098	\$ 10,739,572	\$ 402,624	3.9%
CBC District 3							
CBC District III	\$ 5,501,879	\$ 5,599,765	\$ 2,799,883	\$ 3,438,572	\$ 6,238,455	\$ 638,690	11.4%
CBC District 4							
CBC District IV	\$ 5,391,355	\$ 5,391,355	\$ 2,695,678	\$ 2,774,133	\$ 5,469,811	\$ 78,456	1.5%
CBC District 5							
CBC District V	\$ 18,407,129	\$ 18,742,129	\$ 9,371,065	\$ 9,849,026	\$ 19,220,091	\$ 477,962	2.6%
CBC District 6							
CBC District VI	\$ 12,709,753	\$ 13,112,563	\$ 6,556,282	\$ 7,539,126	\$ 14,095,408	\$ 982,845	7.5%
CBC District 7							
CBC District VII	\$ 6,492,814	\$ 6,492,814	\$ 3,246,407	\$ 3,649,227	\$ 6,895,634	\$ 402,820	6.2%
CBC District 8							
CBC District VIII	\$ 6,731,055	\$ 6,879,715	\$ 3,439,858	\$ 4,079,077	\$ 7,518,935	\$ 639,220	9.3%
Total Corrections, Dept. of	\$ 334,874,012	\$ 346,654,803	\$ 173,327,407	\$ 187,327,396	\$ 360,654,803	\$ 14,000,000	4.0%
Inspections & Appeals, Dept. of							
Public Defender							
Public Defender	\$ 24,083,182	\$ 25,083,182	\$ 12,541,591	\$ 13,320,591	\$ 25,862,182	\$ 779,000	3.1%
Indigent Defense Appropriation	31,680,929	30,680,929	15,340,464	14,561,465	29,901,929	-779,000	-2.5%
Total Inspections & Appeals, Dept. of	\$ 55,764,111	\$ 55,764,111	\$ 27,882,055	\$ 27,882,056	\$ 55,764,111	\$ 0	0.0%

Justice System General Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
<u>Judicial Branch</u>							
Judicial Branch							
Judicial Branch	\$ 148,811,822	\$ 154,111,822	\$ 77,055,911	\$ 86,248,629	\$ 163,304,540	\$ 9,192,718	6.0%
Jury & Witness	1,500,000	2,300,000	1,150,000	1,950,000	3,100,000	800,000	34.8%
Total Judicial Branch	\$ 150,311,822	\$ 156,411,822	\$ 78,205,911	\$ 88,198,629	\$ 166,404,540	\$ 9,992,718	6.4%
<u>Law Enforcement Academy</u>							
Law Enforcement Academy							
Law Enforcement Academy	\$ 840,667	\$ 868,698	\$ 434,349	\$ 534,349	\$ 968,698	\$ 100,000	11.5%
Total Law Enforcement Academy	\$ 840,667	\$ 868,698	\$ 434,349	\$ 534,349	\$ 968,698	\$ 100,000	11.5%
<u>Parole, Board of</u>							
Parole Board							
Parole Board	\$ 969,043	\$ 1,053,835	\$ 526,918	\$ 676,917	\$ 1,203,835	\$ 150,000	14.2%
Total Parole, Board of	\$ 969,043	\$ 1,053,835	\$ 526,918	\$ 676,917	\$ 1,203,835	\$ 150,000	14.2%
<u>Public Defense, Dept. of</u>							
Public Defense, Dept. of							
Public Defense, Department of	\$ 5,879,832	\$ 5,527,042	\$ 2,763,521	\$ 2,911,521	\$ 5,675,042	\$ 148,000	2.7%
Emergency Management Division							
Homeland Security & Emer. Mgmt.	\$ 1,940,548	\$ 1,836,877	\$ 918,439	\$ 918,438	\$ 1,836,877	\$ 0	0.0%
Total Public Defense, Dept. of	\$ 7,820,380	\$ 7,363,919	\$ 3,681,960	\$ 3,829,959	\$ 7,511,919	\$ 148,000	2.0%

Justice System General Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
Public Safety, Department of							
Public Safety, Dept. of							
Public Safety Administration	\$ 4,007,075	\$ 4,007,075	\$ 2,003,538	\$ 2,003,537	\$ 4,007,075	\$ 0	0.0%
Public Safety DCI	12,533,931	12,533,931	6,266,966	6,266,965	12,533,931	0	0.0%
DCI - Crime Lab Equipment/Training	302,345	302,345	151,173	151,172	302,345	0	0.0%
Narcotics Enforcement	6,429,884	6,429,884	3,214,942	3,214,942	6,429,884	0	0.0%
Public Safety Undercover Funds	109,042	109,042	54,521	54,521	109,042	0	0.0%
DPS Fire Marshal	4,298,707	4,298,707	2,149,354	2,149,353	4,298,707	0	0.0%
Iowa State Patrol	48,505,765	51,903,233	25,951,617	25,951,616	51,903,233	0	0.0%
DPS/SPOC Sick Leave Payout	279,517	279,517	139,759	139,758	279,517	0	0.0%
Fire Fighter Training	612,255	725,520	362,760	362,760	725,520	0	0.0%
Total Public Safety, Department of	\$ 77,078,521	\$ 80,589,254	\$ 40,294,630	\$ 40,294,624	\$ 80,589,254	\$ 0	0.0%
Total Justice System	\$ 641,766,498	\$ 662,487,672	\$ 331,243,845	\$ 355,634,545	\$ 686,878,390	\$ 24,390,718	3.7%

Unassigned Standings

General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Administrative Services, Dept. of</u>							
State Accounting Trust Accounts							
Federal Cash Management - Standing	\$ 0	\$ 356,587	\$ 356,587	\$ 0	\$ 356,587	\$ 0	0.0%
Unemployment Compensation - Standing	555,939	440,371	440,371	0	440,371	0	0.0%
Municipal Fire & Police Retirement	1,500,000	750,000	0	0	0	-750,000	-100.0%
Total Administrative Services, Dept. of	\$ 2,055,939	\$ 1,546,958	\$ 796,958	\$ 0	\$ 796,958	\$ -750,000	-48.5%
<u>Corrections, Dept. of</u>							
Central Office							
State Cases Court Costs	\$ 0	\$ 59,733	\$ 59,733	\$ 0	\$ 59,733	\$ 0	0.0%
Total Corrections, Dept. of	\$ 0	\$ 59,733	\$ 59,733	\$ 0	\$ 59,733	\$ 0	0.0%
<u>Cultural Affairs, Dept. of</u>							
Cultural Affairs, Dept. of							
County Endowment Funding - DCA Grants	\$ 443,300	\$ 416,702	\$ 208,351	\$ 208,351	\$ 416,702	\$ 0	0.0%
Total Cultural Affairs, Dept. of	\$ 443,300	\$ 416,702	\$ 208,351	\$ 208,351	\$ 416,702	\$ 0	0.0%
<u>Economic Development, Dept. of</u>							
Economic Development, Dept. of							
Tourism Marketing - Adjusted Gross Receipts	\$ 856,229	\$ 810,306	\$ 405,153	\$ 405,153	\$ 810,306	\$ 0	0.0%
Total Economic Development, Dept. of	\$ 856,229	\$ 810,306	\$ 405,153	\$ 405,153	\$ 810,306	\$ 0	0.0%
<u>Education, Dept. of</u>							
Education, Dept. of							
Child Development	\$ 11,493,891	\$ 10,728,891	\$ 5,364,446	\$ 5,364,445	\$ 10,728,891	\$ 0	0.0%
Sac Fox Settlement Education	0	100,000	100,000	0	100,000	0	0.0%
State Foundation School Aid	2,444,144,299	2,624,519,013	2,713,300,000	-64,122,000	2,649,178,000	24,658,987	0.9%
Nonpublic School Trans - Reduction	7,060,931	7,060,931	7,060,931	0	7,060,931	0	0.0%
Total Education, Dept. of	\$ 2,462,699,121	\$ 2,642,408,835	\$ 2,725,825,377	\$ -58,757,555	\$ 2,667,067,822	\$ 24,658,987	0.9%

Unassigned Standings

General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Energy Independence</u>							
Office of Energy Independence							
Iowa Power Fund	\$ 19,583,025	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Energy Independence	\$ 19,583,025	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Executive Council</u>							
Executive Council							
Court Costs	\$ 262,737	\$ 59,772	\$ 59,772	\$ 0	\$ 59,772	\$ 0	0.0%
Public Improvements	0	39,848	39,848	0	39,848	0	0.0%
Performance Of Duty	-290,316	0	0	0	0	0	--
Drainage Assessment	154,382	20,227	20,227	0	20,227	0	0.0%
Total Executive Council	\$ 126,803	\$ 119,847	\$ 119,847	\$ 0	\$ 119,847	\$ 0	0.0%
<u>Legislative Branch</u>							
Legislative Services Agency							
Legislative Branch	\$ 33,583,681	\$ 35,750,000	\$ 35,750,000	\$ 150,000	\$ 35,900,000	\$ 150,000	0.4%
Total Legislative Branch	\$ 33,583,681	\$ 35,750,000	\$ 35,750,000	\$ 150,000	\$ 35,900,000	\$ 150,000	0.4%
<u>Governor</u>							
Governor's Office							
Interstate Extradition	\$ 0	\$ 3,032	\$ 3,032	\$ 0	\$ 3,032	\$ 0	0.0%
Total Governor	\$ 0	\$ 3,032	\$ 3,032	\$ 0	\$ 3,032	\$ 0	0.0%
<u>Public Health, Dept. of</u>							
Public Health, Dept. of							
Congenital & Inherited Disorders Registry	\$ 182,044	\$ 171,121	\$ 85,560	\$ 85,561	\$ 171,121	\$ 0	0.0%
Total Public Health, Dept. of	\$ 182,044	\$ 171,121	\$ 85,560	\$ 85,561	\$ 171,121	\$ 0	0.0%
<u>Human Services, Dept. of</u>							
General Administration							
Commission of Inquiry	\$ 0	\$ 1,394	\$ 1,394	\$ 0	\$ 1,394	\$ 0	0.0%
Non Resident Transfers	0	67	67	0	67	0	0.0%
Non Resident Commitment Mental Illness	3,351	142,802	142,802	0	142,802	0	0.0%
Total General Administration	\$ 3,351	\$ 144,263	\$ 144,263	\$ 0	\$ 144,263	\$ 0	0.0%

Unassigned Standings

General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Assistance							
MH Property Tax Relief	\$ 81,199,911	\$ 81,199,911	\$ 81,199,911	\$ 0	\$ 81,199,911	\$ 0	0.0%
Child Abuse Prevention	217,772	217,772	108,886	108,886	217,772	0	0.0%
Mental Health SF209	20,000,000	0	0	0	0	0	--
Total Assistance	\$ 101,417,683	\$ 81,417,683	\$ 81,308,797	\$ 108,886	\$ 81,417,683	\$ 0	0.0%
Total Human Services, Dept. of	\$ 101,421,034	\$ 81,561,946	\$ 81,453,060	\$ 108,886	\$ 81,561,946	\$ 0	0.0%
Management, Dept. of							
Management, Dept. of							
Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0	0.0%
Appeal Board Claims	6,508,275	11,104,556	3,586,307	0	3,586,307	-7,518,249	-67.7%
Technology Reinvestment Fund	0	0	17,500,000	-17,500,000	0	0	--
Property Tax Credit Fund	91,256,037	0	0	0	0	0	--
Total Management, Dept. of	\$ 97,814,312	\$ 11,154,556	\$ 21,136,307	\$ -17,500,000	\$ 3,636,307	\$ -7,518,249	-67.4%
Natural Resources, Dept. of							
Natural Resources							
REAP GF Standing	\$ 0	\$ 0	\$ 20,000,000	\$ -20,000,000	\$ 0	\$ 0	--
Total Natural Resources, Dept. of	\$ 0	\$ 0	\$ 20,000,000	\$ -20,000,000	\$ 0	\$ 0	--
Public Defense, Dept. of							
Public Defense, Dept. of							
Compensation and Expense	\$ 1,621,735	\$ 344,644	\$ 344,644	\$ 0	\$ 344,644	\$ 0	0.0%
Total Public Defense, Dept. of	\$ 1,621,735	\$ 344,644	\$ 344,644	\$ 0	\$ 344,644	\$ 0	0.0%
Public Safety, Department of							
Public Safety, Dept. of							
DPS-POR Unfunded Liabilities Until 85 Percent	\$ 0	\$ 0	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000	--
POR Permissive Service Credit	95,417	0	0	0	0	0	--
Total Public Safety, Department of	\$ 95,417	\$ 0	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000	--

Unassigned Standings

General Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Revenue, Dept. of</u>							
<u>Revenue, Dept. of</u>							
Ag Land Tax Credit - GF	\$ 0	\$ 32,395,131	\$ 39,100,000	\$ -6,704,869	\$ 32,395,131	\$ 0	0.0%
Homestead Tax Credit Aid - GF	0	86,188,387	135,000,000	-48,811,613	86,188,387	0	0.0%
Elderly & Disabled Tax Credit - GF	0	24,957,000	24,957,000	0	24,957,000	0	0.0%
Military Service Tax Credit - GF	0	0	2,400,000	-2,400,000	0	0	--
Printing Cigarette Stamps	124,392	124,652	124,652	375,348	500,000	375,348	301.1%
Tobacco Reporting Requirements	19,591	18,416	9,208	9,208	18,416	0	0.0%
Military Service Tax Refunds	0	2,400,000	0	2,400,000	2,400,000	0	0.0%
Total Revenue, Dept. of	\$ 143,983	\$ 146,083,586	\$ 201,590,860	\$ -55,131,926	\$ 146,458,934	\$ 375,348	0.3%
<u>Treasurer of State</u>							
<u>Treasurer of State</u>							
Health Care Trust Fund Transfer	\$ 106,016,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Treasurer of State	\$ 106,016,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Unassigned Standings	\$ 2,826,643,023	\$ 2,920,431,266	\$ 3,092,778,882	\$ -150,431,530	\$ 2,942,347,352	\$ 21,916,086	0.8%

Summary Data

Other Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
Administration and Regulation	\$ 48,515,218	\$ 53,825,185	\$ 27,745,390	\$ 22,952,956	\$ 50,698,346	\$ -3,126,839	-5.8%
Agriculture and Natural Resources	76,982,901	77,962,519	32,627,253	45,335,266	77,962,519	0	0.0%
Economic Development	18,626,000	9,455,344	3,808,542	5,646,802	9,455,344	0	0.0%
Education	14,097,000	120,000	0	0	0	-120,000	-100.0%
Health and Human Services	595,274,699	354,866,739	412,987,091	-65,085,833	347,901,258	-6,965,481	-2.0%
Justice System	13,112,054	13,471,872	6,486,235	6,985,637	13,471,872	0	0.0%
Transportation, Infrastructure, and Capitals	664,280,834	489,922,741	287,388,616	212,472,198	499,860,814	9,938,073	2.0%
Unassigned Standings	<u>320,564,174</u>	<u>67,413,897</u>	<u>40,003,857</u>	<u>37,429,892</u>	<u>77,433,749</u>	<u>10,019,852</u>	<u>14.9%</u>
Grand Total	<u>\$ 1,751,452,880</u>	<u>\$ 1,067,038,297</u>	<u>\$ 811,046,984</u>	<u>\$ 265,736,918</u>	<u>\$ 1,076,783,902</u>	<u>\$ 9,745,605</u>	<u>0.9%</u>

Administration and Regulation

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Administrative Services, Dept. of</u>							
Administrative Services							
Terrace Hill Operations - CRF	\$ 168,494	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Autism Coverage - UST	140,000	0	0	0	0	0	--
Medication Therapy Management - UST	543,000	0	0	0	0	0	--
Total Administrative Services, Dept. of	\$ 851,494	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Commerce, Dept. of</u>							
Banking Division							
Banking Division - CMRF	\$ 8,814,932	\$ 8,851,670	\$ 4,425,835	\$ 4,672,335	\$ 9,098,170	\$ 246,500	2.8%
Credit Union Division							
Credit Union Division - CMRF	\$ 1,722,097	\$ 1,727,995	\$ 863,998	\$ 928,997	\$ 1,792,995	\$ 65,000	3.8%
Insurance Division							
Insurance Division Operations - CMRF	\$ 54,999	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Insurance Division - CMRF	4,914,534	4,983,244	2,491,622	2,491,622	4,983,244	0	0.0%
Insurance Information Exchange - UST	147,000	0	0	0	0	0	--
Total Insurance Division	\$ 5,116,533	\$ 4,983,244	\$ 2,491,622	\$ 2,491,622	\$ 4,983,244	\$ 0	0.0%
Utilities Division							
Utilities Division - CMRF	\$ 8,149,457	\$ 8,173,069	\$ 4,086,535	\$ 4,086,534	\$ 8,173,069	\$ 0	0.0%
Nuclear Power Reg. - CMRF	0	0	425,000	-425,000	0	0	--
Total Utilities Division	\$ 8,149,457	\$ 8,173,069	\$ 4,511,535	\$ 3,661,534	\$ 8,173,069	\$ 0	0.0%
Professional Licensing and Reg.							
Field Auditor - Housing Impr. Fund	\$ 62,317	\$ 62,317	\$ 31,159	\$ 31,158	\$ 62,317	\$ 0	0.0%
Total Commerce, Dept. of	\$ 23,865,336	\$ 23,798,295	\$ 12,324,149	\$ 11,785,646	\$ 24,109,795	\$ 311,500	1.3%
<u>Human Rights, Dept. of</u>							
Human Rights, Department of							
Public Safety Advisory Board - UST	\$ 140,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Human Rights, Dept. of	\$ 140,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--

Administration and Regulation

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Inspections & Appeals, Dept. of</u>							
Inspections and Appeals, Dept. of							
DIA - RUTF	\$ 1,623,897	\$ 1,623,897	\$ 811,949	\$ 811,948	\$ 1,623,897	\$ 0	0.0%
DIA - Med Fraud - Dependent Adult Abuse	250,000	250,000	125,000	-125,000	0	-250,000	-100.0%
Medicaid Fraud - EBT Investigations	119,070	119,070	119,070	-119,070	0	-119,070	-100.0%
Medicaid Fraud - Boarding Homes	119,480	119,480	119,480	-119,480	0	-119,480	-100.0%
Medicaid Fraud - Dependent Adult	885,262	885,262	885,262	-885,262	0	-885,262	-100.0%
Medicaid Fraud - Assisted Living	1,339,527	1,339,527	669,764	-669,764	0	-1,339,527	-100.0%
Medicaid Fraud - Health Facilities	0	650,000	325,000	-325,000	0	-650,000	-100.0%
Total Inspections and Appeals, Dept. of	\$ 4,337,236	\$ 4,987,236	\$ 3,055,525	\$ -1,431,628	\$ 1,623,897	\$ -3,363,339	-67.4%
Racing Commission							
Pari-Mutuel Regulation Fund	\$ 0	\$ 2,628,519	\$ 1,255,720	\$ 1,643,205	\$ 2,898,925	\$ 270,406	10.3%
Riverboat Regulation Fund	0	3,194,244	1,539,050	1,384,788	2,923,838	-270,406	-8.5%
Total Racing Commission	\$ 0	\$ 5,822,763	\$ 2,794,770	\$ 3,027,993	\$ 5,822,763	\$ 0	0.0%
Total Inspections & Appeals, Dept. of	\$ 4,337,236	\$ 10,809,999	\$ 5,850,295	\$ 1,596,365	\$ 7,446,660	\$ -3,363,339	-31.1%
<u>Management, Dept. of</u>							
Management, Dept. of							
DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 28,000	\$ 28,000	\$ 56,000	\$ 0	0.0%
DOM Operations - CRF	260,000	0	0	0	0	0	--
Total Management, Dept. of	\$ 316,000	\$ 56,000	\$ 28,000	\$ 28,000	\$ 56,000	\$ 0	0.0%
<u>Revenue, Dept. of</u>							
Revenue, Dept. of							
Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 652,888	\$ 652,887	\$ 1,305,775	\$ 0	0.0%
Total Revenue, Dept. of	\$ 1,305,775	\$ 1,305,775	\$ 652,888	\$ 652,887	\$ 1,305,775	\$ 0	0.0%

Administration and Regulation

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Secretary of State</u>							
Secretary of State							
Redistricting-lowAccess	\$ 0	\$ 75,000	\$ 0	\$ 0	\$ 0	\$ -75,000	-100.0%
Total Secretary of State	\$ 0	\$ 75,000	\$ 0	\$ 0	\$ 0	\$ -75,000	-100.0%
<u>Treasurer of State</u>							
Treasurer of State							
I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 46,574	\$ 46,574	\$ 93,148	\$ 0	0.0%
Total Treasurer of State	\$ 93,148	\$ 93,148	\$ 46,574	\$ 46,574	\$ 93,148	\$ 0	0.0%
<u>IPERS Administration</u>							
IPERS Administration							
IPERS Administration	\$ 17,606,229	\$ 17,686,968	\$ 8,843,484	\$ 8,843,484	\$ 17,686,968	\$ 0	0.0%
Total IPERS Administration	\$ 17,606,229	\$ 17,686,968	\$ 8,843,484	\$ 8,843,484	\$ 17,686,968	\$ 0	0.0%
Total Administration and Regulation	\$ 48,515,218	\$ 53,825,185	\$ 27,745,390	\$ 22,952,956	\$ 50,698,346	\$ -3,126,839	-5.8%

Agriculture and Natural Resources

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Agriculture and Land Stewardship</u>							
Agriculture and Land Stewardship							
Native Horse & Dog Prog-Unclaimed Winnings	\$ 305,516	\$ 305,516	\$ 152,758	\$ 152,758	\$ 305,516	\$ 0	0.0%
Motor Fuel Inspection - RFIF	299,200	500,000	250,000	250,000	500,000	0	0.0%
Conservation Reserve Enhance - EFF	1,500,000	1,000,000	500,000	500,000	1,000,000	0	0.0%
Watershed Protection Fund - EFF	1,500,000	900,000	450,000	450,000	900,000	0	0.0%
Farm Management Demo - EFF	750,000	625,000	312,500	312,500	625,000	0	0.0%
Agricultural Drainage Wells - EFF	1,250,000	0	0	0	0	0	--
Soil & Water Conservation - EFF	1,751,600	2,000,000	1,000,000	1,000,000	2,000,000	0	0.0%
Conservation Reserve Prog - EFF	1,300,000	1,000,000	500,000	500,000	1,000,000	0	0.0%
So. Iowa Conservation & Dev - EFF	250,000	0	0	0	0	0	--
Cost Share - EFF	1,050,000	6,300,000	3,150,000	3,150,000	6,300,000	0	0.0%
Fuel Inspection - UST	249,609	250,000	250,000	0	250,000	0	0.0%
Iowa FFA Foundation - EFF	0	0	12,500	-12,500	0	0	--
Local Food & Farm Program - EFF	0	0	37,500	-37,500	0	0	--
Iowa FFA Foundation - EFF	0	25,000	0	25,000	25,000	0	0.0%
Local Food & Farm Program - EFF	0	75,000	0	75,000	75,000	0	0.0%
Total Agriculture and Land Stewardship	\$ 10,205,925	\$ 12,980,516	\$ 6,615,258	\$ 6,365,258	\$ 12,980,516	\$ 0	0.0%
Loess Hills Dev. and Conservation							
Loess Hills - EFF	\$ 500,000	\$ 475,000	\$ 237,500	\$ 237,500	\$ 475,000	\$ 0	0.0%
Total Agriculture and Land Stewardship	\$ 10,705,925	\$ 13,455,516	\$ 6,852,758	\$ 6,602,758	\$ 13,455,516	\$ 0	0.0%

Agriculture and Natural Resources

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Natural Resources, Dept. of</u>							
Natural Resources							
Fish & Game- DNR Admin Expenses	\$ 38,793,154	\$ 39,951,171	\$ 19,396,577	\$ 20,554,594	\$ 39,951,171	\$ 0	0.0%
GWF - Storage Tanks Study	100,303	100,303	50,152	50,151	100,303	0	0.0%
GWF - Household Hazardous Waste	447,324	447,324	223,662	223,662	447,324	0	0.0%
GWF - Well Testing Admin 2%	62,461	62,461	31,231	31,230	62,461	0	0.0%
GWF - Groundwater Monitoring	1,686,751	1,686,751	843,376	843,375	1,686,751	0	0.0%
GWF - Landfill Alternatives	618,993	618,993	309,497	309,496	618,993	0	0.0%
GWF - Waste Reduction and Assistance	192,500	192,500	96,250	96,250	192,500	0	0.0%
GWF - Solid Waste Authorization	50,000	50,000	25,000	25,000	50,000	0	0.0%
GWF - Geographic Information System	297,500	297,500	148,750	148,750	297,500	0	0.0%
Snowmobile Registration Fees	100,000	100,000	50,000	50,000	100,000	0	0.0%
Administration Match - UST	200,000	200,000	100,000	100,000	200,000	0	0.0%
Technical Tank Review - UST	200,000	200,000	200,000	0	200,000	0	0.0%
Database Modification - UST	100,000	0	0	0	0	0	--
DNR Facility Rent-CRF	300,000	0	0	0	0	0	--
State Parks Volunteer Activities - EFF	250,000	0	0	0	0	0	--
Total Natural Resources, Dept. of	\$ 43,398,986	\$ 43,907,003	\$ 21,474,495	\$ 22,432,508	\$ 43,907,003	\$ 0	0.0%
<u>Natural Resources Capital</u>							
Natural Resources Capital							
Volunteers and Keepers of Land - EFF	\$ 100,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 100,000	\$ 0	0.0%
Park Operations & Maintenance - EFF	2,470,000	3,210,000	1,605,000	1,605,000	3,210,000	0	0.0%
GIS Information for Watershed - EFF	176,000	195,000	97,500	97,500	195,000	0	0.0%
Water Quality Monitoring - EFF	2,955,000	2,955,000	1,477,500	1,477,500	2,955,000	0	0.0%
Water Quality Protection - EFF	500,000	500,000	250,000	250,000	500,000	0	0.0%
Animal Feeding Operations - EFF	608,400	420,000	210,000	210,000	420,000	0	0.0%
Air Quality Monitoring-Ambient - EFF	423,590	425,000	212,500	212,500	425,000	0	0.0%
Water Quantity - EFF	495,000	495,000	247,500	247,500	495,000	0	0.0%
REAP - EFF	15,000,000	12,000,000	0	12,000,000	12,000,000	0	0.0%
Resource Conservation and Dev. - EFF	150,000	0	0	0	0	0	--
Geological And Water Survey - EFF	0	200,000	100,000	100,000	200,000	0	0.0%
Forestry Health Management - EFF	0	100,000	50,000	50,000	100,000	0	0.0%
Total Natural Resources Capital	\$ 22,877,990	\$ 20,600,000	\$ 4,300,000	\$ 16,300,000	\$ 20,600,000	\$ 0	0.0%
Total Agriculture and Natural Resources	\$ 76,982,901	\$ 77,962,519	\$ 32,627,253	\$ 45,335,266	\$ 77,962,519	\$ 0	0.0%

Economic Development Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Economic Development, Dept. of</u>							
Economic Development, Dept. of							
Workforce Development Fund	\$ 4,000,000	\$ 4,000,000	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000	\$ 0	0.0%
Taiwan Trade Office - UST	100,000	0	0	0	0	0	--
Site Development Consultations - SIF	175,000	0	0	0	0	0	--
Small Bus Assistance Website - SIF	20,000	0	0	0	0	0	--
Save Our Small Businesses Fund - SIF	5,000,000	0	0	0	0	0	--
Total Economic Development, Dept. of	\$ 9,295,000	\$ 4,000,000	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000	\$ 0	0.0%
<u>Iowa Workforce Development</u>							
Iowa Workforce Development							
Field Offices - Spec Cont Fund	\$ 360,000	\$ 1,217,084	\$ 608,542	\$ 608,542	\$ 1,217,084	\$ 0	0.0%
Field Offices - UI Reserve Interest	6,500,000	4,238,260	1,200,000	3,038,260	4,238,260	0	0.0%
Workers' Comp Div - Spec Cont Fund	471,000	0	0	0	0	0	--
Total Iowa Workforce Development	\$ 7,331,000	\$ 5,455,344	\$ 1,808,542	\$ 3,646,802	\$ 5,455,344	\$ 0	0.0%
<u>Energy Independence</u>							
Office of Energy Independence							
Iowa Power Fund - CRF	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Energy Independence	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Economic Development	\$ 18,626,000	\$ 9,455,344	\$ 3,808,542	\$ 5,646,802	\$ 9,455,344	\$ 0	0.0%

Education Other Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
Education, Dept. of							
Education, Dept. of							
Preschool Program - CRF	\$ 4,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Jobs for Americas Grads - CRF	540,000	0	0	0	0	0	--
Sac and Fox Education - UST	90,000	0	0	0	0	0	--
Total Education, Dept. of	\$ 4,630,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Vocational Rehabilitation							
Farmers with Disabilities - UST	\$ 97,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Education, Dept. of	\$ 4,727,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Regents, Board of							
Regents, Board of							
University of Iowa - UST	\$ 4,086,492	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Iowa State University - UST	3,202,079	0	0	0	0	0	--
University of Northern Iowa - UST	1,456,118	0	0	0	0	0	--
Iowa Braille and Sight Saving School - UST	229,331	0	0	0	0	0	--
Iowa School for the Deaf - UST	395,980	0	0	0	0	0	--
ISU - Midwest Grape and Wine Industry Institute :	0	120,000	0	0	0	-120,000	-100.0%
Total Regents, Board of	\$ 9,370,000	\$ 120,000	\$ 0	\$ 0	\$ 0	\$ -120,000	-100.0%
Total Education	\$ 14,097,000	\$ 120,000	\$ 0	\$ 0	\$ 0	\$ -120,000	-100.0%

Health and Human Services

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Aging, Dept. on</u>							
Aging, Dept. on							
Elder Affairs Operations - SLTF	\$ 8,486,698	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Aging, Dept. on	\$ 8,486,698	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Public Health, Dept. of</u>							
Public Health, Dept. of							
Medical Home Advisory Council - HCTA	\$ 0	\$ 0	\$ 116,679	\$ -116,679	\$ 0	\$ 0	--
E-Health - HCTA	0	0	181,993	-181,993	0	0	--
Public Health - UST	785,000	0	0	0	0	0	--
Total Public Health, Dept. of	\$ 785,000	\$ 0	\$ 298,672	\$ -298,672	\$ 0	\$ 0	--
<u>Human Services, Dept. of</u>							
General Administration							
FIP-TANF	\$ 0	\$ 0	\$ 10,750,369	\$ -10,750,369	\$ 0	\$ 0	--
Promise Jobs-TANF	0	0	6,205,764	-6,205,764	0	0	--
FaDDS-TANF	0	0	1,449,490	-1,449,490	0	0	--
Field Operations-TANF	0	0	15,648,116	-15,648,116	0	0	--
General Administration-TANF	0	0	1,872,000	-1,872,000	0	0	--
State Day Care-TANF	0	0	8,191,344	-8,191,344	0	0	--
MH/DD Comm. Services-TANF	0	0	2,447,026	-2,447,026	0	0	--
Child & Family Services-TANF	0	0	16,042,215	-16,042,215	0	0	--
Child Abuse Prevention-TANF	0	0	62,500	-62,500	0	0	--
Training & Technology-TANF	0	0	518,593	-518,593	0	0	--
0-5 Children-TANF	0	0	3,175,000	-3,175,000	0	0	--
Total General Administration	\$ 0	\$ 0	\$ 66,362,417	\$ -66,362,417	\$ 0	\$ 0	--

Health and Human Services

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Assistance							
Pregnancy Prevention-TANF	\$ 0	\$ 0	\$ 965,034	\$ -965,034	\$ 0	\$ 0	--
Promoting Healthy Marriage - TANF	0	0	73,036	-73,036	0	0	--
Medical Assistance - HCTF	106,916,532	106,363,275	106,363,275	-316,875	106,046,400	-316,875	-0.3%
Medical Contracts-Pharm Settlement - PhSA	4,027,613	10,907,457	2,716,807	0	2,716,807	-8,190,650	-75.1%
Broadlawns Hospital - ICA	51,000,000	65,000,000	65,000,000	4,000,000	69,000,000	4,000,000	6.2%
Regional Provider Network - ICA	6,000,000	3,472,176	3,472,176	1,514,190	4,986,366	1,514,190	43.6%
Care Coordination - ICA	0	0	500,000	-500,000	0	0	--
Radiology and Lab - ICA	0	0	1,500,000	-1,500,000	0	0	--
Nonparticipating Providers - NPPR	2,000,000	2,000,000	2,000,000	0	2,000,000	0	0.0%
Medical Information Hotline - HCTA	100,000	100,000	50,000	50,000	100,000	0	0.0%
Health Partnership Activities - HCTA	600,000	600,000	300,000	300,000	600,000	0	0.0%
Audits, Performance Eval., Studies - HCTA	125,000	125,000	62,500	62,500	125,000	0	0.0%
IowaCare Admin. Costs - HCTA	1,131,511	1,132,412	566,206	566,206	1,132,412	0	0.0%
Dental Home for Children - HCTA	1,000,000	1,000,000	500,000	500,000	1,000,000	0	0.0%
MH/DD Workforce Development - HCTA	50,000	50,000	25,000	25,000	50,000	0	0.0%
Medical Contracts - HCTA	1,300,000	2,000,000	1,000,000	1,400,000	2,400,000	400,000	20.0%
Broadlawns Admin - HCTA	290,000	290,000	145,000	145,000	290,000	0	0.0%
Uniform Cost Report - HCTA	0	0	75,000	-75,000	0	0	--
Electronic Med Records Infra - HCTA	0	0	50,000	-50,000	0	0	--
Health Care Access Council - HCTA	0	0	67,107	-67,107	0	0	--
Accountable Care Pilot - HCTA	0	0	50,000	-50,000	0	0	--
Provider Payment System - HCTA	0	0	100,000	-100,000	0	0	--
Medical Assistance Sup. - HCTA	0	0	1,956,245	-1,956,245	0	0	--
Medical Assistance - QATF	33,708,458	29,000,000	29,000,000	-2,500,000	26,500,000	-2,500,000	-8.6%
Medical Assistance-HHCAT	39,406,000	39,223,800	39,223,800	-5,325,400	33,898,400	-5,325,400	-13.6%
Nonparticipating Provider Reimb Fund-HHCAT	594,000	776,200	776,200	25,400	801,600	25,400	3.3%
Medical Examinations-Expansion Pop - HCTA	556,800	0	0	0	0	0	--
Electronic Medical Records - HCTA	0	100,000	0	100,000	100,000	0	0.0%
Medical Assistance - HCTA	0	1,956,245	0	1,956,245	1,956,245	0	0.0%
Medicaid Supplemental - SLTF	40,437,372	0	0	0	0	0	--
Medical Assistance - CRF	187,800,000	0	0	0	0	0	--
Child and Family Services-Shelter Care - CRF	500,000	0	0	0	0	0	--
Child and Family Services - UST	925,000	0	0	0	0	0	--
Child and Family Ser.-Restore Rate Reduction - L	1,000,000	0	0	0	0	0	--
Family Support Subsidy - UST	100,000	0	0	0	0	0	--
Child Support Recovery - UST	250,000	0	0	0	0	0	--
Juvenile Institutions - UST	600,000	0	0	0	0	0	--
Mental Health Institutes - UST	350,000	0	0	0	0	0	--
MI/MR/DD State Cases - UST	1,000,000	0	0	0	0	0	--

Health and Human Services

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Sexually Violent Predators - UST	800,000	0	0	0	0	0	--
Field Operations - UST	2,340,000	0	0	0	0	0	--
Medicaid Supplemental - MFA	0	0	2,000,000	-2,000,000	0	0	--
Care Coordination - ICA	0	500,000	0	500,000	500,000	0	0.0%
Lab Test & Radiology Pool - ICA	0	1,500,000	0	1,500,000	1,500,000	0	0.0%
Uniform Cost Report - HCTA	0	150,000	0	150,000	150,000	0	0.0%
DPH Transfer Health Care Access Council - HCT	0	134,214	0	134,214	134,214	0	0.0%
Accountable Care Pilot - HCTA	0	100,000	0	100,000	100,000	0	0.0%
DPH Transfer e-Health - HCTA	0	363,987	0	363,987	363,987	0	0.0%
DPH Transfer Medical Home - HCTA	0	233,357	0	233,357	233,357	0	0.0%
FY11 Mental Health Waiting List - PTRF	10,000,000	0	0	0	0	0	--
Medicaid Supplemental - Medicaid Fraud	0	0	0	2,000,000	2,000,000	2,000,000	--
Total Assistance	\$ 494,908,286	\$ 267,078,123	\$ 258,537,386	\$ 147,402	\$ 258,684,788	\$ -8,393,335	-3.1%
Total Human Services, Dept. of	\$ 494,908,286	\$ 267,078,123	\$ 324,899,803	\$ -66,215,015	\$ 258,684,788	\$ -8,393,335	-3.1%
<u>Regents, Board of</u>							
Regents, Board of							
UI - UIHC IowaCares Program - ICA	\$ 27,284,584	\$ 27,284,584	\$ 27,284,584	\$ 0	\$ 27,284,584	\$ 0	0.0%
UI - UIHC IowaCares Expansion Pop - ICA	49,020,131	44,226,279	44,226,279	1,427,854	45,654,133	1,427,854	3.2%
UI - UIHC IowaCares Physicians - ICA	14,000,000	16,277,753	16,277,753	0	16,277,753	0	0.0%
Total Regents, Board of	\$ 90,304,715	\$ 87,788,616	\$ 87,788,616	\$ 1,427,854	\$ 89,216,470	\$ 1,427,854	1.6%
<u>Veterans Affairs, Dept. of</u>							
Veterans Affairs, Department of							
County Veterans Grant Assist - MMBF	\$ 90,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Veterans Affairs, Dept. of	\$ 90,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Iowa Finance Authority</u>							
Iowa Finance Authority							
Rent Subsidy Program - SLTF	\$ 700,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Iowa Finance Authority	\$ 700,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Health and Human Services	\$ 595,274,699	\$ 354,866,739	\$ 412,987,091	\$ -65,085,833	\$ 347,901,258	\$ -6,965,481	-2.0%

Justice System Other Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
<u>Justice, Department of</u>							
Consumer Advocate							
Consumer Advocate - CMRF	\$ 3,318,465	\$ 3,136,163	\$ 1,568,082	\$ 1,568,081	\$ 3,136,163	\$ 0	0.0%
Total Justice, Department of	\$ 3,318,465	\$ 3,136,163	\$ 1,568,082	\$ 1,568,081	\$ 3,136,163	\$ 0	0.0%
<u>Public Safety, Department of</u>							
Public Safety, Dept. of							
DPS Gaming Enforcement	\$ 9,793,589	\$ 10,335,709	\$ 4,918,153	\$ 5,417,556	\$ 10,335,709	\$ 0	0.0%
Total Public Safety, Department of	\$ 9,793,589	\$ 10,335,709	\$ 4,918,153	\$ 5,417,556	\$ 10,335,709	\$ 0	0.0%
Total Justice System	\$ 13,112,054	\$ 13,471,872	\$ 6,486,235	\$ 6,985,637	\$ 13,471,872	\$ 0	0.0%

Transportation, Infrastructure, and Capitals

Other Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
<u>Administrative Services, Dept. of</u>							
Administrative Services							
Capitol Shuttle - RIF	\$ 125,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Mercy Capital Hospital Operations - RIF	1,082,300	0	0	0	0	0	--
DAS Distribution Account - RIF	<u>3,700,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>--</u>
Total Administrative Services, Dept. of	\$ 4,907,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Administrative Services - Capitals</u>							
Administrative Services - Capitals							
Major Maintenance-VIF	\$ -18	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
ITE Pooled Technology- TRF	3,793,654	1,643,728	0	0	0	-1,643,728	-100.0%
Major Maintenance - RBC	3,000,000	0	0	0	0	0	--
Lucas Bldg SOS Office Security - RIF	0	45,000	0	0	0	-45,000	-100.0%
Historical Building Repairs - RIF	0	1,200,000	0	0	0	-1,200,000	-100.0%
Major Maintenance - RBC	0	500,000	0	0	0	-500,000	-100.0%
Major Maintenance - RBC2	0	2,020,000	0	0	0	-2,020,000	-100.0%
Total Administrative Services - Capitals	\$ 6,793,636	\$ 5,408,728	\$ 0	\$ 0	\$ 0	\$ -5,408,728	-100.0%
<u>Agriculture and Land Stewardship</u>							
Agriculture and Land Stewardship							
Soil Conservation Cost Share - RBC	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
WIRB Administration - RIF	50,000	0	0	0	0	0	--
Soil Conservation Cost Share - RBC2	5,950,000	0	0	0	0	0	--
Cons Reserve Enhancement Prog - RBC2	<u>2,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>--</u>
Total Agriculture and Land Stewardship	\$ 9,500,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Blind Capitals, Dept. for the</u>							
Dept. for the Blind Capitals							
Replace Air Handlers and Improvements - RIF	\$ 0	\$ 1,065,674	\$ 0	\$ 0	\$ 0	\$ -1,065,674	-100.0%
Newsline Service - RIF	20,000	0	0	0	0	0	--
Total Blind Capitals, Dept. for the	\$ 20,000	\$ 1,065,674	\$ 0	\$ 0	\$ 0	\$ -1,065,674	-100.0%

Transportation, Infrastructure, and Capitals

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Corrections, Dept. of</u>							
Central Office							
Iowa Corrections Offender Network - TRF	\$ 500,000	\$ 500,000	\$ 0	\$ 500,000	\$ 500,000	\$ 0	0.0%
Total Corrections, Dept. of	\$ 500,000	\$ 500,000	\$ 0	\$ 500,000	\$ 500,000	\$ 0	0.0%
<u>Corrections Capital</u>							
Corrections Capital							
CBC 5th Security Barrier Perimeter- RBC	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Radio Replacement per Mandate - RIIF	0	0	0	3,500,000	3,500,000	3,500,000	--
Fort Madison FFE One-Time Costs - RIIF	0	0	18,269,124	-18,269,124	0	0	--
Mitchellville Construction & FFE Costs - RIIF	0	0	5,391,062	-5,391,062	0	0	--
Newton Hot Water Loop Repair - RIIF	0	0	0	425,000	425,000	425,000	--
Mitchellville Construction and Expansion - RIIF	0	14,761,556	8,779,000	5,391,062	14,170,062	-591,494	-4.0%
Fort Madison ISP One-Time Costs-RIIF	0	5,155,077	0	18,269,124	18,269,124	13,114,047	254.4%
Construction Project Management - RIIF	322,500	4,500,000	1,000,000	0	1,000,000	-3,500,000	-77.8%
Mitchellville Prison Expansion - RBC	0	4,430,952	0	0	0	-4,430,952	-100.0%
Construction Project Management - RBC	2,200,000	0	0	0	0	0	--
CBCs Opening Costs Equipment - RBC	1,519,048	0	0	0	0	0	--
Total Corrections Capital	\$ 5,041,548	\$ 28,847,585	\$ 33,439,186	\$ 3,925,000	\$ 37,364,186	\$ 8,516,601	29.5%
<u>Cultural Affairs, Dept. of</u>							
Cultural Affairs, Dept. of							
Great Places Infrastructure Grants - RIIF	\$ 0	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ -1,000,000	-100.0%
Battle Flags - RIIF	60,000	0	0	0	0	0	--
Historical Museum Renovation and Visitor Ctr - RIIF	0	0	0	2,000,000	2,000,000	2,000,000	--
Historic Site Maintenance - RIIF	40,000	0	0	0	0	0	--
Total Cultural Affairs, Dept. of	\$ 100,000	\$ 1,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 1,000,000	100.0%
<u>Cultural Affairs Capital</u>							
Cultural Affairs Capital							
Great Places Grants - RBC	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Cultural Affairs Capital	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--

Transportation, Infrastructure, and Capitals

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Economic Development, Dept. of</u>							
Economic Development, Dept. of							
Workforce Training and Economic Dev - RIIF	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
ACE Vertical Infrastructure - RBC2	5,500,000	0	0	0	0	0	--
ACE Infrastructure Comm Colleges - RIIF	0	5,000,000	0	0	0	-5,000,000	-100.0%
Regional Sports Authorities - RIIF	500,000	500,000	0	0	0	-500,000	-100.0%
Main Street Iowa Program - RBC	-6,747	0	0	0	0	0	--
6th Avenue Corridor-Main Streets - RIIF	100,000	0	0	0	0	0	--
Port Authority-Economic Dev SE Iowa - RIIF	50,000	0	0	0	0	0	--
Blank Park Zoo Expansion - RIIF	500,000	0	0	0	0	0	--
World Food Prize Borlaug/Ruan Scholar - RIIF	100,000	100,000	0	0	0	-100,000	-100.0%
Cedar Rapids Small Business Center - RBC2	1,200,000	0	0	0	0	0	--
Mason City Small Business Center - RBC2	1,500,000	0	0	0	0	0	--
Main Street Projects - RBC2	8,450,000	0	0	0	0	0	--
River Enhancement CAT-RBC	-800,000	0	0	0	0	0	--
Community Attraction and Tourism - RBC2	12,000,000	2,020,000	0	0	0	-2,020,000	-100.0%
Community Attraction & Tourism Grants - RIIF	0	5,300,000	15,000,000	-15,000,000	0	-5,300,000	-100.0%
Grow Iowa Values Fund - RIIF	38,000,000	15,000,000	0	0	0	-15,000,000	-100.0%
Camp Sunnyside Cabins - RIIF	0	250,000	0	0	0	-250,000	-100.0%
Total Economic Development, Dept. of	\$ 69,093,253	\$ 28,170,000	\$ 15,000,000	\$ -15,000,000	\$ 0	\$ -28,170,000	-100.0%
<u>Economic Development Capitals</u>							
Economic Development Capitals							
Regional Transit Hub Construction - RBC	\$ 4,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Economic Development Capitals	\$ 4,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Education, Dept. of</u>							
Education, Dept. of							
Enrich Iowa - RIIF	\$ 500,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
ICN Part III Leases & Maintenance - TRF	2,727,000	2,727,000	0	2,727,000	2,727,000	0	0.0%
Statewide Ed Data Warehouse - TRF	600,000	600,000	0	600,000	600,000	0	0.0%
Community Colleges Infrastructure - RBC2	2,000,000	0	0	0	0	0	--
Total Education, Dept. of	\$ 5,827,000	\$ 3,327,000	\$ 0	\$ 3,327,000	\$ 3,327,000	\$ 0	0.0%

Transportation, Infrastructure, and Capitals

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Education Capital</u>							
Education Capital							
IPTV Building Purchase - RIIIF	\$ 0	\$ 1,255,550	\$ 0	\$ 0	\$ 0	\$ -1,255,550	-100.0%
IPTV - Inductive Output Tubes - RIIIF	0	0	0	320,000	320,000	320,000	--
Community College Infrastructure - RIIIF	0	1,000,000	0	0	0	-1,000,000	-100.0%
Total Education Capital	\$ 0	\$ 2,255,550	\$ 0	\$ 320,000	\$ 320,000	\$ -1,935,550	-85.8%
<u>Human Rights, Dept. of</u>							
Human Rights, Department of							
Criminal Justice Info System (CJIS) - TRF	\$ 0	\$ 1,689,307	\$ 0	\$ 1,689,307	\$ 1,689,307	\$ 0	0.0%
Total Human Rights, Dept. of	\$ 0	\$ 1,689,307	\$ 0	\$ 1,689,307	\$ 1,689,307	\$ 0	0.0%
<u>Human Services Capital</u>							
Human Services - Capital							
Nursing Facility Const/Improvements - RIIIF	\$ 0	\$ 285,000	\$ 0	\$ 0	\$ 0	\$ -285,000	-100.0%
Medicaid Technology - TRF	0	3,494,176	0	4,667,600	4,667,600	1,173,424	33.6%
Ctrl IA Ctr for Indep Living - TRF	0	11,000	0	0	0	-11,000	-100.0%
Medicaid Technology Upgrades - TRF	0	0	4,667,600	-4,667,600	0	0	--
Total Human Services Capital	\$ 0	\$ 3,790,176	\$ 4,667,600	\$ 0	\$ 4,667,600	\$ 877,424	23.1%
<u>Iowa Tele & Tech Commission</u>							
Iowa Communications Network							
ICN Equipment Replacement - TRF	\$ 2,244,956	\$ 2,248,653	\$ 0	\$ 2,248,653	\$ 2,248,653	\$ 0	0.0%
Total Iowa Tele & Tech Commission	\$ 2,244,956	\$ 2,248,653	\$ 0	\$ 2,248,653	\$ 2,248,653	\$ 0	0.0%

Transportation, Infrastructure, and Capitals Other Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
<u>Iowa Finance Authority</u>							
Iowa Finance Authority							
State Housing Trust Fund - RIIF	\$ 1,000,000	\$ 3,000,000	\$ 3,000,000	\$ -1,000,000	\$ 2,000,000	\$ -1,000,000	-33.3%
I JOBS Administration - RIIF	200,000	0	0	0	0	0	--
Housing Trust Fund - RBC	2,000,000	0	0	0	0	0	--
Facilities Multiple-Handicapped Polk Co - RIIF	250,000	0	0	0	0	0	--
Disaster Prevention Local Infra Grants - RBC2	30,000,000	0	0	0	0	0	--
Floodwall Cedar Rapids Courthouse - RBC2	2,000,000	0	0	0	0	0	--
Linn County Administrative Bldg - RBC2	4,400,000	0	0	0	0	0	--
Cedar Rapids City Hall Flood - RBC2	4,400,000	0	0	0	0	0	--
DSM Fire Dept Training Logistics Facility - RBC2	3,000,000	0	0	0	0	0	--
DSM Riverpoint Service Area - RBC2	1,250,000	0	0	0	0	0	--
DSM Court Ave Sewer - RBC2	3,050,000	0	0	0	0	0	--
DSM Flood Control Tonawanda Ravine - RBC2	700,000	0	0	0	0	0	--
DSM Wastewater Reclamation Basins - RBC2	500,000	0	0	0	0	0	--
DSM Broadlawns Improvements - RBC2	1,000,000	0	0	0	0	0	--
Davenport Woodman Park Flood Mitig - RBC2	1,050,000	0	0	0	0	0	--
Waterloo Public Works Building - RBC2	5,000,000	0	0	0	0	0	--
Iowa City Wastewater Treatment Plant - RBC2	2,000,000	0	0	0	0	0	--
West Union Green Pilot Project - RBC2	1,175,000	0	0	0	0	0	--
Jessup City Hall - RBC2	475,000	0	0	0	0	0	--
Belmond Storm Sewer Flood Prot - RBC2	600,000	0	0	0	0	0	--
Norwalk Orchard Ridge Drainage - RBC2	300,000	0	0	0	0	0	--
Cedar Rapids City Hall Flood - CRF	2,100,000	0	0	0	0	0	--
Linn County Administrative Bldg - CRF	4,500,000	0	0	0	0	0	--
Total Iowa Finance Authority	\$ 70,950,000	\$ 3,000,000	\$ 3,000,000	\$ -1,000,000	\$ 2,000,000	\$ -1,000,000	-33.3%
<u>Iowa Workforce Development</u>							
Iowa Workforce Development							
Outcome Tracking System - TRF	\$ 3	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Iowa Workforce Development	\$ 3	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--

Transportation, Infrastructure, and Capitals

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Management, Dept. of							
Management, Dept. of							
Searchable Online Databases - TRF	\$ 0	\$ 50,000	\$ 0	\$ 45,000	\$ 45,000	\$ -5,000	-10.0%
Grants Enterprise Management Sys - RIIF	0	0	0	125,000	125,000	125,000	--
Total Management, Dept. of	\$ 0	\$ 50,000	\$ 0	\$ 170,000	\$ 170,000	\$ 120,000	240.0%
Natural Resources, Dept. of							
Natural Resources							
Floodplain Mgmt and Dam Safety- RIIF	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ -2,000,000	-100.0%
Honey Creek Asset Manager - RIIF	100,000	0	0	0	0	0	--
Total Natural Resources, Dept. of	\$ 2,100,000	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ -2,000,000	-100.0%
Natural Resources Capital							
Natural Resources Capital							
State Park Infrastructure - RIIF	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 0	0.0%
Lakes Restoration & Dredging - RIIF	0	5,459,000	0	5,459,000	5,459,000	0	0.0%
Lake Delhi Improvements - RIIF	0	0	0	2,500,000	2,500,000	2,500,000	--
Lake Restoration & Dredging - RBC	7,000,000	0	0	0	0	0	--
Lake Restoration & Dredging - RBC2	3,000,000	0	0	0	0	0	--
Rock Creek Perm Shelter - RIIF	40,000	0	0	0	0	0	--
State Parks Infrastructure - RBC2	5,000,000	0	0	0	0	0	--
Total Natural Resources Capital	\$ 15,040,000	\$ 10,459,000	\$ 5,000,000	\$ 7,959,000	\$ 12,959,000	\$ 2,500,000	23.9%
Public Defense Capital							
Public Defense Capital							
Facility/Armory Maintenance - RIIF	\$ 1,500,000	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0	0.0%
Muscatine Readiness Center - RIIF	0	100,000	0	0	0	-100,000	-100.0%
Statewide Modernization Readiness Ctrs-RIIF	1,800,000	1,800,000	0	0	0	-1,800,000	-100.0%
Camp Dodge Infrastructure Upgrades - RIIF	0	1,000,000	0	0	0	-1,000,000	-100.0%
Middletown AF Readiness Center - RIIF	100,000	0	0	0	0	0	--
Iowa Falls Readiness Center - RIIF	500,000	0	0	0	0	0	--
Cedar Rapids AF Readiness Ctr - RIIF	200,000	0	0	0	0	0	--
Joint Forces HQ Renovation - RIIF	0	1,000,000	0	0	0	-1,000,000	-100.0%
Total Public Defense Capital	\$ 4,100,000	\$ 5,900,000	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ -3,900,000	-66.1%

Transportation, Infrastructure, and Capitals

Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Public Health, Dept. of</u>							
Public Health, Dept. of							
Mental Health Services Database - TRF	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Vision Screening - RIIF	100,000	0	0	0	0	0	--
Total Public Health, Dept. of	\$ 350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Public Safety Capital</u>							
Public Safety Capital							
Radio Replacement-TRF	\$ 0	\$ 2,500,000	\$ 0	\$ 2,500,000	\$ 2,500,000	\$ 0	0.0%
Dubuque Fire Training Simulator - TRF	0	80,000	0	0	0	-80,000	-100.0%
Radio Comm Upgrades Mandate - TRF	0	0	2,500,000	-2,500,000	0	0	--
Total Public Safety Capital	\$ 0	\$ 2,580,000	\$ 2,500,000	\$ 0	\$ 2,500,000	\$ -80,000	-3.1%
<u>Regents, Board of</u>							
Regents, Board of							
Regents Tuition Replacement - RIIF	\$ 24,305,412	\$ 24,305,412	\$ 0	\$ 25,130,412	\$ 25,130,412	\$ 825,000	3.4%
UI - Iowa Flood Center - RIIF	1,300,000	1,300,000	0	0	0	-1,300,000	-100.0%
ISU - Iowa Energy Center - RBC2	5,000,000	0	0	0	0	0	--
Total Regents, Board of	\$ 30,605,412	\$ 25,605,412	\$ 0	\$ 25,130,412	\$ 25,130,412	\$ -475,000	-1.9%
<u>Regents Capital</u>							
Regents Capital							
Fire Safety and Deferred Maint All Institut - RIIF	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0	0.0%
ISU - Ag/Biosystems Engineering - RIIF	0	1,000,000	20,800,000	0	20,800,000	19,800,000	1980.0%
UI - Dental Science Building - RIIF	0	1,000,000	12,000,000	0	12,000,000	11,000,000	1100.0%
UNI - Bartlett Hall - RIIF	0	1,000,000	8,286,000	0	8,286,000	7,286,000	728.6%
ISU - Veterinary Facility Phase II-RBC	13,000,000	0	0	0	0	0	--
ISU - Vet Equip-Modernize Blank Park Zoo-RIIF	400,000	0	0	0	0	0	--
UI - Inst for Biomedical Discovery - RBC2	10,000,000	0	0	0	0	0	--
Total Regents Capital	\$ 23,400,000	\$ 5,000,000	\$ 43,086,000	\$ 0	\$ 43,086,000	\$ 38,086,000	761.7%
<u>State Fair Authority Capital</u>							
State Fair Authority Capital							
Agricultural Exhibition Ctr - RBC	\$ 2,500,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total State Fair Authority Capital	\$ 2,500,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--

Transportation, Infrastructure, and Capitals Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
Transportation, Dept. of							
Transportation, Dept. of							
Recreational Trails Grants - RIF	\$ 0	\$ 3,000,000	\$ 0	\$ 2,500,000	\$ 2,500,000	\$ -500,000	-16.7%
Public Transit Infra Grants - RIF	0	1,500,000	0	1,500,000	1,500,000	0	0.0%
Commercial Aviation Infra Grants - RBC2	1,500,000	0	0	0	0	0	--
Commercial Aviation Infra Grants - RIF	0	1,500,000	0	1,500,000	1,500,000	0	0.0%
General Aviation Infra Grants-RIF	750,000	750,000	0	750,000	750,000	0	0.0%
Railroad Revolving Loan & Grant - RIF	2,000,000	2,000,000	0	1,750,000	1,750,000	-250,000	-12.5%
Rail Ports Improvement Grants - RBC2	7,500,000	0	0	0	0	0	--
Passenger Rail Service - UST	2,000,000	0	0	0	0	0	--
Public Transit Infra Grants - RBC2	2,000,000	0	0	0	0	0	--
Bridge Safety Program - RBC2	10,000,000	0	0	0	0	0	--
RUTF-Drivers' Licenses	3,876,000	3,876,000	3,876,000	0	3,876,000	0	0.0%
RUTF-Operations	6,654,962	6,570,000	3,285,000	3,285,000	6,570,000	0	0.0%
RUTF-Planning & Programming	506,127	458,000	229,000	229,000	458,000	0	0.0%
RUTF-Motor Vehicle	35,604,012	33,921,000	16,960,500	16,960,500	33,921,000	0	0.0%
RUTF-DAS	225,000	225,000	112,500	115,500	228,000	3,000	1.3%
RUTF-Unemployment Compensation	7,000	7,000	3,500	3,500	7,000	0	0.0%
RUTF-Workers' Compensation	137,000	119,000	59,500	61,500	121,000	2,000	1.7%
RUTF-Indirect Cost Recoveries	78,000	78,000	39,000	39,000	78,000	0	0.0%
RUTF-Auditor Reimbursement	67,319	67,319	33,660	33,659	67,319	0	0.0%
RUTF-County Treasurers Support	1,406,000	1,406,000	703,000	703,000	1,406,000	0	0.0%
RUTF-Road/Weather Conditions Info	100,000	100,000	50,000	50,000	100,000	0	0.0%
RUTF-Mississippi River Park. Comm.	40,000	40,000	20,000	20,000	40,000	0	0.0%
PRF-Operations	40,951,274	40,356,529	20,178,265	20,428,758	40,607,023	250,494	0.6%
PRF-Planning & Programming	9,610,960	8,697,095	4,348,548	4,348,547	8,697,095	0	0.0%
PRF-Highway	237,565,726	230,913,992	115,456,996	117,215,502	232,672,498	1,758,506	0.8%
PRF-Motor Vehicle	1,555,005	1,413,540	706,770	706,770	1,413,540	0	0.0%
PRF-DAS	1,382,000	1,388,000	694,000	710,000	1,404,000	16,000	1.2%
PRF-DOT Unemployment	138,000	138,000	69,000	69,000	138,000	0	0.0%
PRF-DOT Workers' Compensation	3,278,000	2,846,000	1,423,000	1,466,000	2,889,000	43,000	1.5%
PRF-Garage Fuel & Waste Mgmt.	777,160	800,000	400,000	400,000	800,000	0	0.0%
PRF-Indirect Cost Recoveries	572,000	572,000	286,000	286,000	572,000	0	0.0%
PRF-Auditor Reimbursement	415,181	415,181	207,591	207,590	415,181	0	0.0%
PRF-Transportation Maps	231,000	242,000	121,000	121,000	242,000	0	0.0%
PRF-Inventory & Equip.	2,250,000	5,366,000	2,683,000	2,683,000	5,366,000	0	0.0%
PRF-Field Facility Deferred Maint.	1,000,000	1,000,000	1,000,000	0	1,000,000	0	0.0%
RUTF-N. America Super Corridor Coalition	50,000	0	0	0	0	0	--
Local Roads 50/50 Split - RIF	24,700,000	0	0	0	0	0	--
Total Transportation, Dept. of	\$ 398,927,726	\$ 349,765,656	\$ 172,945,830	\$ 178,142,826	\$ 351,088,656	\$ 1,323,000	0.4%

Transportation, Infrastructure, and Capitals Other Fund

	Actual FY 2011 (1)	Estimated FY 2012 (2)	Enacted FY 2013 (3)	Gov Rec Adjust. FY 2013 (4)	Total Gov Rec FY 2013 (5)	Total Gov Rec vs Est FY 2012 (6)	Percent Change (7)
<u>Transportation Capitals</u>							
Transportation Capital							
RUTF-Scale/MVD Facilities Maint.	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0	0.0%
RUTF-Scale Replacement	0	550,000	550,000	0	550,000	0	0.0%
PRF-Utility Improvements	400,000	400,000	400,000	0	400,000	0	0.0%
PRF-Garage Roofing Projects	200,000	200,000	200,000	0	200,000	0	0.0%
PRF-HVAC Improvements	200,000	400,000	200,000	0	200,000	-200,000	-50.0%
PRF-Ames Elevator Upgrade	100,000	100,000	0	0	0	-100,000	-100.0%
PRF-Waste Water Treatment	1,000,000	1,000,000	1,000,000	0	1,000,000	0	0.0%
PRF-Swea City Garage	0	2,100,000	0	0	0	-2,100,000	-100.0%
PRF-ADA Improvements	120,000	0	0	0	0	0	--
PRF-New Hampton Garage	0	0	5,200,000	0	5,200,000	5,200,000	--
Total Transportation Capitals	\$ 2,220,000	\$ 4,950,000	\$ 7,750,000	\$ 0	\$ 7,750,000	\$ 2,800,000	56.6%
<u>Treasurer of State</u>							
Treasurer of State							
County Fair Improvements-RIIF	\$ 1,060,000	\$ 1,060,000	\$ 0	\$ 1,060,000	\$ 1,060,000	\$ 0	0.0%
Watershed Improvement Fund - RBC2	2,000,000	0	0	0	0	0	--
Total Treasurer of State	\$ 3,060,000	\$ 1,060,000	\$ 0	\$ 1,060,000	\$ 1,060,000	\$ 0	0.0%
<u>Veterans Affairs, Dept. of</u>							
Veterans Affairs, Department of							
Veterans Home Ownership Assistance - RIIF	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ -1,000,000	-100.0%
Total Veterans Affairs, Dept. of	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ -1,000,000	-100.0%
<u>Veterans Affairs Capitals</u>							
Veterans Affairs Capital							
IVH Generator Emissions - RIIF	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ -250,000	-100.0%
Total Veterans Affairs Capitals	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ -250,000	-100.0%
Total Transportation, Infrastructure, and Capitals	\$ 664,280,834	\$ 489,922,741	\$ 287,388,616	\$ 212,472,198	\$ 499,860,814	\$ 9,938,073	2.0%

Unassigned Standings

Other Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
<u>Economic Development, Dept. of</u>							
Economic Development, Dept. of							
Endow Iowa Admin - County Endw Fund	\$ 70,000	\$ 70,000	\$ 0	\$ 70,000	\$ 70,000	\$ 0	0.0%
Total Economic Development, Dept. of	\$ 70,000	\$ 70,000	\$ 0	\$ 70,000	\$ 70,000	\$ 0	0.0%
<u>Education, Dept. of</u>							
Education, Dept. of							
State Foundation Aid - ARRA	\$ 47,947,887	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Instructional Support - SIF	7,500,000	0	0	0	0	0	--
School Foundation Aid - UST	5,100,000	0	0	0	0	0	--
Total Education, Dept. of	\$ 60,547,887	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Executive Council</u>							
Executive Council							
Performance of Duty - EEF	\$ 0	\$ 7,927,897	\$ 39,128,857	\$ -10,640,108	\$ 28,488,749	\$ 20,560,852	259.3%
Performance of Duty - CRF	10,583,628	0	0	0	0	0	--
Total Executive Council	\$ 10,583,628	\$ 7,927,897	\$ 39,128,857	\$ -10,640,108	\$ 28,488,749	\$ 20,560,852	259.3%
<u>Legislative Branch</u>							
Legislative Services Agency							
Health Care Coverage Comm - DHSRF	\$ -149,866	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Total Legislative Branch	\$ -149,866	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
<u>Human Services, Dept. of</u>							
Assistance							
Mental Health Growth Factor	\$ 0	\$ 10,000,000	\$ 0	\$ 0	\$ 0	\$ -10,000,000	-100.0%
Total Human Services, Dept. of	\$ 0	\$ 10,000,000	\$ 0	\$ 0	\$ 0	\$ -10,000,000	-100.0%

Unassigned Standings

Other Fund

	Actual FY 2011 <u>(1)</u>	Estimated FY 2012 <u>(2)</u>	Enacted FY 2013 <u>(3)</u>	Gov Rec Adjust. FY 2013 <u>(4)</u>	Total Gov Rec FY 2013 <u>(5)</u>	Total Gov Rec vs Est FY 2012 <u>(6)</u>	Percent Change <u>(7)</u>
Management, Dept. of							
Management, Dept. of							
Environment First Fund - RIF	\$ 33,000,000	\$ 33,000,000	\$ 42,000,000	\$ -9,000,000	\$ 33,000,000	\$ 0	0.0%
Environment First Fund - RIF	0	0	-7,000,000	7,000,000	0	0	--
Environment First Balance Adj	0	0	-35,000,000	35,000,000	0	0	--
Technology Reinvestment Fund - RIF	10,000,000	15,541,000	0	15,000,000	15,000,000	-541,000	-3.5%
Property Tax Credit Fund - CRF	54,684,481	0	0	0	0	0	--
Appropriation Contingencies - CRF	5,000,000	0	0	0	0	0	--
Total Management, Dept. of	\$ 102,684,481	\$ 48,541,000	\$ 0	\$ 48,000,000	\$ 48,000,000	\$ -541,000	-1.1%
Revenue, Dept. of							
Revenue, Dept. of							
Homestead Property Tax Credit - PTCF	\$ 87,757,913	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Ag Land and Family Farm Tax Credits - PTCF	32,395,131	0	0	0	0	0	--
Military Service Tax Credit - PTCF	2,400,000	0	0	0	0	0	--
Elderly and Disabled Tax Credit - PTCF	23,400,000	0	0	0	0	0	--
Total Revenue, Dept. of	\$ 145,953,044	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--
Transportation, Dept. of							
Transportation, Dept. of							
RUTF-Personal Delivery of Services	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0	\$ 225,000	\$ 0	0.0%
RUTF-County Treasurer Equipment Standing	650,000	650,000	650,000	0	650,000	0	0.0%
Total Transportation, Dept. of	\$ 875,000	\$ 875,000	\$ 875,000	\$ 0	\$ 875,000	\$ 0	0.0%
Total Unassigned Standings	\$ 320,564,174	\$ 67,413,897	\$ 40,003,857	\$ 37,429,892	\$ 77,433,749	\$ 10,019,852	14.9%

PROJECTED FY 2013 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 budget projection is intended provide a starting point for the General Assembly to begin to make budget decisions during the 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 expenditures.

Built-in Expenditures

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 multiyear appropriation set by statute. Legislative action is required to change or notwithstanding the standing appropriation provisions of the Iowa Code.

Anticipated Expenditures

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. An anticipated expenditure can also include funds that are needed to replace one-time or time-limited appropriations used in the prior fiscal year to fund a recurring program cost in order to maintain funding at the prior year level.

FY 2013 Built-in and Anticipated Expenditure Estimates

For FY 2013, the Legislative Services Agency is projecting \$235.8 million in total built-in and anticipated expenditure increases. The FY 2013 projection includes: \$58.8 million in General Fund built-in increases and \$177.0 million in anticipated expenditure increases. The following tables provide an itemized list of the FY 2013 estimates. Additional detail for each of the estimates is also provided.

State of Iowa		
FY 2013 General Fund Built-in and Anticipated Expenditures		
(Dollars in Millions)		
<u>Built-in Expenditures</u>	<u>LSA Estimate</u>	<u>Percent of Total</u>
1. Human Services - Medical Assistance	\$ 93.5	39.7%
2. Management - State Appeal Board Claims	7.2	3.1%
3. Human Services - hawk-i	6.4	2.7%
4. Human Services - Dental Home for Children	5.0	2.1%
5. Judicial Branch - Jury Witness Fee Revolving Fund	0.8	0.3%
6. Education - K-12 School Foundation Aid	-54.1	-22.9%
Subtotal	\$ 58.8	24.9%
<u>Anticipated Expenditure</u>		
7. Collective Bargaining Salary Costs	\$ 79.9	33.9%
8. Human Services - Mental Health Allowed Growth	56.0	23.7%
9. Corrections - Staff Additional CBC and Prison Beds	19.1	8.1%
10. Human Services - Child Care Assistance	10.4	4.4%
11. Human Services - Adoption Subsidy Program - USDA Rates	3.5	1.5%
12. Human Services - Adoption Subsidy Program	3.5	1.5%
13. Human Services - State Resource Centers	2.0	0.8%
14. Human Services - Child Welfare Programs - USDA Rates	1.2	0.5%
15. Corrections - Food, Fuel, Pharmacy	0.8	0.3%
16. Corrections - Other	0.6	0.3%
Subtotal	\$ 177.0	75.1%
TOTAL PROJECTED EXPENDITURE CHANGES	\$ 235.8	100.0%

FY 2013 ESTIMATED GENERAL FUND EXPENDITURES

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 13 Change (4)
<p>1. Human Services – Medical Assistance <i>Standing Unlimited Appropriation</i></p>	<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.</p> <p>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"> • \$25.4 million for various increases in enrollment and utilization. • \$34.0 million to offset a decline in the Federal Medical Assistance Percentage rate. • \$27.7 million to backfill carryforward funds that were available in FY 2012. • \$8.5 million for increased Home and Community-Based Services waiver expenditures. • \$5.4 million for increased payments to Medicare. • \$4.2 million for a transfer to the IowaCare Program. • A decrease of \$3.5 million to reflect available carryforward from FY 2012 to FY 2013. • A decrease of \$8.2 million to reduce the hospital Upper Payment Limit payment. The reduction reflects a timing issue related to additional expenditures made in FY 2012. 	<p>\$93.5</p>
<p>2. Management – State Appeal Board Claims <i>Standing Unlimited Appropriation</i></p>	<p>The State Appeal Board authorizes claims under Iowa Code Chapters 25 and 669 for the payment of bills, fees, refunds, and credits, and State tort claims.</p> <p>Payments 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 standing appropriation.</p>	<ul style="list-style-type: none"> • The amount currently budgeted for FY 2013 is \$3.6 million. • The estimated increase is based on a 10-year average of actual claims from FY 2002 to FY 2011 of \$10.8 million. This is \$7.2 million higher than the amount budgeted for FY 2013. 	<p>\$7.2</p>
<p>3. Human Services – hawk-i <i>Standing Limited Appropriation</i></p>	<p>hawk-i is a state/federal program that provides medical and dental insurance to eligible recipients with incomes between 133.0% and 300.0% of the federal poverty level. The Program receives a 72.0% federal match.</p>	<ul style="list-style-type: none"> • \$5.6 million to maintain current enrollment levels and cover projected growth in enrollment in FY 2013. • \$800,000 to offset a decline in the FMAP rate. 	<p>\$6.4</p>

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 13 Change (4)
4. Human Services – Dental Home for Children <i>Standing Unlimited Appropriation</i>	<p>Iowa Code Section 249J.14(7) implements a Dental Home for Children Program beginning December 31, 2012. The Dental Home Program provides dental screenings, preventive services, diagnostic services, treatment services, and emergency services.</p> <p>The implementation of this Program has been notwithstanding in FY 2011 and FY 2012.</p>	<ul style="list-style-type: none"> It is estimated that \$5.5 million will be needed to fund the Program for the six-month period it will be operational in FY 2013. 	\$5.0
5. Judicial Branch – Jury Witness Fee Revolving Fund <i>Standing Appropriation</i>	<p>The Fund is used to reimburse jurors and witnesses \$30 per day for jury duty. Two-year-old court debt is no longer deposited in the Jury Witness Fee Revolving Fund.</p>	<ul style="list-style-type: none"> Expenditures from the Fund are approximately \$3.0 million to \$3.5 million annually. Current revenue projections for the Fund are not sufficient to fully fund the projected costs. 	-\$0.8
6. 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. The allowable growth rate for regular school aid and the State categorical supplements was established at 2.0% for FY 2013.</p> <p>Funding school aid includes the following:</p> <ul style="list-style-type: none"> The total General Fund school aid amount is estimated at \$2,659.2 million for FY 2013. Regular school aid is estimated to total \$2,287.3 million in FY 2013. This includes additional funds from the Secure an Advanced Vision for Education (SAVE) Fund transferred to the Property Tax Equity and Relief (PTER) Fund. State categorical supplements are estimated to total \$319.6 million in FY 2013. These include the teacher salary supplement, professional development supplement, and the early intervention supplement. Preschool formula funding is estimated at \$59.7 million for FY 2013. <p>NOTE: Enrollment, weighting, and valuation data for FY 2013 is not currently available. The State aid estimate will be revised as updated information is received.</p>	<p>Assumes the following:</p> <ul style="list-style-type: none"> Statewide taxable valuation growth of 3.83% in FY 2013. Department of Education enrollment projections for FY 2013. Preliminary supplementary weightings and special education weightings for FY 2013 	-\$54.1

FY 2013 ESTIMATED GENERAL FUND EXPENDITURES

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 13 Change (4)
7. Collective Bargaining Salary Costs <i>Appropriation</i>	Estimated funding needs for State employee salary increases resulting from negotiated collective bargaining agreements. The State has an agreement with the AFSCME that includes across-the-board increases of 2.0% on July 1, 2012, and 1.0% on January 1, 2013.	<ul style="list-style-type: none"> • The estimate assumes across-the-board increases of 2.0% on July 1, 2012, and 1.0% on January 1, 2013, for all bargaining units. • The estimate includes \$41.0 million for Regents institutions and \$38.9 million for all other State agencies. 	\$79.9
8. Human Services – Mental Health Allowed Growth <i>Appropriation</i>	The mental health/developmental disability (MH/DD) Allowed Growth appropriation provides a portion of the State funding to counties for adult mental health and disability services.	<ul style="list-style-type: none"> • Due to both declining federal Medicaid assistance percentage (FMAP) rates and declining county fund balances, additional funds are needed to maintain status quo funding for both Medicaid and non-Medicaid county managed services. 	\$56.0
9. Corrections – Staff Additional Prison and CBC Beds <i>Appropriation</i>	Expansion and funding of Community-Based Correctional (CBC) facilities was previously authorized for the following judicial districts: First (Waterloo), Third (Sioux City), Sixth (Cedar Rapids), Seventh (Davenport), and Eighth (Ottumwa), and prison beds in Fort Madison and Mitchellville. The facilities in Waterloo, Davenport, and Cedar Rapids were completed as of October 2011. The facilities in Sioux City, Ottumwa, Fort Madison, and Mitchellville were under construction as of October 2011. The facilities may experience construction delays. The Cedar Rapids facility may leverage existing revenue streams for mental health treatment.	<ul style="list-style-type: none"> • The estimate includes operating costs for the additional CBC and prison beds. The estimate also includes funds to enhance mental health services for the ANCHOR Facility in Cedar Rapids. 	\$19.1

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 13 Change (4)
<p>10. Human Services – Child Care Assistance <i>Appropriation</i></p>	<p>Child Care Assistance (CCA) is an eligibility-based benefit for payment to an eligible child care provider selected by the parent. The benefit is provided to low-income families to improve family stability, self-sufficiency, and enable parents to be employed or in school.</p> <p>The CCA is not an entitlement program. Waiting lists and disenrollment of participants are allowable.</p>	<ul style="list-style-type: none"> Increases can be attributed to various factors including costs for infant versus toddler-aged children, payment tiers of providers that are selected by parents, and continued enrollment growth. An increase of \$3.2 million to replace one-time carryforward funds from FY 2011 that were used in FY 2012. These funds will not be available in FY 2013. A shortfall of \$8.0 million to \$12.8 million with a midpoint of \$10.4 million is currently projected in FY 2013 to maintain FY 2012 service levels. Changes to federal funding for the Child Care Development Fund Block Grant that result in an increased need for State funding. 	<p>\$10.4</p>
<p>11. Human Services – Adoption Subsidy Program – USDA Rates <i>Appropriation</i></p>	<p>Section 234.38 requires that Department of Human Services (DHS) base adoption subsidy payment rates on 65.0% of what the U.S. Department of Agriculture (USDA) estimates it will cost to raise a child in the Midwest.</p>	<ul style="list-style-type: none"> This section has been notwithstanding in legislation for at least the past four fiscal years. 	<p>\$3.5</p>
<p>12. Human Services – Adoption Subsidy Program <i>Appropriation</i></p>	<p>The Program is intended to achieve stable and permanent families for children that have been abused or neglected when the rights of the children’s parents have been terminated.</p>	<ul style="list-style-type: none"> Increases attributed to continued enrollment growth. An increase of \$372,000 to replace one-time carryforward funds from FY 2011 that were used in FY 2012. These funds will not be available in FY 2013. A shortfall of \$3.6 million is currently projected in FY 2013 to maintain FY 2012 service levels. 	<p>\$3.5</p>
<p>13. Human Services - State Resource Centers <i>Appropriation</i></p>	<p>The State Resource Centers are 24-hour care facilities for individuals with intellectual or other developmental disabilities.</p>	<ul style="list-style-type: none"> The declining FMAP rate will increase the State cost by \$2.0 million. 	<p>\$2.0</p>
<p>14. Human Services – Child Welfare Programs – USDA Rates <i>Appropriation</i></p>	<p>Includes the following programs: Family Foster Care, Supervised Apartment Living, and Preparation for Adult Living. Section 234.38 requires that DHS base payment rates for these Programs on 65.0% of what the USDA estimates it will cost to raise a child in the Midwest.</p>	<ul style="list-style-type: none"> Iowa Code Section 234.38 has been notwithstanding in legislation for at least the past four fiscal years. 	<p>\$1.2</p>

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 13 Change (4)
15. Corrections - Food, Fuel, Pharmacy <i>Appropriation</i>	Funds inflation costs of food, fuel, and pharmacy in all eight CBC District Departments and all nine prisons.	<ul style="list-style-type: none"> The agencies have not received additional funds for inflationary costs for the last several years. If not funded, the Department will be required to find reductions in other areas of their budget. 	\$0.8
16. Corrections - Other <i>Appropriation</i>	Funds increased costs of housing incorrigible State prisoners in the Federal System, and holding alleged violators of parole, work release, and OWI conditions in county jails.	<ul style="list-style-type: none"> Both the Federal Prisoners Contractual Account and County Confinement Accounts have been overspent in recent years. The Department's ability to reallocate funds internally to these accounts is now limited. 	\$0.6

OTHER FUND BALANCE SHEETS

This Appendix contains balance sheets for the following funds:

- Environment First Fund (EFF)
- Rebuild Iowa Infrastructure Fund (RIIF)
- Technology Reinvestment Fund

Environment First Fund

	Actual FY 2011	Estimated FY 2012	Gov. Rec. FY 2013
Revenue			
Balance Forward	\$ 26,966	\$ 26,966	\$ 26,966
RIIF Appropriation	33,000,000	33,000,000	33,000,000
Total Revenue	<u>\$ 33,026,966</u>	<u>\$ 33,026,966</u>	<u>\$ 33,026,966</u>
Appropriations			
Department of Agriculture			
Soil Conservation Cost Share	\$ 1,050,000	\$ 6,300,000	\$ 6,300,000
Watershed Protection Program	1,500,000	900,000	900,000
Wetland Incentive Program (CREP)	1,500,000	1,000,000	1,000,000
Conservation Reserve Program (CRP)	1,300,000	1,000,000	1,000,000
Farm Demonstration Program	750,000	625,000	625,000
Loess Hills Conservation Authority	500,000	475,000	475,000
Agricultural Drainage Wells	1,250,000	0	0
Soil & Water Conservation Fund	1,751,600	2,000,000	2,000,000
Local Food and Farm Program	0	75,000	75,000
Iowa FFA Foundation	0	25,000	25,000
So. Iowa Conservation & Dev. Authority	250,000	0	0
Total Department of Agriculture	<u>\$ 9,851,600</u>	<u>\$ 12,400,000</u>	<u>\$ 12,400,000</u>
Department of Natural Resources			
REAP Program	\$ 15,000,000	\$ 12,000,000	\$ 12,000,000
Park Operations and Maintenance	2,470,000	3,210,000	3,210,000
Volunteer Water Quality Initiative	100,000	100,000	100,000
Animal Feeding Operations	608,400	420,000	420,000
Water Quantity Program	495,000	495,000	495,000
Resource Conservation and Development	150,000	0	0
Air Quality Monitoring Program	425,000	425,000	425,000
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
State Park Volunteer Activities	250,000	0	0
Forestry Management Program	0	100,000	100,000
Geological Water Survey	0	200,000	200,000
Total Department of Natural Resources	<u>\$ 23,148,400</u>	<u>\$ 20,600,000</u>	<u>\$ 20,600,000</u>
Total Appropriations	<u>\$ 33,000,000</u>	<u>\$ 33,000,000</u>	<u>\$ 33,000,000</u>
Total Reversions	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Ending Balance	<u><u>\$ 26,966</u></u>	<u><u>\$ 26,966</u></u>	<u><u>\$ 26,966</u></u>

Rebuild Iowa Infrastructure Fund (RIIF)

	Actual FY 2011	Estimated FY 2012	Current Law FY 2013	Gov. Rec. FY 2013
Resources				
Balance Forward	\$ 6,325,200	\$ 16,842,571	\$ 14,015,670	\$ 14,015,670
Wagering Taxes and Related License Fees [†]	125,915,679	141,450,000	144,450,000	144,450,000
Wagering Taxes -TOS transfer -unneeded for rev bond debt service	11,985,979	950,750	934,314	934,314
Wagering Taxes -TOS transfer -unneeded for federal subsidy	3,755,474	3,750,000	3,750,000	3,750,000
Wagering Taxes -TOS transfer -unneeded school inf bond debt service	3,607,815	1,500,000	1,500,000	1,500,000
Interest	1,613,904	1,600,000	1,700,000	1,700,000
MSA Tobacco Payment/Endowment Transfers	16,957,293	15,905,618	15,973,045	15,973,045
Misc/Adjustments to Balance	360	0	0	0
Total Resources	\$ 170,161,704	\$ 181,998,939	\$ 182,323,029	\$ 182,323,029
Appropriations				
Administrative Services				
DAS Distribution Account	\$ 3,700,000	\$ 0	\$ 0	\$ 0
Iowa Building Operations	1,082,300	0	0	0
D-Line Bus Service and Employee Ride Program	125,000	0	0	0
Lucas Bldg - Sec of State Offices - Security Improvement	0	45,000	0	0
Historical Building Exterior Repairs	0	1,200,000	0	0
Agriculture and Land Stewardship				
Watershed Improvement Review Board Administration	50,000	0	0	0
Department for the Blind				
Replace Air Handlers and Improvements	0	1,065,674	0	0
Newsline for the Blind	20,000	0	0	0
Corrections				
Mitchellville Construction and FFE One-Time Costs	0	14,761,556	14,170,062	14,170,062
Iowa State Penitentiary - Ft. Madison FFE One-Time Costs	0	5,155,077	18,269,124	18,269,124
Construction Project Management and Correctional Spec.	322,500	4,500,000	1,000,000	1,000,000
Newton Hot Water Loop Repair	0	0	0	425,000
Radio Communications Upgrade	0	0	0	3,500,000
Cultural Affairs				
Historical Museum 25th Anniversary Renovation and Visitors Center	0	0	0	2,000,000
Great Places Infrastructure Grants	0	1,000,000	0	0
Iowa Battle Flags	60,000	0	0	0
Historic Sites	40,000	0	0	0
Economic Development				
Grow Iowa Values Fund	38,000,000	15,000,000	0	0
Community Attraction & Tourism Grants	0	5,300,000	5,000,000	0
Accelerated Career Ed (ACE) Infrastructure Comm Colleges	0	5,000,000	0	0
Community Colleges - Workforce Training	2,000,000	0	0	0
Regional Sport Authorities	500,000	500,000	0	0
Camp Sunnyside Cabin Renovation	0	250,000	0	0
World Food Prize Borlaug/Ruan Scholar Program	100,000	100,000	0	0
Blank Park Zoo Capitals	500,000	0	0	0
6th Avenue Corridor Revitalization - Main Streets	100,000	0	0	0
Port Authority - Economic Development Southeast Iowa	50,000	0	0	0

Rebuild Iowa Infrastructure Fund (RIIF)

	Actual FY 2011	Estimated FY 2012	Current Law FY 2013	Gov. Rec. FY 2013
Education				
Iowa Public Television - Inductive Output Tubes	0	0	0	320,000
Iowa Public Television - Building Purchase	0	1,255,550	0	0
Community College Infrastructure	0	1,000,000	0	0
Enrich Iowa Libraries	500,000	0	0	0
Human Services				
Nursing Home Facility Improvements	0	285,000	0	0
Iowa Finance Authority				
State Housing Trust Fund	1,000,000	3,000,000	3,000,000	2,000,000
Administration of IJOBS Program	200,000	0	0	0
Facilities Multiple-Handicapped - Polk County	250,000	0	0	0
Management				
Technology Reinvestment Fund	10,000,000	15,541,000	0	15,000,000
Environment First Fund	33,000,000	33,000,000	35,000,000	33,000,000
Grants Enterprise Management System	0	0	0	125,000
Natural Resources				
State Park Infrastructure	0	5,000,000	5,000,000	5,000,000
Lake Restoration & Water Quality	0	5,459,000	0	5,459,000
Lake Delhi Dam Restoration	0	0	0	2,500,000
Floodplain Management/Dam Safety	2,000,000	2,000,000	0	0
Honey Creek Asset Manager	100,000	0	0	0
Rock Creek Permanent Shelter	40,000	0	0	0
Public Defense				
Facility/Armory Maintenance	1,500,000	2,000,000	0	2,000,000
Statewide Modernization Agenda - Readiness Centers	1,800,000	1,800,000	0	0
Joint Forces Headquarters Renovation	0	1,000,000	0	0
Camp Dodge Infrastructure Upgrades	0	1,000,000	0	0
Muscatine Armed Forces Readiness Center	0	100,000	0	0
Iowa Falls Readiness Center	500,000	0	0	0
Cedar Rapids Armed Forces Readiness Center	200,000	0	0	0
Middletown Armed Forces Readiness Center	100,000	0	0	0
Public Health				
Vision Screening	100,000	0	0	0
Regents				
Tuition Replacement	24,305,412	24,305,412	0	25,130,412
UI - Iowa Flood Center	1,300,000	1,300,000	0	0
Fire Safety and ADA Compliance (Deferred Maint)	0	2,000,000	2,000,000	2,000,000
UI Dental Science Bldg	0	1,000,000	12,000,000	12,000,000
ISU Ag/Biosystems Eng Complex Phase II	0	1,000,000	20,800,000	20,800,000
UNI Bartlett Hall Renovation	0	1,000,000	8,286,000	8,286,000
ISU - Veterinary Training Modernization	400,000	0	0	0

Rebuild Iowa Infrastructure Fund (RIIF)

	Actual FY 2011	Estimated FY 2012	Current Law FY 2013	Gov. Rec. FY 2013
Transportation				
Local Roads Counties and Cities 50/50	24,700,000	0	0	0
Railroad Revolving Loan and Grant Program (freight rail)	2,000,000	2,000,000	0	1,750,000
Recreational Trails	0	3,000,000	0	2,500,000
Public Transit Vertical Infrastructure Grants	0	1,500,000	0	1,500,000
Commercial Service Air Vertical Infrastructure Grants	0	1,500,000	0	1,500,000
General Aviation Vertical Infrastructure Grants	750,000	750,000	0	750,000
Treasurer				
County Fairs Infrastructure	1,060,000	1,060,000	0	1,060,000
Veterans Affairs				
Home Ownership Program	1,000,000	1,000,000	0	0
Veterans Home Generator Upgrades	0	250,000	0	0
Net Appropriations	<u>\$ 153,455,212</u>	<u>\$ 167,983,269</u>	<u>\$ 124,525,186</u>	<u>\$ 182,044,598</u>
Reversions	<u>-136,079</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$ 16,842,571</u>	<u>\$ 14,015,670</u>	<u>\$ 57,797,843</u>	<u>\$ 278,431</u>

Notes:

*Wagering tax estimates account for all allocations in Code Section 8.57 that occur before the remainder deposits in RIIF as well as tax credits for land-based and riverboat casinos that began in FY 2009 and FY 2011, respectively. In addition, license fees paid for the new Lyon County casino are included.

Technology Reinvestment Fund

	Actual FY 2011	Estimated FY 2012	Current Law FY 2013	Gov. Rec. FY 2013
Resources				
Beginning Balance	\$ 118,474	\$ 2,861	\$ -3	\$ -3
General Fund Limited Standing Appropriation	0	0	17,500,000	0
Rebuild Iowa Infrastructure Fund	10,000,000	15,541,000	0	15,000,000
Total Available Resources	\$ 10,118,474	\$ 15,543,861	\$ 17,499,997	\$ 14,999,997
Appropriations				
Department of Administrative Services				
Pooled Technology Projects	\$ 3,793,654	\$ 1,643,728	\$ 0	\$ 0
Department of Corrections				
Iowa Corrections Offender Network Data System	500,000	500,000	0	500,000
Department of Education				
ICN Part III & Maintenance & Leases	2,727,000	2,727,000	0	2,727,000
Statewide Education Data Warehouse	600,000	600,000	0	600,000
Department of Human Rights				
Criminal Justice Info. System Integration (CJIS)	0	1,689,307	0	1,689,307
Department of Human Services				
Central IA Ctr. for Ind. Living - Accounting Software	0	11,000	0	0
Medicaid Technology	0	3,494,176	4,667,600	4,667,600
Iowa Telecommunication and Technology Commission				
ICN Equipment Replacement	2,244,956	2,248,653	0	2,248,653
Iowa Workforce Development				
Outcome Tracking System	3	0	0	0
Department of Management				
Searchable Online Budget and Tax Database	0	50,000	0	45,000
Department of Public Health				
Mental Health Services Database Medical Records	250,000	0	0	0
Department of Public Safety				
Radio Communications Upgrade	0	2,500,000	2,500,000	2,500,000
Dubuque Fire Training Simulator	0	80,000	0	0
Total Appropriations	\$ 10,115,613	\$ 15,543,864	\$ 7,167,600	\$ 14,977,560
Reversions	0	0	0	0
Ending Balance	\$ 2,861	\$ -3	\$ 10,332,397	\$ 22,437

INTERIM COMMITTEE SUMMARY

COMMITTEE NAME	CHARGE	LSA STAFF	SUBCOMMITTEE
Inmate Geriatric and Psychiatric Patients Study Committee	CHARGE: Examine treatment and placement options for inmate geriatric and psychiatric patients under the care, custody, and control of the State, or for patients housed at the Iowa Medical and Classification Center at Oakdale or other correctional facilities for geriatric or psychiatric treatment. A related study by Departments of Corrections, Human Services, Inspections and Appeals, and Public Health required by 2011 Iowa Acts, SF 510 , §25, is to be submitted to the Study Committee by November 15, 2011.	Legal: Joe McEniry, Rachele Hjelmaas Jack Ewing Fiscal: Beth Lenstra	Justice
Lake Macbride Study Committee	CHARGE: Review requirements and make recommendations pertaining to the use of motorboats on Lake Macbride.	Legal: Ann Ver Heul Doug Adkisson Andrew Ward Fiscal: Deb Kozel Aaron Todd	Agriculture and Natural Resources
Mental Health and Disability Services Study Committee	CHARGE: Review publicly supported mental health and disability services. The Committee is to closely engage with, monitor, and propose legislation concerning the recommendations and proposals developed by the workgroups implemented by the Department of Human Services (DHS) and other bodies addressed by 2011 Iowa Acts, SF 525 . The legislators serving on the interim committee and other interested legislators are authorized to participate in the meetings of the workgroups and subcommittees addressed by the legislation. In addition to the workgroup recommendations, the Committee is required to: <ul style="list-style-type: none"> • Address property tax issues. • Devise a means of ensuring the state maintains funding commitments for the redesigned services system. • Recommend revisions in the requirements for mental health professionals engaged in the involuntary commitment and examination processes under Iowa Code chapter 229. • Recommend revisions to Iowa Code chapter 230A amendments contained in SF 525 as necessary to conform with the system redesign proposed by the Committee. 	Legal: John Pollak Patty Funaro Rachele Hjelmaas Fiscal: Jess Benson Deborah Thompson Sue Lerdal	Health and Human Services

Appendix D – Interim Committee Summary

COMMITTEE NAME	CHARGE	LSA STAFF	SUBCOMMITTEE
Mental Health and Disability Services Study Committee, continued	<ul style="list-style-type: none"> • Develop proposed legislation for amending Code references to mental retardation to instead refer to intellectual disabilities. • Consider issues posed by the July 1, 2013, repeals of county disability services administration and funding provisions in 2011 Iowa Acts, SF 209. In addressing the repeal provisions, the Study Committee is to consider all funding sources for replacing the county authority to levy for adult disability services. 		
State Fish and Game Protection Fund Study Committee	Charge: Review the expenditures from the State Fish and Game Protection Fund by the Department of Natural Resources.	Legal: Doug Adkisson Ann Ver Heul Jack Ewing Fiscal: Deb Kozel Aaron Todd	Agriculture and Natural Resources
Legislative Tax Expenditure Committee	CHARGE: Duties include approving annual estimates of the cost of tax expenditures by December 15 each year, and performing a scheduled review of specified tax credits so that each credit is reviewed at least every five years. The first scheduled review is in 2011.	Legal: Michael Duster Mike Mertens Susan Crowley Fiscal: Jeff Robinson Shawn Snyder	Permanent statutory Committee under the Legislative Council
Medical Assistance Projections and Assessment Council	CHARGE: Make cost projections for the Medicaid Program and the expansion population authorized pursuant Iowa Code chapter 249J ; review reports on all initiatives under Iowa Code chapter 249J , including those provisions in the design, development, and implementation phases, and make additional recommendations for the Medicaid Program and expansion population reform on an annual basis; review annual audited financial statements relating to the expansion population submitted by the providers included in the expansion population provider network; review reports on the success of the Iowa Medicaid Enterprise based on the contractual performance measures for each Iowa Medicaid Enterprise partner; and assure that the expansion population is managed at all times within funding limitations and assume that supplemental funding will not be available for services provided to the expansion population.	Legal: Patty Funaro John Pollak Fiscal: Jess Benson	Permanent statutory Council created in Iowa Code Section 249J.20

COMMITTEE NAME	CHARGE	LSA STAFF	SUBCOMMITTEE
<p>Public Retirement Systems Committee</p>	<p>CHARGE: Review and evaluate all public retirement systems in place in Iowa, including the Iowa Public Employees' Retirement System (IPERS), the Municipal Fire and Police Retirement System of Iowa (Iowa Code chapter 411), the Department of Public Safety Peace Officers' Retirement System (PORS), and the Judicial Retirement System. The Committee typically meets during the legislative interim of odd-numbered years.</p>	<p>Legal: Ed Cook Andrew Ward Rick Nelson Fiscal: Jennifer Acton Estelle Montgomery</p>	<p>Permanent statutory Committee created in Iowa Code Section 97D.4</p>
<p>State Government Efficiency Review Committee</p>	<p>CHARGE: The Committee is required to meet, as directed by the Legislative Council, every two years to review state government organization and efficiency options and receive state government efficiency suggestions offered by the public and public employees. The first report is due January 2013.</p>	<p>Legal: Rick Nelson Andrew Ward Ed Cook Fiscal: Mary Shipman Dave Reynolds</p>	<p>Permanent statutory Committee created in Iowa Code Section 2.69</p>

SALARIES AND COLLECTIVE BARGAINING

The State completed negotiations with unions representing State employees for salaries and benefits for FY 2012 and FY 2013 in March 2011. Iowa Code Chapter 20 establishes the framework and timeline for the bargaining process.

FY 2012 Salary Expenditures

The General Assembly did not appropriate additional funds for salary expenditures. State agencies use existing funds to pay the cost of salaries, including the cost to fund negotiated contracts with various bargaining units, and similar increases for noncontract employees.

FY 2013 Estimated Increased Salary Expenditures

The total estimated need to fund salary increases for FY 2013 is \$156.3 million, including \$79.9 million from the General Fund. The estimate includes \$86.3 million for the Board of Regents, including \$41.0 million from the General Fund. *The Governor did not recommend additional funding for salary increases for FY 2013.*

SUMMARY – FY 2012-FY 2013 COLLECTIVE BARGAINING UNIT AGREEMENTS

American Federation of State, County, and Municipal Employees (AFSCME) - General Government and Community Based Corrections (CBC)

FY 2012:

Wages:

- 2.00% across-the-board pay increase on June 24, 2011.
- 1.00% across-the-board pay increase on December 23, 2011.
- Step increases of 4.50% for eligible employees during FY 2012.

Benefits: No Change

FY 2013:

Wages:

- 2.00% across-the-board pay increase on July 1, 2012.
- 1.00% across-the-board pay increase on January 1, 2013.
- Step increases of 4.50% for eligible employees during FY 2013.

Benefits: No Change

Iowa United Professionals (IUP) and United Electrical Workers (UE), Science Unit and Professional Social Services Unit

FY 2012:

Wages:

- 2.00% across-the-board pay increase on June 24, 2011.
- 1.00% across-the-board pay increase on December 23, 2011.
- Step increases of 4.50% for eligible employees during FY 2012.

Benefits: No Change

FY 2013:

Wages:

- 2.00% across-the-board pay increase on July 1, 2012.
- 1.00% across-the-board pay increase on January 1, 2013.
- Step increases of 4.50% for eligible employees during FY 2013.

Benefits: No Change

State Police Officers Council (SPOC)

FY 2012:

Wages:

- 2.00% across-the-board pay increase on June 24, 2011.
- 1.00% across-the-board pay increase on December 23, 2011.
- Step increases of 3.50% for eligible employees during FY 2012.

Benefits: No Change

FY 2013:

Wages:

- 2.00% across-the-board pay increase on July 1, 2012.
- 1.00% across-the-board pay increase on January 1, 2013.
- Step increases of 3.50% for eligible employees during FY 2013.

Benefits: No Change

Judicial AFSCME

FY 2012:

Wages:

- 2.00% across-the-board pay increase on June 24, 2011.
- 1.00% across-the-board pay increase on December 23, 2011.
- Step increases of 4.50% for eligible employees during FY 2012.

Benefits: No Change

FY 2013:

Wages:

- 2.00% across-the-board pay increase on July 1, 2012.
- 1.00% across-the-board pay increase on January 1, 2013.
- Step increases of 4.50% for eligible employees during FY 2013.

Benefits: No Change

Judicial Public Professional and Maintenance Employees (PPME)

FY 2012:

Wages:

- 2.00% across-the-board pay increase on June 24, 2011.
- 1.00% across-the-board pay increase on December 23, 2011.
- Step increases of 4.50% for eligible employees during FY 2012.

Benefits: No Change

FY 2013:

Wages:

- 2.00% across-the-board pay increase on July 1, 2012.
- 1.00% across-the-board pay increase on January 1, 2013.
- Step increases of 4.50% for eligible employees during FY 2013.

Benefits: No Change

University of Northern Iowa – United Faculty

FY 2012:

Wages:

- 2.25% across-the-board pay increase on July 1, 2011.
- 1.25% across-the-board pay increase on January 1, 2012.

Benefits: No Change

FY 2013:

Wages:

- 2.25% across-the-board pay increase on July 1, 2012.
- 1.25% across-the-board pay increase on January 1, 2013.

Benefits: No Change

Committee to Organize Graduate Students (COGS) – University of Iowa

FY 2012:

Wages:

- An increase in minimum scholarship in an amount approximately equal to 100.00% of the cost of tuition.
- 2.00% across-the-board increase in the average graduate assistant stipend on July 1, 2011.

Benefits: No Change

FY 2013:

Wages: 2.50% across-the-board increase in the average graduate assistant stipend on July 1, 2012.

Benefits: No Change

Service Employees International Union (SEIU) – University of Iowa and University of Iowa Hospitals and Clinics

FY 2012:

Wages: 3.00% across-the-board pay increase on June 24, 2011.

Benefits: Provides for participation in the University's Modified Flexible Benefit Plan System approved by the Board in September 2008.

FY 2013:

Wages: 3.00% across-the-board pay increase on July 1, 2012.

Benefits: No Change

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