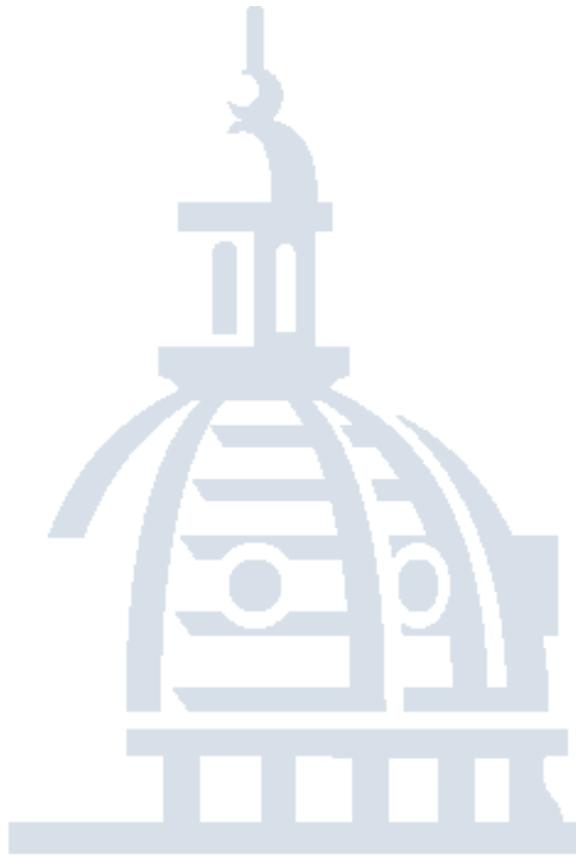

**SUMMARY OF FY 2014 BUDGET
AND
GOVERNOR'S RECOMMENDATIONS**



FISCAL SERVICES DIVISION

JANUARY 17, 2013



**LEGISLATIVE
SERVICES AGENCY**

Serving the Iowa Legislature

The purpose of this document is to provide the General Assembly with information related to FY 2014 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 budgeting 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 a department request, the Governor'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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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 January 12, 2013.

Items worth noting when reviewing this document include:

- Revenues and expenditures are estimated for FY 2013 and FY 2014.
- When analyzing the FY 2014 Governor's recommendations, the FY 2014 recommendations are compared to the estimated FY 2013 appropriations.
- **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 2014 built-in and anticipated increases and decreases.
- **Appendix C** provides other funds balance sheets.
- **Appendix D** provides an overview of the 2012 Interim Committees.
- **Appendix E** provides a summary of salary and collective bargaining information to date.
- **Appendix F** provides information about public retirement systems.

Hyperlinked items are reflected in blue type and underscore. In tracking documents or budget tables, the links connect to ***Budget Unit Fiscal Topics***.



2013 Session Timetable

Fiscal Staff: Mary Shipman

Analysis of Governor's Budget

NOTE: This Session timetable is subject to change.

**If rules remain unchanged; see [HCR 12](#), [HR 11](#), and [SR 2](#) (2011).*

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

JANUARY 14	First day of session. (Iowa Code section 2.1)
FEBRUARY 15 <i>(Friday of 5th 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)
MARCH 8 <i>(Friday of 8th week)**</i>	Final date for Senate bills to be reported out of Senate committees and House bills out of House committees. (Joint Rule 20)
MARCH 18 – MARCH 22 <i>(10th week)</i>	Senate considers only Senate bills and unfinished business. House considers only House bills and unfinished business. (Joint Rule 20)
MARCH 25 – APRIL 5 <i>(11th and 12th weeks)</i>	Debate not limited by rule.
APRIL 5th <i>(Friday of the 12th week)**</i>	Final date for Senate bills to be reported out of House committees and House bills out of Senate committees. (Joint Rule 20)
APRIL 8 – APRIL 12 <i>(13th week)</i>	Senate considers only House bills and unfinished business. House considers only Senate bills and unfinished business. (Joint Rule 20)
APRIL 15 <i>(Beginning of 14th week)</i>	Amendments need not be filed on the day preceding floor debate. (House Rule 31.8)
APRIL 15 <i>(Beginning of 14th 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 section 17A.8 (9)] • Joint Resolutions nullifying Administrative Rules • Unfinished Business
May 3	110th calendar day of the Session [per diem expenses end – Iowa Code sec. 2.10(1)]

****The March 8 and April 5 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 8/28/2012.**



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Analysis of Governor's Budget

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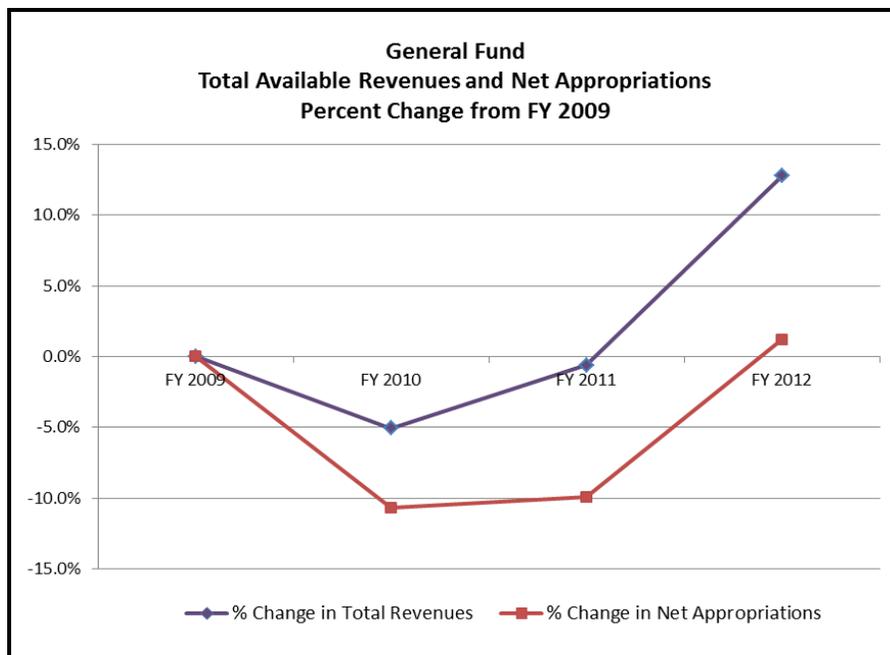
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Condition of the General Fund Budget

Net General Fund receipts (including transfers) totaled \$6,311.1 million at the close of FY 2012, an increase of \$412.1 million (7.0%) compared to FY 2011. The growth was led by increases in personal income tax of \$172.6 million (5.0%), corporate income tax of \$126.2 million (32.0%), and sales/use tax of \$123.9 million (5.2%). These increases were partially offset by a law change that took effect in FY 2012 that annually transfers \$106.0 million of cigarette and tobacco tax receipts from the General Fund to the Health Care Trust Fund.

The FY 2012 General Fund budget ended the fiscal year with a record surplus of \$688.1 million. This was the third consecutive year that the surplus increased. At the close of FY 2010 and FY 2011, the surpluses were \$335.6 million and \$554.6 million, respectively. The growth in the surplus during this period can be attributed to net General Fund revenue growth outpacing the growth in net appropriations. By the end of FY 2012, net General Fund receipts were \$377.1 million (6.4%) higher than receipts at the close of FY 2009, representing an average annual increase of 2.1% during this period. In contrast, net appropriations for FY 2012 were \$70.4 million (1.3%) higher than the FY 2009 level, representing an average annual increase of just 0.4%.

Another significant factor contributing to the FY 2012 surplus was the transfer of \$381.4 million from the Economic Emergency Fund to the General Fund. Under Iowa law, the General Fund surplus is first deposited into the State's two reserve funds until the combined balances in these funds equal 10.0% of annual revenues. Once the 10.0% threshold is met, the excess funds are transferred back to the General Fund and are available for appropriation in the subsequent fiscal year. When the \$381.4 million transfer is added to the net General Fund receipts (\$6,311.1 million) for FY 2012, total available revenues were 12.8% higher than the FY 2009 level. The following chart shows the percentage change in total available General Fund revenues and net appropriations compared to FY 2009.



Pursuant to statute, the Governor's FY 2014 budget is based on the December 12, 2012, Revenue Estimating Conference (REC) estimates. The projected net General Fund amounts for FY 2013 and FY 2014 are:

- \$6,517.1 million for FY 2013, an increase of \$206.0 (3.3%) compared to FY 2012.
- \$6,739.8 million for FY 2014, an increase of \$222.7 million (3.4%) compared to FY 2013.

The Governor is also recommending a biennial budget that includes FY 2015. The REC did not establish an FY 2015 revenue estimate; however, the Governor is assuming a General Fund revenue increase of \$269.6 million (4.0%).

Summary of the Governor's General Fund Budget Recommendations for FY 2013, FY 2014, and FY 2015

FY 2013 Budget Changes

The Governor's revised FY 2013 budget leaves a projected General Fund surplus of \$822.0 million. The Governor's recommended revisions for FY 2013 include:

- Supplemental appropriations totaling \$42.3 million for the Medicaid Program and Mental Health Redesign.
- An adjustment of \$3.5 million to the FY 2013 State Appeal Board standing appropriation budget to cover anticipated claims. The adjustment brings the total State Appeal Board appropriation to \$7.6 million for FY 2013, and is more in line with actual annual claims.

FY 2014 Budget Recommendations

For FY 2014, the Governor is recommending General Fund appropriations of \$6,543.5 million, an increase of \$270.5 million (4.3%) when compared to the Governor's revised net FY 2013 budget. The Governor's budget includes total General Fund revenues of \$7,412.7 million. This includes the December 12, 2012, REC estimate of \$6,739.8 million, revenue adjustments of \$ -2.2 million, and a transfer from the Economic Emergency Fund of \$675.1 million. The Governor's FY 2014 recommendation leaves an estimated General Fund surplus of \$874.2 million. The Governor does not include a recommendation to fund the collective bargaining agreement in FY 2014 as negotiations are still in progress.

FY 2015 Budget Recommendations

The Governor is recommending a biennial budget that includes FY 2015 General Fund appropriations of \$6,745.6 million, an increase of \$202.2 million (3.1%) compared to the Governor's recommended FY 2014 appropriations. The FY 2015 recommendation also includes an assumption of 4.0% revenue growth compared to the FY 2013 REC net General Fund estimate. The REC did not establish a revenue estimate for FY 2015. This amounts to an estimated \$7,009.4 million in net General Fund receipts for FY 2015 and represents an increase of \$269.6 million (4.0%) compared to the FY 2014 REC estimate. The Governor's budget includes revenue adjustments of \$ -5.5 million and a transfer of \$813.0 million from the Economic Emergency Fund. The resulting estimated surplus of the Governor's FY 2015 budget is \$1,076.3 million.

The following table shows the Governor's General Fund budget recommendations for FY 2014 and FY 2015. A General Fund appropriations report is attached to this document and provides additional detail of the Governor's individual line-item appropriation recommendations.

State of Iowa				
Projected Condition of the General Fund Budget				
(Dollars in Millions)				
	Actual FY 2012	Est FY 2013	Gov Rec FY 2014	Gov Rec FY 2015 ^{4/}
Funds Available:				
Receipts ^{1/}	\$ 7,372.3	\$ 7,693.4	\$ 8,001.2	
Refunds	- 820.6	- 870.5	- 915.1	
School Infras. Refunds	- 410.6	- 432.1	- 444.3	
Net Accruals	61.3	16.0	- 1.3	
Transfers	108.7	110.3	99.3	
Subtotal Net Receipts	<u>6,311.1</u>	<u>6,517.1</u>	<u>6,739.8</u>	<u>7,009.4</u>
Revenue Adjustments			- 2.2	- 5.5
Economic Emergency Fund Transfer	<u>381.4</u>	<u>572.1</u>	<u>675.1</u>	<u>813.0</u>
Total Funds Available	<u>\$ 6,692.5</u>	<u>\$ 7,089.2</u>	<u>\$ 7,412.7</u>	<u>\$ 7,816.9</u>
Expenditure Limitation			<u>\$ 7,345.3</u>	<u>\$ 7,746.8</u>
Estimated Appropriations and Expenditures:				
Enacted Appropriations/FY 14 Baseline	\$ 5,999.7	\$ 6,227.1	\$ 6,543.5	\$ 6,745.6
Adjustments to Standing Appropriations	10.2	3.5 ^{2/}		
Supplemental/Deappropriations	<u>2.6</u>	<u>42.3 ^{3/}</u>		
Total Appropriations	<u>\$ 6,012.5</u>	<u>\$ 6,272.9</u>	<u>\$ 6,543.5</u>	<u>\$ 6,745.6</u>
Reversions	<u>- 8.1</u>	<u>- 5.7</u>	<u>- 5.0</u>	<u>- 5.0</u>
Net Appropriations	<u>\$ 6,004.4</u>	<u>\$ 6,267.2</u>	<u>\$ 6,538.5</u>	<u>\$ 6,740.6</u>
Ending Balance - Surplus	<u>\$ 688.1</u>	<u>\$ 822.0</u>	<u>\$ 874.2</u>	<u>\$ 1,076.3</u>
<p>^{1/} The Department of Revenue estimates that federal tax law changes enacted on January 1, 2013, will produce additional General Fund revenue of \$45.7 million in FY 2013 and \$83.5 million in FY 2014. These amounts are above the level estimated by the REC on December 12, 2012, and are not reflected on this balance sheet.</p> <p>^{2/} The Governor's recommendation includes an adjustment of \$3.5 million to the FY 2013 State Appeal Board standing appropriation budget to cover anticipated claims.</p> <p>^{3/} The Governor is recommending \$42.3 million in supplemental appropriations for FY 2013.</p> <p>^{4/} The Revenue Estimating Conference did not establish a revenue estimate for FY 2015. The Governor's FY 2015 budget recommendation includes an estimated increase of 4.0% in net General Fund receipts for FY 2015.</p>				

Contingent Liabilities for State Tax Credits

The Governor's FY 2013 and FY 2014 budgets are based on the revenue estimates established by the REC on December 12, 2012. Those estimates include 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 2013 and FY 2014. 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 2013	FY 2014	FY 2014 Percent of Total
<u>Capped Programs</u>			
High Quality Job Program	\$ -45.9	\$ -58.4	15.2%
Enterprise Zone Program	-38.2	-38.4	10.0%
Historic Preservation and Cultural and Entertainment District Tax Credit	-32.2	-37.4	9.8%
Renewable Energy Tax Credit	-9.0	-17.0	4.4%
Enterprise Zone Program - Housing Component	-11.8	-12.2	3.2%
School Tuition Organization Tax Credit	-8.6	-9.0	2.3%
Accelerated Career Education Tax Credit	-5.4	-5.4	1.4%
Endow Iowa Tax Credit	-4.8	-5.0	1.3%
Agricultural Assets Transfer Tax Credit	-3.9	-4.9	1.3%
Venture Capital Tax Credit - Iowa Fund of Funds	-4.3	-4.0	1.0%
Redevelopment Tax Credit	-0.1	-2.8	0.7%
Wind Energy Production Tax Credit	-1.5	-1.5	0.4%
Solar Energy System Tax Credit	-0.8	-1.3	0.3%
Venture Capital Tax Credit - Qualified Bus. or Comm.-Seed Capital Fund	-0.7	-1.3	0.3%
Wage-Benefits Tax Credit	-2.2	-0.8	0.2%
Film, Television, and Video Project Promotion Program - Awarded	-1.3	-0.3	0.1%
Venture Capital Tax Credit - Venture Capital Funds	-0.2	-0.2	0.1%
Total Capped Programs	\$ -170.7	\$ -199.9	52.2%
<u>Uncapped Programs</u>			
Iowa Industrial New Job Training Program (260E)	\$ -51.0	\$ -51.6	13.5%
Research Activities Tax Credit	-38.1	-40.9	10.7%
Earned Income Tax Credit	-30.2	-26.4	6.9%
Supplemental Research Activities Tax Credit	-15.8	-15.6	4.1%
Tuition and Textbook Tax Credit	-15.1	-15.1	3.9%
Biodiesel Blended Fuel Tax Credit	-6.4	-7.6	2.0%
Targeted Jobs Tax Credit from Withholding	-4.6	-5.6	1.5%
Child and Dependent Care Tax Credit	-6.3	-4.5	1.2%
New Jobs and Income Program	-7.5	-4.4	1.1%
Ethanol Promotion Tax Credit	-3.9	-2.7	0.7%
E85 Gasoline Promotion Tax Credit	-1.4	-2.3	0.6%
Geothermal Heat Pump Tax Credit	-1.2	-1.8	0.5%
New Capital Investment Program	-0.8	-1.6	0.4%
Charitable Conservation Contribution Tax Credit	-0.8	-1.0	0.3%
Volunteer Firefighter and EMS Tax Credit	0.0	-0.9	0.2%
Early Childhood Development Tax Credit	-0.5	-0.5	0.1%
Total Uncapped Programs	\$ -183.5	\$ -181.7	47.4%
<u>Other Programs</u>			
Film Program - Under Review	-1.3	-1.4	0.4%
Funds Recovered from Defaulted Awards	0.0	0.0	0.0%
Tax Credit Program Total	\$ -355.5	\$ -383.0	100.0%
Notes:			
Estimates are based on the Contingent Liabilities Report provided by the Department of Revenue.			
The numbers may not equal totals due to rounding.			

Governor’s Revenue Adjustments

The Governor’s budget includes General Fund revenue adjustments that will decrease revenues by \$2.2 million in FY 2014 and \$5.5 million in FY 2015. The decreases are related to proposed changes to various tax credits.

Endow Iowa Tax Credit: The Governor is recommending increasing the cap on the Endow Iowa Tax Credit from \$3.5 million to \$4.0 million. The recommended change is estimated to reduce General Fund revenue by \$0.2 million in FY 2014 and \$0.4 million in FY 2015. This tax credit allows taxpayers to claim a credit equal to 20.0% of an endowment gift to a qualified community foundation. The gift must be for a permanent endowment fund established to benefit a charitable cause in Iowa.

School Tuition Organization Tax Credit: The Governor is recommending an increase to the cap on the School Tuition Organization Tax Credit from \$8.75 million to \$10.25 million. The recommended change is estimated to reduce General Fund revenue by \$1.0 million in FY 2014 and \$1.2 million in FY 2015. The School Tuition Organization Tax Credit allows taxpayers to claim a tax credit equal to 65.0% of the contribution made to a school tuition organization. A school tuition organization must be a charitable organization in Iowa that is exempt from federal taxation and that allocates at least 90.0% of its annual revenue in tuition grants for children that reside in Iowa to allow them to attend a qualified school of their parents’ choice. Any credit in excess of the tax liability can be carried forward for five years.

Iowa Economic Development Authority (IEDA) Tax Credit Cap: The Governor is recommending increasing the annual aggregate tax credit cap on the programs operated under the IEDA in Iowa Code section [15.119](#) from the current \$120.0 million to \$185.0 million beginning in FY 2014. Tax credits under this cap include:

- High Quality Jobs Program (HQJP)
- Enterprise Zone (EZ) Program
- Assistive Device Tax Credit Program
- Community-Based Seed Capital Fund Program
- Innovation Fund Tax Credit Program
- Brownfield and Grayfields Redevelopment Tax Credit Program

Generally, tax credits are issued on a prorated basis over five years of the contract, and can be claimed for five to seven years after the award. The recommended change is estimated by the Governor to reduce General Fund revenue by \$1.0 million in FY 2014 and \$3.9 million in FY 2015. Since the tax credits often take a year or more from when they are issued to when they are redeemed, the Governor expects the majority of the potential \$65.0 million annual impact on the State General Fund to occur in fiscal years after FY 2015.

General Fund Revenue Adjustments			
(Dollars in Millions)			
	Est FY 2013	Gov Rec FY 2014	Gov Rec FY 2015
Endow Iowa Tax Credit	\$ 0.0	\$ - 0.2	\$ - 0.4
School Tuition Organization Tax Credit		-1.0	-1.2
IEDA Tax Credit Cap to \$185M		-1.0	-3.9
Total Revenue Adjustments	\$ 0.0	\$ - 2.2	\$ - 5.5

Governor's FY 2013 Supplemental Appropriations

The Governor is recommending a total of \$42.3 million in supplemental appropriations for FY 2013. All of the supplemental appropriations are related to components of the Medicaid Program.

- Medicaid Program:** The Governor is recommending \$27.0 million to cover a projected shortfall in Medicaid for FY 2013. Funding for the Medicaid Program for FY 2013 was appropriated during the 2011 Legislative Session; however, the amount appropriated (\$915.0 million) was approximately \$40.0 million short of covering the projected costs at that time. The Medicaid Forecasting Group met in December 2012 and estimated an FY 2013 funding shortfall of between \$28.0 million to \$58.0 million, with a midpoint of \$43.0 million. In order to compare the Governor's recommended supplemental appropriation to the estimated midpoint of \$43.0 million, the \$8.0 million supplemental for the Mental Health Redesign component (see below) must be added to the \$27.0 million supplemental listed above to arrive at \$35.0 million. With a recommendation of \$35.0 million, the Governor's recommended funding is \$8.0 million below the Forecasting Group's projected midpoint.
- Mental Health Redesign:** The Governor is recommending \$8.0 million a projected shortfall in funding for the Mental Health component of the Medicaid Program for FY 2013.
- IowaCare Program:** The Governor is recommending \$7.3 million to cover a projected shortfall for care provided at the University of Iowa Hospital and Clinics. The recommended supplemental for the IowaCare Program is not included in the Medicaid Forecasting Group midpoint estimate.

General Fund Supplemental Appropriations	
(Dollars in Millions)	
	Gov Rec FY 2013
Medicaid Program	\$ 27.0
Mental Health Redesign (Medicaid)	8.0
IowaCare Program (Medicaid)	7.3
Total	<u>\$ 42.3</u>

Summary of the Governor's FY 2014 and FY 2015 Appropriation Recommendations

The Governor is recommending General Fund appropriations totaling \$6,543.5 million for FY 2014, representing an increase of \$270.5 million (4.3%) compared to estimated FY 2013 after consideration of the Governor's recommended FY 2013 adjustments. For FY 2015, the Governor is recommending appropriations totaling \$6,745.6 million, an increase of \$202.2 million (3.1%) compared to the FY 2014 recommendation.

FY 2014 and FY 2015 General Fund Recommendations

	Actual FY 2012	Estimated FY 2013	Gov Rec FY 2014	Gov FY 14 vs FY 2013	Gov Rec FY 2015	Gov FY 15 vs Gov FY 14
Administration and Regulation	\$ 52.7	\$ 54.1	\$ 56.8	\$ 2.7	\$ 56.8	\$ 0.0
Agriculture and Natural Resources	32.3	35.4	35.4	0.0	35.4	0.0
Economic Development	36.6	37.7	67.1	29.4	67.2	0.1
Education	811.2	861.0	920.1	59.1	982.0	61.9
Health and Human Services	1,568.1	1,667.8	1,825.4	157.7	1,880.4	54.9
Justice System	670.0	684.9	701.8	16.9	707.5	5.7
Transportation, Infrastructure, and Capitals	0.0	0.0	5.5	5.5	5.5	0.0
Unassigned Standings	2,841.6	2,886.2	2,931.2	45.0	3,010.8	79.5
Total	\$ 6,012.5	\$ 6,227.1	\$ 6,543.5	\$ 316.3	\$ 6,745.6	\$ 202.2
Governor's Recommended Adjustments						
Supplemental Appropriations	0.0	42.3	0.0	-42.3	0.0	0.0
Adjustment to Standings (State Appeal Board)	0.0	3.5	0.0	-3.5	0.0	0.0
Total Adjustment	0.0	45.8	0.0	-45.8	0.0	0.0
Grand Total	\$ 6,012.5	\$ 6,272.9	\$ 6,543.5	\$ 270.5	\$ 6,745.6	\$ 202.2

Numbers may not equal totals due to rounding.

The Governor is recommending appropriations from non-General Fund sources totaling \$1,116.5 million for FY 2014, representing a decrease of \$18.7 million (1.6%) compared to estimated FY 2013. For FY 2015, the Governor is recommending appropriations totaling \$1,088.1 million, a decrease of \$28.4 million (2.5%) compared to the FY 2014 recommendation.

FY 2014 and FY 2015 Other Funds Recommendations

	Actual FY 2012	Estimated FY 2013	Gov Rec FY 2014	Gov FY 14 vs FY 2013	Gov Rec FY 2015	Gov FY 15 vs Gov FY 14
Administration and Regulation	\$ 53.8	\$ 54.0	\$ 51.2	\$ -2.8	\$ 49.3	\$ -1.9
Agriculture and Natural Resources	80.8	82.1	89.1	7.0	89.1	0.0
Economic Development	9.5	6.3	6.3	0.0	6.3	0.0
Health and Human Services	366.9	355.2	354.3	-0.8	347.7	-6.7
Justice System	13.5	14.0	14.0	0.0	14.0	0.0
Transportation, Infrastructure, and Capitals	486.8	551.5	522.7	-28.8	504.1	-18.7
Unassigned Standings	74.9	72.1	78.8	6.7	77.7	-1.1
Grand Total	\$ 1,086.1	\$ 1,135.2	\$ 1,116.5	\$ -18.7	\$ 1,088.1	\$ -28.4

Numbers may not equal totals due to rounding.

Governor's Recommendations – Significant General Fund Appropriation Changes

The following provides information on some of the Governor's more significant budget changes for FY 2014 and FY 2015. Additional information on these subjects can be found in later sections of this document.

- Medical Assistance (Medicaid):** The Governor is recommending an additional \$109.4 million for Medicaid in FY 2014 and an additional \$34.4 million in FY 2015. With the increase in funding for FY 2014 and the addition of the Mental Health Medicaid funding of \$34.2 million from the Mental Health Medicaid appropriation the Governor is funding Medicaid at \$23.8 million below the Medicaid Forecasting Group's midpoint estimate, but within the range of the Forecasting Group for FY 2014. The Department of Management (DOM) estimates the Governor is underfunding Medicaid by only \$15.4 million compared to the Forecasting Group's midpoint. The LSA and the DOM are working to reconcile the difference.
- Mental Health Medicaid:** The Governor is recommending a net increase of \$34.2 million for the Mental Health component of Medicaid in FY 2014 and an additional \$11.0 million in FY 2015. This increase is added to Medicaid Program funding to meet the Medicaid need. This Mental Health funding is included in the Medicaid Forecasting Group's projections. The Governor did not provide any additional funds for non-Medicaid Mental Health Services or an equalization payment to the counties for FY 2014 and FY 2015.
- Property Tax Credits:** The Governor is recommending increased funding of \$33.3 million for FY 2014 to fully fund the property tax credits that include the Homestead Property Tax Credit, the Elderly and Disabled Property Tax Credit, the Agricultural and Family Farm Tax Credit, and the Military Service Tax Credit. The Governor's recommendation also includes fully funding the tax credits in FY 2015. Property tax credits have been funded from a variety of sources, including the General Fund, Cash Reserve Fund, and transfers over the past decade. The Homestead Property Tax Credit has been capped below the statutory level since FY 2003; the Agricultural and Family Farm Tax Credit was capped in all but FY 2013; and the other two credits have been capped in various years.
- Property Tax Reform:** The Governor is proposing property tax changes designed to reduce the taxes paid by owners of commercial and industrial property, beginning in FY 2015. The Governor indicates that the proposal is designed to avoid shifting a larger share of the property tax burden to other classes. The Governor's proposal involves lowering the current maximum annual allowed taxable value growth from the current 4.0% per year to 2.0% per year. The proposal further ties together agricultural, residential, and commercial classes so that no class may grow faster in taxable value than the slowest growing class. Finally, the proposal creates a forced rollback for commercial, industrial, and railroad property classes. The forced rollback begins at 95.0% of assessed value for assessment year 2013 (FY 2015) and lowers the rollback by 5.0% each year until reaching 80.0% for FY 2018. Going forward, the rollback for those three classes would remain at 80.0%. To achieve those goals, the Governor also proposes a \$400.0 million State General Fund commitment to help finance local governments currently dependent on property tax revenue. For FY 2015, the Governor's recommendation includes \$74.3 million to reimburse local governments for the reduced property tax associated with the commercial, industrial, and railroad forced rollbacks. Further, the Governor proposes changing the school finance system to eliminate automatic property tax increases that result from the current school finance formula.
- High Quality Jobs Program:** The Governor is recommending a \$19.0 million appropriation in both FY 2014 and FY 2015 to fund the High Quality Jobs Program (HQJP). In FY 2013, the HQJP is funded by a Rebuild Iowa Infrastructure Fund appropriation of \$15.0 million. Additionally, this Program will

have more money for incentives in FY 2014 and FY 2015 due to moving the Iowa Economic Development Authority's (IEDA) marketing budget from this Program to the General Fund. These costs are estimated at \$2.8 million in FY 2013, creating a cash incentives availability increase of \$6.8 million. This appropriation will also cover the \$1.0 million the Governor identified for assistance in the formation of Employee Stock Option Plans.

- **IEDA Appropriation:** The Governor is recommending an increase to the operating appropriation of the IEDA of \$6.5 million (66.3%). This increase will provide additional funding for marketing Iowa (currently being paid for through the HQJP); an increase in tourism marketing; and new funding for certified sites marketing.
- **Technology Reinvestment Fund:** The Governor is recommending restoration of the \$17.5 million General Fund appropriation to the Technology Reinvestment Fund for FY 2014 and maintaining the funding in FY 2015. For FY 2013, this appropriation was notwithstanding and was funded from state wagering taxes at \$20.0 million. Under current statute, the appropriation is provided from the General Fund unless legislative action is taken to change the funding.
- **Education Reform:** The Governor is recommending new education reform initiatives and appropriation amounts beginning in FY 2014. Based on the proposed legislation, the following table provides the specified initiatives and recommended appropriation amounts through FY 2018. Additionally, the Governor is recommending additional and continued funding for specified programs, bringing the total recommended funding level to \$187.0 million by FY 2018.

(Dollars in Millions)

Provision	Governor's Education Reform Funding Appropriation Amounts as Specified in the Proposed Legislation				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Iowa Online Learning Initiative	\$ 1.5	\$ 1.5	\$ 1.5	\$ 0.0	\$ 0.0
Teach Iowa Marketing and Public Outreach Initiative	1.0	1.0	0.0	0.0	0.0
Teach Iowa Student Teaching Pilot Program	2.0	2.0	0.0	0.0	0.0
Iowa Promise Diploma Seal Program	4.0	4.0	0.0	0.0	0.0
Teacher and Administrator Development System	0.5	3.5	0.0	0.0	0.0
Teacher Leadership Grants and Aid	3.5	48.5	48.5	48.5	0.0
Teacher Leadership Dept. of Education Support	1.5	1.5	1.5	1.5	1.5
High Need School Supplemental Aid	0.0	10.0	10.0	10.0	10.0
School Aid Formula - Teacher Leadership Supplement	N.A.	N.A.	48.5	100.0	148.5
Total Appropriation Recommendation	\$ 14.0	\$ 72.0	\$ 110.0	\$ 160.0	\$ 160.0

- **State Foundation School Aid:** The Governor is recommending an appropriation totaling \$2,635.2 million for FY 2014 and \$2,637.5 million for FY 2015. Although not specifically stated, these appropriation levels reflect 0.0% allowable growth rates for both fiscal years. The Governor is recommending extension of the \$20.0 million State aid reduction to Area Education Agencies (AEAs) in FY 2014 and FY 2015. The FY 2015 State aid appropriation recommendation includes an additional \$28.0 million in State aid related to the implementation of the Governor's property tax reform initiative (resulting from an increase in the uniform levy backfill amount to account for a reduction in commercial/industrial property taxable valuation).
- **Regents Operations:** The Governor is recommending a general increase in funding for the three Board of Regents universities of \$16.1 million for FY 2014. This includes a 2.6% increase for each of the universities and an additional \$4.0 million for the University of Northern Iowa (UNI), fulfilling the

second year of a three-year request for additional money to address UNI's unique funding challenges.

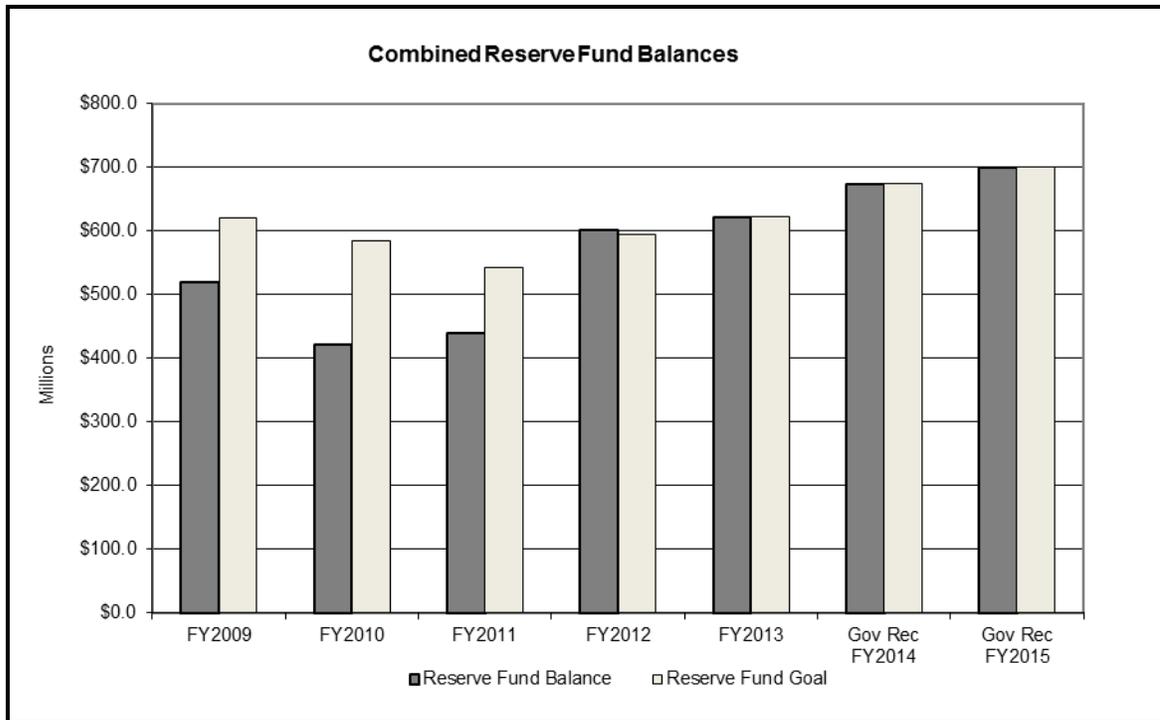
- **Other Regents Programs:** The Governor is recommending increases totaling \$13.8 million for the following new programs:
 - Innovation and Commercialization of Research: \$3.0 million for a new General Fund appropriation designed to support staffing and provide physical infrastructure needed to develop and transfer technology discoveries from the universities to the private sector. In FY 2013, these efforts are funded through a Rebuild Iowa Infrastructure Fund appropriation of \$3.0 million, and were previously supported through an allocation from the Economic Development Fund (formerly Grow Iowa Values Fund).
 - Entrepreneurship and Economic Growth: \$2.0 million for a new appropriation to expand public/private partnerships and programming through the Pappajohn Entrepreneurial Center.
 - Student Financial Aid: \$5.0 million for a new appropriation to fund need-based student financial aid in lieu of the former practice of Tuition Set-Aside.
 - Leading the BioEconomy: \$3.8 million for a new appropriation to support existing programs and establish and support new laboratories for biorenewables and biosciences research and to support interdisciplinary graduate education in those fields.
- **Community Colleges:** The Governor is recommending an increase of \$10.0 million for Community Colleges for FY 2014. The Governor recommends maintaining this increased funding for FY 2015.
- **College Student Aid:** The Governor is recommending increases totaling \$6.4 million for the College Student Aid Commission in FY 2014. The increases are for the following programs:
 - \$75,000 for Des Moines University Health Care Professional Recruitment to expand the loan forgiveness program to cover rural physicians working in additional specialty areas.
 - \$300,000 for the National Guard Benefits Program. The National Guard anticipates increased participation due to lower deployment levels.
 - \$2.0 million for the Tuition Grant Program for nonprofit institutions. This will continue the trend of gradually restoring funding to the FY 2009 level of \$49.3 million and will provide the full maximum award of \$4,000.
 - \$2.0 million for the Rural Primary Care Loan Repayment Program. This Program was established in HF 2458 (Rural Iowa Primary Care Loan Repayment Program) during the 2012 Legislative Session, but no funding was appropriated for the Program for FY 2013.
 - \$2.0 million for a new appropriation to support medical residency programs in Iowa.
- **Judicial Branch:** The Governor's budget includes increases of \$5.7 million for FY 2014 and an additional \$5.1 million for FY 2015 for the Judicial Branch. Because the Judicial Branch is a separate branch of government, the Governor is prohibited from recommending changes to their budget request. The recommendation represents the Judicial Branch budget request submitted on December 1, 2012.
- **Multimodal Transportation System:** The Governor is recommending \$5.5 million in new funding to improve the State's multimodal transportation system for the purpose of enhancing economic development.

- **Department of Corrections:** The Governor is recommending net increases totaling \$6.4 million for the Department of Corrections in FY 2014. The changes include:
 - \$7.4 million increase to open new corrections beds at Mitchellville, Waterloo, Sioux City, Davenport, and Ottumwa.
 - \$1.6 million increase to fund programming and maintenance costs for the Iowa Corrections Offender Network (ICON).
 - \$500,000 increase to fund one-time costs of renovating a bunkhouse at Fort Madison to house minimum security offenders currently housed in the John Bennett Unit.
 - \$3.4 million decrease to close the Luster Heights Prison Camp currently funded in the Anamosa Institution budget, and the Women’s Unit funded in the Mount Pleasant Institution budget.
 - \$398,000 increase to establish a telepsychiatry unit at Oakdale to serve offenders on parole and probation.
- **Peace Officer Retirement:** The Governor is recommending the \$5.0 million standing limited appropriation for the Peace Officer Retirement System as required in Iowa Code section [97A.11A](#). The purpose of the appropriation is to supplement the Peace Officer Retirement Fund until the Fund reaches an 85.0% funded ratio. The first installment of the standing appropriation was initially set to begin in FY 2013, but was delayed for one year.

Governor’s Recommendations – Reserve Funds

The State reserve funds are comprised of the Cash Reserve Fund and the Economic Emergency Fund. The two funds receive their funding from the General Fund surplus. The reserve funds are available to the State to be used for emergency purposes. The reserve funds also benefit the State from the standpoint that they can be used for cash flow purposes for State expenditures enabling the General Fund to maintain a positive cash balance throughout the fiscal year. This reduces the need for the State to borrow funds on a short-term basis for cash-flow purposes.

The reserve funds are established in sections [8.55](#) and [8.56](#) of the Iowa Code. These Code sections set maximum limits on the total amount that can accumulate in each of the funds. Together, the combined balances cannot exceed 10.0% of the State’s adjusted revenue estimate in a given fiscal year. The maximum balances for each of the funds are recalculated annually and, therefore, will change from year to year. The chart below shows the combined reserve fund balances and the statutory maximums back to FY 2009.



Under the Governor’s recommendation, the estimated combined reserve fund balance is \$673.7 million for FY 2014 and \$700.4 million for FY 2015. These estimated balances meet the statutory maximum set by Code. The funds that are in excess of the amounts needed to “fill up” the reserves are allocated to the Executive Council’s Performance of Duty appropriation to provide funding for emergency repairs to State property if sufficient funds are not available in a State agency’s budget. Expenditures from the Performance of Duty appropriation must be approved by the Executive Council. The Taxpayer Trust Fund also receives up to \$60.0 million of the excess funds if certain criteria are met. After these obligations are met, all remaining excess dollars are transferred to the General Fund. Under the Governor’s recommendation, the estimated amount to be transferred to the General Fund from the Economic Emergency Fund is \$675.1 million for FY 2014 and \$813.0 million for FY 2015.

Cash Reserve Fund				
(Dollars in Millions)				
	Actual	Estimated	Gov Rec	Gov Rec
	FY 2012	FY 2013	FY 2014	FY 2015
Funds Available				
Balance Brought Forward	\$ 341.2	\$ 450.3	\$ 466.8	\$ 505.3
Gen. Fund Appropriation from Surplus	554.6	688.1	822.0	874.2
Intrastate Receipts	0.5	0.0	0.0	0.0
Total Funds Available	\$ 896.3	\$ 1,138.4	\$ 1,288.8	\$ 1,379.5
Reversions	3.2	0.0	0.0	0.0
Excess Transferred to EEF	-449.2	-671.6	-783.5	-854.2
Ending Balance	\$ 450.3	\$ 466.8	\$ 505.3	\$ 525.3
<i>Maximum 7.5%</i>	\$ 446.6	\$ 466.8	\$ 505.3	\$ 525.3

Economic Emergency Fund				
(Dollars in Millions)				
	Actual	Estimated	Gov Rec	Gov Rec
	FY 2012	FY 2013	FY 2014	FY 2015
Funds Available				
Balance Brought Forward	\$ 99.1	\$ 151.0	\$ 155.6	\$ 168.4
Excess from Cash Reserve	449.2	671.6	783.5	854.2
Other Receipts <i>(credited after close of FY)</i>	2.2	0.0	0.0	0.0
Total Funds Available	\$ 550.5	\$ 822.6	\$ 939.1	\$ 1,022.6
Appropriations & Transfers				
Excess Transferred to General Fund	\$ -381.4	\$ -572.1	\$ -675.1	\$ -813.0
Excess Transferred to Taxpayer Trust Fund	0.0	-60.0	-60.0	0.0
Transfer to RIF	0.0	-20.0	0.0	0.0
SF 2071 - MH Property Tax Relief Fund	-7.2	0.0	0.0	0.0
Missouri River Flood Damage	-2.9	0.0	0.0	0.0
Executive Council - Performance of Duty	-8.0	-14.9	-35.6	-34.5
Ending Balance	\$ 151.0	\$ 155.6	\$ 168.4	\$ 175.1
<i>Maximum 2.5%</i>	\$ 148.9	\$ 155.6	\$ 168.4	\$ 175.1

Governor’s Recommendations – Taxpayer Trust Fund

The Taxpayer Trust Fund is a relatively new fund established in Iowa Code section [8.57E](#). The Fund was created for the purpose of providing tax relief to Iowans and was first funded in FY 2013. Moneys in the Trust Fund can only be used pursuant to appropriations made by the General Assembly for tax relief. The Fund is eligible to receive up to \$60.0 million in a given fiscal year from the excess General Fund surplus dollars (via the Economic Emergency Fund) after the reserve funds are fully funded.

The amount that the Taxpayer Trust Fund can receive in a given fiscal year is limited to \$60.0 million or the difference between the actual net General Fund revenue for the preceding fiscal year and the adjusted revenue estimate used in establishing the budget for that fiscal year, whichever is less. For example, the amount that the Fund will receive in FY 2013 is calculated by subtracting the Adjusted Revenue Estimate for the FY 2012 budget from the actual year-end net General Fund receipts for FY 2012.

The Taxpayer Trust Fund received \$60.0 million in FY 2013 due to actual FY 2012 net General Fund receipts exceeding the FY 2012 Adjusted Revenue Estimate by \$357.0 million. For FY 2014, the Fund is expected to receive an additional \$60.0 million as the current REC estimate for FY 2013 exceeds the FY 2013 Adjusted Revenue Estimate by \$258.2 million. It is too early to determine if the Fund will receive an allocation for FY 2015.

The Governor’s recommendation does not include appropriations from the Taxpayers Trust Fund for FY 2014 or FY 2015. As a result, the projected ending balance in the Fund at the close of FY 2014 and FY 2015 is \$120.0 million.

Taxpayer Trust Fund				
(Dollars in Millions)				
	Actual FY 2012	Estimated FY 2013	Gov Rec FY 2014	Gov Rec FY 2015
Funds Available				
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 60.0	\$ 120.0
Economic Emergency Transfer	0.0	60.0	60.0	0.0
Total Funds Available	\$ 0.0	\$ 60.0	\$ 120.0	\$ 120.0
Total Expenditures	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Balance Carried Forward	\$ 0.0	\$ 60.0	\$ 120.0	\$ 120.0

Federal Tax Law Changes and Pending Sequestration of Federal Programs

Federal Tax Law Changes: When the REC met December 12, 2012, the U.S. Congress had not enacted legislation to address large individual income tax increases scheduled by law to begin January 1, 2013. The REC based the FY 2013 and FY 2014 estimates largely on the assumption of current law at that time, and that current law meant federal income tax increases. Since Iowa allows taxpayers to deduct federal income taxes paid from Iowa income when calculating State income tax, federal tax increases automatically decrease Iowa income taxes owed.

Congress enacted legislation January 1, 2013, that left federal income taxes largely unchanged for all but the higher end of the income distribution. Therefore, the impact of federal tax changes on Iowa income tax revenue will be much less severe than the impact assumed by the December REC. The Department of Revenue has produced preliminary estimates of the revenue impact of the new federal tax legislation and how the changes impact FY 2013 and FY 2014 General Fund revenue. The Department estimates that the federal law change will produce additional General Fund revenue, above the level assumed by the REC, of the following amounts:

FY 2013 = \$45.7 million

FY 2014 = \$83.5 million

Sequestration of Federal Programs: The federal Budget Control Act of 2011 included a provision that automatically reduces federal spending, known as sequestration, through a combination of across-the-board spending reductions in the event that the Joint Select Committee on Deficit Reduction did not adopt a deficit reduction plan. Due to the Committee's failure to adopt a deficit reduction plan, sequestration will go into effect on March 1, 2013, unless Congress takes additional action. Current estimates suggest reductions of approximately \$72.5 million in nondefense federal funds to Iowa in FFY 2013.

LSA FY 2014 Budget Projection

This projection is intended to provide a framework to assist the General Assembly in evaluating budget decisions for the next fiscal year. The projection is intended to be a “starting point” for decision making and should not be viewed as a prediction of legislative action. For the projection, the Legislative Services Agency (LSA) combines the current REC revenue estimates for FY 2013 and FY 2014 with appropriation assumptions developed by the LSA for each fiscal year and incorporates the projections into a balance sheet to produce a project ending balance.

Similar to past years, appropriations are estimated using the enacted appropriations from FY 2013 as the baseline for FY 2014, and then including the incremental increases and decreases associated with major programs that will likely occur under current law. These incremental changes are commonly referred to as built-in and anticipated expenditures.

There are unknown events that could have a significant impact on the FY 2014 budget, although it is not yet possible to estimate these impacts until additional information can be collected. These include:

- **Collective Bargaining:** Increased costs associated with State employee salary and benefit changes will not be known until negotiations have been completed through the collective bargaining process. The American Federation of State, County, and Municipal Employees (AFSCME), the State’s largest union, has proposed across-the-board salary increases of 1.0% for FY 2014 and 2.0% for FY 2015. The Governor’s counter offer consists of a two-year pay freeze and a requirement that all State employees pay at least 20.0% of health insurance premiums.
- **Sequestration of Federal Programs:** As previously discussed, the possible sequestration of federal programs may impact the FY 2014 budget if State funds are needed to replace the reduction in federal funds in order for agencies and programs to maintain current levels of service. Current estimates suggest reductions of approximately \$72.5 million in nondefense federal funds to Iowa in FFY 2013.

Assumptions – FY 2014 Projection

- **REC Revenues:** For purposes of arriving at an estimate for FY 2014, the LSA uses the most recent REC estimate of net General Fund receipts. For this report, the FY 2014 net revenue estimate of \$6.724 billion from the December 12, 2012, 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 2013 General Fund surplus, it is estimated that \$629.5 million will be transferred from the Economic Emergency Fund to the General Fund in FY 2014.
- **Baseline Appropriations:** For estimating expenditures, the enacted FY 2013 appropriations are used as the baseline for FY 2014.
- **Built-in and Anticipated Expenditures:** Expenditures for FY 2014 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 significant anticipated expenditures that fall into two general categories:
 - Cost increases that a State agency or program will incur in the next budget year that will likely require additional appropriations to cover the increased cost.

- 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 \$365.6 million for FY 2014.

Appendix B provides additional information on individual built-in and anticipated expenditures. As previously mentioned, the cost associated with the collective bargaining contract currently in negotiation is not included in this estimate.

- Reversions are estimated to total \$5.0 million for FY 2014.
- The expenditure limitation for FY 2014 is estimated to be \$7,349.3 million. This represents 99.0% of the REC net revenue estimate (\$6,739.8 million) and 100.0% of the \$676.9 million Economic Emergency Fund transfer.

Projected Budget Surplus

Based on the above assumptions, the available revenues for FY 2014 are projected to exceed the projected net appropriations by \$829.0 million resulting in a budget surplus for FY 2014. The primary factors contributing to the projected surplus for FY 2014 include:

- The projected net revenue growth of \$222.7 million (3.4%) compared to the current FY 2013 estimate.
- The projected transfer of \$676.9 million from the Economic Emergency Fund in FY 2014, resulting from the large estimated FY 2013 General Fund surplus of \$824.1 million that cycled through the reserve funds. The estimated \$677.9 million transfer is \$104.8 million (18.3%) more than the amount estimated to be transferred in FY 2013.
- The growth in net appropriations since FY 2009 has been slower than the growth in total available revenues (net receipts plus the Economic Emergency Fund transfer). These changes were previously discussed under the *Condition of the General Fund Budget*.

State of Iowa			
LSA Projection of the General Fund Budget			
(Dollars in Millions)			
	Actual	Revised	LSA
	<u>FY 2012</u>	<u>FY 2013</u>	<u>Projection</u>
			<u>FY 2014</u>
Funds Available:			
Receipts ^{1/}	\$7,372.3	\$ 7,693.4	\$ 8,001.2
Refund (Accrual Basis)	- 820.6	- 870.5	- 915.1
School Infras. Refunds (Accrual)	- 410.6	- 432.1	- 444.3
Accruals (Net)	61.3	16.0	- 1.3
Transfers	<u>108.7</u>	<u>110.3</u>	<u>99.3</u>
Subtotal Net Receipts	6,311.1	6,517.1	6,739.8
Economic Emergency Fund Transfer	<u>381.4</u>	<u>572.1</u>	<u>676.9</u>
Total Funds Available	<u>\$6,692.5</u>	<u>\$ 7,089.2</u>	<u>\$ 7,416.7</u>
Expenditure Limitation			\$ 7,349.3
Estimated Appropriations and Expenditures:			
Enacted Appropriations/FY 14 Baseline	\$5,999.7	\$ 6,227.1	\$ 6,227.1
Adjustments to Standing Appropriations	10.2		
Supplemental/Deappropriations	2.6	43.0 ^{2/}	
Built-in and Anticipated Increases			360.3
Total Appropriations	<u>\$6,012.5</u>	<u>\$ 6,270.1</u>	<u>\$ 6,587.4</u>
Reversions	<u>- 8.1</u>	<u>- 5.0</u>	<u>- 5.0</u>
Net Appropriations	<u>\$6,004.4</u>	<u>\$ 6,265.1</u>	<u>\$ 6,582.4</u>
Ending Balance - Surplus	<u>\$ 688.1</u>	<u>\$ 824.1</u>	<u>\$ 834.3</u>
<p>^{1/} The Department of Revenue estimates that federal tax law changes enacted on January 1, 2013, will produce additional General Fund revenue of \$45.7 million in FY 2013 and \$83.5 million in FY 2014. These amounts are above the level estimated by the REC on December 12, 2012, and are not reflected on this balance sheet.</p> <p>^{2/} A supplemental appropriation of \$43.0 million is currently projected for FY 2013 and is based on the Medicaid Forecasting Group's current mid-point estimate for FY 2013.</p>			

Comparison of All Appropriated Funds

Fiscal Staff: Dave Reynolds

Analysis of Governor's Budget

The Governor is recommending a total of \$7,576.4 million in appropriations from all State funding sources for FY 2014. This represents an increase of \$239.3 million (3.3%) compared to all State appropriations for FY 2013. For this comparison, the FY 2013 General Fund appropriation total includes the Governor's recommended supplemental appropriations of \$42.3 million and the \$3.5 million adjustment to the State Appeal Board standing appropriation. The Governor is also recommending total appropriations of \$7,750.2 million from all State funding sources for FY 2015, representing an increase of \$173.8 million (2.3%) compared to the Governor's FY 2014 recommendation.

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 State Appropriated Funds				
(Dollars in Millions)				
Funding Sources	Actual FY 2012	Est FY 2013	Gov Rec FY 2014	Gov Rec FY 2015
GENERAL FUND (GF)				
Total General Fund Appropriations	\$ 6,012.5	\$ 6,272.9	\$ 6,543.5	\$ 6,745.6
<i>General Fund Appropriations to Other Funds*</i>				
Technology Reinvestment Fund	0.0	0.0	-17.5	-17.5
IowaCare Fund	-4.5	-16.0	-24.1	-24.1
Total GF Appropriations to Other Funds	-4.5	-16.0	-41.6	-41.6
Net General Fund Appropriations	\$ 6,008.0	\$ 6,257.0	\$ 6,501.9	\$ 6,704.1
APPROPRIATIONS FROM NONGENERAL FUND STATE SOURCES				
Rebuild Iowa Infrastructure Fund	\$ 168.0	\$ 210.6	\$ 194.9	\$ 176.5
RIIF Appropriations to Other Funds*	-33.0	-35.0	-42.0	-42.0
RIIF Appropriations to Tech Reinvest Fund*	-15.5	0.0	0.0	0.0
Net RIIF Appropriations	\$ 119.4	\$ 175.6	\$ 152.9	\$ 134.5
Economic Emergency Fund (EEF)	\$ 18.1	\$ 34.9	\$ 35.6	\$ 34.5
EEF Appropriations to Other Funds*	0.0	-20.0	0.0	0.0
Net EEF Appropriations	\$ 18.1	\$ 14.9	\$ 35.6	\$ 34.5
Primary Road Fund	\$ 297.3	\$ 303.1	\$ 305.3	\$ 305.8
IowaCare Fund	170.3	167.2	176.1	176.1
Health Care Trust	106.4	106.0	106.0	106.0
Road Use Tax Fund	50.3	50.1	50.2	49.9
Environment First Fund	33.0	35.0	42.0	42.0
Fish and Wildlife Trust Fund	40.0	41.1	41.1	41.1
Hospital Health Care Access Trust	40.0	34.7	34.7	34.7
Quality Assurance Trust Fund	29.0	26.5	28.8	28.8
Commerce Revolving Fund	26.9	27.2	27.3	27.4
Technology Reinvestment Fund	15.5	19.5	18.0	17.5
IPERS Fund	17.7	17.7	17.7	15.7
DPS-Gaming Enforcement Revolving Fund	10.3	10.9	10.9	10.9
Pharmaceutical Settlement	10.9	4.8	6.7	0.0
Health Care Transformation Fund	8.3	13.9	0.0	0.0
Racing and Gaming Revolving Fund	5.8	6.1	6.2	6.2
Other	38.4	26.0	15.0	15.0
Total NonGeneral Fund	\$ 1,037.6	\$ 1,080.2	\$ 1,074.5	\$ 1,046.1
SUBTOTAL OF ALL STATE FUNDS	\$ 7,045.6	\$ 7,337.1	\$ 7,576.4	\$ 7,750.2
* Appropriations between funding sources are adjusted to avoid double counting.				
** The table does not include appropriations from the Temporary Assistance for Needy Families Fund as the data is not yet available.				
Note: Numbers may not equal totals due to rounding.				

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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.

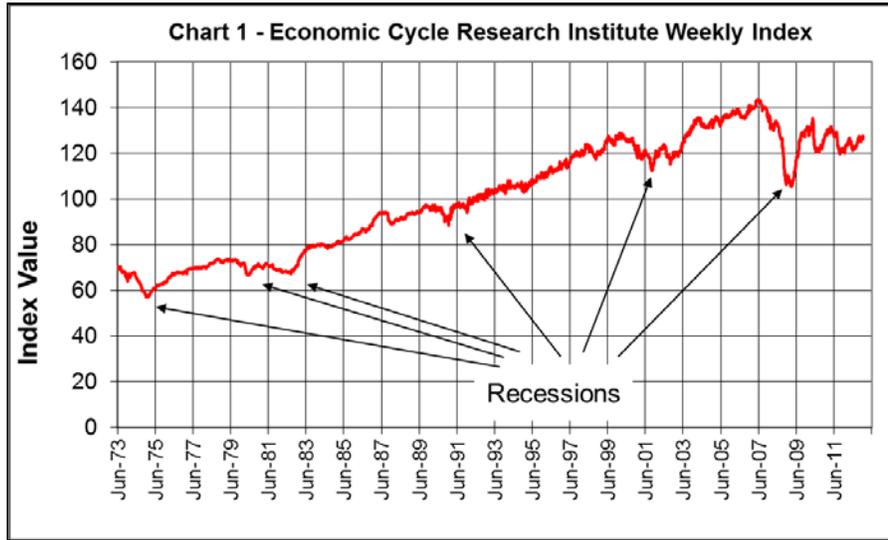
The following table shows that over the last 43 years, there were seven recessions lasting a total of 83 months, 16.1% of the total 516-month timeframe.

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

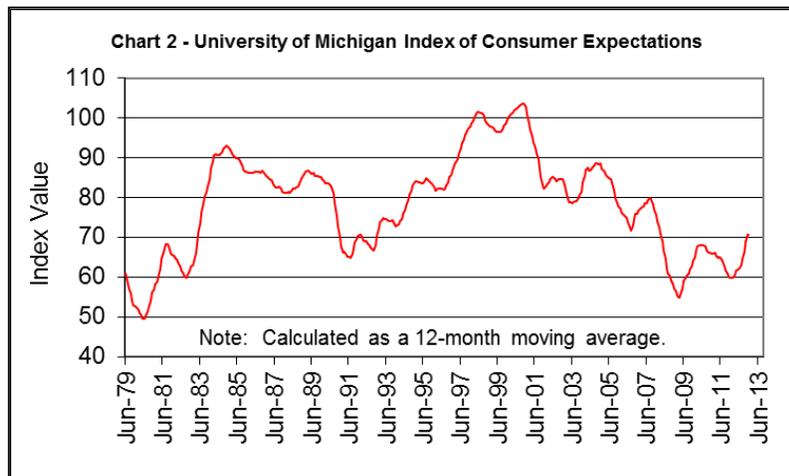
Economic Cycle Research Institute – The Economic Cycle Research Institute (ECRI) is an independent institute whose mission is to advance the tradition of business cycle research established at the NBER and the Center for International Business Cycle Research (CIBCR). The ECRI Weekly Leading Index is 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 past six recessions. The Index is currently indicating improvement since the depths of the recession, but very little change over the past 30 months. The Index has improved modestly since

reaching its recent low in June 2012. The Index bottom for the most recent recession occurred in February 2009.



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.

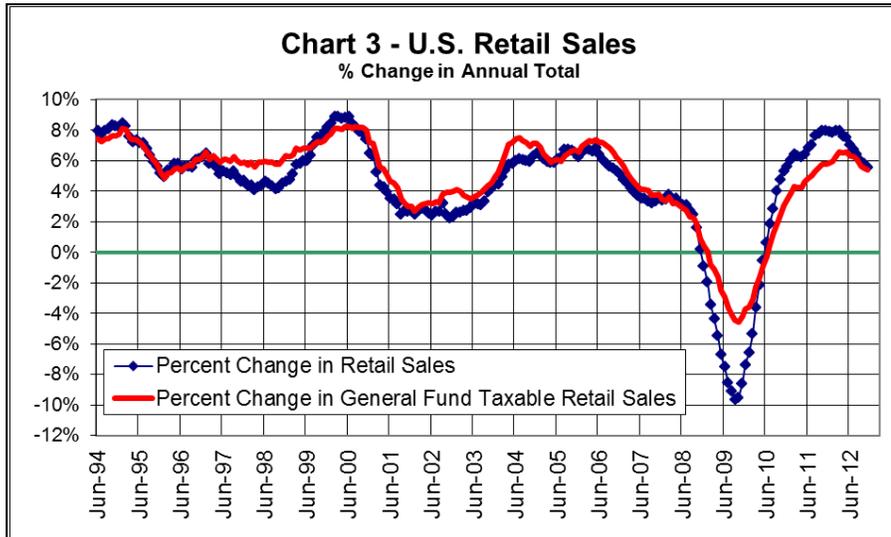
Chart 2 presents a 12-month moving average of the Index. The chart shows consumer confidence, as reported through the Index, reached a peak in the second half of calendar year 2000. After that peak, the Index declined steadily through March 2009. The recent low point for the Index was October 2011, followed by a consistent positive trend for the past 12 months.



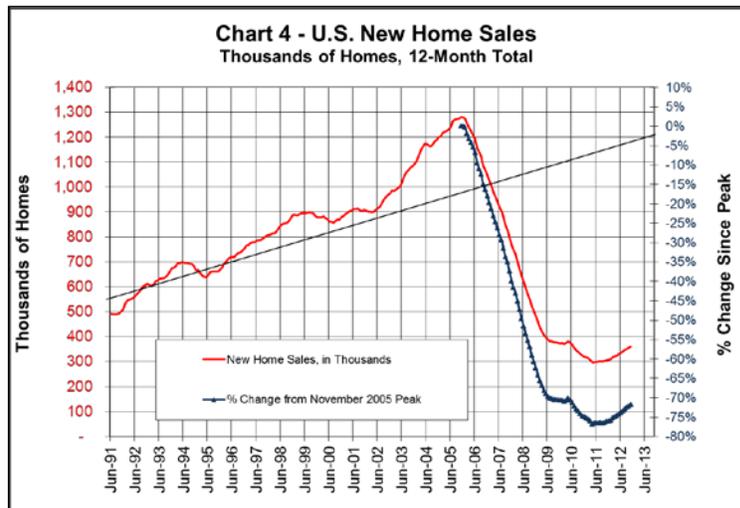
U.S. Retail Sales – The U.S. Census Bureau produces monthly estimates of total national retail sales, with subcategory detail showing a breakdown by type of retail establishment. The 12-month moving retail sales total peaked in July 2008 at \$4.511 trillion. Following that peak, the 12-month total of retail sales fell by 10.0%, bottoming in October 2009. Retail sales exceeded the previous peak (in nominal terms,

not adjusted for inflation) in August 2011. The current annual growth rate is 5.6% for total retail. That level of retail sales growth is about 2.3 percentage points lower than the growth rate 12 months ago.

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 4.7% before rebounding beginning in January 2010 (red line on **Chart 3**). The current growth rate in taxable retail sales (5.4% year-over-year) has been declining for the past seven months.

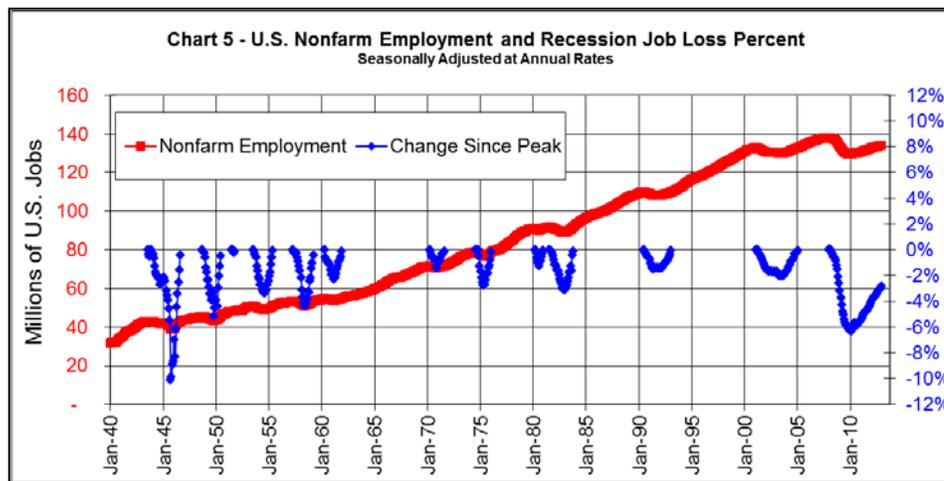


U.S. New Single Family Home Sales – The U.S. Census Bureau produces monthly estimates of U.S. new single family home sales. The 12-month moving average peaked in November 2005 at 1,279,200 annual units (**Chart 4**). Through November 2012, new home sales for the preceding 12 months totaled 361,000, or a drop of 71.8% 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 time period can be attributed to federal tax credits to encourage home purchases. The decline resumed after the tax credits expired. New home sales began to improve again in May of 2011.

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 138,023,000 total jobs. Annual job growth turned negative in May 2008 and, peak to trough, the seasonally adjusted job series shows job losses totaled 8,779,000 (February 2010). In the 35 months since the bottom, the U.S. has added back 4,777,000 jobs, 54.4% of the peak-to-trough job loss. The red line on **Chart 5** below depicts total U.S. nonfarm employment since 1940, while the blue line indicates the job loss percentage, from the peak, around each recession. From the standpoint of percent 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 58,900 (-3.9%) jobs and reached a low point in September 2010. The annual employment average has increased by 23,900 jobs since September 2010, 40.7% of the recession job loss number.

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 May 1996 through February 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 rose to 113 by May 2010. Since then, the ratio has declined somewhat.

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.

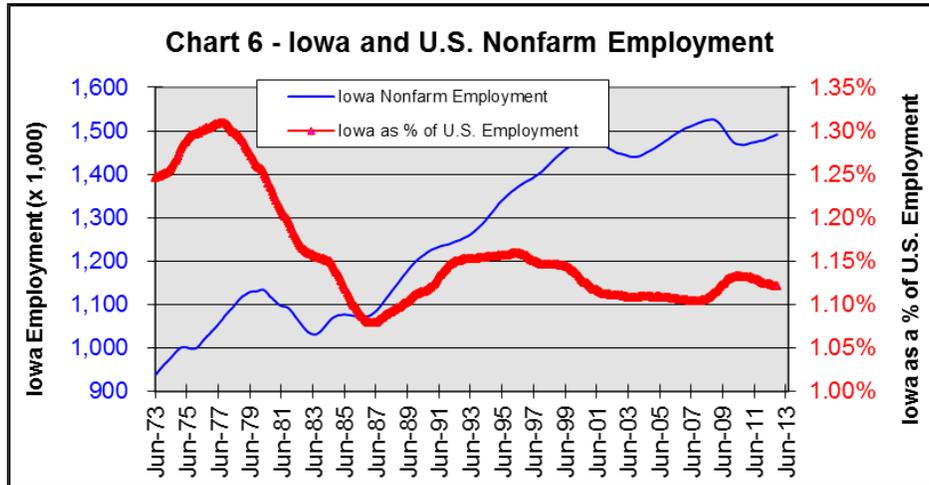
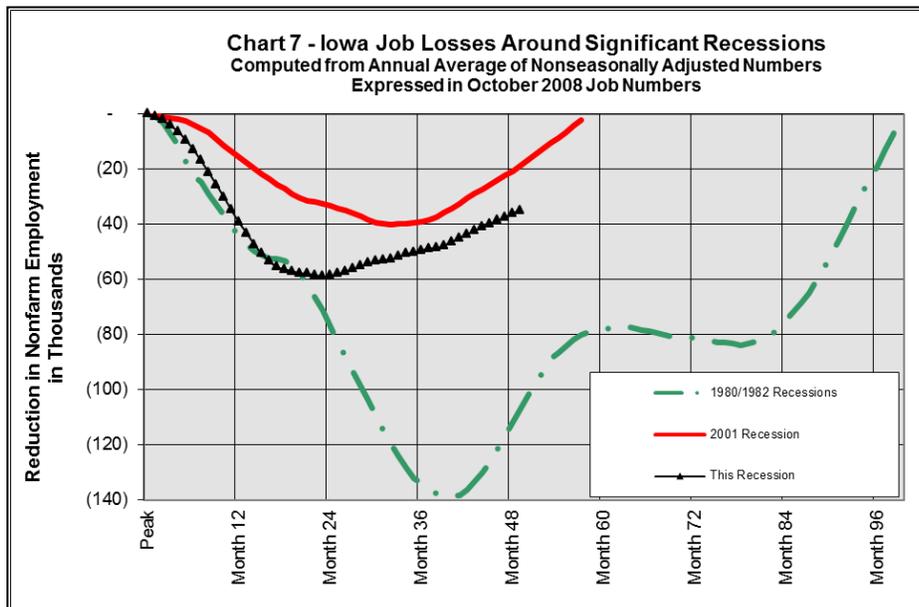
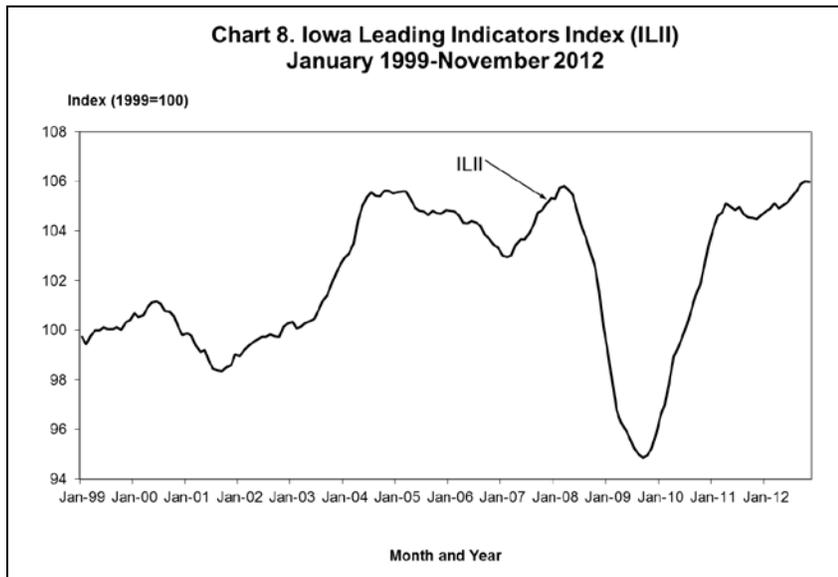


Chart 7 depicts Iowa job losses around the early 1980s, the early 2000s, and the December 2007 recessions. The chart shows the recession of the early 1980s was equivalent to a 140,000 job loss recession today and the recession of the early 2000s was equivalent to a 40,000 job loss recession. The recent 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 the 49th month since the employment peak, this employment recession is about 17,000 jobs more severe than the early 2000s recession.



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 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 bottom in September 2009. Since that time, the Index has recovered significantly, and has been indicating continued economic improvement for just over a year.



Iowa General Fund Revenues

Iowa's income, sales/use, and corporate taxes account for approximately 87.8% of the revenue deposited in the State General Fund (FY 2012 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 34 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

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/.

revenue, excluding transfer revenue. The chart also indicates the December Revenue Estimating Conference (REC) estimates for FY 2013 and FY 2014 (red dots on the right).

The recession of the early 2000s officially began 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 2008. Growth returned in April 2010.

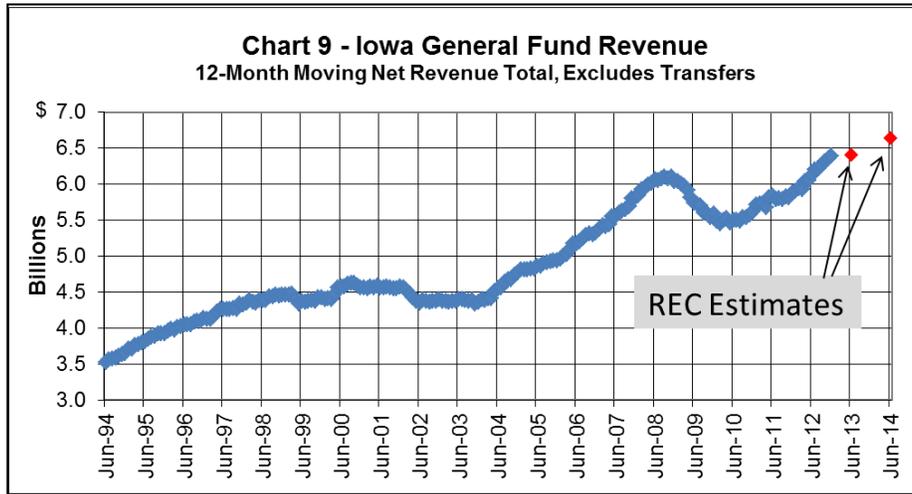


Chart 9 includes the REC estimates for net General Fund revenue, with the FY 2013 and FY 2014 estimates marking the path revenue must travel over the next 18 months to achieve the estimates. Revenue estimates website: <https://www.legis.iowa.gov/LSAReports/quarterlyReview.aspx>

In December 2012, the REC established an FY 2013 net General Fund revenue growth rate of positive 3.3%, excluding transfer revenue.

For FY 2014, the REC estimates growth will be positive 3.6%.

In dollar terms, net revenue is projected to increase \$204.4 million for FY 2013 and increase \$233.7 million for FY 2014.

Including transfer revenue, FY 2013 projected growth is \$206.0 million (3.3%), while FY 2014 growth is projected at \$222.7 million (3.4%).

When the REC met December 12, 2012, the U.S. Congress had not enacted legislation to address large individual income tax increases scheduled by law to begin January 1, 2013. The REC based its FY 2013 and FY 2014 estimates largely on the assumption of current law at that time, and that current law meant federal income tax increases. Since Iowa allows taxpayers to deduct federal income taxes paid from their Iowa income when calculating State income tax, federal tax increases automatically decrease Iowa income taxes owed.

Congress enacted legislation January 1, 2013, that left federal income taxes largely unchanged for all but the higher end of the income distribution. Therefore, the impact of federal tax changes on Iowa income tax revenue will be much less severe than the impact assumed by the December REC. The Department of Revenue has produced preliminary estimates of the revenue impact of the new federal tax legislation and how the changes impact FY 2013 and FY 2014 General Fund revenue. The Department estimates

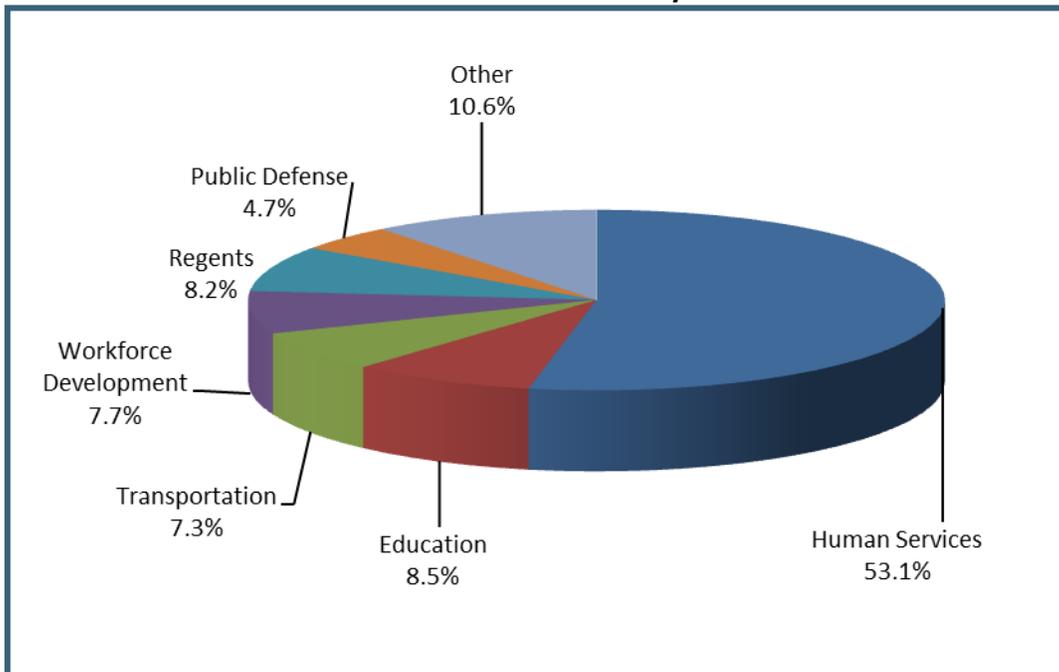
that the federal law change will produce additional General Fund revenue above the level assumed by the REC of the following amounts:

- FY 2013 = \$45.7 million
- FY 2014 = \$83.5 million

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In Iowa, federal funding accounts for nearly 50.0% of all expenditures by the State. The Department of Human Services (DHS) receives slightly more than half of all federal funds allocated to Iowa and a majority of the federal funds received by DHS goes to the Medicaid program. It is estimated that Iowa will receive \$6.1 billion in federal funds in FY 2013 through all Departments, a decrease of \$495.2 million compared to FY 2012.

Estimated Federal Funds Received by Iowa— FY 2013



FY 2011-FY 2013 Federal Funds Received by Iowa Departments
 (in millions)

Department	Actual FY 2012	Estimated FY 2013	Gov's Rec FY 2014
Human Services	\$ 3,197.1	\$ 3,217.2	\$ 3,303.9
Education	482.5	516.9	517.9
Transportation	602.4	440.1	439.4
Workforce Development	813.2	463.9	451.6
Regents	524.9	494.1	494.1
Public Defense	263.7	282.3	280.8
Other	668.5	642.3	615.8
Department Total	\$ 6,552.2	\$ 6,056.7	\$ 6,103.5

Note: "Other" includes all State agencies reporting federal funds that were not individually identified above. Totals may not add due to rounding.

Federal Sequester Update

On January 2, 2013, President Obama signed the American Taxpayer Relief Act of 2012. The Act postponed the sequester provision in the Budget Control Act (BCA) of 2011 from January 2, 2013, to March 1, 2013, and reduced the total across-the-board (ATB) reduction for FY 2013 from \$109.0 billion to \$85.0 billion. Although the ATB amounts were reduced by \$24.0 billion in FY 2013, the reductions will be taken over seven months in the federal fiscal year instead of nine months. The Act does not modify the sequester process and if no changes are made by Congress the sequester will go into effect March 1, 2013, as prescribed by the Budget Control Act (BCA).

Budget Control Act of 2011

The BCA was signed into law on August 2, 2011, and is designed to provide for an increase in the federal debt limit while reducing long-term budget deficits. The deficit reduction provisions of the BCA, particularly sequestration, have the potential to significantly impact federal funds allocated to Iowa in future years.

The BCA reduces federal spending by \$984.0 billion between FFY 2012 and FFY 2021. The BCA includes automatic procedures, known as sequestration, designed to lower the deficit by reducing federal spending through a combination of ATB spending reductions and spending targets designed to restrain government spending on discretionary and mandatory (entitlement) federal programs. Of the \$984.0 billion spending reduction, approximately half is to come from defense spending and half is to come from nonexempt, nondefense discretionary and mandatory programs. Approximately \$21.0 billion of the total spending reduction was applied in FFY 2012. Federal Fiscal Year 2013 spending reductions are to be made through automatic ATB reductions to all spending not exempted in the BCA. The FFY 2014 through FFY 2021 spending reductions are to be determined through the regular appropriations process consistent with specified spending caps included in the BCA for defense and nondefense discretionary spending, as well as ATB cuts for mandatory nondefense programs.

The ATB reductions are applied to all programs, projects, and activities within each nonexempt budget account. Nondefense reductions will occur mainly in the areas of education, energy, environment, criminal justice, labor, community development, and human services. A number of federal programs are exempt from the ATB reductions, including Medicaid, the Temporary Assistance for Needy Families (TANF) block grant, the Supplemental Nutrition Assistance Program (SNAP), Social Security, Children's Health Insurance Program (CHIP), Federal-Aid Highways Obligations Limitations, and other programs designed mainly to serve low-income populations. In addition, payments to trust funds from excise taxes or other receipts are exempted.

The U.S. Office of Management and Budget (OMB) published four broad categorical ATB percentage reductions for FFY 2013. These percentages are subject to change should Congress specify funding levels that differ from the FFY 2013 continuing resolution (CR) signed into law on September 28, 2012. The reduction percentages are as follows:

- | | |
|--|-------|
| • Nonexempt defense discretionary programs | 9.4% |
| • Nonexempt, nondefense discretionary programs | 8.2% |
| • Medicare | 2.0% |
| • Nonexempt defense mandatory programs | 10.0% |
| • Nonexempt, nondefense mandatory programs | 7.6% |

These percentage reductions will be applied to FFY 2013 funding levels in place as of January 2, 2013, for nonexempt programs. The federal Office of Management and Budget (OMB) continues to review the

application of exemptions and special rules authority in the BCA and will refine guidance as appropriate. **Agencies have very little discretion concerning implementation, but may maintain some flexibility regarding the timing of cuts.** As an example, the U.S. Department of Education has announced that for most programs, it would apply sequestration to funds available in July 2013 for the 2013-2014 school year.

Federal Funds Information for the States (FFIS) has published projections for state-specific impacts based on the OMB report. The table below includes enacted FFY 2012 spending levels, CR FFY 2013 spending levels, estimated FFY 2013 spending levels based on sequester reduction percentages applied to FFY 2013 CR spending levels, and the change between the estimated FFY 2013 spending level with the sequester reduction percentages and enacted FFY 2012 spending levels for Iowa. The table identifies 28 programs that will be impacted. The total anticipated reduction in federal funds to Iowa for these 28 programs in FFY 2013 is approximately \$49.7 million. **The total federal funding reduction to Iowa in FFY 2013 is anticipated to be between \$50.0 million and \$70.0 million.** Some funds may pass through directly to local governments.

**Federal Spending on Selected Programs in Iowa Legislature
Enacted FFY 2012 and Estimated FFY 2013
(in thousands)**

Program	FFY 2012 Enacted	FFY 2013 Continuing Resolution	Est. FFY 2013 w/Sequester	Change FFY 2012 to FFY 2013 w/Sequester
Women, Infants & Children (WIC)	\$ 46,661	\$ 46,947	\$ 43,097	\$ -3,564
Title I - Grants to Local Education Agencies	84,226	84,742	77,793	-6,433
Vocational Rehabilitation - State Grants	33,200	34,362	31,751	-1,449
Special Education - Basic State Grant	121,911	122,657	112,599	-9,312
Improving Teacher Quality	18,836	18,951	17,397	-1,439
Career and Technical Education - State Grants	11,964	12,037	11,050	-914
CDC: State and Local Capacity (Bioterrorism)	6,889	6,931	6,363	-526
Child Care and Development Block Grant	21,098	21,227	19,486	-1,612
Community Services Block Grant	7,297	7,342	6,740	-557
Consolidated Health Centers ¹	20,841	23,172	21,973	1,132
Head Start	59,456	59,820	54,914	-4,542
Low-Income Home Energy Assistance	54,813	55,148	50,626	-4,187
Promoting Safe and Stable Families	2,676	2,678	2,472	-204
Social Services Block Grant	16,680	16,614	15,351	-1,329
Substance Abuse and Prevention Block Grant	13,422	13,504	12,397	-1,025
State Homeland Security Grant	2,801	2,818	2,587	-214
Comm. Development Block Grant - Entitlement	11,804	11,876	10,902	-902
Comm. Development Block Grant - Non-Entitlement	21,054	21,182	19,445	-1,609
EPA - Clean Water State Revolving Fund	19,321	19,439	17,845	-1,476
EPA - Drinking Water State Revolving Fund	15,321	15,415	14,151	-1,170
State Criminal Alien Assistance	406	408	375	-31
Justice Assistance Grants	2,018	2,031	1,864	-154
WIA - Adult Employment and Training ²	3,671	3,693	3,391	-280
Dislocated Workers ²	5,396	5,429	4,984	-412
Employment Services State Grants ²	6,440	6,479	5,948	-492
Unemployment Insurance - State Administration	28,965	29,142	26,753	-2,212
WIA - Youth Activities ²	4,962	4,993	4,583	-379
National Highway Performance ³	284,077	280,409	279,685	-4,392
Total	\$ 926,206	\$ 929,446	\$ 876,522	\$ -49,684

¹BCA's special rule reduces the percentage cut to this program to 2.0%; the Affordable Care Act appropriates additional funds over FFY 2012 appropriation; these two circumstances produce a net increase in the FFY 2013 appropriation over FFY 2012.

²Funding levels reflect program years rather than fiscal years.

³Most federal highway spending is exempt; however, the National Highway Performance Program is not; OMB states that the program is subject to the 7.6% sequester rate.

Source: Federal Funds Information for the States, www.ffis.org

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Education Reform Proposal

The Governor is recommending specific education reform initiatives and funding levels for initiatives beginning in FY 2014 and extending to future fiscal years. Based on the proposed Governor's Education Reform Bill, the following table provides the Governor's recommended funding levels for specific initiatives in the proposal. The Governor is recommending a funding level of \$14.0 million in FY 2014, \$72.0 million in FY 2015, \$110.0 million in FY 2016, and \$160.0 million in FY 2017 and subsequent fiscal years. The Governor is also recommending additional and continued funding for specified programs bringing the total recommended funding level to \$187.0 million by FY 2018. Additional detail for the specific proposals is provided below.

Provision	Governor's Education Reform Funding Appropriation Amounts as Specified in the Legislation				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Iowa Learning Online Initiative	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 0	\$ 0
Teach Iowa Marketing and Public Outreach Initiative	1,000,000	1,000,000	0	0	0
Teach Iowa Student Teaching Pilot Program	2,000,000	2,000,000	0	0	0
Iowa Promise Diploma Seal Program	4,000,000	4,000,000	0	0	0
Teacher and Administrator Development System	500,000	3,500,000	0	0	0
Teacher Leadership Grants and Aid	3,500,000	48,500,000	48,500,000	48,500,000	0
Teacher Leadership Dept. of Education Support	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
High Need School Supplemental Aid	0	10,000,000	10,000,000	10,000,000	10,000,000
School Aid Formula - Teacher Leadership Supplement	N.A.	N.A.	48,500,000	100,000,000	148,500,000
Total Appropriation Recommendation	\$ 14,000,000	\$ 72,000,000	\$ 110,000,000	\$ 160,000,000	\$ 160,000,000

Proposal 1 – Iowa Learning Online Initiative

The Governor is proposing the Department of Education establish fees payable by school districts and accredited nonpublic schools to participate in the Iowa Learning Online (ILO) Initiative. The fees will be collected to provide professional development to prepare teachers to participate in the ILO Initiative.

The Governor is recommending a General Fund appropriation to the Department of Education of \$1.5 million and up to 3.0 FTE positions each year for FY 2014, FY 2015, and FY 2016 to administer the ILO Initiative.

Proposal 2 – Training and Employment of Teachers

Teach Iowa Marketing and Public Outreach Initiative

The Governor is proposing the Department develop and implement a Teach Iowa Marketing and Public Outreach Initiative by January 1, 2014. The Initiative will have the following goals:

- Motivate high-performing high school and college students to enter teacher preparation programs and to enter the teaching profession in Iowa.
- Motivate teacher candidates, especially those in science, technology, engineering, and mathematics fields, to enter teacher preparation programs and to enter the teaching profession in Iowa.
- Recruit high-caliber teacher candidates to pursue teaching careers in Iowa.

- Encourage teacher candidates to pursue teaching careers in rural Iowa.
- Inform the public of the value of the teaching profession and of the importance of Iowa's education system to the future of Iowa.

The Governor is recommending a General Fund appropriation to the Department of Education of \$1.0 million and up to 3.0 FTE positions for FY 2014 and FY 2015 to develop and implement the Teach Iowa Marketing and Public Outreach Initiative.

In addition to the appropriation levels recommended in the proposed legislation, the Governor recommends a funding level of \$1.0 million and 3.0 FTE positions for FY 2016, FY 2017 and FY 2018 for the Teach Iowa Marketing and Public Outreach Initiative.

Online State Education Job Posting System

The Governor is proposing the Department establish an Online State Education Job Posting System. The System will be designed for online posting of job openings offered by school districts, charter schools, area education agencies, the Department of Education, and accredited nonpublic schools. The System will be accessible on the Department's website and will include the electronic submission of job openings for posting.

Teach Iowa Scholar Program

The Governor is recommending a Teach Iowa Scholar Program be established within the Department of Education to provide grants to selected teachers, based on specific criteria. The Department of Education will work in collaboration with the College Student Aid Commission to administer the program. The grant is not to exceed \$4,000 per year per recipient, and not to exceed \$20,000 per recipient over a five-year period. A Teach Iowa Scholar Fund is to be established in the State treasury and consist of money appropriated by the General Assembly. The funds deposited will not revert to the General Fund at the close of the fiscal year and will remain available for expenditure for the Program in subsequent fiscal years.

The Governor is not recommending an appropriation for the proposed legislation for the Teach Iowa Scholar Program for FY 2014 or FY 2015.

Beginning in FY 2016, the Governor recommends funding levels for the Teach Iowa Scholar Program Grants of \$1.5 million in FY 2016, \$4.5 million in FY 2017, and \$12.5 million in FY 2018.

Teach Iowa Student Teaching Pilot Project

The Governor is recommending the Department of Education establish a Teach Iowa Student Teaching Pilot Project in collaboration with two institutions of higher education which offer teacher preparation programs. The two higher education institutions will include one under the control of the State Board of Regents and one accredited private institution. The Pilot Project will provide students in teacher preparation programs with a one-year student teaching experience.

The Governor is recommending a General Fund appropriation to the Department of \$2.0 million and up to 2.0 FTE positions for FY 2014 and FY 2015 to develop and implement the Teach Iowa Student Teaching Pilot Project.

For the third and final year of the Pilot Project, the Governor is recommending a funding level of \$2.0 million and 2.0 FTE positions in FY 2016.

Proposal 3 – Iowa Promise Diploma Seal Program and Council

The Governor is recommending the Department of Education establish an Iowa Promise Diploma Seal Program designed by the Director to accomplish the following objectives when implemented by school districts:

- Define college and career ready performance expectations that are aligned to national and international college and career ready standards.
- Strongly align curriculum, instruction, and assessment with the knowledge, skills, and abilities most predictive of student success in secondary and postsecondary education programs, and in careers.
- Identify students who upon graduation from high school demonstrate specific competencies aligned with college and career readiness.
- Validate that students have met specific expectations and demonstrated essential competencies or skills identified by the Department as important across a range of education and career opportunities.
- Recognize students by awarding a diploma seal associated with specific subjects or areas of accomplishment.
- Encourage institutions of higher education governed by the State Board of Regents and accredited private institutions to grant automatic admission to applicants awarded a diploma seal for meeting college readiness standards. The diploma seal will not replace the admissions index used by the institutions of higher education governed by the Regents, or the admissions requirements of accredited private institutions, but the diploma seal may be used as an alternative assessment of whether an applicant meets the institution’s requirements for admission.
- Encourage community colleges to exempt students awarded a diploma seal by meeting college or career readiness standards from additional placement or readiness testing.
- Encourage business and industry to establish hiring preferences for students awarded a diploma seal.

The Governor is proposing a 20-member Iowa Promise Diploma Seal Program Council be created within the Department to advise and make recommendations to the Director and the State Board of Education regarding the operation of the Iowa Promise Diploma Seal Program. The Council’s members will be appointed by the Governor.

The board of directors of each school district will implement the Iowa Promise Diploma Seal Program, beginning July 1, 2014, as part of its high school graduation requirements. Beginning with the graduating class of 2015, the Iowa Promise Diploma Seals will be available to graduating high school students that qualify under rules adopted by the State Board of Education. Participation in the Program by students is voluntary and is not to be compelled as a condition for graduation or for receiving a diploma.

The Governor is recommending a General Fund appropriation of \$4.0 million each year for FY 2014 and FY 2015. If the Iowa Promise Diploma Seal Program is enacted, the Department will provide Iowa high school students with the option of taking either a college entrance examination or a workforce readiness test, and other assessments related to college readiness, career readiness, and universal constructs. The appropriation includes an allocation of \$350,000 to be used by the Department for administrative purposes and 3.0 FTE positions.

In addition to the appropriation levels recommended in the proposed legislation, the Governor recommends a funding level of \$10.0 million each year for FY 2016, FY 2017, and FY 2018 for the Iowa Promise Diploma Seal Program.

Proposal 4 – Teacher and Administrator Development System

The Governor is recommending the State Board of Education adopt rules establishing a statewide system of evaluation and performance review requirements for teachers and a statewide system of evaluation requirements for administrators. The systems should align with Iowa teaching standards or the Iowa standards for school administrators, as appropriate, and should use clear and concise evaluation and performance review criteria and descriptors; provide for a fair and balanced use of student outcome measures; include a tiered evaluation or performance review system that differentiates at least three levels of teacher performance; and be applicable to all teachers and school administrators, as appropriate, in a charter school, school district, or area education agency.

By July 1, 2015, the Governor recommends development of Iowa teaching standards be completed and ready for implementation by the Director of the Department of Education. The standards should align with nationally accepted teaching standards. The Director of the Department of Education can review and revise the Iowa teaching standards as necessary. Based on the teaching standards developed, the Director will develop core knowledge and skills criteria for the evaluation and advancement of teachers, and for teacher career development purposes. The criteria should further define the characteristics of quality teaching as established by the Iowa teaching standards. The teaching standards developed by the Director will be based on significant input from the Council on Educator Development established and convened by the Director.

The Governor recommends a 17-member Council on Educator Development be established by the Director of the Department of Education. The Council will review the current teacher and administrator evaluation requirements and the teacher performance review requirements, and make recommendations to the Director regarding improvement to the evaluation and performance review requirements for teachers and to the evaluation requirements for administrators.

The Council is to make recommendations to the Director concerning development of the following:

- A holistic vision of teacher and administrator development and a process for dissemination of this vision to schools, school districts, and area education agencies.
- Methods designed to foster a culture of continuous learning and improvement within schools, school districts, and area education agencies with differentiated supports for educators.
- Iowa teaching standards and the administrator standards for school administrators.
- Performance review for teachers and evaluation criteria for teachers and administrators.
- A method for establishing a fair and balanced use of student outcome measures.
- A means to differentiate levels of teacher performance.

The Governor is recommending a General Fund appropriation of \$500,000 for FY 2014 and \$3.5 million for FY 2015 to develop and implement teaching standards, and establish a Council on Educator Development. The appropriation includes an allocation of \$300,000 to be used by the Department for administrative purposes and 3.0 FTE positions.

In addition to the appropriation levels recommended in the proposed legislation, the Governor recommends a funding level of \$3.5 million each year for FY 2016, FY 2017, and FY 2018 for the Teacher and Administrator Development System.

Proposal 5 – Iowa Teacher Career and Compensation Matters

The Governor is proposing modification of the teacher career paths and increasing teacher salary levels. Included in this proposal:

- Establish Initial, Career, Model, Mentor, and Lead teacher levels.
- Establish a new State Minimum Salary Level of \$35,000 (current minimum level is \$28,000).
- Designate 10.0% of teachers as model teachers. Model teachers will receive a \$2,000 salary supplement and will have five additional contract days compared to career teachers.
- Designate 10.0% of teachers as mentor teachers. Mentor teachers will receive a \$5,000 salary supplement, will have 10 additional contract days compared to career teachers, and will be limited to 75.0% of their time designated for student instruction.
- Designate 5.0% of teachers as lead teachers. Lead teachers will receive a \$10,000 salary supplement, will have 15 additional contract days compared to career teachers, and will be limited to 50.0% of their time designated for student instruction.

The Department of Education (DE) will approve districts entering the program beginning in FY 2015, with full participation beginning in FY 2017. Allocations will be based on appropriations to the Student Achievement and Teacher Quality (SATQ) Program.

The Governor is recommending the following allocation amounts and phase-in timeframe for the Program:

- *FY 2014: \$5.0 million, including \$3.5 million for planning grants to school districts and \$1.5 million for DE to implement, administer, and provide support for the Program (including 7.0 FTE positions).*
- *FY 2015: \$50.0 million, including \$48.5 million for districts approved to participate in the Program and \$1.5 million for DE to implement, administer, and provide support for the Program (including 7.0 FTE positions).*
- *FY 2016: \$50.0 million, including \$48.5 million for new districts approved to participate in the Program and \$1.5 million for DE to implement, administer, and provide support for the Program (including 7.0 FTE positions).*
- *FY 2017: \$50.0 million, including \$48.5 million for the remaining districts to participate in the Program and \$1.5 million for DE to implement, administer, and provide support for the Program (including 7.0 FTE positions).*
- *FY 2018 and subsequent years: \$1.5 million for DE to administer and provide support for the Program (including 7.0 FTE positions).*

The proposal specifies that beginning with FY 2016, after the initial year a district has implemented the teacher leadership and compensation program, funding for the district will be generated through the school aid formula on a per pupil basis. The per pupil amount will be based on the initial year allocation amount divided by 1/3 of the statewide budget enrollment total (estimated at approximately \$305 per pupil) in FY 2016 and subject to an annual allowable growth rate each subsequent year.

The Governor is recommending school aid funding for the Teacher Leadership Supplement of \$48.5 million in FY 2016, \$100.0 million in FY 2017, and \$148.5 million in FY 2018 and subsequent fiscal years.

The Governor proposes that the DE collect data and establish and determine criteria to identify high-need schools that are eligible for state supplemental assistance. Additionally, the Department is required to review the use and effectiveness of the supplemental assistance for teachers in high-need schools.

The Governor is recommending, beginning in FY 2015 and subsequent years, an allocation of \$10.0 million for supplemental assistance to teachers in high-need schools through the Student Achievement and Teacher Quality appropriation. The Department of Education is allowed to retain \$100,000 of the allocation to provide support for the Program (including 1.0 FTE position).

The Governor is recommending that the Department of Education establish and provide support for a Commission on Educator Leadership and Compensation and specifies that the Commission report findings and recommendations regarding the teacher compensation framework and supplemental assistance to high-need schools annually.

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Property Tax Recommendations – Rollback

The Governor is recommending changes to the rollback processes used to determine the percent of a property's assessed value that is subject to tax each year. This process and the resulting percentage is called the "rollback." A rollback of 70.0% means that 70.0% of a property's assessed value is subject to property tax that year while a rollback of 100.0% means that property is taxed at its full assessed value. Commercial and industrial property is currently taxed at or near 100.0% each year. The Governor is recommending instituting a forced rollback independent of the existing rollback calculation. This will lower the 100.0% rollback for commercial and industrial property to 80.0% over four years, with a forced rollback of 95.0% in FY 2015 reaching 80.0% in FY 2018. The rollback for commercial and industrial property would then be allowed to increase or decrease from there, depending on its actual revaluation growth and the maximum allowed revaluation growth each year.

The Governor is also recommending reducing the maximum annual percent increase in taxable value a property class may experience, due to revaluation of existing property, from the current maximum of 4.0% per year to 2.0% per year. Further, the Governor's recommendation ties together the maximum taxable value growth rates of residential, agricultural, commercial, and industrial property classes so that none of the four property classes may grow faster in taxable value than the others.

Railroad property, although not part of the rollback calculation, would be assigned the rollback value of commercial property each year.

To ameliorate a portion of the impact on local government budgets, the Governor recommends the creation of a standing appropriation from the State General Fund to reimburse local governments for the reduced revenue associated with the forced rollback. The reimbursement is limited to the commercial and industrial value reductions. *The Governor's recommendation includes an FY 2015 appropriation of \$74.3 million for reimbursement and calculates that once the rollback reaches 80.0%, an annual appropriation of almost \$400.0 million will be necessary.*

Fiscal Impact: The fiscal impact of the proposal on the State General Fund will occur through two paths. First, the State will be responsible for reimbursing local government budgets for the property tax reductions associated with the forced rollback on commercial and industrial property, an amount estimated by the Governor to equal \$74.3 million for FY 2015 and growing to almost \$400.0 million by FY 2018. Second, the State appropriation for school finance will automatically increase by \$5.40 per thousand of reduced taxed valuation that results from the entire proposal.

The proposal will impact local government budgets to the extent reduced property tax dollars are not reimbursed by the State. The Governor's proposal will reimburse the local governments from reductions due to the forced commercial and industrial rollbacks and it would reimburse schools for the reduced taxes from the \$5.40 per thousand foundation levy. However, it would not reimburse local governments for reductions (including school taxes outside of the foundation levy) associated with the taxable value allowed growth reduction from 4.0% to 2.0% and the four-class allowed growth tie provisions. Any tax revenue reductions that are not reimbursed result in either reduced local government expenditures, increased property tax rates, or a combination of both.

The proposal will reduce property taxes owed by taxpayers to the extent State General Fund appropriations backfill the reduced revenue. It will also reduce property taxes to the extent that local governments cannot or will not raise tax rates to offset the reduced taxable value. The impact on a

particular class of property will depend on the interaction between the forced rollback to 80.0% and the allowed taxable value growth reduction from 4.0% to 2.0%.

Property Tax Recommendations - Credits

The Governor is recommending fully funding existing property tax credits, including the Homestead, Agland, and Family Farm Credits, as well as the Low-Income Elderly and Disabled Property Tax Credit. *The Governor recommends increasing the appropriations that pay for these credits by \$33.3 million in FY 2014 and an additional \$2.5 million in FY 2015.*

Income Tax Credits

The Governor is recommending three changes to existing income tax credit programs.

- The Governor is recommending increasing the cap on the Endow Iowa Tax Credit from the current level of \$3.5 million per year to \$4.0 million. The recommended change is estimated to reduce General Fund revenue by \$0.2 million in FY 2014 and \$0.4 million in FY 2015. This tax credit allows taxpayers to claim a credit equal to 20.0% of a financial contribution to a qualified charitable cause in Iowa.
- The Governor is recommending an increase to the cap on the School Tuition Organization Tax Credit from the current level of \$8.75 million per year to \$10.25 million. The recommended change is estimated to reduce General Fund revenue by \$1.0 million in FY 2014 and \$1.2 million in FY 2015. The School Tuition Organization Tax Credit allows taxpayers to claim a tax credit equal to 65.0% of the contribution made to a school tuition organization. A school tuition organization must be a charitable organization in Iowa that is exempt from federal taxation and that allocates at least 90.0% of its annual revenue in tuition grants for children that reside in Iowa to allow them to attend a qualified school of their parents' choice.
- The Governor is recommending increasing the annual aggregate tax credit cap on the programs operated under the IEDA in Iowa Code section [15.119](#) from the current \$120.0 million to \$185.0 million beginning in FY 2014. Tax credits under this cap include:
 - High Quality Jobs Program (HQJP)
 - Enterprise Zone (EZ) Program
 - Assistive Device Tax Credit Program
 - Community-Based Seed Capital Fund Program
 - Innovation Fund Tax Credit Program
 - Brownfield and Grayfields Redevelopment Tax Credit Program

Generally, tax credits for a qualified project are issued over five years, and can be claimed for five to seven years after the award. The recommended change is estimated by the Governor to reduce General Fund revenue by \$1.0 million in FY 2014 and \$3.9 million in FY 2015. Since the tax credits often take a year or more from when they are issued to when they are redeemed, the Governor expects the majority of the potential \$65.0 million annual impact on the State General Fund to occur in fiscal years after FY 2015.

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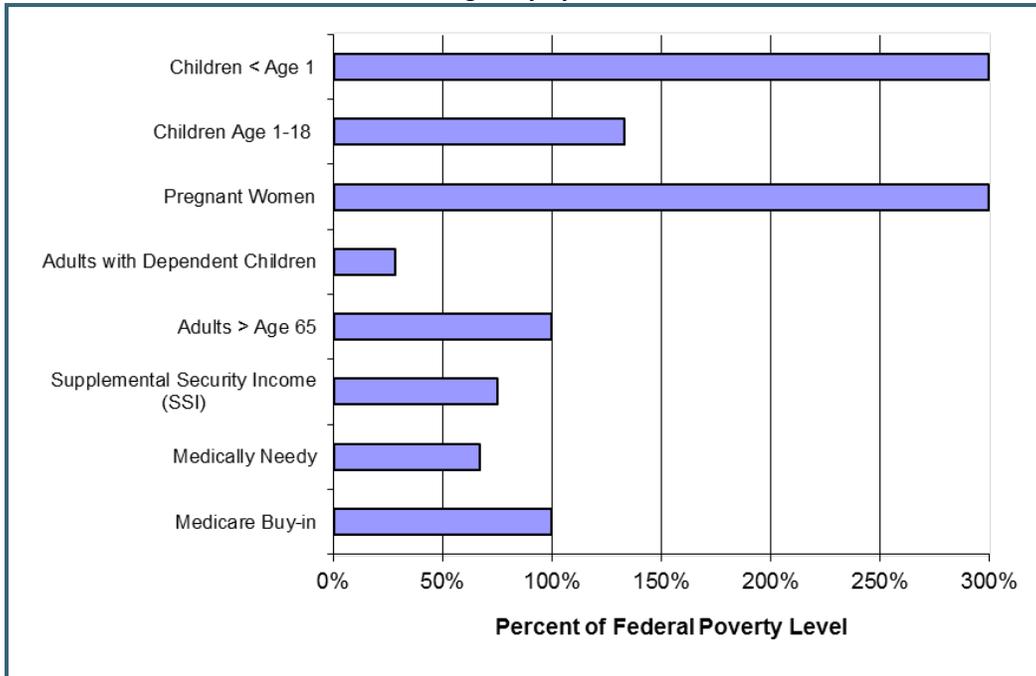
Medical Assistance Program (Medicaid)

Fiscal Staff: Jess Benson

Analysis of Governor's Budget

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 2013, the federal share of the Medicaid Program is 59.87%.

Table 1
Medicaid Eligibility by Income Level



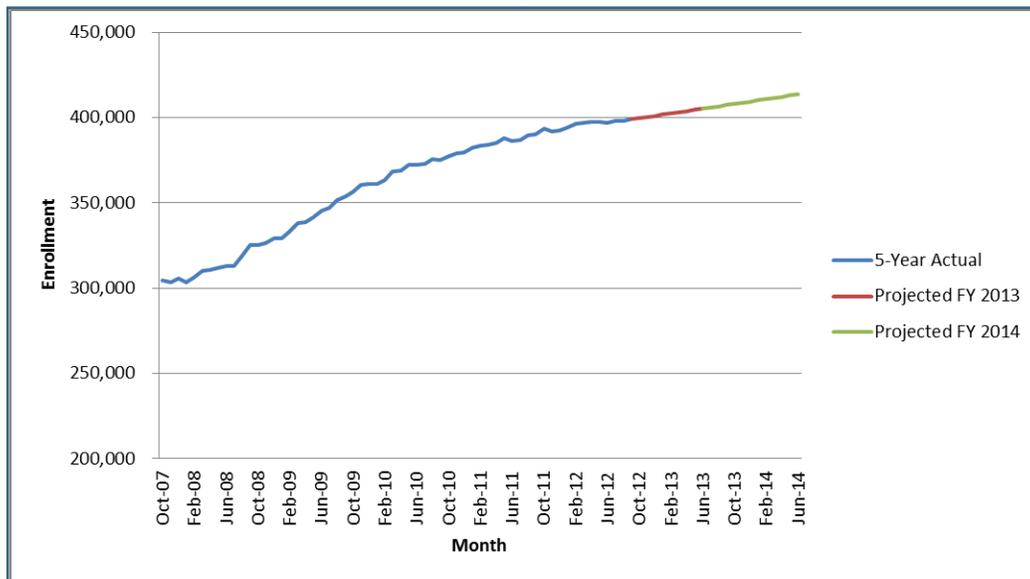
The Iowa Medicaid Program covers individuals at various levels of income as allowed under federal law. To be eligible for Medicaid, an individual must be categorically eligible. This means the individual must meet income requirements and qualify in a category to be eligible. **Table 1** shows the maximum income level for children, pregnant women, adults with dependent children, recipients of Supplemental Security Income (SSI), the Medicare Buy-in Program, and the Medically Needy Program. The income levels are based on the percentage of the Federal Poverty Level (FPL) calculated annually by the federal government and vary by the size of the household. The FPL for a family of four is \$23,050 for 2012.

In December 2012, 402,449 Iowans were enrolled in Medicaid. Of this total, 57.7% were children, 15.5% were adults with dependent children, 19.2% were disabled, and 7.6% were over age 65. The FY 2012 State expenditures totaled \$1,104.1 million. Of the total expenditures, 19.0% was for children, 12.0% was for adults with dependent children, 50.0% was for the disabled, and 19.0% was for adults over age 65. While children account for close to 60.0% of the enrollment, they consume only 19.0% of Medicaid expenditures. Adults over age 65 and disabled individuals account for 26.9% of enrollment but utilize 69.0% of expenditures.

Enrollment

Table 2 shows the enrollment growth in Iowa over the past five years. In FY 2008, the Program increased by 2.9%. In FY 2009 and FY 2010, due to the poor economy, the Program grew by 8.2% and 9.4%, respectively. In FY 2011, growth slowed to 5.4% and growth slowed to 3.4% in FY 2012.

Table 2
Medicaid Enrollment



Given the continuing economic recovery, enrollment is projected to continue to increase, but at a slower pace in FY 2013 and FY 2014 than the previous years. The Fiscal Services Division of the Legislative Services Agency (LSA) estimates Medicaid enrollment will increase by 2.0% in FY 2013 and 2.1% in FY 2014.

Revenues and Expenditures

Table 3 shows actual expenditures for FY 2011 through FY 2012 and projected expenditures for FY 2013, FY 2014 and FY 2015. 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)

	State Actual	FMAP Savings	Adjusted State Total
FY 2011 Actual	1,012.9	-187.1	825.8
FY 2012 Actual	1,104.1	0.0	1,104.1
FY 2013 Projected Need	1,397.0	0.0	1,397.0
FY 2014 Projected Need	1,488.7	0.0	1,488.7
FY 2015 Projected Need	1,568.7	0.0	1568.7

*Note: Projected expenditures reflects the midpoints of the Medicaid forecasting group.

As **Table 3** illustrates, Medicaid expenditures are projected to increase substantially from FY 2011 to FY 2015. There are several reasons for this, including:

- The State continues to do better economically when compared to the rest of the country. As a result, Iowa's Federal Medical Assistance Percentage (FMAP) rate continues to decline and Iowa is responsible for a larger share of the Medicaid program compared to the federal government. From FY 2011 to FY 2014, Iowa's FMAP rate has declined nearly 5.0%. This means that for the \$3.7 billion in total Medicaid expenditures projected in FY 2014, Iowa will pay approximately \$180.0 million more under the new rate as compared to the FY 2010 FMAP rate.
- Medicaid expenditures have increased substantially due to the shift of \$239.0 million in Medicaid expenditures previously funded by the counties that are now shifted to the State beginning in FY 2013. Revenue of \$229.6 million was also shifted from the counties to the State, but the State is responsible for the growth in those Medicaid expenditures in the future.

Table 4 shows actual revenues and expenditures for FY 2012 and the Governor's recommended funding levels for FY 2013 and FY 2014 compared to the Medicaid Forecasting Group's midpoints.

**Table 4
Medicaid Balance Sheet**

	Actual FY 2012	Gov's Rec FY 2013	Gov's Rec FY 2014
Medicaid Funding			
Carryforward from Previous Year	\$ 27,700,401	\$ 15,337,099	\$ 0
Veterans Home Transfer	2,447,911	3,533,208	0
Behavioral Health Account Carryforward	1,790,859	2,833,572	0
MH Risk Pool Carryforward	0	4,736,918	0
Health Care Transformation Account	1,956,245	7,065,203	0
Health Care Trust Fund	105,822,769	106,046,400	106,046,400
Nursing Facility Quality Assurance Fund	28,944,731	26,500,000	28,788,917
Hospital Trust Fund	36,714,318	33,898,400	33,876,000
hawk-i Performance Bonus	10,517,268	11,586,323	8,394,129
MHDS Redesign Funds	0	229,627,278	255,459,813
Total Nongeneral Fund for Medicaid	\$ 215,894,502	\$ 441,164,401	\$ 432,565,259
General Fund Appropriation	\$ 903,493,421	\$ 914,956,421	\$ 1,024,388,866
Medicaid Supplemental	0	42,305,164	0
Total All General Fund Sources	\$ 903,493,421	\$ 957,261,585	\$ 1,024,388,866
Total Medicaid Funding	\$ 1,119,387,923	\$ 1,398,425,986	\$ 1,456,954,125
Total Estimated State Medicaid Need	\$ 1,058,990,790	\$ 1,139,526,865	\$ 1,411,292,979
Cover IowaCare Shortfall		7,320,093	15,158,120
Governor's Cost Containment	0	0	-30,110,000
FMAP Changes	45,060,034	33,734,962	51,980,295
County Non-Medicaid Expenditures	0	18,831,144	-1,167,464
County Medicaid Expenditures	0	218,796,134	10,226,466
County Billing Writeoffs	0	955,235	-955,235
Nursing Facility Rebase	0	0	14,268,148
Primary Care Physician ACA	0	0	748,199
Home Health 2% Increase	0	761,348	0
HCBS Waiver 2% Increase Jan. 1	0	2,177,890	2,177,890
Elderly Waiver Cap Increase to \$1,300	0	2,137,244	0
Balancing Incentive Program	0	-17,800,000	-1,049,597
Total Estimated Medicaid Need	\$ 1,104,050,824	\$ 1,406,440,915	\$ 1,472,569,801
Midpoint of Balance/(Under Funded)	\$ 15,337,099	\$ -8,014,929	\$ -15,615,676
MHDS - Mental Health and Disability Services		HCBS - Home and Community-Based Services	
FMAP - Federal Medical Assistance Percentage		ACA - Affordable Care Act	

FY 2013 – 2015 Governor’s Recommendation. A forecasting group consisting of staff from the Department of Management, the Department of Human Services (DHS), and the Fiscal Services Division of the LSA meet monthly to discuss current enrollment and expenditure data in the Medicaid Program and set a range for projected FY 2013 and FY 2014 expenditures. The forecasting group typically meets monthly. For FY 2013, the group agreed Medicaid will have a need of \$28.0 million to \$58.0 million, with a midpoint need of \$43.0 million. For FY 2014, the group agreed Medicaid will have a need of \$137.0 million to \$197.0 million, with a midpoint need of \$167.0 million. Forecast reports are available online on the General Assembly website, at: <https://www.legis.iowa.gov/LSAReports/medicaid.aspx>.

The Governor is recommending a total of \$42.3 million in supplemental appropriations for FY 2013 related to the Medicaid Program. These include:

- **Medicaid Program:** \$27.0 million to cover a projected shortfall in Medicaid for FY 2013. Funding for the Medicaid Program for FY 2013 was appropriated during the 2011 Legislative Session; however, the amount appropriated (\$915.0 million) was approximately \$40.0 million short of covering the projected costs at that time. The Medicaid Forecasting Group met in December and estimated an FY 2013 funding shortfall of between \$28.0 million to \$58.0 million, with a midpoint of \$43.0 million. In order to compare the Governor’s recommended supplemental appropriation to the estimated midpoint of \$43.0 million, the \$8.0 million supplemental for the Mental Health Redesign component (see below) must be added to the \$27.0 million supplemental listed above to arrive at \$35.0 million. With a recommendation of \$35.0 million the Governor is recommending funding \$8.0 million below the projected midpoint of the forecasting group.
- **Mental Health Redesign:** \$8.0 million to cover a projected shortfall in funding for the Mental Health Redesign Medicaid appropriation for FY 2013.
- **IowaCare Program:** \$7.3 million to cover a projected shortfall for care provided at the University of Iowa Hospital and Clinics. The recommended supplemental for the IowaCare Program is not included in the forecasting group midpoint estimate.

For FY 2014, through a combination of cost-containment strategies, savings and additional appropriations, the Governor is recommending funding Medicaid at \$15.6 million below the midpoint of the forecasting group. The Governor is funding Medicaid within the bottom end of the range for FY 2014 by \$14.4 million.

For FY 2015 the Governor is recommending an additional \$34.4 million from the General Fund for Medicaid. The level of funding falls at the bottom end of the need projected by the forecasting group with an additional \$204.0 million compared to current funding levels. This is \$40.0 million below the midpoint need for FY 2015.

Affordable Care Act. The FY 2014 forecasting groups range does not include any estimates related to Medicaid expansion. The FY 2014 forecast does include the \$8.9 million in revenues that were appropriated to Medicaid for IowaCare in FY 2013. Those funds are anticipated to be needed to fund the Program for the first six months of FY 2014, and to cover that population when the Program expires December 31, 2014, but the forecasting group will wait for direction from the General Assembly and the Governor. *The Governor’s budget assumes that the IowaCare Program will be renewed by the federal government and will continue past the current expiration date.*

FMAP. The Bureau of Economic Analysis released their revised personal per capita income data for 2011 on September 25, 2012. This allowed states to calculate their final FY 2014 FMAP rates. The FY 2014 FMAP rates are based on per capita personal incomes for calendar years 2009-2011. Iowa’s FY 2014 FMAP rate continued to decline, dropping by 1.53% to 58.35%. The decline means that Iowa’s economy is doing better compared to other States, resulting in a smaller share of the total FMAP pie for the State. The State’s FMAP rate has declined 4.9% since FY 2010 and this shift means several hundred million dollars of Medicaid expenditures are shifted from the federal government to the State.

Table 5
FMAP Rates FY 2009 – FY 2014

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%
FY 2014	58.35%	41.65%	-1.52%

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FY 2013 School Aid

During the 2011 Legislative Session, the General Assembly enacted SF 533 (Standing Appropriations Act) that included establishing the FY 2013 allowable growth rate for regular school aid and the State categorical supplements at 2.0%. School aid funding totals for FY 2013 include:

- \$2,280.9 million for regular school aid, an increase of \$23.9 million compared to FY 2012. This amount includes \$7.4 million transferred from the Secure an 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).
- \$319.8 million for the State categorical supplements, an increase of \$3.9 million compared to FY 2012. This includes \$260.8 million for the teacher salary supplement, \$29.5 million for the professional development supplement, and \$30.3 million for the early intervention supplement.
- \$60.4 million for preschool formula funding, an increase of \$2.0 million compared to FY 2012.
- \$1,310.8 million in school aid property taxes.
- \$3,910.7 million for the total combined district cost, an increase of \$23.4 million compared to FY 2012. 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 2014 School Aid

Although Iowa Code requires the regular school aid and State categorical supplement allowable growth rates to be established within 30 days of the Governor's budget submission, no allowable growth rate was established for FY 2014 during the 2012 Legislative Session. The General Assembly may establish an allowable growth rate for FY 2014 during the 2013 Legislative Session. If no allowable growth rates are enacted for FY 2014, the rates will default to 0.0% and will result in no increase in the State, district, and AEA cost per pupil amounts for FY 2014.

FY 2014 Quick Facts – Enrollments

The total budget enrollment for FY 2014 (the October 2012 certified enrollment) totaled 476,245, an increase of 2,741 students compared to the budget enrollment of FY 2013. Of the 348 school districts, 173 districts (49.7%) had an increase in budget enrollment totaling 6,028, while 171 districts (49.1%) had a decrease in enrollment totaling 3,827. There were four districts (1.1%) that had no change in enrollment.

NOTE: Estimates for FY 2014 are preliminary (based on available data and assumptions as of January 2012) and are subject to change. Variables subject to change include estimated taxable valuations, preliminary supplementary weightings, and preliminary special education weightings. Any variations in assumptions used to calculate these variables will impact the information provided below (including FY 2015 school aid estimates). The Legislative Services Agency (LSA) anticipates that all data will be updated and finalized by May 2013.

Table 1 provides school aid estimates at 0.0%, 2.0%, 4.0%, and 6.0% allowable growth rates for FY 2014. These estimates include a restoration of \$20.0 million in State aid to AEA's.

Table 1

Legislative Services Agency: 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	6.0% Allowable Growth Rate Totals	6.0% Allowable Growth Rate - Change from Est. FY 2013
Regular School Aid	\$ 2,280.9	\$ 23.9	\$ 2,277.2	\$ -3.7	\$ 2,337.1	\$ 56.2	\$ 2,397.1	\$ 116.2	\$ 2,457.6	\$ 176.7
State Categorical Supplements	319.8	3.9	322.6	2.9	327.5	7.8	333.5	13.7	339.7	19.9
Preschool Formula	60.4	2.0	64.2	3.7	65.4	5.0	66.7	6.3	68.0	7.6
Est. Total School Aid Amount	\$ 2,661.1	\$ 29.9	\$ 2,664.0	\$ 2.9	\$ 2,730.1	\$ 69.0	\$ 2,797.3	\$ 136.2	\$ 2,865.3	\$ 204.2
Est. School Aid Property Tax	\$ 1,310.8	\$ -3.7	\$ 1,360.7	\$ 49.9	\$ 1,349.1	\$ 38.3	\$ 1,353.2	\$ 42.4	\$ 1,361.7	\$ 50.9
Est. Combined District Cost	\$ 3,910.7	\$ 23.4	\$ 3,960.5	\$ 49.8	\$ 4,013.7	\$ 103.0	\$ 4,083.8	\$ 173.0	\$ 4,159.0	\$ 248.3

- At a 0.0% allowable growth rate: Estimated changes include a State aid increase of \$2.9 million (0.1%), a property tax increase of \$49.9 million (3.8%), and a combined district cost (total funding generated through the school aid formula) increase of \$49.8 million (1.3%). The FY 2014 State cost per pupil will be \$6,001 (no increase compared to the FY 2013 State cost per pupil).
- At a 2.0% allowable growth rate: Estimated changes include a State aid increase of \$69.0 million (2.6%), a property tax increase of \$38.3 million (2.9%), and a combined district cost increase of \$103.0 million (2.6%). The FY 2014 State cost per pupil will be \$6,121 (an increase of \$120 compared to the FY 2013 State cost per pupil).
- At a 4.0% allowable growth rate: Estimated changes include a State aid increase of \$136.2 million (5.1%), a property tax increase of \$42.4 million (3.2%), and a combined district cost increase of \$173.0 million (4.4%). The FY 2014 State cost per pupil will be \$6,241 (an increase of \$240 compared to the FY 2013 State cost per pupil).
- At a 6.0% allowable growth rate: Estimated changes include a State aid increase of \$204.2 million (7.7%), a property tax increase of \$50.9 million (3.9%), and a combined district cost increase of \$248.3 million (6.4%). The FY 2014 State cost per pupil will be \$6,361 (an increase of \$360 compared to the FY 2013 State cost per pupil).

State aid increases are impacted by a variety of factors. Generally, the major factors that impact the change in State aid from year to year include taxable valuation changes (this impacts the amount of uniform levy and State aid mix for the foundation level), and the allowable growth rate. **Table 2** provides the estimated State aid change in FY 2014 by factor at various allowable growth rates. At each allowable growth rate, State aid will decrease by \$30.8 million due to the increase in taxable valuation (and will result in an increase of \$30.8 million in the uniform levy amount) and by \$7.4 million due to a reduction in special education weighting. However, State aid will increase by \$14.4 million as a result of an increase the budget enrollment, and by \$20.0 million as a result of the decrease in the State aid reduction to AEA's.

- At a 0.0% allowable growth rate, the total State aid will increase by \$2.9 million. There is no increase as a result of allowable growth.
- At a 2.0% allowable growth rate, the total State aid will increase by \$69.0 million. The regular school aid allowable growth rate factor accounts for \$57.6 million of the increase.
- At a 6.0% allowable growth rate, the total State aid will increase by \$204.2 million with the regular school aid allowable growth accounting for \$173.4 million of the overall increase.

Table 2

Legislative Services Agency: Estimated FY 2014 State School Aid Changes by Factor and Allowable Growth Rate (Dollars in Millions)					
Factors	FY 2014 Allowable Growth Rate				
	0.0%	1.0%	2.0%	4.0%	6.0%
Change in Taxable Valuation - Uniform Levy Increase	\$ -30.8	\$ -30.8	\$ -30.8	\$ -30.8	\$ -30.8
Allowable Growth Rate (Reg. Schl. Aid Per Pupil Cost)	0.0	28.6	57.8	115.6	173.4
Enrollment Change	14.4	14.4	14.4	14.4	14.4
Special Education Weighting Change	-7.4	-7.4	-7.4	-7.4	-7.4
Supplementary Weighting Change	-0.0	-0.0	-0.0	-0.0	-0.0
State Categorical Change	2.9	5.1	7.8	13.7	19.9
Preschool Formula Change	3.7	4.4	5.0	6.3	7.6
AEA State Aid Reduction	20.0	20.0	20.0	20.0	20.0
AEA Spec. Ed. Support Change	0.3	1.4	2.4	4.6	7.3
Miscellaneous Change	-0.2	-0.2	-0.2	-0.2	-0.2
Total Change - State Aid	\$ 2.9	\$ 35.4	\$ 69.0	\$ 136.2	\$ 204.2
Excess from PTER Fund	1.3	1.3	1.3	1.3	1.3
Total State Aid Change - General Fund Impact	\$ 1.6	\$ 34.1	\$ 67.7	\$ 134.9	\$ 203.0

Notes:
 AEA = Area Education Agency
 PTER = Property Tax Equity and Relief Fund
 Totals may not sum due to rounding.
 Excess from PTER fund is the amount of sales/use tax for school infrastructure transferred to the PTER fund for property tax relief.
 Estimates as of December 14, 2012
 SAS Programs: Schlaidd_V2.3 and FactorIncrease_Data

School aid property tax amounts are also impacted by many of the factors noted above. **Table 3** provides the estimated impact on school aid property tax amounts based on various allowable growth rates for FY 2014 (the State categorical supplement allowable growth rates have no impact on school aid

property tax amounts). The factors that significantly impact school aid property tax changes include taxable valuation changes (this has the opposite effect of the State aid change), the change in the budget guarantee amount (this is impacted by enrollment changes and the allowable growth rate), and the allowable growth rate. The taxable valuation is estimated to increase the uniform levy amount by \$30.8 million and is not impacted by the allowable growth rate.

- At a 0.0% allowable growth rate, the total school aid property tax amount is estimated to increase by \$49.9 million. The additional levy portion is estimated to increase \$19.1 million, with the increase in the budget guarantee accounting for \$17.5 million.
- At a 2.0% allowable growth rate, the total school aid property tax amount is estimated to increase by \$38.3 million. The additional levy portion is estimated to increase \$7.5 million, with a decrease in the budget guarantee of \$5.0 million and an increase due to the allowable growth rate factor accounting for \$10.0 million of the overall change.
- At a 6.0% allowable growth rate, the total school aid property tax amount is estimated to increase by \$50.9 million. The additional levy portion is estimated to increase \$20.1 million, with a decrease in the budget guarantee of \$14.5 million and an increase due to the allowable growth rate factor accounting for \$29.8 million of the overall change.

Table 3

Legislative Services Agency: Estimated FY 2014 School Aid Property Tax Change Amounts					
(Dollars in Millions)					
	FY 2014 Allowable Growth Rate				
	0.0%	1.0%	2.0%	4.0%	6.0%
Additional Levy Components:					
Miscellaneous Adjustments:	\$ -0.6	\$ -0.6	\$ -0.6	\$ -0.6	\$ -0.6
Dropout Prevention:	0.0	1.0	1.9	3.9	5.8
Budget Guarantee (Budget Adjustment) Change:	17.5	3.9	-5.0	-12.2	-14.5
AEA Budget Guarantee:	1.0	0.3	-0.2	-0.9	-1.3
AEA Enrollment Change Impact:	0.3	0.3	0.3	0.3	0.3
District Enrollment Change Impact:	1.0	1.0	1.0	1.0	1.0
AEA Allowable Growth Rate Impact:	0.0	0.9	1.7	3.5	4.7
School District Allowable Growth Rate Impact:	0.0	4.4	8.3	16.5	24.8
Additional Levy Components Total:	\$ 19.1	\$ 11.1	\$ 7.5	\$ 11.6	\$ 20.1
Uniform Levy Change:	\$ 30.8	\$ 30.8	\$ 30.8	\$ 30.8	\$ 30.8
Total School Aid Property Tax:	\$ 49.9	\$ 41.9	\$ 38.3	\$ 42.4	\$ 50.9

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 2014. State categorical funding for the Early Intervention supplement will still be generated through the school aid formula in FY 2014; however, the LSA is currently uncertain how the funds will be expended by school districts in FY 2014 if Iowa Code chapter 256D is repealed.

FY 2015 School Aid

During the 2013 Legislative Session, the General Assembly is required to set the allowable growth rates for the FY 2015 regular school aid and the State categorical supplements. The FY 2015 estimates will be impacted by the allowable growth rate that is established for FY 2014. **Table 4** provides estimates of the FY 2015 school aid estimates at various allowable growth rates (displayed on the left side of the table) based on various allowable growth rates for FY 2014 (displayed at the top of the table).

Table 4

Legislative Services Agency: FY 2015 School Aid Estimates Matrix - Estimates at Various Allowable Growth Rates (Dollars in Millions)											
		FY 2014 Allowable Growth Rates*		4.0%		2.0%		1.0%		0.0%	
FY 2015 Regular School Aid Allowable Growth Rate		Change from Est.		Change from Est.		Change from Est.		Change from Est.		Change from Est.	
		Total	FY 2014	Total	FY 2014	Total	FY 2014	Total	FY 2014	Total	FY 2014
4.0%	Regular State School Aid	\$ 2,490.5	\$ 93.5	\$ 2,427.8	\$ 90.7	\$ 2,396.5	\$ 89.6	\$ 2,365.1	\$ 87.9		
	Preschool Formula State Aid	72.9	6.1	71.5	6.0	70.8	6.0	70.1	5.9		
	State Categorical Supplement	348.6	15.1	341.8	14.3	338.5	13.6	335.1	12.5		
	Total State School Aid	\$ 2,912.0	\$ 114.6	\$ 2,841.1	\$ 111.0	\$ 2,805.7	\$ 109.2	\$ 2,770.3	\$ 106.3		
	School Aid Property Tax Budget Guarantee	1,425.8	72.7	1,413.7	64.7	1,407.5	54.8	1,401.8	41.1		
		19.5		19.1		19.0		18.8			
3.0%	Regular State School Aid	\$ 2,459.2	\$ 62.1	\$ 2,397.6	\$ 60.4	\$ 2,366.7	\$ 59.9	\$ 2,334.8	\$ 57.7		
	Preschool Formula State Aid	72.2	5.4	70.8	5.3	70.1	5.3	69.4	5.2		
	State Categorical Supplement	345.7	12.2	339.0	11.5	335.7	10.8	332.4	9.7		
	Total State School Aid	\$ 2,877.0	\$ 79.7	\$ 2,807.3	\$ 77.2	\$ 2,772.5	\$ 76.0	\$ 2,736.6	\$ 72.6		
	School Aid Property Tax Budget Guarantee	1,425.1	71.9	1,412.9	63.8	1,406.6	53.9	1,401.5	40.8		
		24.8		24.8		24.0		23.8			
2.0%	Regular State School Aid	\$ 2,427.8	\$ 30.7	\$ 2,366.7	\$ 29.6	\$ 2,335.4	\$ 28.5	\$ 2,305.1	\$ 28.0		
	Preschool Formula State Aid	71.5	4.7	70.1	4.6	69.4	4.6	68.7	4.6		
	State Categorical Supplement	342.9	9.4	336.3	8.8	333.0	8.2	329.7	7.1		
	Total State School Aid	\$ 2,842.2	\$ 44.9	\$ 2,773.1	\$ 43.0	\$ 2,737.8	\$ 41.3	\$ 2,703.5	\$ 39.6		
	School Aid Property Tax Budget Guarantee	1,426.3	73.1	1,413.6	64.6	1,408.4	55.7	1,402.2	41.4		
		31.5		30.9		30.6		30.3			
1.0%	Regular State School Aid	\$ 2,396.5	\$ -0.6	\$ 2,335.4	\$ -1.7	\$ 2,305.7	\$ -1.2	\$ 2,274.9	\$ -2.3		
	Preschool Formula State Aid	70.8	4.0	69.4	4.0	68.7	3.9	68.0	3.9		
	State Categorical Supplement	340.3	6.8	333.8	6.2	330.5	5.6	327.2	4.6		
	Total State School Aid	\$ 2,807.5	\$ 10.2	\$ 2,738.5	\$ 8.4	\$ 2,704.9	\$ 8.4	\$ 2,670.1	\$ 6.1		
	School Aid Property Tax Budget Guarantee	1,430.3	77.2	1,418.6	69.5	1,412.1	59.4	1,406.5	45.8		
		41.5		40.7		40.1		39.8			
0.0%	Regular State School Aid	\$ 2,365.1	\$ -32.0	\$ 2,305.1	\$ -32.0	\$ 2,274.9	\$ -32.0	\$ 2,245.2	\$ -32.0		
	Preschool Formula State Aid	70.1	3.3	69.4	4.0	68.0	3.2	67.4	3.2		
	State Categorical Supplement	338.1	4.6	331.6	4.0	328.3	3.5	325.1	2.4		
	Total State School Aid	\$ 2,773.2	\$ -24.1	\$ 2,706.1	\$ -24.0	\$ 2,671.2	\$ -25.3	\$ 2,637.6	\$ -26.4		
	School Aid Property Tax Budget Guarantee	1,438.8	85.7	1,426.4	77.3	1,420.5	67.8	1,414.2	53.5		
		55.3		54.3		53.7		53.2			

Notes:
 *All FY 2015 estimates are based on FY 2014 estimates. The allowable growth rate noted for FY 2014 assumes the same allowable growth rate for regular school aid and the State categorical supplements.
 FY 2014 and FY 2015 estimates based on other assumptions that are subject to change. Contact the LSA for the list of assumptions.
 Estimates as of: 12/17/2012
 Program used: Schleid_V2.3_FY13

Additional information regarding K-12 funding is available on the LSA website at:

<http://www.legis.iowa.gov/LSAReports/k12Education.aspx>

Governor's School Aid Recommendations for FY 2014 and FY 2015

- *The Governor does not specifically recommend an allowable growth rate for FY 2014 or FY 2015. However, the Governor's budget recommendation for the State aid portion of school aid reflects a 0.0% allowable growth rate for both FY 2014 and FY 2015.*
- *The Governor recommends maintaining a State aid reduction to the Area Education Agencies (AEAs) of \$27.5 million (\$20.0 million more than current law) for FY 2014 and FY 2015.*
- *The Governor recommends funding property tax increases resulting from the per pupil growth amount generated with the establishment of an allowable growth rate with State aid. At a 1.0% allowable growth rate for FY 2014, State aid will increase \$4.4 million and property tax will decrease by that amount. However, based on a 0.0% allowable growth rate, there is no impact to this provision in FY 2014.*
- *The Governor recommends eliminating State funding for the Instructional Support Program. Current law will restore State funding to \$14.8 million beginning in FY 2014.*
- *The Governor's budget recommendation for FY 2015 State school aid includes an additional \$28.0 million resulting from the Governor's property tax proposal that will reduce the amount of taxable valuation and increase the amount of State aid to backfill the uniform levy amount.*

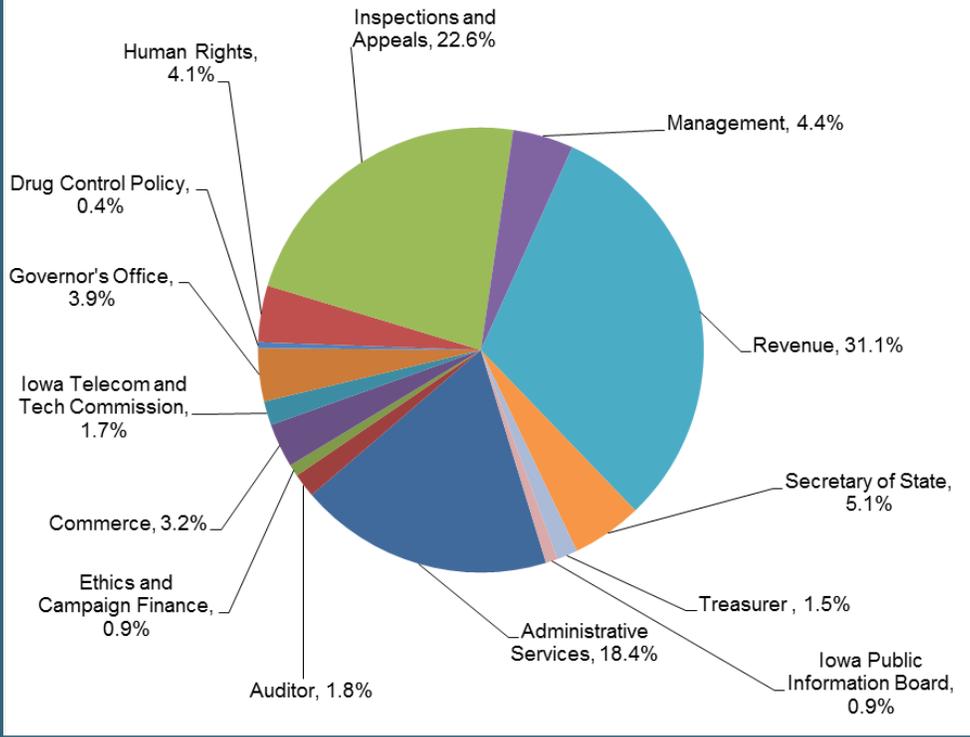
Staff Contact: Shawn Snyder (515-281-7799) shawn.snyder@legis.iowa.gov

**Administration and Regulation
 Appropriations Subcommittee**

Fiscal Staff:
 Dwayne Ferguson and Ron Robinson

Analysis of Governor's Budget

FY 2014 General Fund Governor's Recommendations



FY 2014 General Fund Governor's Recommendations

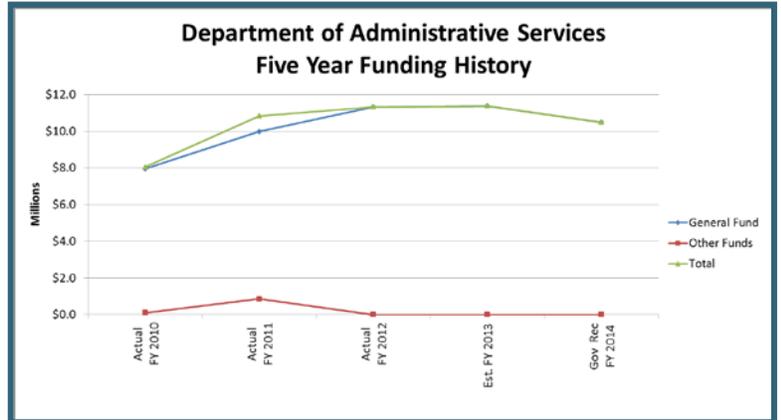
Administrative Services	\$ 10,473,753
Auditor	995,968
Ethics and Campaign Finance	490,000
Commerce	1,820,744
Iowa Telecom and Tech Commission	992,913
Governor's Office	2,194,914
Drug Control Policy	240,000
Human Rights	2,334,285
Inspections and Appeals	12,865,603
Management	2,498,998
Revenue	17,659,484
Secretary of State	2,895,585
Treasurer	854,289
Iowa Public Information Board	490,000
Total	\$ 56,806,536

DEPARTMENT OF ADMINISTRATIVE SERVICES

Overview and Funding History

Agency Overview: The [Department of Administrative Services \(DAS\)](#) was established in 2003 by legislative action and consists of four enterprises that provide infrastructure and facilities services to other agencies of State government. These enterprises include the Information Technology Enterprise, General Services Enterprise, Human Resources Enterprise, and State Accounting Enterprise.

Funding History: The Department receives about one tenth of its funding for operations through appropriations. The remainder is funded primarily by fees charged to other State agencies for services provided and are not reflected in the appropriations funding history chart. The appropriations increase in FY 2011 is primarily due to a one-time General Fund appropriation to implement the government information technology services provisions in SF 2088 (FY 2011 Government Reorganization and Efficiency Act). The FY 2012 increase comes mainly from shifting the 1/3 Distribution appropriation and the Iowa Building appropriation from the Transportation Appropriation Subcommittee’s Rebuild Iowa Infrastructure Fund (RIIF) Appropriation to the DAS General Fund appropriation.



FY 2014 Quick Facts - DAS

\$109.4 million
Total Enterprise Budgets

90.4%
Funding from charges to State agencies

9.6%
General Fund appropriations

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$10.5 million. This is a decrease of \$902,000 compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$10.5 million. This is no change compared to the Governor’s FY 2014 recommendation.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Administrative Services, Dept. of				
Administrative Services				
Administrative Services, Dept.	\$ 4,020,344	\$ 4,020,322	\$ 4,020,322	\$ -22
Utilities	2,676,460	2,676,460	2,676,460	0
Terrace Hill Operations	405,914	405,914	499,025	93,111
I3 Distribution	3,277,946	3,277,946	3,277,946	0
Iowa Building Operations	995,535	995,535	0	-995,535
Total Administrative Services, Dept. of	\$ 11,376,199	\$ 11,376,177	\$ 10,473,753	\$ -902,446

Governor's Recommendations – Significant Changes

Department of Administrative Services	
An increase to move two staff for the Governor's Office Terrace Hill Quarters appropriation into the DAS Terrace Hills Operations appropriation.	\$ 93,111
A decrease to eliminate funding for Iowa Building Operations (former Mercy Capitol Building). Current plans call for the building to be razed in FY 2014 with the costs paid through major maintenance.	-995,535

Issues

I/3 Distribution Appropriation – Senate File 2313 (FY 2013 Administration and Regulation Appropriations Act) appropriated \$3.3 million to be distributed to other governmental entities based upon a formula established by the DAS to pay for services associated with the I/3 system. After distribution, the funding would have become part of the agencies' base budgets and would pay for DAS services in the typical manner. There would be no need to supplement agencies' budgets in the future. These funds were not distributed to other agencies; DAS indicated it lacked the authority to distribute the funds. DAS is again requesting funding for FY 2014. *The Governor is recommending continued funding of this appropriation.*

Budget Reduction and Outsourcing Services – The Department is pursuing a goal of reducing expenditures by 15.0%. Janitorial services for the Grimes, Hoover, and Jessie Parker Buildings have been outsourced, and construction project management has been switched from a "general contractor" approach to a "construction manager" approach. The outsourcing permitted DAS to eliminate 14 vacant janitor positions, and DAS estimates janitorial service costs for these three buildings were reduced by 43.1%. The Architectural and Engineering Services Section laid off six staff for an estimated salary savings of \$730,000. The Core Finance Group was reorganized and positions with redundant or unnecessary duties were eliminated. Ten of the Department's supervisors (approximately one-third of the supervisors) left State employment, and seven of the positions were filled by new hires and four by promotions; this is approximately twice the supervisory turnover rate for the entire Executive Branch.

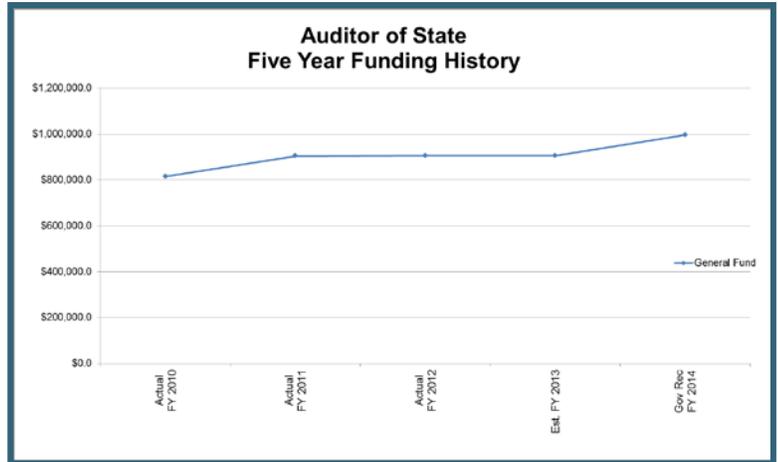
Fees for Services – The Department has an operating budget of \$109.4 million for FY 2014, including a Governor's recommendation of \$10.5 million from the General Fund, with the remainder from fees for services. The Subcommittee may want to examine the fee for service process.

Consolidation of Services – The Department is continuing consolidation within the Information Technology Enterprise. The Subcommittee may want to examine the efficiencies produced by consolidations.

AUDITOR OF STATE

Overview and Funding History

Agency Overview: The position of [Auditor of State](#) was created in 1857 with [Article IV, Section 22](#), of the Iowa Constitution. The Auditor is elected by popular vote and serves a four-year term. The duties of the Office are spelled out in Iowa Code chapter [11](#). The mission of the Office of the Auditor of State is to benefit all citizens of Iowa by providing independent audit, review, and other technical services to State and local governments to ensure the effective, economical, and businesslike conduct of public activities in a prudent, accountable manner to achieve the intended purposes. 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.



FY 2012 Quick Facts – Auditor

95,796
Audit Hours Expended on State Audits during FY 2012

48,147
Audit Hours Expended on Local Audits during FY 2012

Funding History: The Auditor of State Office receives an annual appropriation from the General Fund to fund costs of conducting audits of State departments that are not statutorily required to reimburse the Office for annual audit costs. The FY 2011 increase is related to the restoration of the FY 2010 10.0% Across-The-Board budget reduction. The Actual FY 2009 appropriation was \$1.2 million. In addition to the General Fund appropriation, the Office receives fees for conducting audits and reviews of certain State agencies and governmental subdivisions (see Iowa Code sections [11.20](#) and [11.21](#) for subdivision fees).

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations of \$996,000. This is an increase of \$91,000 compared to estimated FY 2013 to restore a portion of the FY 2010 reductions. The Actual FY 2009 appropriation was \$1.2 million.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$1.0 million. This is an increase of \$42,000 compared to the Governor’s FY 2014 recommendation to restore a portion of the FY 2010 reductions.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Auditor of State				
Auditor Of State				
Auditor of State - General Office	\$ 905,468	\$ 995,968	\$ 995,968	\$ 90,500
Total Auditor of State	<u>\$ 905,468</u>	<u>\$ 995,968</u>	<u>\$ 995,968</u>	<u>\$ 90,500</u>

Issues

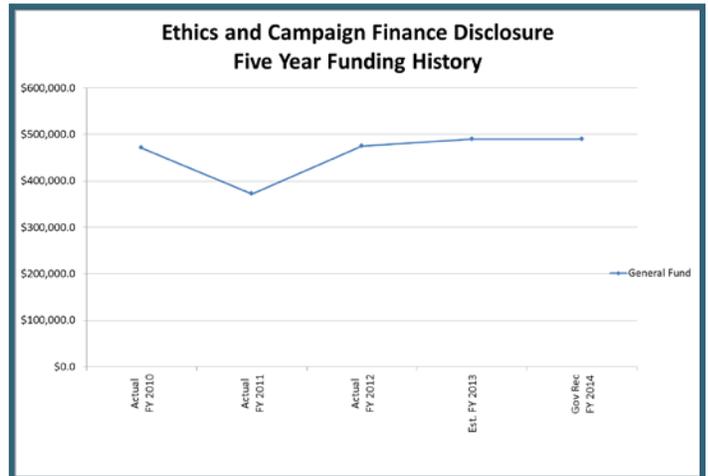
Local Audits – [House File 2455](#) (City Financial Examination Requirements) established a Local Audit Revolving Fund. The Subcommittee may want to examine the status of the implementation of HF 2455.

ETHICS AND CAMPAIGN DISCLOSURE BOARD

Overview and Funding History

Agency Overview: 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.

Funding History: The Board’s funding comes from General Fund appropriations and has shown some fluctuations over the past five years. The apparent decrease in FY 2011 was more than offset by a transfer of \$150,000 from the Cash Reserve Fund. Transfers do not appear as appropriations.



Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$490,000. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$490,000. This is no change compared to the Governor’s FY 2014 recommendation.

FY 2010 Quick Facts – Ethics and Campaign Finance Disclosure

\$24,518,511

Contributions to candidates

\$13,243,324

Contributions to parties

\$9,183,379

Contributions to PACs

Off-year elections generate the most contributions.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Ethics and Campaign Disclosure				
Campaign Finance Disclosure				
Ethics & Campaign Disclosure Board	\$ 490,000	\$ 490,000	\$ 490,000	\$ 0
Total Ethics and Campaign Disclosure	\$ 490,000	\$ 490,000	\$ 490,000	\$ 0

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 helped pay these costs. The professional staff are becoming eligible for reclassifications which will increase salaries.

DEPARTMENT OF COMMERCE

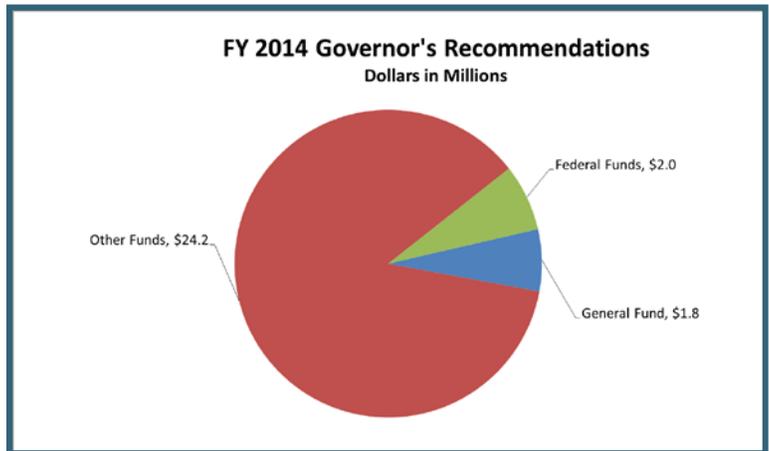
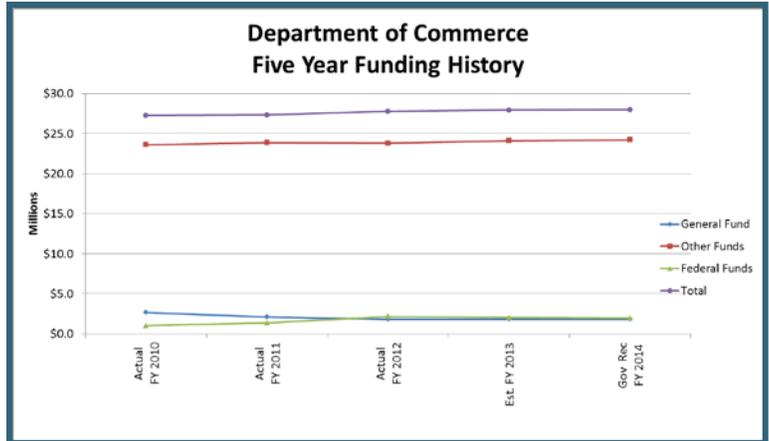
Overview and Funding History

Agency Overview: 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.

Funding History: The total funding for the Department of Commerce has been fairly stable with slow growth over the past five years. Prior to FY 2010, the Banking, Credit Union, Insurance, and Utilities Divisions were funded with General Fund appropriations. The Divisions then billed their respective regulated companies for the costs of regulation, and that revenue was deposited into the State General Fund. The Commerce Revolving Fund was created by HF 809 (FY 2010 Administration and Regulation Appropriations Act) during the 2009 legislative session and receives the fees, fines, and penalties charged by these four regulatory agencies. The Alcoholic Beverages Division and the Professional Licensing Bureau receive the General Fund appropriations.

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$1.8 million. This is no change compared to estimated FY 2013. The Governor is recommending FY 2014 other funds appropriations totaling \$24.2 million. This is an increase of \$102,000 compared to FY 2013.



FY 2014 Quick Facts – Commerce

307
Banks regulated by the Banking Division

122
Credit unions regulated by the Credit Union Division

206 and 1,325
Domestic and non-domestic insurance companies regulated by the Insurance Division

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$1.8 million. This is no change compared to the Governor’s FY 2014 recommendation. The Governor is recommending FY 2015 other funds appropriations totaling \$24.3 million. This is an increase of \$67,000 compared to FY 2014 to fund the Insurance Division’s full-year rent at their new location.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Commerce, Dept. of				
Alcoholic Beverages				
Alcoholic Beverages Operations	\$ 1,220,391	\$ 1,220,391	\$ 1,220,391	\$ 0
Professional Licensing and Reg.				
Professional Licensing Bureau	\$ 600,353	\$ 600,353	\$ 600,353	\$ 0
Total Commerce, Dept. of	<u>\$ 1,820,744</u>	<u>\$ 1,820,744</u>	<u>\$ 1,820,744</u>	<u>\$ 0</u>

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Commerce, Dept. of				
Banking Division				
Banking Division - CMRF	\$ 9,098,170	\$ 9,098,170	\$ 9,160,198	\$ 62,028
Credit Union Division				
Credit Union Division - CMRF	\$ 1,792,995	\$ 1,792,995	\$ 1,792,995	\$ 0
Insurance Division				
Insurance Division - CMRF	\$ 4,983,244	\$ 5,003,244	\$ 5,023,244	\$ 40,000
Utilities Division				
Utilities Division - CMRF	\$ 8,173,069	\$ 8,173,069	\$ 8,173,069	\$ 0
Professional Licensing and Reg.				
Field Auditor - Housing Impr Fund	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0
Total Commerce, Dept. of	<u>\$ 24,109,795</u>	<u>\$ 24,129,795</u>	<u>\$ 24,211,823</u>	<u>\$ 102,028</u>

Governor’s Recommendations – Significant Changes

Department of Commerce – Banking Division	
An increase to fully fund the Division’s membership in the Conference of State Bank Supervisors (CSBS). Dues were temporarily reduced during the economic crisis.	\$ 44,425
An increase to fully fund the Division’s rental agreement. The landlord agreed to temporarily reduce rent during the economic crisis. The reduction has expired.	17,603
Department of Commerce – Insurance Division	
An increase to pay for increased rent costs when the Division moves to the Two Ruan Building in the spring of 2013.	40,000

Issues

Insurance Exchange – As the State’s insurance regulatory agency, the Insurance Division will be involved in the development of the federally required insurance exchange. The Subcommittee may want to review whether the State is progressing with the development of an exchange.

Staff Turnover – The Banking, Credit Union, Insurance, and Utilities Divisions are experiencing difficulties retaining younger professional staff at the current pay levels. After gaining a few years’ experience, younger staff are being hired away by private sector firms offering higher salaries. The situation is aggravated by retirements of senior staff.

IOWA TELECOMMUNICATION AND TECHNOLOGY COMMISSION

Agency Overview: 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.

FY 2014 Quick Facts – ITTC / ICN	
3,400	Miles of State-owned ICN fiber cable
5,621	Miles of leased ICN fiber cable

Funding History: The General Fund appropriations are to provide technical assistance for ICN network classrooms and other support activities. This appropriation was moved from the purview of the Education Appropriations Subcommittee to the Administration and Regulation Appropriations Subcommittee in the 2012 legislative session. The appropriation decreases over the five-year period were general reductions.

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$993,000. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$993,000. This is no change compared to the Governor’s FY 2014 recommendation.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Iowa Tele & Tech Commission</u>				
Iowa Communications Network				
Regional Telecom Councils	\$ 992,913	\$ 992,913	\$ 992,913	\$ 0
Total Iowa Tele & Tech Commission	<u>\$ 992,913</u>	<u>\$ 992,913</u>	<u>\$ 992,913</u>	<u>\$ 0</u>

Issues

Sale of the ICN – House File 45 (FY 2011 Appropriations Adjustment Act) required the ITTC to prepare and issue a request for proposal (RFP) to lease or sell the ICN. The RFP is being finalized and has been submitted to the Governor for review. The Subcommittee may want to review the ITTC’s progress and the issues encountered in preparing for the sale or lease of the ICN.

OFFICE OF GOVERNOR AND LIEUTENANT GOVERNOR

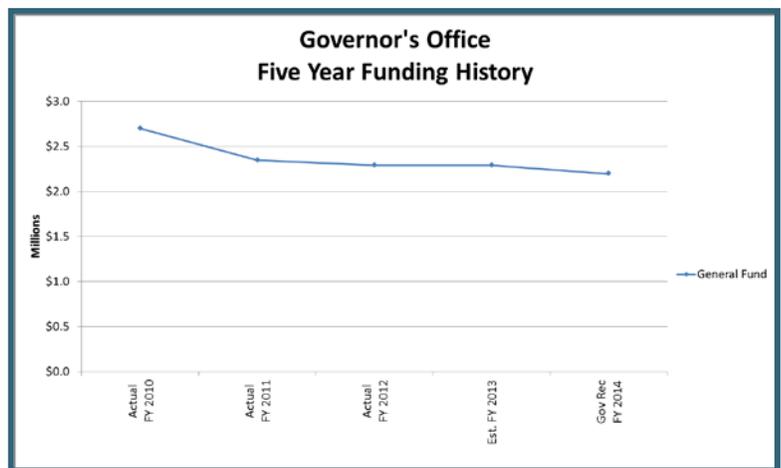
Overview and Funding History

Agency Overview: The position of [State Governor](#) was created in 1857 by [Article IV, Section 1](#), of the Iowa Constitution. The Governor is elected by a statewide popular vote and serves a four-year term. The duties and responsibilities of the Office are specified in Iowa Code chapter [7](#). The Governor’s Office is responsible for managing the Executive Branch and implementing policies and programs in accordance with State law.

The functions funded by the Terrace Hill Quarters appropriation consist of the following:

- Staffing and expenses of the overall operation of the Terrace Hill National Historic Landmark and Iowa Governor’s Residence.
- Daily food preparation and housekeeping services for the Governor and the Governor’s family.
- Maintenance of the grounds by the Department of Administrative Services.

Funding History: The Governor’s Office receives an annual appropriation from the General Fund to fund the majority of the operational cost of the Office. The FY 2011 decrease is related to providing a separate appropriation to the DAS for Terrace Hill Operations apart from the Terrace Hill Quarters.



Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations of \$2.2 million. This is a decrease of \$93,000 compared to estimated FY 2013 to reallocate the appropriation for the Terrace Hill Quarters to the DAS.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$2.2 million. This represents no change compared to the Governor’s FY 2014 recommendation.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Governor				
Governor's Office				
Governor/Lt. Governor's Office	\$ 2,194,914	\$ 2,194,914	\$ 2,194,914	\$ 0
Terrace Hill Quarters	93,111	93,111	0	-93,111
Total Governor	\$ 2,288,025	\$ 2,288,025	\$ 2,194,914	\$ -93,111

Governor’s Recommendations – Significant Changes

Terrace Hill Quarters	
A decrease to transfer cooking and housekeeping to the DAS budget.	\$ - 93,111

GOVERNOR’S OFFICE OF DRUG CONTROL POLICY

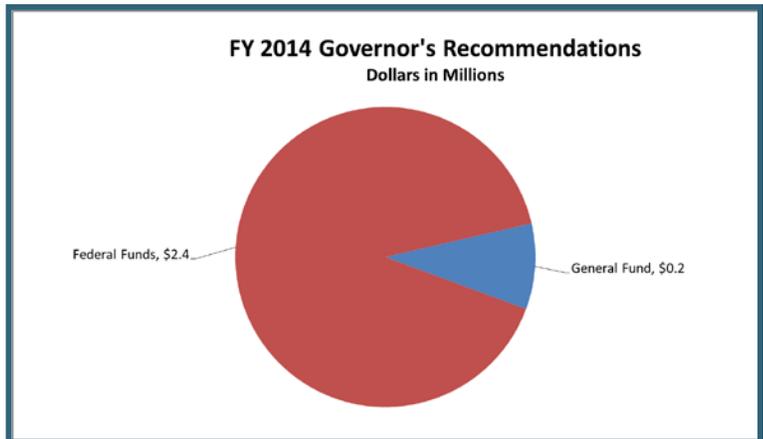
Agency Overview: The [Governor’s Office of Drug Control Policy \(ODCP\)](#) coordinates agencies and stakeholders involved with drug enforcement and substance abuse treatment and prevention. The ODCP creates the drug control policy and strategy for the State and identifies, pursues, and administers federal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

Funding History: The General Fund appropriations support administrative activities by the Office. The decline in total funding is from decreased federal support for grant programs. The General Fund decrease in FY 2013 comes from downsizing the Office and collocating with the Department of Public Safety.

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$240,000. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending



Quick Facts – Governor’s Office of Drug Control Policy

981
Number of FY 2012 new drug-related prison admissions

3,903
Number of FY 2010 adult meth treatment admissions

62
Number of FY 2011 overdose deaths

FY 2015 General Fund appropriations of \$240,000. This is no change compared to the Governor's FY 2014 recommendation.

General Fund Recommendations

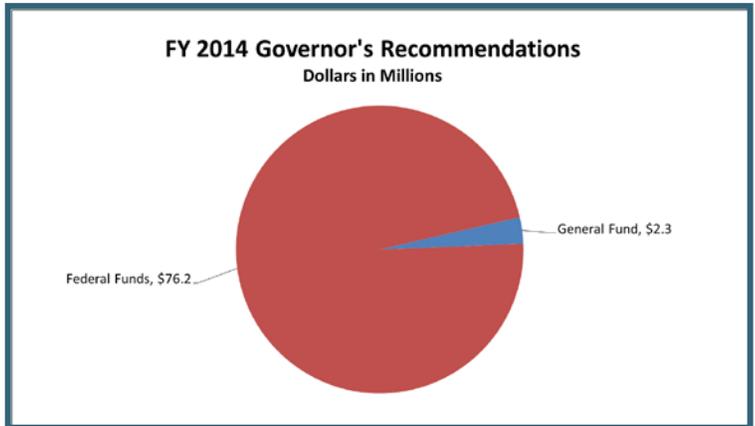
	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Governor's Office of Drug Control Policy</u>				
Office of Drug Control Policy				
Drug Policy Coordinator	\$ 240,000	\$ 240,000	\$ 240,000	\$ 0
Total Governor's Office of Drug Control Policy	\$ 240,000	\$ 240,000	\$ 240,000	\$ 0

Issues

Office Downsizing and Restructuring – Senate File 2313 (FY 2013 Administration and Regulation Appropriations Act) reduced staffing from 8.0 to 4.0 FTE positions, required the Office to collocate with the Department of Public Safety (DPS), and permitted DPS to provide administrative support. The ODCP relocated to the Pape State Office Building, reduced its office space and rental costs, and streamlined its office operations. In July 2012, the ODCP contracted with DPS to provide administrative support for ODCP grants and other programs, as well as ongoing work with other agencies on Iowa's Annual Drug Control Strategy, which is part of ODCP's annual report required by Iowa Code 80E. The estimated annual cost for the DPS contract for support services in FY 2013 is \$131,000, which ODCP estimates will be 19.0% less than the FY 2012 administrative costs. A smaller share of available federal grant funding is used for administration, resulting in a greater share of the grant funding being passed through to support community projects.

DEPARTMENT OF HUMAN RIGHTS

Agency Overview: 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.



Funding History: Over the past five years, the General Fund appropriations to DHR have decreased somewhat. The bulk of the department’s funding comes in federal programs and grants. The weatherization and energy assistance programs have accounted for much of the decrease in federal funds.

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$2.3 million. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$2.3 million. This is no change compared to the Governor’s FY 2014 recommendation.

FY 2012 Quick Facts – Human Rights

1,538,036
Women in Iowa population

272,837
Racial minority population in Iowa

151,544
Latino population in Iowa

General Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Human Rights, Dept. of</u>				
Human Rights, Department of				
Human Rights Administration	\$ 206,103	\$ 206,103	\$ 206,103	\$ 0
Community Advocacy and Services	1,028,077	1,028,077	1,028,077	0
Criminal & Juvenile Justice	1,100,105	1,100,105	1,100,105	0
Total Human Rights, Dept. of	<u>\$ 2,334,285</u>	<u>\$ 2,334,285</u>	<u>\$ 2,334,285</u>	<u>\$ 0</u>

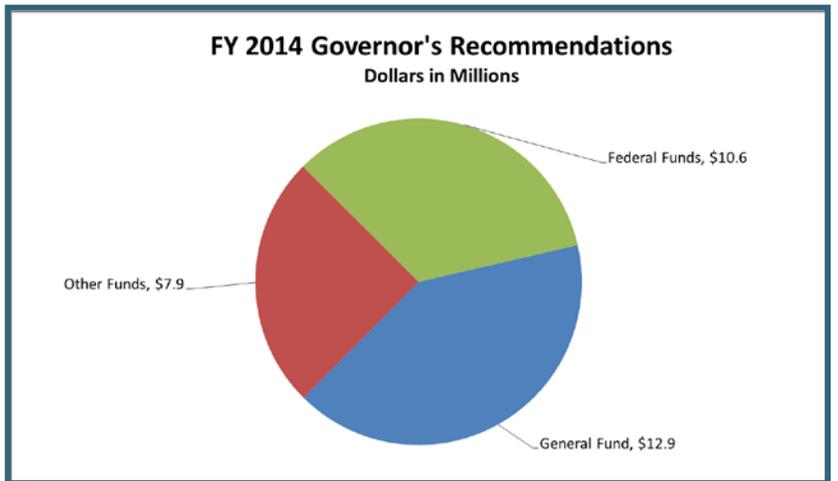
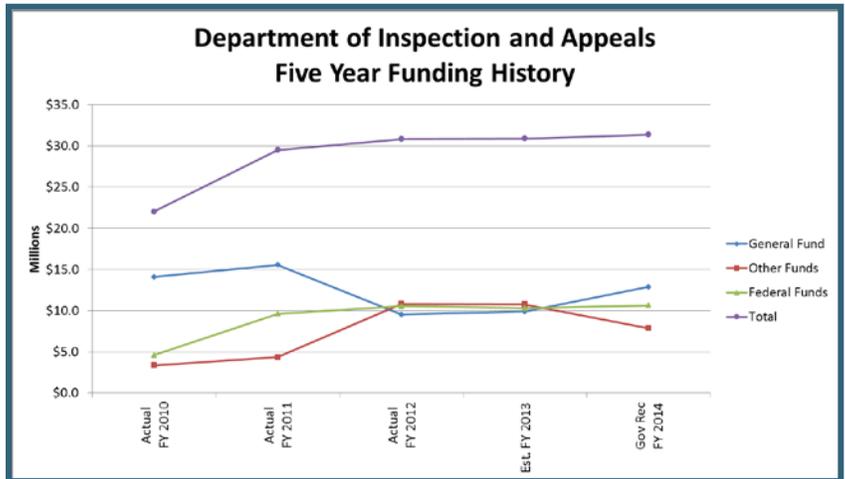
Issues

Federal Program Funding – The Department’s federal funding could be negatively impacted by the sequestration of federal funds which has recently been delayed. The Low-Income Home Energy Assistance Program (LIHEAP) had a 25.0% cut in federal funding in FY 2012 and could see another 10.0% cut in FY 2013. The Weatherization Assistance Program is looking at a 65.0% reduction with the expiration of federal stimulus funding, leaving the Program dependent on carry-forward funds and funds supplied by utility companies. The Criminal and Juvenile Justice Division expects an 8.2% reduction in federal funding, most of which affects grants that are passed through to local agencies.

DEPARTMENT OF INSPECTIONS AND APPEALS

Agency Overview: 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 Food and Consumer Safety Bureau, Social and Charitable Gambling Unit, and Targeted Small Business (TSB) Certification Program are located in the Administration 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.

Funding History: Much of the initial increase in funding came from increased federal funding. In FY 2012, funding for regulation by the Racing and Gaming Commission was shifted from the General Fund to the newly created Gaming Regulatory Revolving Fund, producing the \$5.6 million shift. The Revolving Fund received fees from the gaming industry that had previously been deposited into the State General Fund.



Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$12.9 million. This is an increase of \$3.0 million compared to estimated FY 2013. The Governor is recommending FY 2014 other funds appropriations totaling \$7.9 million. This is a decrease of \$2.9 million compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$12.9 million. This is no change compared to the Governor’s FY 2014 recommendation. The Governor is recommending FY 2015 other funds appropriations totaling \$7.9 million. This is no change compared to the Governor’s FY 2014 recommendation.

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	<u>\$ 9,502,965</u>	<u>\$ 12,865,304</u>	<u>\$ 3,362,339</u>

Governor’s Recommendations – Significant Changes

Department of Inspections and Appeals	
An increase to replace funding from the Medicaid Fraud Fund with moneys from the General Fund. Adjustments are made among Divisions to reflect workload.	\$ 3,000,000

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Inspections & Appeals, Dept. of				
Inspections and Appeals, Dept. of				
Medicaid Fraud - Health Facilities	\$ 286,661	\$ 0	\$ 0	\$ -286,661
Medicaid Fraud - EBT Investigations	119,070	0	0	-119,070
Medicaid Fraud - Dependent Adult	885,262	0	0	-885,262
Medicaid Fraud - Boarding Homes	119,480	0	0	-119,480
DIA - Med Fraud - Dependent Adult Abu:	250,000	0	0	-250,000
DIA - RUTF	1,623,897	1,623,897	1,623,897	0
Medicaid Fraud - Assisted Living	1,339,527	0	0	-1,339,527
Total Inspections and Appeals, Dept. of	\$ 4,623,897	\$ 1,623,897	\$ 1,623,897	\$ -3,000,000
Racing Commission				
Pari-Mutuel Regulation Fund	\$ 3,062,765	\$ 3,062,765	\$ 3,062,765	\$ 0
Riverboat Regulation Fund	3,045,719	3,170,719	3,170,719	125,000
Total Racing Commission	\$ 6,108,484	\$ 6,233,484	\$ 6,233,484	\$ 125,000
Total Inspections & Appeals, Dept. of	\$ 10,732,381	\$ 7,857,381	\$ 7,857,381	\$ -2,875,000

Governor’s Recommendations – Significant Changes

Department of Inspections and Appeals	
A decrease to replace funding from the Medicaid Fraud Fund with moneys from the General Fund.	\$ -3,000,000
Racing and Gaming Commission	
An increase to conduct a one-year socioeconomic study by the Racing and Gaming Commission required by Iowa Code section 99F.4(24) .	125,000

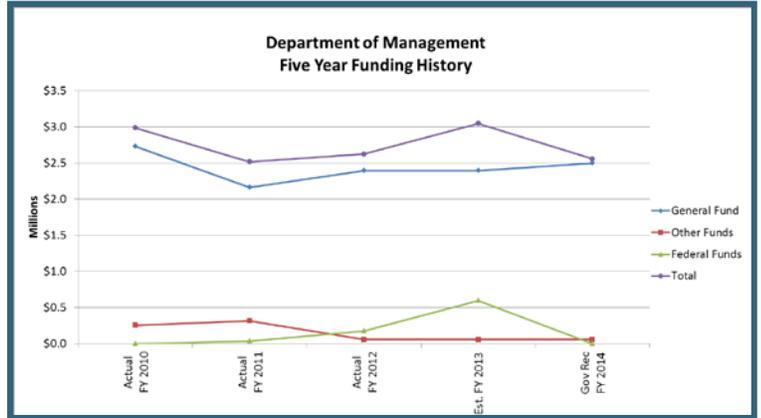
Issues

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 \$1.3 million. The Fund balances have ranged from a low of \$2,700 to a high of \$6.1 million, with an average balance of \$2.3 million. During the first quarter of FY 2013, the Fund has had receipts of \$3.1 million from four cases and has a balance of \$6.1 million as of October 2012. A total of \$3.0 million was appropriated for DIA operations in FY 2013, leaving approximately \$3.1 million unspent. *The Governor is recommending shifting funding from the Medicaid Fraud Fund to the General Fund.*

DEPARTMENT OF MANAGEMENT

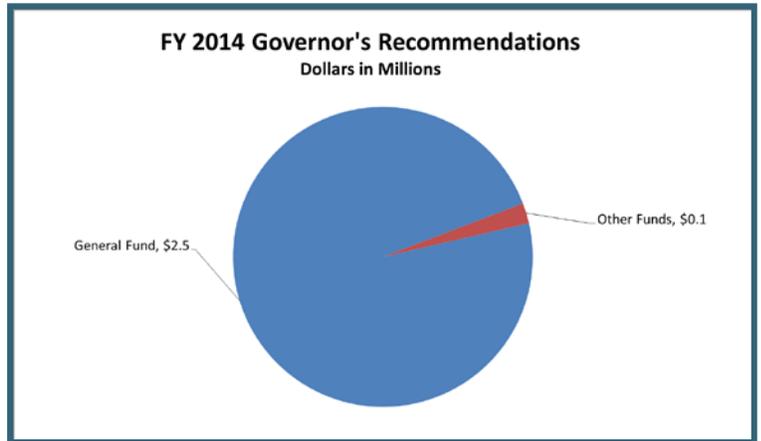
Agency Overview: The [Department of Management \(DOM\)](#) is the planning and budgeting agency within the Executive Branch. The director of the DOM serves as the Governor’s chief financial advisor.

Funding History: The Department’s funding comes primarily from the State General Fund, and a small amount (\$56,000) comes from the Road Use Tax Fund (RUTF). Funding for the DOM decreased in FY 2011 and has been recovering in recent years.



Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$2.5 million. This is an increase of \$105,000 compared to estimated FY 2013 to establish a LEAN Office within the Department. The Governor is recommending FY 2014 other funds appropriations totaling \$56,000. This is no change compared to estimated FY 2013.



FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$2.5 million. This is no change compared to the Governor’s FY 2014 recommendation. The Governor is recommending FY 2015 other funds appropriations totaling \$56,000. This is no change compared to the Governor’s FY 2014 recommendation.

FY 2012 Quick Facts – Management

18,608
Full-time State workforce

\$6,012,453,315
Total State General Fund expenditures

\$4,641,538,000
Total Iowa property tax levies

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Management, Dept. of				
Management, Dept. of Department Operations	\$ 2,393,998	\$ 2,393,998	\$ 2,498,998	\$ 105,000
Total Management, Dept. of	<u>\$ 2,393,998</u>	<u>\$ 2,393,998</u>	<u>\$ 2,498,998</u>	<u>\$ 105,000</u>

Governor's Recommendations – Significant Changes

Department of Management – Operations	
An increase for a LEAN Office within the Department staffed by 1.0 FTE position.	\$ 105,000

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Management, Dept. of				
Management, Dept. of DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0
Total Management, Dept. of	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>\$ 0</u>

IOWA PUBLIC INFORMATION BOARD

The [Iowa Public Information Board](#) was created by [SF 430 \(Public Information Board Act\)](#) during the 2012 legislative session to provide an alternative for complaint proceedings regarding open meetings and public record laws. The Board consists of nine members appointed by the Governor and confirmed by the Senate. It is permitted to hire one employee, an attorney, to serve as an Executive Director. Prior to establishment of the Board, complaints relating to the open meetings and public records laws were handled by different agencies in the State. The Office of Citizens' Aide/Ombudsman handled many of these cases. In addition, some cases were handled by the Attorney General's Office, as well as internally by local entities. Board appointments were made, and the Board began meeting in July 2012 to organize, develop administrative rules, and identify staffing needs and budget requirements.

Governor's Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations of \$490,000 for the Board. This is a new appropriation.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$490,000 for the Board. This is no change compared to the Governor's FY 2014 recommendation.

General Fund Recommendations

Public Information Board				
Public Information Board				
Iowa Public Information Board	\$ 0	\$ 0	\$ 490,000	\$ 490,000
Total Public Information Board	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 490,000</u>	<u>\$ 490,000</u>

Governor’s Recommendations – Significant Changes

Iowa Public Information Board	
A new appropriation for Board operations including 5.0 FTE positions.	\$ 490,000

Issues

Organization and Progress – The Subcommittee may want to review the progress made by the Board and identify statutory changes needed for implementation and hiring staff. *The Governor is recommending funding this new agency with five staff.*

DEPARTMENT OF REVENUE

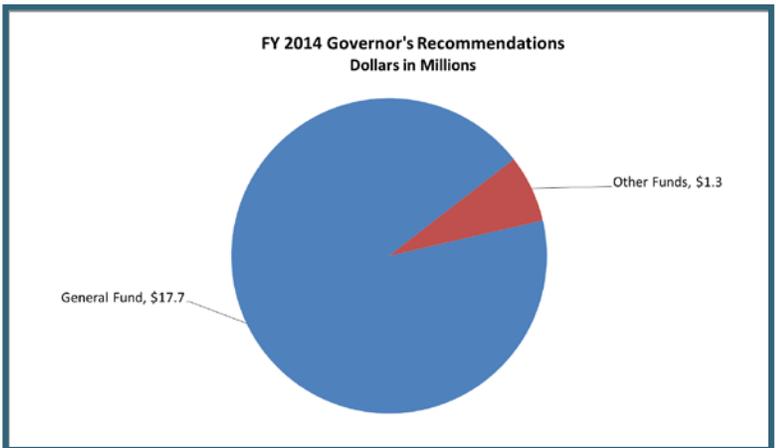
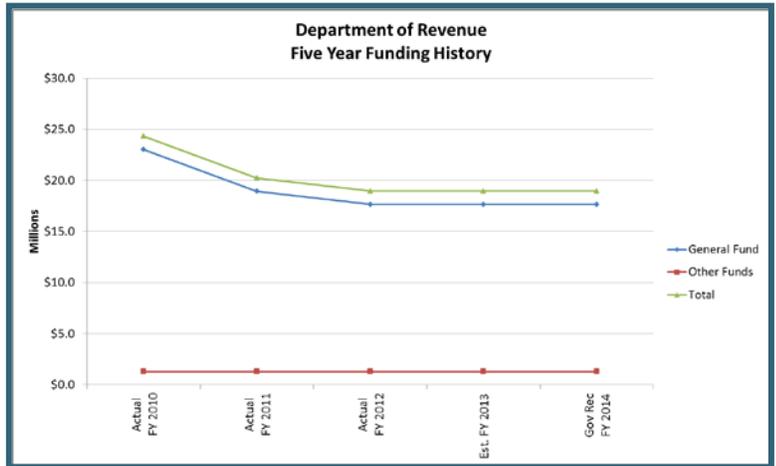
Agency Overview: The [Department of Revenue \(DR\)](#) is comprised of six divisions, including: Taxpayer Services and Policy, Compliance, Property Tax, Revenue Operations, Technology and Information Management, and Internal Services. The Department of Revenue collects all taxes in Iowa that are required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

Funding History: The Department receives \$1.3 million from the Motor Vehicle Fuel Tax Fund for administration, and the remaining appropriations come from the General Fund. General Fund appropriations decreased for FY 2010 and FY 2011.

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$17.7 million. This is no change compared to estimated FY 2013. The Governor is recommending FY 2014 other funds appropriations totaling \$1.3 million. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$92.0 million. This is an increase of \$74.3 million compared to the Governor’s FY 2014 recommendation to reimburse local governments for the reduced property tax revenues associated with the commercial, industrial, and railroad forced rollbacks under the Governor’s property tax reform proposal. The Governor is recommending FY 2015 other funds appropriations totaling \$1.3 million. This is no change compared to the Governor’s FY 2014 recommendation.



FY 2011 Quick Facts – Revenue

\$2,952,005,271

Net Individual Income Tax

\$257,812,459

Net Corporate Income Tax

\$2,686,473,157

Net Sales and Use Tax

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Revenue, Dept. of				
Revenue, Dept. of Revenue, Department of	\$ 17,659,484	\$ 17,659,484	\$ 17,659,484	\$ 0
Total Revenue, Dept. of	<u>\$ 17,659,484</u>	<u>\$ 17,659,484</u>	<u>\$ 17,659,484</u>	<u>\$ 0</u>

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Revenue, Dept. of				
Revenue, Dept. of Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0
Total Revenue, Dept. of	<u>\$ 1,305,775</u>	<u>\$ 1,305,775</u>	<u>\$ 1,305,775</u>	<u>\$ 0</u>

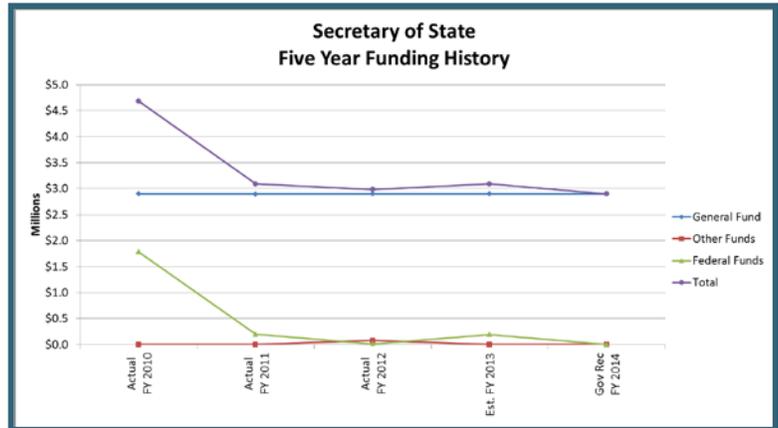
Issues

Upgrade of Computer Systems – The Department has implemented some inexpensive upgrades to technology, including automation of a billing process, automation of FMLA documentation processes, upgrading to Windows 7, setting up Twitter accounts to communicate with taxpayers, and offering educational webinars. Other major systems for tax processing are in need of upgrading or replacement.

SECRETARY OF STATE

Agency Overview: The Office of [Secretary of State](#) was created in 1857 in [Article IV, Section 22](#), of the Iowa Constitution. The duties of the Office are spelled out in Iowa Code chapter [9](#). The mission of the Office of the Secretary of State is to provide access to information about businesses in Iowa conveniently and economically, ensure election integrity and access to voting for Iowa citizens, and encourage Iowans to become civically engaged. 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.

Funding History: The Secretary of State receives an annual appropriation from the General Fund for the majority of the operational cost of the Office.



FY 2012 Quick Facts – Secretary of State

2,144,612
Registered Iowa voters in the 2012 General Election

1,572,198
Total Iowa votes cast in the 2012 General Election

679,118
Absentee Iowa voters in the 2012 General Election

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations of \$2.9 million. This represents no change compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$2.9 million. This represents no change compared to the Governor’s FY 2014 recommendation.

General Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Secretary of State</u>				
Secretary of State Secretary of State - Operations	\$ 2,895,585	\$ 2,895,585	\$ 2,895,585	\$ 0
Total Secretary of State	\$ 2,895,585	\$ 2,895,585	\$ 2,895,585	\$ 0

Issues

Voter Registration – The Subcommittee may want to examine the efforts of the Secretary of State as they relate to voter registration.

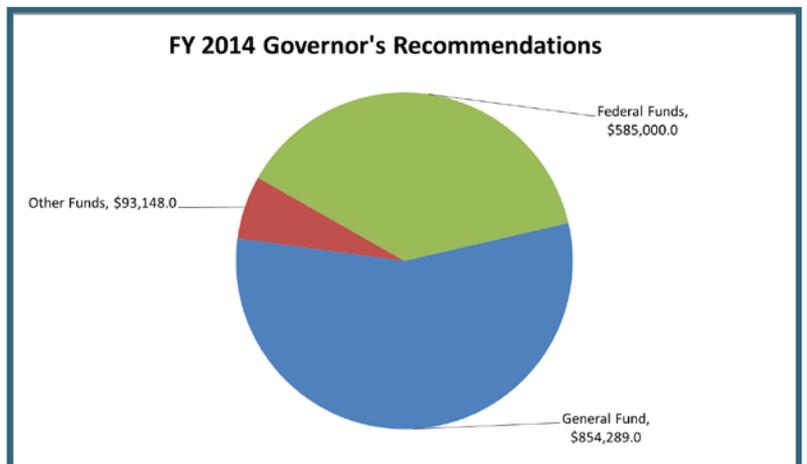
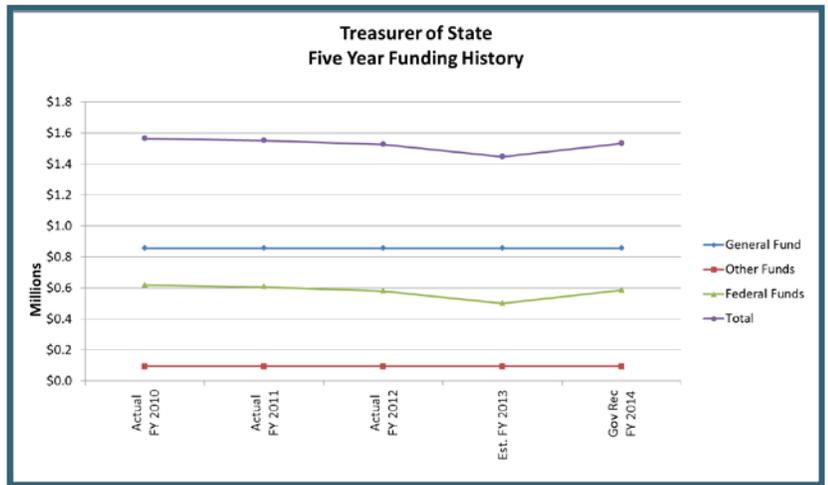
Residential Construction Mechanics Liens – [House File 675](#) (Mechanics Liens) relates to mechanics liens and the establishment of a State Construction Registry (SCR) for residential construction property and the State Construction Registry Fund. The Subcommittee may want to examine the status of the implementation of HF 675.

TREASURER OF STATE

Agency Overview: The position of [Treasurer of State](#) was created in 1857 by [Article IV, Section 22](#), of the Iowa Constitution. The Treasurer is elected by a statewide popular vote and serves a four-year term. The duties and responsibilities of the Office are specified in Iowa Code chapter [12](#). 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.

Funding History: The Treasurer of State’s Office receives an annual appropriation from the General Fund to fund the majority of the operational cost of the Office related to State finance and accounting activities. In addition to the General Fund appropriation, the Treasurer’s Office receives an annual appropriation from the Road Use Tax Fund that is used to reimburse the Department of Administrative Services for providing information technology services related to the administration of the Road Use Tax Fund.

The Office also receives operating revenues through reimbursements from other funding sources for providing staff support for various programs including: Unclaimed Property, Iowa Educational Savings Plan Trust, Protection of Public Fund Deposits, IPERS Fund, Peace Officers Retirement System, Judicial Retirement System, Tobacco Settlement Authority, and Cash Management.



Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations of \$854,000. This represents no change compared to estimated FY 2013.

The Governor is also recommending a Road Use Tax Fund appropriation of \$93,000 for FY 2014 to fund 1/3 budget system expenses. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$854,000. This represents no change compared to the Governor’s FY 2014 recommendation.

The Governor is also recommending a Road Use Tax Fund appropriation of \$93,000 for FY 2015 to fund 1/3 budget system expenses. This represents no change compared to the Governor’s FY 2014 recommendation.

General Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Treasurer of State</u>				
Treasurer of State Treasurer - General Office	\$ 854,289	\$ 854,289	\$ 854,289	\$ 0
Total Treasurer of State	<u>\$ 854,289</u>	<u>\$ 854,289</u>	<u>\$ 854,289</u>	<u>\$ 0</u>

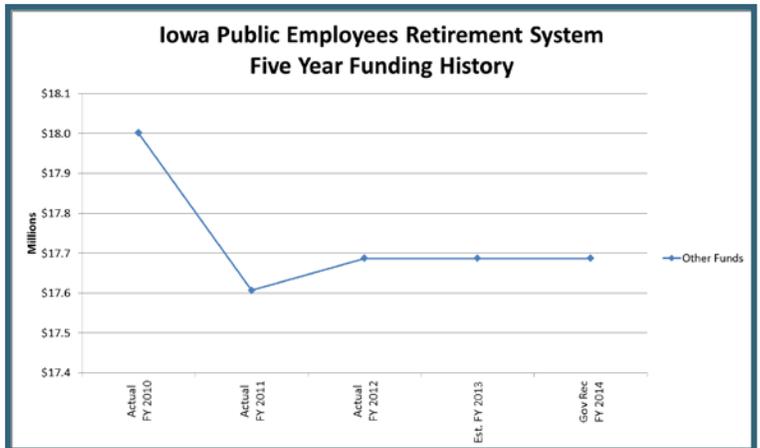
Other Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Treasurer of State</u>				
Treasurer of State I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0
Total Treasurer of State	<u>\$ 93,148</u>	<u>\$ 93,148</u>	<u>\$ 93,148</u>	<u>\$ 0</u>

IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Agency Overview: 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.

Funding History: Funding for IPERS comes from the IPERS' Trust Fund and has been stable in recent years.



Governor's Recommendations

FY 2014: The Governor is recommending an appropriation of \$17.7 million from the IPERS Trust Fund for FY 2014 for administration of the Fund. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending an appropriation of \$15.7 million from the IPERS Trust Fund for FY 2014 for administration of the Fund. This is a decrease of \$2.0 million compared to estimated FY 2013 due to completion of the implementation of the I-Que computer system.

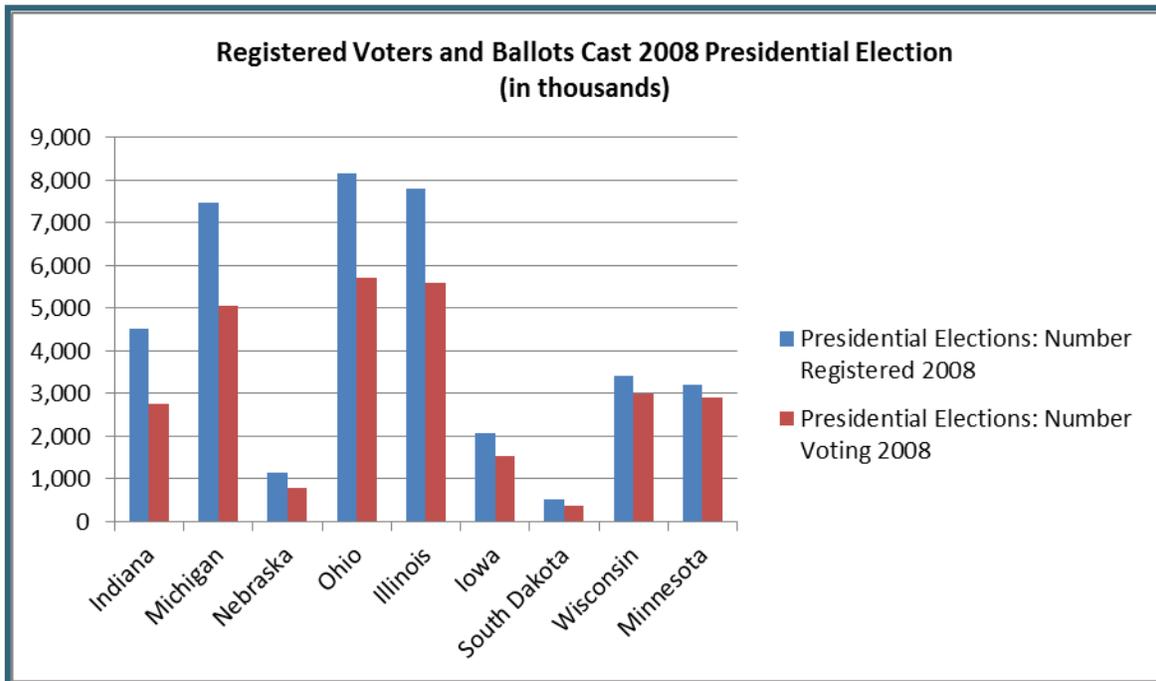
Other Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>IPERS Administration</u>				
IPERS Administration	\$ 17,686,968	\$ 17,686,968	\$ 17,686,968	\$ 0
Total IPERS Administration	\$ 17,686,968	\$ 17,686,968	\$ 17,686,968	\$ 0

Comparison to Other States – Presidential Elections Voting

Data reported in the Book of States and presented on the [Council of State Governments States Perform](http://www.statesperform.org) website, showed the percent of registered voters during the 2008 presidential elections in Iowa was 74.0%. Other Midwest states showed the following percentages for voting: Minnesota 90.9%, Wisconsin 87.6%, South Dakota 75.2%, Illinois 71.6%, Ohio 69.8%, Nebraska 69.2%, Michigan 67.5% and Indiana 60.9%. The chart shows the number of registered voters and the number of votes cast for the 2008 presidential election.

For additional comparison, please refer to <http://www.statesperform.org/Default.aspx>.



LSA Publications

The following *Issue Reviews*, *Fiscal Topics*, and *Fiscal One-On-One Audios* have been issued by the LSA that relate to the Administration and Regulation Appropriations Subcommittee:

- *Issue Review:*
 - [Department of Administrative Services Cost Savings](#)
 - [Executive Branch Employees: January 2011 and August 2012](#)
- *Budget Unit Fiscal Topics:*
 - [Governor/Lt Governor's Office](#)
 - [Terrace Hill Quarters](#)
 - [Auditor of State](#)
 - [Secretary of State](#)
 - [Treasurer of State](#)

[Performance of Duty](#)
[I-3 Expense - Road Use Tax Fund \(RUTF\)](#)
[Department of Administrative Services](#)
[Department of Management](#)
[Iowa Ethics and Campaign Finance Disclosure Board](#)
[Food and Consumer Safety Bureau, Department of Inspections and Appeals](#)
[Administrative Hearings Division, Department of Inspection and Appeals](#)
[Investigations Division, Department of Inspections and Appeals](#)
[Racing and Gaming: Pari-Mutuel Regulation](#)
[Racing and Gaming: Riverboat Regulation](#)
[Department of Revenue](#)
[Community Advocacy and Services Division, Department of Human Rights](#)
[Criminal and Juvenile Justice Planning Division, Department of Human Rights](#)
[Alcoholic Beverages Division](#)
[Lottery Authority](#)

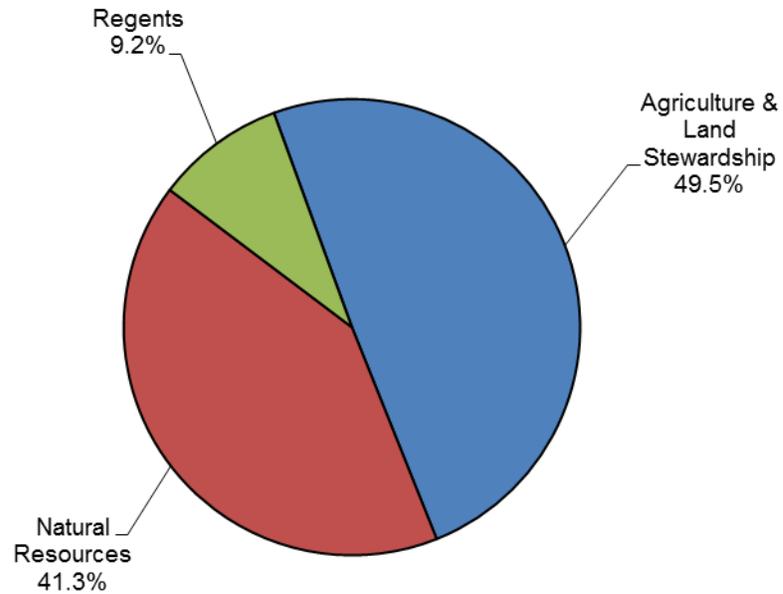
- *Fiscal Topics:*
 - [FY 2012 Performance of Duty Expenditures](#)
 - [HIPIOWA-FED Health Insurance Plan](#)
 - [HIPIOWA - State High-Risk Health Insurance Pool](#)
- *Fiscal One-On-One Audio Interviews:*
 - [Insurance Commissioner](#) (link opens the mp3 file)
 - [Lottery History and Operations](#) (link opens the mp3 file)

The following reports of general interest have been issued by the LSA:

- *Fiscal One-On-One Audio Interviews:*
 - [State Budget Process](#)
 - [Legislative Bill Drafting](#)
 - [Revenue Estimating Conference \(REC\)](#)
- *Issue Reviews:*
 - [Trends in General Fund Appropriations](#)
 - [Iowa's Expenditure Limitation Process](#)

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FY 2014 General Fund Governor's Recommendations



FY 2014 General Fund Governor's Recommendations

Agriculture & Land Stewardship	\$	17,500,524
Natural Resources		14,616,700
Regents		3,237,636
	\$	<u>35,354,860</u>

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Overview and Funding History

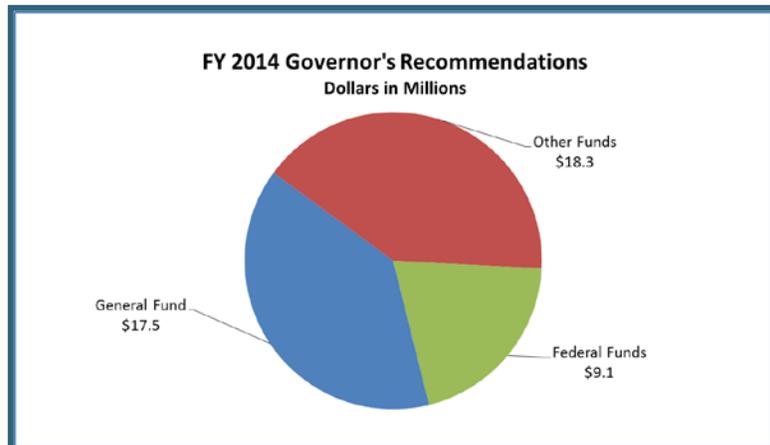
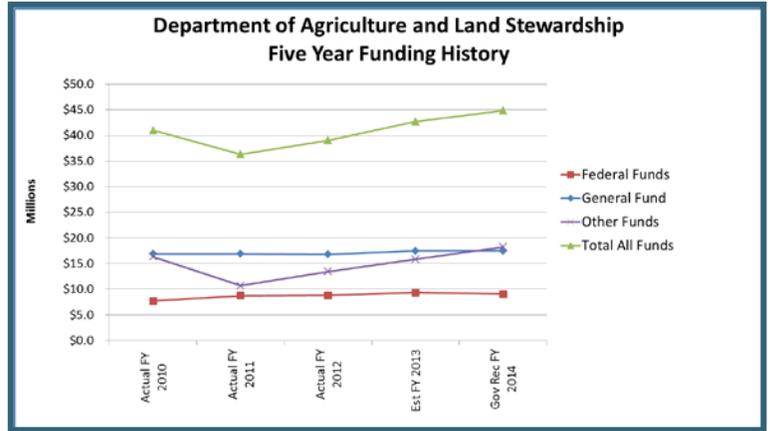
Agency Overview: The Department of Agriculture and Land Stewardship (DALs) was created in 1923 to oversee agriculture in the State. Land stewardship functions were added in 1986. The Department has three operating divisions: the Consumer Protection and Industry Services Division, the Food Safety and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

Funding History: Funding for the DALs from the General Fund has gradually increased from FY 2010 to FY 2014. Beginning in FY 2012, funding for the Milk Inspection Program was moved from the Department of Public Health to the DALs. Other funding to the DALs has increased since FY 2011.

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$17.5 million. This is no change compared to estimated FY 2013. The Governor is also recommending FY 2014 other fund appropriations totaling \$18.3 million. This is an increase of \$2.4 million compared to estimated FY 2013, and is intended to begin implementation of the Nutrient Reduction Strategy. The other fund appropriation also includes \$1.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) for the Agricultural Drainage Wells Program.

FY 2015: The Governor is recommending General Fund appropriations totaling \$17.5 million. This is no change compared to estimated FY 2014. The Governor is also recommending other fund appropriations totaling \$20.3 million for FY 2015. This recommendation is an increase of \$2.0 million compared to estimated FY 2014 for the Nutrient Reduction Strategy.



FY 2011 Quick Facts

92,300
Number of farms in Iowa

\$5,700
Average Iowa farm real estate price per acre

333 acres
Average farm size

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Administrative Division	\$ 17,081,328	\$ 17,704,378	\$ 17,081,328	\$ 0
Milk Inspections	189,196	189,196	189,196	0
Farmers with Disabilities	130,000	130,000	130,000	0
Local Food and Farm	75,000	75,000	75,000	0
Agricultural Education	25,000	25,000	25,000	0
Total Agriculture and Land Stewardship	\$ 17,500,524	\$ 18,123,574	\$ 17,500,524	\$ 0

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Native Horse & Dog Prog-Unclaimed Winning:	\$ 305,516	\$ 305,516	\$ 305,516	\$ 0
Motor Fuel Inspection - RFIF	500,000	500,000	500,000	0
Conservation Reserve Enhance - EFF	1,000,000	1,000,000	1,000,000	0
Watershed Protection Fund - EFF	900,000	900,000	900,000	0
Farm Management Demo - EFF	625,000	625,000	625,000	0
Agricultural Drainage Wells - EFF	550,000	550,000	550,000	0
Soil & Water Conservation - EFF	2,550,000	2,550,000	2,550,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	1,000,000	0
Cost Share - EFF	6,650,000	6,650,000	6,650,000	0
Fuel Inspection - UST	250,000	250,000	250,000	0
Agricultural Drainage Wells - RIIF	1,000,000	1,000,000	1,000,000	0
Water Quality Nutrient Mgmt - EFF	0	2,400,000	2,400,000	2,400,000
Total Agriculture and Land Stewardship	\$ 15,330,516	\$ 17,730,516	\$ 17,730,516	\$ 2,400,000
Loess Hills Dev. and Conservation				
Loess Hills - EFF	\$ 525,000	\$ 525,000	\$ 525,000	\$ 0
Total Agriculture and Land Stewardship	\$ 15,855,516	\$ 18,255,516	\$ 18,255,516	\$ 2,400,000

Issues

Iowa Nutrient Reduction Strategy – On November 19, 2012, Iowa released a Nutrient Reduction Strategy in response to the federal Gulf Hypoxia Action Plan. The Strategy was developed by the DALS, the Department of Natural Resources (DNR), and Iowa State University (ISU). Resulting from two years of work, researchers relied on a science-based approach to evaluate nutrient reduction strategies for point sources and nonpoint sources. Examples of point sources include wastewater treatment plants and industrial facilities, whereas nonpoint sources could include farms and urban centers. The goal is to reduce nitrogen and phosphorous concentration each by 45.0%. To accomplish this goal, the strategy sets reduction targets for both point and nonpoint sources of nutrient loading. Public comment period, originally ended on January 3, 2013, was extended two weeks until January 18, 2013.

The Strategy document is divided into three main sections; Policy Considerations and Strategy, Nonpoint Source Science Assessment, and Point Source Science Assessment. The policy section outlines the framework to begin implementation including watershed prioritization, coordination, measurement, and reporting methods. The Water Resources Coordination Council is identified as a key organization for development and implementation.

The nonpoint source science section develops an inventory of established agricultural conservation practices, and analyzes the potential nutrient reduction benefits, construction, and maintenance costs. Although no single conservation practice will result in sufficient water quality improvements, the strategy presents multiple scenarios that can achieve targeted nutrient reductions. Estimated economic costs associated with implementing various scenarios are included. Initial investment costs for nitrogen scenarios range from \$1.2 billion to \$4.8 billion.

The point source section outlines best management practices needed to reduce nitrogen and phosphorous loading from point source generators. Currently there are 130 municipal and industrial facilities that have been issued discharge permits. Future discharge permits for these facilities will require implementation feasible treatment process changes for nutrient removal. If fully implemented, costs will be approximately \$1.5 billion over a 20-year period. *The Governor is recommending funding of \$2.4 million for FY 2014 from the Environment First Fund to begin implementation of the nonpoint portion of the strategy.*

Nutrient Balances in Iowa Cropping Systems Study – Senate File 509 (FY 2012 Agriculture and Natural Resources Appropriation Act) authorized \$50,000 for a soil nutrient balance study. Iowa’s agricultural productivity is dependent on nutrient stocks, and there is concern among scientists and farmers that these nutrient stocks are declining. The study’s goals were to determine the likelihood of long-term nutrient stock decline, rates of soil stock change, and uncertainties in nutrient input and output measurement. To accomplish this, the study assessed the input and output balance of organic carbon, nitrogen, and phosphorous using two approaches. The first approach collected data from published studies and used this information to estimate input-output balances. The second approach measured the long-term change in organic carbon and nitrogen soil stocks at Iowa State University research farms.

Report results centered on nitrogen, carbon, and phosphorous stocks in corn-soybean rotations and continuous corn. The report determined that soil carbon and nitrogen stocks in corn-soybean rotations are at significant risk of long-term decline. Continuous corn systems maintained a positive nitrogen and carbon stock balance. The report concludes that phosphorous soil stocks in both cropping systems are at less risk for decline, and that stocks can be maintained over time with proper application rates and soil testing.

Drought – The ISU Department of Economics published [Anticipating Economic Impacts of the 2012 Drought](#) in August 2012 that lists the direct and indirect economic concerns related to the drought. Direct concerns include:

- Agriculture – Actual crop production declined; however, farm income was maintained as prices increased for the crops harvested. In addition, it is estimated that 90.0% of producers have crop insurance that offsets farm income losses. Higher grain prices have decreased profit margins for animal producers and may cause a decrease in future animal production.
- Commercial – Direct impacts to the following commercial sectors include:

- Ethanol and biodiesel production will have diminished profits as the price of corn and soybeans increase.
- Potential decrease in insurance profits due to the increased number of agriculture claims.
- Decreased tourism for communities located near large waterbodies.
- Businesses that sell trees or plants or that provide landscaping services experienced losses from reduced sales.
- Water supply – The DNR issues water supply permits to businesses that withdraw large amounts of water. Iowa Code chapter [455B.266](#) authorizes the DNR to review water usage and to determine allocation when supplies are low.

DEPARTMENT OF NATURAL RESOURCES

Overview and Funding History

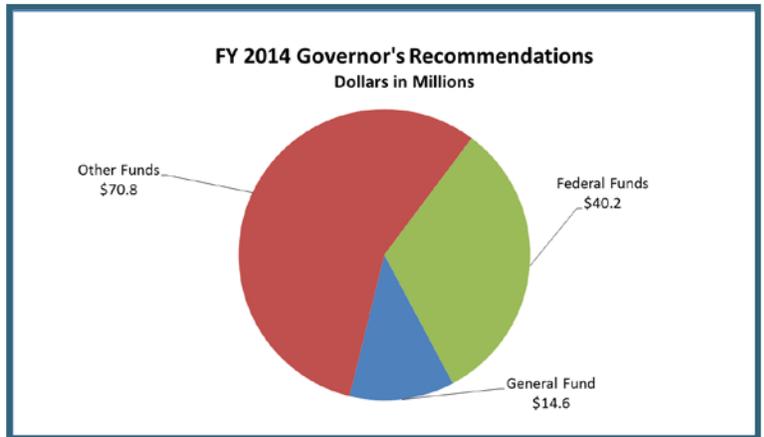
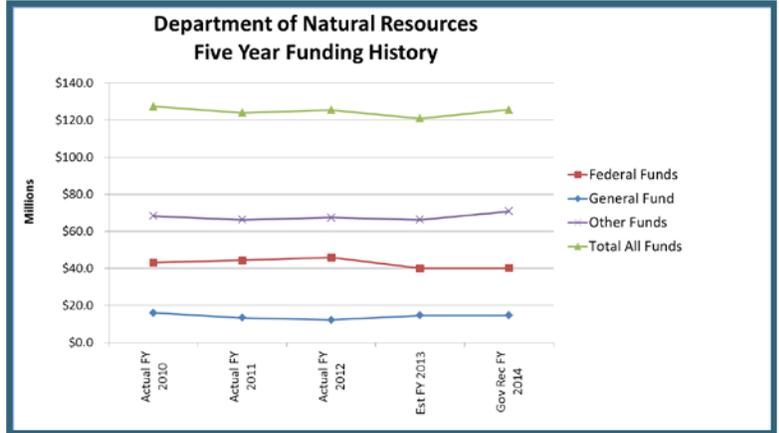
Agency Overview: The DNR is responsible for maintaining State parks and forests, protecting the environment, and managing energy, fish, wildlife, and land and water resources in Iowa. The Department has three operating divisions: the Management Services Division, the Environmental Services Division, and the Conservation and Recreation Division.

Funding History: Funding for the DNR has gradually increased from FY 2010 to FY 2014. Beginning in FY 2013, the DNR was appropriated \$2.0 million for the Floodplain Management Program and \$100,000 for the Forestry Health Program. Funding from other funds and federal funds remained constant for the five-year period.

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$14.6 million. This is no change compared to estimated FY 2013. The Governor is also recommending FY 2014 other fund appropriations totaling \$70.8 million. This is an increase of \$4.6 million compared to FY 2013 for increases in program funding from the Environment First Fund. This includes an increase of \$2.9 million to State Park operations, \$1.0 million to the Winterset Water Utility Project, \$500,000 to the DNR for animal confinement programs, and \$200,000 for the Keep Iowa Beautiful Program.

FY 2015: The Governor is recommending General Fund appropriations totaling \$14.6 million. This is no change compared to estimated FY 2014. The Governor is also recommending other fund appropriations totaling \$68.8 million for FY 2015, a decrease of \$2.0 million compared to FY 2013 for a decrease in funding to State Park operations.



FY 2012 Quick Fact

43,917
Acres of State Forest in Iowa

13.9 million
Visitors to Iowa State Parks or recreational areas

57 watersheds
Number of Hydrologic Unit Code (HUC) watersheds in Iowa as identified by the federal Geological Survey

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Natural Resources, Dept. of</u>				
Natural Resources				
Natural Resources Operations	\$ 12,516,700	\$ 12,516,700	\$ 12,516,700	\$ 0
Floodplain Management Program	2,000,000	2,000,000	2,000,000	0
Forestry Health Management	100,000	100,000	100,000	0
Total Natural Resources, Dept. of	\$ 14,616,700	\$ 14,616,700	\$ 14,616,700	\$ 0

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Natural Resources, Dept. of</u>				
Natural Resources				
Fish & Game- DNR Admin Expenses	\$ 41,078,234	\$ 41,078,234	\$ 41,078,234	\$ 0
GWF - Storage Tanks Study	100,303	100,303	100,303	0
GWF - Household Hazardous Waste	447,324	447,324	447,324	0
GWF - Well Testing Admin 2%	62,461	62,461	62,461	0
GWF - Groundwater Monitoring	1,686,751	1,686,751	1,686,751	0
GWF - Landfill Alternatives	618,993	618,993	618,993	0
GWF - Waste Reduction and Assistance	192,500	192,500	192,500	0
GWF - Solid Waste Authorization	50,000	50,000	50,000	0
GWF - Geographic Information System	297,500	297,500	297,500	0
Snowmobile Registration Fees	100,000	100,000	100,000	0
Administration Match - UST	200,000	200,000	200,000	0
Technical Tank Review - UST	200,000	200,000	200,000	0
Keep Iowa Beautiful - EFF	0	0	200,000	200,000
Total Natural Resources, Dept. of	\$ 45,034,066	\$ 45,034,066	\$ 45,234,066	\$ 200,000
<u>Natural Resources Capital</u>				
Natural Resources Capital				
Volunteers and Keepers of Land - EFF	\$ 100,000	100,000	100,000	\$ 0
Park Operations & Maintenance - EFF	3,710,000	3,710,000	6,610,000	2,900,000
GIS Information for Watershed - EFF	195,000	195,000	195,000	0
Water Quality Monitoring - EFF	2,955,000	2,955,000	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0
Animal Feeding Operations - EFF	620,000	620,000	1,120,000	500,000
Air Quality Monitoring-Ambient - EFF	425,000	425,000	425,000	0
Water Quantity - EFF	495,000	495,000	495,000	0
Geological and Water Survey - EFF	200,000	200,000	200,000	0
REAP - EFF	12,000,000	12,000,000	12,000,000	0
Winterset Water Utility - EFF	0	0	1,000,000	1,000,000
Total Natural Resources Capital	\$ 21,200,000	\$ 21,200,000	\$ 25,600,000	\$ 4,400,000

Issues

State Parks – The Iowa State Park system will celebrate their 100th anniversary in 2020. For FY 2013, State Parks will receive funding from the General Fund, the Environment First Fund, and the Rebuild Iowa Infrastructure Fund, as well as from camping receipts and other park-generated sources of income. Other assistance includes the following:

- There are 34 State Parks that have a designated Friends Group with volunteers that cut grass and complete other activities related to maintenance and operations. The Groups also volunteer as campground hosts or help with interpretive programs, and many Friends Groups host fundraising activities. In the 2011 State Parks and Recreation Areas Annual Report, it was estimated that 1,905 volunteers provided 39,950 hours of service with an estimated value of \$853,000 in free labor for 2011.
- In 2008, the Iowa Parks Foundation was founded to develop a private/public relationship and reconnect Iowa citizens to State Parks and other natural resource areas. The organization is working with the DNR to improve Iowa's most significant parks for the 100th year celebration in 2020.

The Governor is recommending funding of \$6.6 million for FY 2014 from the Environment First Fund. This is an increase of \$2.9 million compared to estimated FY 2013.

Keep Iowa Beautiful – Beginning in FY 2010, the DNR allocated \$200,000 from the Groundwater Protection Fund for a Beautification Grant Assistance Program. The grants can be awarded for the following:

- Funding to communities and organizations for cleanup and beautification projects.
- Conducting research projects related to littering and illegal dumping.
- Administering antilittering and beautification education programs.
- Increasing public awareness of the costs of littering.

The Governor is recommending funding of \$200,000 for FY 2014 from the Environment First Fund.

Winterset Utility Project – This project will focus on the improvement of Cedar Lake, the main source of water for Winterset, Iowa. The nitrate levels in Cedar Lake have exceeded federal limits, and the Lake is on the State's impaired water list that is submitted to the federal Environmental Protection Agency (EPA). The [Cedar Lake Watershed Project](#) provides additional information. *The Governor is recommending funding of \$1.0 million for FY 2014 from the Environment First Fund.*

Animal Feeding Operation Inspections – In 2007, a petition for the withdrawal of National Pollutant Discharge Elimination System (NPDES) Program authorization from the State of Iowa was submitted to the federal EPA by Iowa environmental groups. The petition alleged that Iowa's NPDES permitting program did not meet requirements of the Clean Water Act. The EPA conducted an investigation of the DNR, and produced a report during the summer of 2012. By the fall of 2012, the DNR and the EPA had agreed to a joint work plan to meet the EPA standards. The Work Plan develops seven objectives, a compliance timeline, and performance measures. The DNR is required to submit an annual progress report beginning August 1, 2013. *The Governor is recommending funding of \$1.1 million for FY 2014 from the Environment First Fund. This is an increase of \$500,000 compared to FY 2013.*

Deer Herd – Deer hunting is popular in Iowa. Trophy deer have been recorded locally by the DNR and nationally in publications such as the [Boone and Crockett Club's Big Game Records Program](#).

- Economic Impacts – The [2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation State Overview](#) was released by the federal Fish and Wildlife Service in September 2012. It was reported that in 2011, more than one million people in Iowa participated in some type of wildlife-related activity for persons 16 years of age or older and expended more than \$1.3 billion. The following table summarizes Iowa data:

2011 National Survey - Iowa Expenditures				
In Millions				
Activity	Food & Lodging	Equipment	Other	Total Expenditures
Fishing	\$ 100.6	\$ 159.7	\$ 17.7	\$ 278.0
Hunting	121.5	151.3	132.7	405.5
Wildlife Watching	64.1	535.8	111.3	711.2
Total	\$ 286.2	\$ 846.8	\$ 261.7	\$ 1,394.7

- Deer Disease – The DNR has been monitoring the following [diseases](#):
 - Epizootic Hemorrhagic Disease (EHD) is a virus is transmitted by a biting fly or midge found near water sources. In drought conditions, the deer population is more concentrated around water causing more deer to be infected. The disease causes the cell walls in the heart, lungs, and diaphragm to weaken and burst, and most deer die between one and four days after being infected. The last outbreak was in 1998, and there was a minimal impact on hunting. During 2012, there were 2,400 cases reported in 60 counties.
 - Chronic Wasting Disease (CWD) is a neurologic disease in deer and elk similar to Mad Cow Disease. The Iowa DNR has been testing deer for CWD since 2002. In July 2012, the DNR was notified by the Texas Veterinary Medical Diagnostic Laboratory that a deer from a shooting preserve in Davis County tested positive for the disease. Other cases of CWD were reported in Cerro Gordo County and Pottawattamie County breeding facilities, but all infected deer were traced to the breeding facility in Cerro Gordo County. The DNR and the DALS have worked together to implement the Chronic Wasting Disease Response Plan and have held several informational public meetings.
- Accidents – On October 25, 2012, [State Farm Insurance](#) released their annual report on vehicle-deer collisions for the year July 1, 2011, through June 30, 2012. Nationwide, the number of accidents increased by 7.7% and West Virginia was the state most likely to have a car/deer accident. South Dakota was ranked second and Iowa dropped from second to third place.

Floodplain Maps – The DNR is working with the Iowa Flood Center, the Federal Emergency Management Agency (FEMA) and others to develop accurate [floodplain maps](#) for all Iowa counties and cities. These maps will not be used for flood insurance purposes, but are intended to define boundaries for 100-year or 500-year flood occurrences. The DNR hired floodplain mapping consultants to work with FEMA to develop Flood Insurance Rate Maps (FIRMs) that can be used for flood insurance purposes. This information will allow individuals and local governments to evaluate flooding risks related to their properties.

Board of Regents

The Board of Regents oversees the three State universities, including 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 2014 for the Veterinary Diagnostic Laboratory. This is no change compared to estimated FY 2013.

General Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Veterinary Diagnostic Laboratory	\$ 3,237,636	\$ 4,000,000	\$ 3,237,636	\$ 0
Total Regents, Board of	<u>\$ 3,237,636</u>	<u>\$ 4,000,000</u>	<u>\$ 3,237,636</u>	<u>\$ 0</u>

Environment First Fund

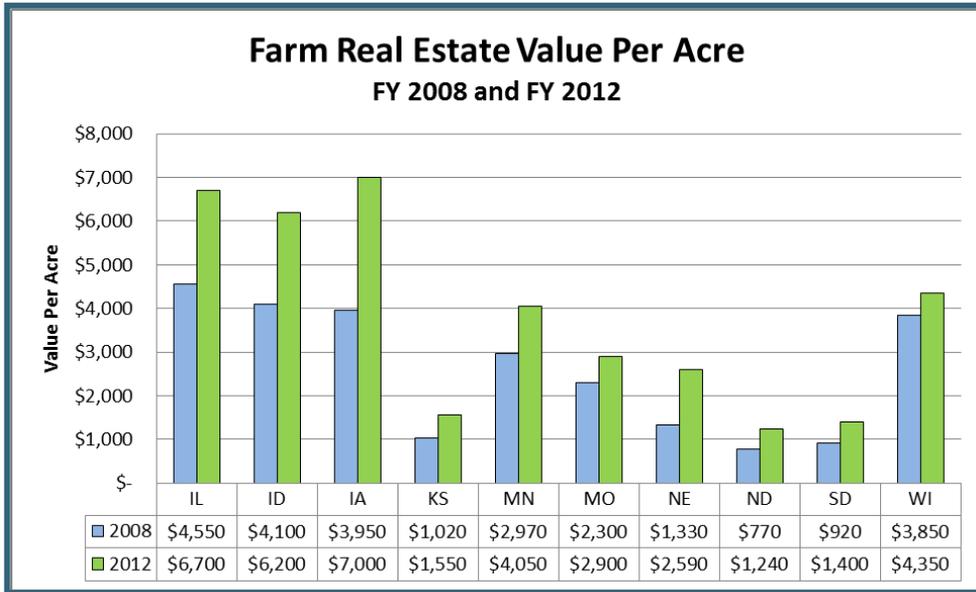
The Environment First Fund was created by the 2000 General Assembly to provide funding for environmental programs and began with a standing appropriation of \$35.0 million in FY 2001 from the Rebuild Iowa Infrastructure Fund (RIIF); however, funding levels have varied over the years. The Agriculture and Natural Resources Appropriations Subcommittee makes recommendations to the General Assembly regarding programs that should receive appropriations from the Fund.

The Governor is recommending funding of \$42.0 million from the Environment First Fund. This is an increase of \$7.0 million compared to FY 2013. The following chart compares Program funding for estimated FY 2012 and the Governor’s recommendations for FY 2013.

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Conservation Reserve Enhance - EFF	1,000,000	1,000,000	1,000,000	0
Watershed Protection Fund - EFF	900,000	900,000	900,000	0
Farm Management Demo - EFF	625,000	625,000	625,000	0
Agricultural Drainage Wells - EFF	550,000	550,000	550,000	0
Soil & Water Conservation - EFF	2,550,000	2,550,000	2,550,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	1,000,000	0
Cost Share - EFF	6,650,000	6,650,000	6,650,000	0
Water Quality Nutrient Mgmt - EFF	0	2,400,000	2,400,000	2,400,000
Total Agriculture and Land Stewardship	\$ 13,275,000	\$ 15,675,000	\$ 15,675,000	\$ 2,400,000
Loess Hills Dev. and Conservation				
Loess Hills - EFF	\$ 525,000	\$ 525,000	\$ 525,000	\$ 0
Total Agriculture and Land Stewardship	\$ 13,800,000	\$ 16,200,000	\$ 16,200,000	\$ 2,400,000
<u>Natural Resources, Dept. of</u>				
Natural Resources Capital				
Volunteers and Keepers of Land - EFF	\$ 100,000	100,000	100,000	0
Park Operations & Maintenance - EFF	3,710,000	3,710,000	6,610,000	2,900,000
GIS Information for Watershed - EFF	195,000	195,000	195,000	0
Water Quality Monitoring - EFF	2,955,000	2,955,000	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0
Animal Feeding Operations - EFF	620,000	620,000	1,120,000	500,000
Ambient Air Quality Monitoring - EFF	425,000	425,000	425,000	0
Water Quantity - EFF	495,000	495,000	495,000	0
Geological and Water Survey - EFF	200,000	200,000	200,000	0
REAP - EFF	12,000,000	12,000,000	12,000,000	0
Winterset Water Utility	0	0	1,000,000	1,000,000
Keep Iowa Beautiful	0	0	200,000	200,000
Total Natural Resources, Dept. of	\$ 21,200,000	\$ 21,200,000	\$ 25,800,000	\$ 4,600,000
Total Environment First Fund	\$ 35,000,000	\$ 37,400,000	\$ 42,000,000	\$ 7,000,000

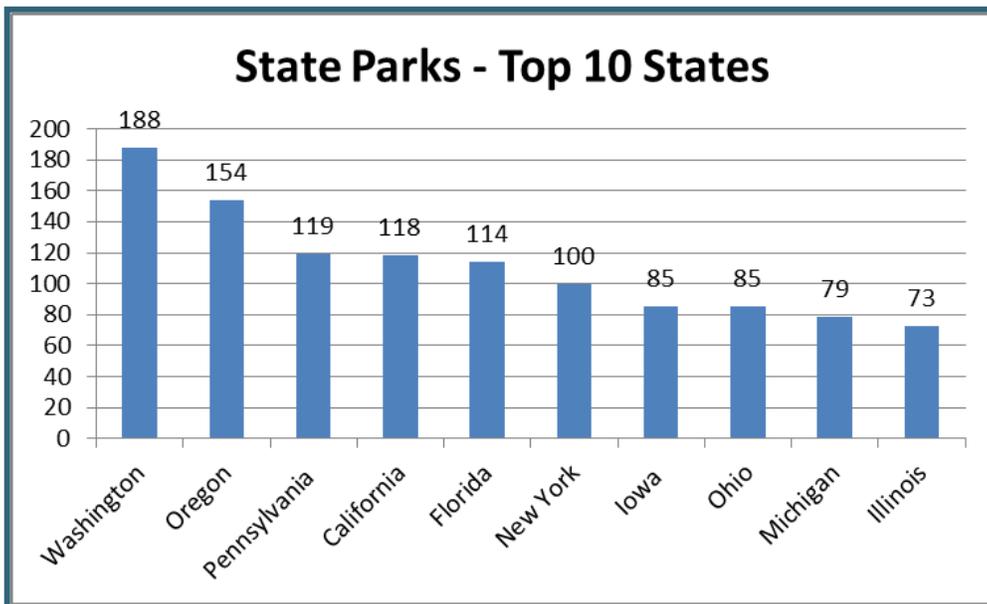
Comparison to Other States – Farmland Values

Data gathered from the [Land Values 2012 Summary Report](#) reported by the federal Department of Agriculture, compared the average value per acre of farm real estate for 2008 through 2012. Over the four-year period, the average value per acre of farm real estate in the United States increased from \$2,170 to \$2,650 per acre (22.1%). However, in Iowa, the average value per acre increased from \$3,950 to \$7,000 per acre (77.2%). The graph shows average value per acre and the percentage change from 2008 to 2012 in land value for states in the Midwest.



Comparison to Other States – State Parks

Data gathered from the [State Parks](#) website, showed that Iowa ranks seventh for the number of State Parks in the United States. The following graph has the top ten states and the number of State Parks.



Interim Committees, Meetings, and Publications

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

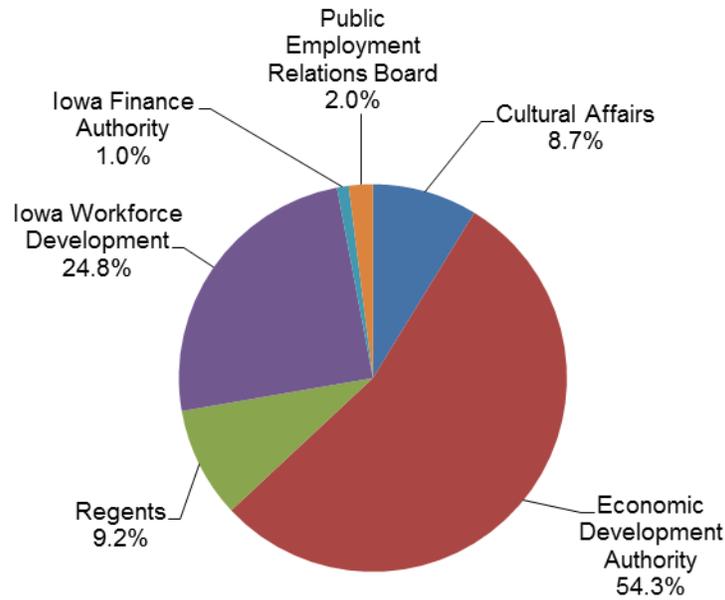
The following *Fiscal Topics* and *Issue Reviews* have been issued by the LSA that relate to the Agriculture and Natural Resources Appropriations Subcommittee:

- *Issue Review:* [Iowa Soil and Water Conservation Cost Share Program](#)
- *Fiscal Audio One-On-One Topics:*
 - [Resource Enhancement and Protection Fund \(REAP\)](#) (link opens the mp3 file)
 - [Project Aware](#) (link opens the mp3 file)
- *Fiscal Topics:*
 - [Groundwater Protection Fund](#)
 - [Resource Enhancement and Protection Fund](#)
 - [Environment First Fund](#)
- *Budget Unit Fiscal Topics:*
 - [DALS – Administrative Division](#)
 - [Department of Natural Resources – Operations](#)
 - [Water Protection Fund](#)
 - [Conservation Reserve Enhancement Program](#)
 - [Alternative Drainage Assistance Fund](#)
 - [Watershed Protection Fund](#)
 - [Conservation Reserve Program](#)
 - [Conservation Cost Share Program](#)
 - [All-Terrain Vehicle Registration Fund](#)
 - [Fish and Game Protection Fund](#)
 - [Snowmobile Registration Fund](#)
 - [Forestry Management and Enhancement Fund](#)
 - [Brucellosis and Tuberculosis Eradication Fund](#)

[Animal Agriculture Compliance Fund](#)
[Waste Volume Reduction and Recycling Fund](#)
[Blufflands Protection Revolving Fund](#)
[Abandoned Mined Land Reclamation Fund](#)
[Watershed Improvement Review Program](#)

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FY 2014 General Fund Governor's Recommendations



FY 2014 General Fund Governor's Recommendations

Cultural Affairs	\$	5,874,942
Economic Development Authority		36,446,251
Regents		6,208,297
Iowa Workforce Development		16,619,819
Iowa Finance Authority		658,000
Public Employment Relations Board		1,341,926
	\$	<u>67,149,235</u>

DEPARTMENT OF CULTURAL AFFAIRS

Overview and Funding History

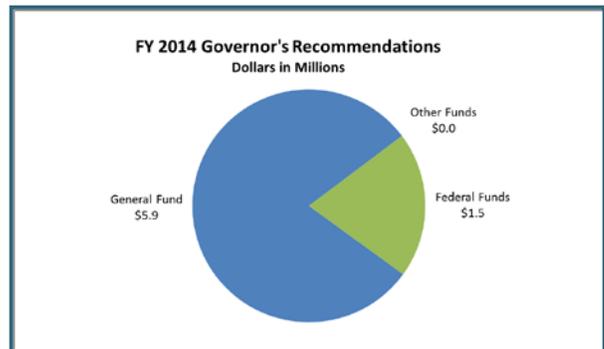
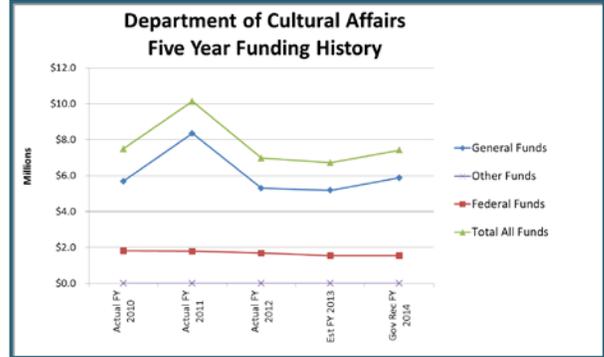
Agency Overview: The [Iowa Department of Cultural Affairs](#) (DCA) has primary responsibility for development of the State’s interest in the areas of the arts, history, and other cultural matters. In fulfilling this responsibility, the DCA is advised and assisted by the State Historical Board of Trustees, and the Iowa Arts Council.

Funding History: The DCA receives three main appropriations for the operation of its Divisions, and other appropriations for individual projects and programs. Funding over the last five years has been decreasing slightly at both the State and federal levels as illustrated in the line graph to the right with a small increase coming in FY 2013 for the additional responsibility of operating a Film Office. The spike in General Fund appropriations in FY 2011 was for a \$3.0 million supplemental appropriation for a grant to the nonprofit group that was awarded possession of the Battleship Iowa.

The DCA also receives funding for programs through the Rebuild Iowa Infrastructure Fund (RIIF) that is not reflected in the charts in this section. These include appropriations for Great Places and Historical Building Renovations.

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$5.9 million. This is an increase of \$700,000 compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$5.9 million. This is no change compared to the FY 2014 recommendation.



Quick Facts

\$143,283
 Amount raised at the State Historical Building
 25th Anniversary Gala

8
 Average number of flags restored per year

\$6.2 million
 Balance of the Iowa Cultural Trust Fund

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Cultural Affairs, Dept. of				
Cultural Affairs, Dept. of				
Administration Division	\$ 171,813	\$ 171,813	\$ 171,813	\$ 0
Community Cultural Grants	172,090	172,090	172,090	0
Historical Division	2,767,701	3,267,701	3,267,701	500,000
Historic Sites	426,398	426,398	426,398	0
Arts Division	1,133,764	1,133,764	1,333,764	200,000
Great Places	150,000	150,000	150,000	0
Archiving Former Governor's Papers	65,933	65,933	65,933	0
Records Center Rent	227,243	227,243	227,243	0
Battle Flag Stabilization	60,000	60,000	60,000	0
Total Cultural Affairs, Dept. of	\$ 5,174,942	\$ 5,674,942	\$ 5,874,942	\$ 700,000

Governor’s Recommendations: Significant Changes

An increase for the Historical Division for enhanced museum exhibits and additional staffing.	\$500,000
An increase to the Arts Division for the operations of the Film Office.	\$200,000

Issues

Iowa Battle Flag Restoration – The annual spending over the past three fiscal years has averaged \$94,000. This spending has relied heavily on utilizing the balance carryforward from previous RIIF appropriations. The appropriations to the project for FY 2011 through FY 2013 have been less than the amount spent, depleting the amount of carryforward. The General Assembly may want to consider aligning the appropriations with expenditures for FY 2014, or the project will need to slow the pace of work or identify other sources of revenue. The project has been averaging eight restored flags per year at the current funding level.

Iowa Cultural Trust – The Iowa Cultural Trust Fund has a balance of \$6.2 million. When the principal balance in the Iowa Cultural Trust Fund 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. However, due to low interest rates, annual interest earned on the fund has been about \$20,000 over the past three fiscal years.

IOWA ECONOMIC DEVELOPMENT AUTHORITY

Overview and Funding History

Agency Overview: The [Iowa Economic Development Authority](#) (IEDA) is responsible for fostering the economic vitality of the State by working in focused partnerships with businesses, entrepreneurs, communities and educational entities. The IEDA’s primary responsibilities are in the areas of finance, marketing, local government and service coordination, exporting, tourism, job training and entrepreneurial assistance, and small business.

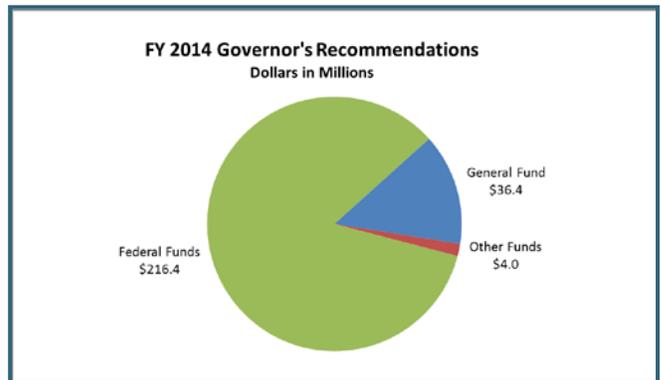
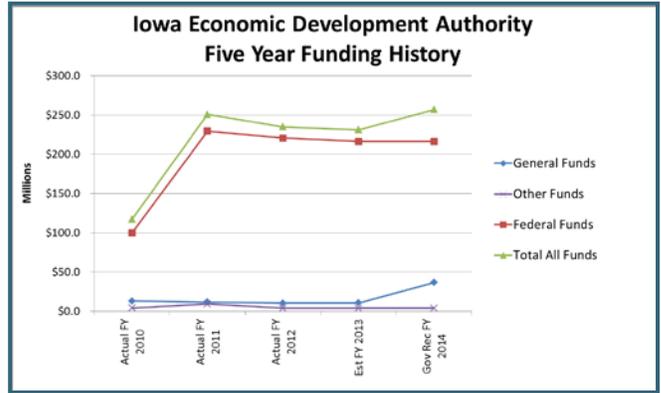
Funding History: The Economic Development appropriation first occurred in FY 2012 and funds the general operations of the IEDA. This appropriation currently represents approximately 60.0% of the IEDA’s operating budget. From FY 2003 through FY 2012, the Department of Economic Development received appropriations for the three main divisions (Administration, Business Development, and Community Development). Prior to that, the Department of Economic Development received separate appropriations for each program operated.

The graphs to the right cover all funds overseen by the IEDA. Most of the federal funds in these charts are part of the Community Development Block Grant (CDBG) Program that assists the development of viable communities by providing decent housing and suitable living environments and expanding economic opportunities, primarily for persons of low and moderate income.

The graphs to the right also do not reflect appropriations that the IEDA has received for the High Quality Jobs Program, Grow Iowa Values Fund Program, or other programs that receive funding through the RIIF.

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$36.4 million. This is an increase of \$25.7 million compared to estimated FY 2013. The Governor is also recommending other fund appropriations totaling \$4.0 million for FY 2014, no change compared to estimated FY 2013.

FY 2015: The Governor is recommending General Fund appropriations totaling \$36.4 million. This is no change compared to the FY 2014 recommendation.



Quick Facts

\$149.0 billion
Iowa’s Gross State Product in 2011

109
Number Direct Financial Assistance and Tax Credits Awards in FY 2011

\$7.2 billion
Domestic Travel Related Expenditures in Iowa in 2011

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Economic Development Authority</u>				
Economic Development Authority				
Economic Development Appropriation	\$ 9,783,424	\$ 9,783,424	\$ 16,268,118	\$ 6,484,694
World Food Prize	750,000	750,000	1,000,000	250,000
Iowa Comm Volunteer Serv - Promise	178,133	178,133	178,133	0
High Quality Jobs Program	0	0	19,000,000	19,000,000
Total Economic Development Authority	\$ 10,711,557	\$ 10,711,557	\$ 36,446,251	\$ 25,734,694

Governor’s Recommendations: Significant Changes

An increase to the Economic Development appropriation for marketing and general increases.	\$6,484,694
An increase for the World Food Prize to fund the appropriation at the statutory level.	\$250,000
A new General Fund appropriation for the High Quality Jobs Program.	\$19,000,000

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Economic Development Authority</u>				
Economic Development Authority				
Workforce Development Fund	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0
Total Economic Development Authority	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0

Issues

Councils of Governments – State support for the Iowa Council of Governments (COGs) has been funded in the past in a number of manners.

- In FY 1995 through FY 2007, the COGs were funded through an appropriation from the loan repayments of the Rural Community 2000 (RC 2000) Fund. Statewide funding for all COGs typically totaled \$150,000.
- In FY 2008, the appropriation to the COGs was \$40,412 from the repayments to the RC 2000 Fund.
- In FY 2009, the General Assembly appropriated \$160,000 from the Grow Iowa Values Fund interest, in addition to \$20,000 in loan repayments received by the RC 2000 Program.
- In FY 2010, the General Assembly appropriated \$144,000 from the Federal Economic Stimulus and Jobs Holding Account interest.

- In 2010, the General Assembly 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 FY 2011 FY 2013. The Economic Development Fund was repealed at the end of FY 2012; however, the IEDA was allowed to carry forward this funding to spend in FY 2013.

The money appropriated by the General Assembly is used to leverage federal and local dollars for various programs. The State dollars are typically, but not exclusively, utilized for matching dollars for the federal Economic Development Support for Planning Organizations Program administered by the U.S. Economic Development Administration. Over the past few years, the State's \$175,000 appropriation has leveraged \$980,000 in federal funding. Additionally, for some of the services provided to State agencies outlined above, the COGs receive administrative fees for the work done. *The Governor did not specifically address the COGs in his budget recommendation.*

Business Incentive/High Quality Jobs Program – The IEDA has two main components for business incentives through the High Quality Jobs Program: tax credits that are capped at \$120.0 million annually, and cash incentives that are appropriated by the Legislature. Within these tax credits and funds there are other programs that also have mandatory and discretionary allocation amounts.

In [2012 Iowa Acts chapter 1136](#), section 16 (FY 2013 Economic Development Appropriations Act) appropriated \$15.0 million from the RIF for High Quality Job Creation Financial Assistance. This is the successor program to the Economic Development (formerly Grow Iowa Values) Fund Financial Assistance Program. *The Governor is recommending a General Fund appropriation of \$19.0 million for this program.* Additionally, this program will have more money for incentives in FY 2014 and FY 2015 due to moving the IEDA's marketing budget from this Program to the General Fund. These costs are estimated at \$2.8 million in FY 2013, creating a cash incentives availability increase of \$6.8 million.

Additionally, the previous Economic Development Fund ending balance for cash incentives is \$14.3 million as of November 30, 2012. The IEDA indicated that it may transfer this balance under the provisions of [2011 Iowa Acts chapter 118](#), section 20.

The following table reflects the adopted budget, estimated monthly utilization, and balance available to date through FY 2013 for the High Quality Jobs Program.

High Quality Job Creation Cash Incentives

Award Month	Amount
Revenue	
Fiscal Year 2013 Appropriation	\$ 15,000,000
Interest Repayments	44
Allocated Amounts	
Administration	\$ 1,650,000
Laborshed Studies	275,000
National Marketing	2,800,000
Technical Assistance and Information Technology	750,000
Regional Financial Assistance	200,000
Innovation and Commercialization Transfer	800,000
Entrepreneur Investment Awards Program Transfer	200,000
Awards Obligated	
July Awards	\$ 360,000
August Awards	1,136,000
September Awards	344,000
October Awards	411,000
November Awards	1,500,000
December Awards*	700,000
Total Allocations and Award	<u>\$ 11,126,000</u>
Balance Remaining	<u>\$ 3,874,044</u>

*Estimated from Project Award documents

Source: Iowa Economic Development Authority Board Documents

The IEDA also has a tax credit cap that was established for FY 2010 in [Iowa Code section 15.119](#). In 2011, the IEDA presented a [report](#) to the Legislative Tax Expenditure Committee on its history and utilization. The IEDA presented an [updated report](#) in December 2012. If the IEDA exceeds the cap for a given fiscal year, the amount in excess is counted against the next fiscal year. Although the IEDA did not award more than \$120.0 million in FY 2012, it did run up against the cap once the mandatory \$10.0 million allocation for Innovation Fund Tax Credits and Community-Based Seed Capital Fund Tax Credits were included. No tax credits were awarded for these programs in FY 2012. The table on the next page reflects the adopted allocations and the year-to-date utilization.

Tax Credit Obligations					
Award Month	Business Awards (HQJC and EZ)	Housing Enterprise Zones	Brownfield Redevelopment Program	Innovation Investment Tax Credit	Total Available Balance
Fiscal Year 2013 Allocations	\$ 95,000,000	\$ 10,000,000	\$ 5,000,000	\$ 10,000,000	\$ 120,000,000
Awards					
Awards made in FY 2012	\$ 6,109,518	\$ 3,299,815	\$ 0	\$ 0	110,590,667
July Awards	223,500	1,558,515	0	0	108,808,652
August Awards	2,206,949	191,798	0	0	106,409,905
September	28,239,127	849,020	0	0	77,321,758
October	386,932	2,203,512	0	0	74,731,314
November	27,004,235	2,406,732	0	0	45,320,347
December*	326,806		0	0	44,993,541
Unobligated Balance Remaining	\$ 30,502,933	\$ -509,392	\$ 5,000,000	\$ 10,000,000	

*Estimated from Project Award documents at that months Board Meeting. Housing Tax Credit estimate from Legislative Tax Committee Document.
Source: Iowa Economic Development Authority Board Documents

The table below outlines the historical utilization. *The Governor is recommending increasing the aggregate tax credit cap to \$185.0 million in FY 2014.*

Tax Credit Cap Utilization		
Fiscal Year	Statutory Cap	Awards Made
FY 2010	\$ 185.0	\$ 104.4
FY 2011	120.0	68.6
FY 2012	120.0	119.4
FY 2013 YTD*	110.6	75.0

(in millions)
*Excludes FY 2012 awards counted against cap.

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. An ESOP is a tool used to allow a business to be sold to its employees. In [2012 Iowa Acts chapter 1138](#) section 133 (HF 2465 - FY 2013 Standings Act) the General Assembly created a State income tax exemption for capital gains earned from the sale of employer securities to a qualified ESOP. The source of funding for this proposal is not identified by the Governor but is presumed to be part of the appropriations to the IEDA.*

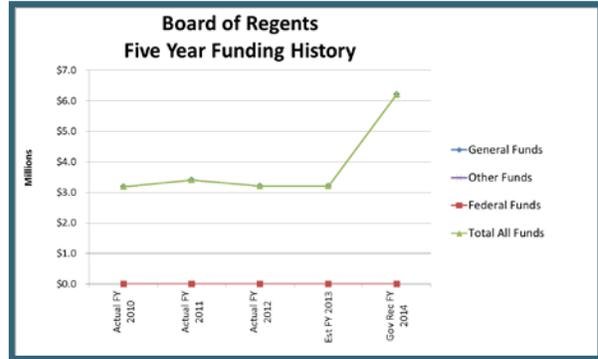
The World Food Prize – [Iowa Code Section 15.368](#) appropriates \$1.0 million from the General Fund to support the WFP. For FY 2010 through FY 2013, the General Assembly appropriated a lesser amount from the General Fund. Additionally, \$100,000 has been appropriated from the RIF for FY 2011 through FY 2013. *For FY 2014, the Governor is recommending an appropriation of \$1.0 million.*

BOARD OF REGENTS

Overview and Funding History

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. Please refer to the **Fiscal Topic Budget Unit: [University of Iowa Economic Development](#)** for more information.
- The Iowa State University (ISU) Economic Development appropriation includes the Institute for Physical Research and Technology, Small Business Development Centers, and Research Park. Please refer to the **Fiscal Topic Budget Unit: [Iowa State University Economic Development](#)** for more information.
- The University of Northern Iowa (UNI) Economic Development appropriation includes the Institute for Decision Making, Metal Casting Center, and MyEntre.Net Program. Please refer to the **Fiscal Topic Budget Unit: [University of Northern Iowa Economic Development](#)** for more information.



Additionally, the Board of Regents received a \$3.0 million appropriation from the RIIF for the Regents Innovation Fund that provided funding for activities related to the commercialization of research at each university in FY 2013. This funding replaced previous allocations from the Economic Development Fund.

The five-year funding history graph above does not reflect any funding the Board of Regents received through Economic Development Fund allocations, or appropriations from the RIIF.

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$6.2 million. This is an increase of \$3.0 million compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$6.2 million. This is no change compared to the FY 2014 recommendation.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Economic Development	\$ 2,424,302	\$ 2,487,334	\$ 2,424,302	\$ 0
UI - Economic Development	209,279	214,720	209,279	0
UNI - Economic Development	574,716	739,659	574,716	0
Innovation/Commercialization of Research	0	3,000,000	3,000,000	3,000,000
Total Regents, Board of	\$ 3,208,297	\$ 6,441,713	\$ 6,208,297	\$ 3,000,000

Governor’s Recommendations: Significant Changes

A new General Fund appropriation for Innovation and Commercialization of Research activities by the three Regents universities. This replaces an FY 2013 appropriation from the RIF.	\$3,000,000
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IOWA WORKFORCE DEVELOPMENT

Overview and Funding History

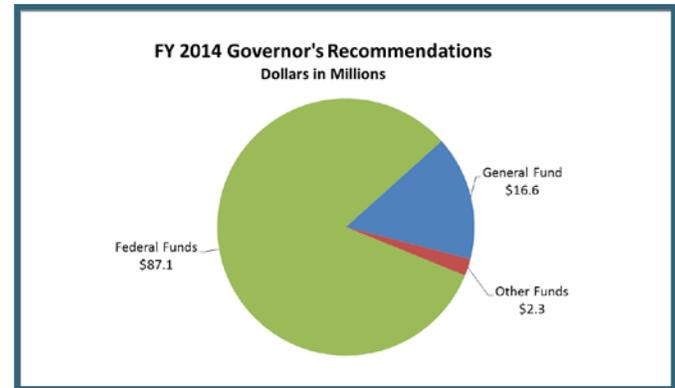
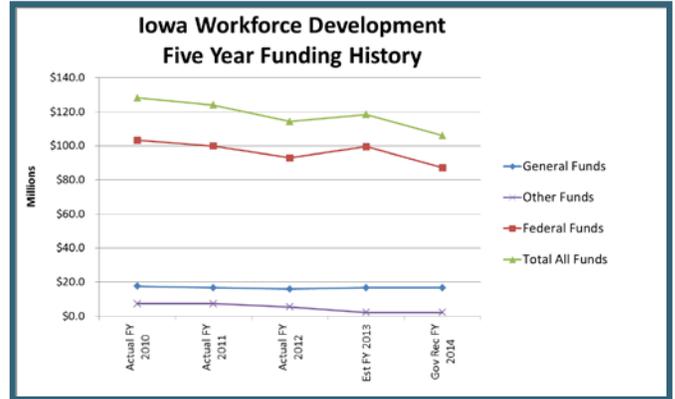
Agency Overview: The [Department of Iowa Workforce Development](#) (IWD) strives to improve the income, productivity, and safety of all Iowans. In conjunction with State and local economic development efforts, the IWD also assists businesses in fulfilling workforce needs. The IWD major products and services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

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

Funding History: Funding for the IWD is illustrated in the charts to the right. These charts exclude payments made through the Unemployment Insurance Trust Fund. Total funding has been trending downward, with federal and other funds decreasing the most over the past five years, with General Fund dollars ranging from \$17.5 million to \$15.8 million.

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$16.6 million. This is a decrease of \$53,000 compared to estimated FY 2013. The Governor is also recommending other fund appropriations totaling \$2.3 million for FY 2014. This recommendation is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$16.6 million and other fund appropriations total \$2.3 million. This is no change compared to the FY 2014 recommendation.



Quick Facts

30,261
Private employers paying the zero-rate under the Unemployment Insurance Program in 2011

4.9%
Iowa's November 2012 Unemployment Rate

\$3.1 million
Special Unemployment Insurance Integrity Grant received by the IWD in September 2012

General Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Iowa Workforce Development</u>				
Iowa Workforce Development				
Labor Services Division	\$ 3,495,440	\$ 3,495,440	\$ 3,495,440	\$ 0
Workers' Compensation Division	3,262,044	3,109,044	3,109,044	-153,000
Operations - Field Offices	9,179,413	9,179,413	9,179,413	0
Offender Reentry Program	284,464	284,464	284,464	0
Employee Misclassification Program	451,458	451,458	451,458	0
AMOS A Mid-Iowa Organizing Strategy	0	0	100,000	100,000
Total Iowa Workforce Development	<u>\$ 16,672,819</u>	<u>\$ 16,519,819</u>	<u>\$ 16,619,819</u>	<u>\$ -53,000</u>

Governor's Recommendations: Significant Changes

A decrease for the Workers' Compensation Division. This reflects the Governor's item veto of an FY 2013 allocation.	\$-153,000
A new General Fund appropriation of \$100,000 to A Mid-Iowa Organization Strategy (AMOS) for Project IOWA (Iowa Opportunities for Workforce Advancement).	\$100,000

Other Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Iowa Workforce Development</u>				
Iowa Workforce Development				
Field Offices - Spec Cont Fund	\$ 1,627,084	\$ 1,627,084	\$ 1,627,084	\$ 0
Field Offices - UI Reserve Interest	<u>633,000</u>	<u>633,000</u>	<u>633,000</u>	<u>0</u>
Total Iowa Workforce Development	<u>\$ 2,260,084</u>	<u>\$ 2,260,084</u>	<u>\$ 2,260,084</u>	<u>\$ 0</u>

Issues

Workers' Compensation Division Funding – The FY 2013 General Fund appropriation for the Workers' Compensation Division had an allocation of \$153,000 for an additional Chief-Deputy Workers' Compensation Commissioner to address the case backlogs in the Division. This language was item vetoed by the Governor. Since this was an allocation, all LSA appropriation documents will show the full appropriated amount for FY 2013. The Department of Management has budgeted the vetoed amount to revert at the close of the fiscal year in the State accounting system. The average time for a case to remain pending from the date of the initiating petition until issuance of the decision is outlined in the following table.

	Average Days from Petition to Decision	Average Days from Hearing to Decision
FY 2003	620	58
FY 2004	617	52
FY 2005	607	50
FY 2006	569	73
FY 2007	502	75
FY 2008	473	53
FY 2009	437	56
FY 2010	477	84
FY 2011	513	79
FY 2012	453	77

Workforce Development Field Offices Funding – The General Assembly may want to review the funding streams for the Workforce Development Field Offices. The total estimated FY 2013 appropriation from all funds is \$11.4 million. The FY 2014 Governor’s recommendation is no change, with \$633,000 from interest on the Unemployment Compensation Reserve Fund, \$1.6 million from the Special Contingency Fund (also known as the Penalty & Interest or P&I Fund), and the remaining amounts appropriated from the General Fund. The Reserve Fund balance as of January 9, 2013, is approximately \$150.2 million. Interest from the Reserve Fund earned in FY 2014 is anticipated to be approximately \$494,000.

A Mid-Iowa Organizational Strategy – The Governor is recommending a new General Fund appropriation of \$100,000 to A Mid-Iowa Organization Strategy (AMOS) for Project IOWA (Iowa Opportunities for Workforce Advancement). This is a workforce development initiative that seeks to move chronically underemployed and impoverished central Iowa residents through intensive skills training and into a career track, living wage jobs with benefits.

Project IOWA was formed utilizing a best practice model called Project Quest based in San Antonio, Texas. The cornerstone to this approach is combining relevant technical training (developed and taught by industry leaders) and employment skills training through classes taught concurrently. The Project is currently focusing on training workers in the areas of Advance Manufacturing and Healthcare. In calendar year 2012 the Project reports training 57 individuals. Their goal is to train 90 individuals in 2012 and 130 individuals in 2014. Funding provided by the state will provide for additional opportunities and services. For additional information, visit: <http://amosiowa.org/> and <http://www.projectiowa.org>.

IOWA FINANCE AUTHORITY

Overview and Funding History

Agency Overview: The [Iowa Finance Authority](#) (IFA) mission is to finance, administer, advance and preserve affordable housing, and to promote community and economic development for lowans. The Authority receives no General Fund appropriation for operating expenses and does not have the ability to tax. The major funding sources for the Authority are bond proceeds, title guaranty fees, application fees, and interest earnings.

Program Funding History: The Rent Subsidy Program began in FY 1997 as an allocation of the General Fund State Supplementary Assistance appropriation to the Department of Human Services (DHS). The Program was funded with an annual allocation from the DHS until FY 2004, when the Program was funded by the Senior Living Trust Fund (SLTF) as part of a larger appropriation to the DHS. In FY 2005, the DHS transferred the Program to the IFA through an Iowa Code chapter 28E agreement, and in FY 2006, the IFA received a direct appropriation for the Program from the SLTF. The Program resumed funding from the General Fund in FY 2012.

FY 2014: The Governor is recommending an FY 2014 General Fund appropriation of \$658,000 for the Rent Subsidy Program. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending an FY 2015 General Fund appropriation of \$658,000. This is no change compared to the FY 2014 recommendation.

General Fund Recommendations

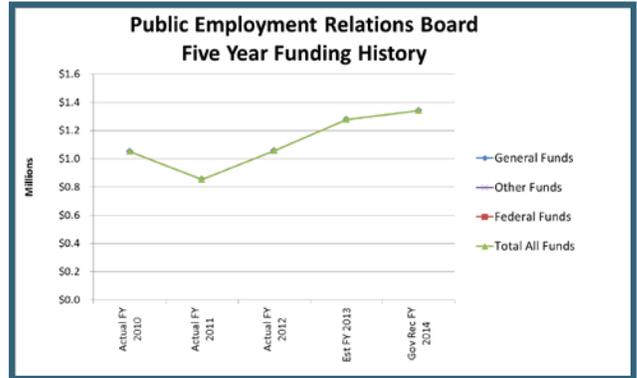
	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Iowa Finance Authority</u>				
Iowa Finance Authority				
Rent Subsidy Program	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
Total Iowa Finance Authority	<u>\$ 658,000</u>	<u>\$ 658,000</u>	<u>\$ 658,000</u>	<u>\$ 0</u>

PUBLIC EMPLOYMENT RELATIONS BOARD

Overview and Funding History

The Iowa [Public Employment Relations Board](#) (PERB) 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 line graph to the right shows the five-year funding history of the PERB. Keep in mind that in FY 2011 there was a Cash Reserve Fund transfer of \$200,000 to backfill the reductions made to the appropriations during the fiscal year.



FY 2014: The Governor is recommending an FY 2014 General Fund appropriation of \$1.3 million. This is an increase of \$63,500 compared to estimated FY 2013.

FY 2015: The Governor is recommending an FY 2015 General Fund appropriation of \$1.4 million. This is an increase of \$71,500 compared to the FY 2014 recommendation.

Quick Facts

1,205
Total number of certified bargaining units in Iowa in FY 2012

64
Current number of active grievance arbitrators on PERB's list of neutrals

General Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Public Employment Relations Board</u>				
Public Employment Relations General Office	\$ 1,278,426	\$ 1,278,426	\$ 1,341,926	\$ 63,500
Total Public Employment Relations Board	<u>\$ 1,278,426</u>	<u>\$ 1,278,426</u>	<u>\$ 1,341,926</u>	<u>\$ 63,500</u>

Governor's Recommendations: Significant Changes

The recommended increase will pay for an additional Administrative Law Judge that has been hired by the PERB.	\$63,500
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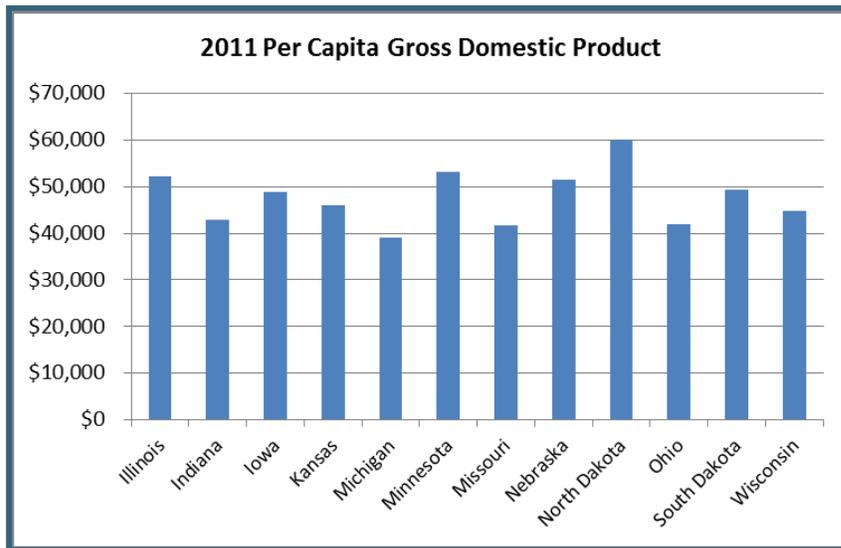
Comparisons to Other States — Gross Domestic Product

Data available from the [Council of State Governments \(CSG\) States Perform](#) website gathered by the [Bureau of Economic Analysis](#) (BEA) examines the Gross Domestic Product by State. The Gross Domestic Product (GDP) is the value added to goods and services by economic activity. It is equivalent to the gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus inputs (consumption of goods and services purchased from other U.S. industries or imported).

When evaluated on a per capita basis, Iowa ranked 6th, with a per capita GDP of \$48,906. The state with the highest per capita GDP was North Dakota (\$59,959), followed by Minnesota (\$53,114), and Illinois (\$52,275). The three lowest states were Michigan (\$38,978), Missouri (\$41,664), and Ohio (\$41,950).

Since 2007, Iowa’s GDP has grown by 11.1%, fifth among all states compared. The state with the largest increase was North Dakota with 41.3%, followed by South Dakota (15.0%) and Nebraska (14.6%). The states that decreased or had the slowest growth were Michigan (-0.4%), Ohio (3.6%), and Indiana (6.3%).

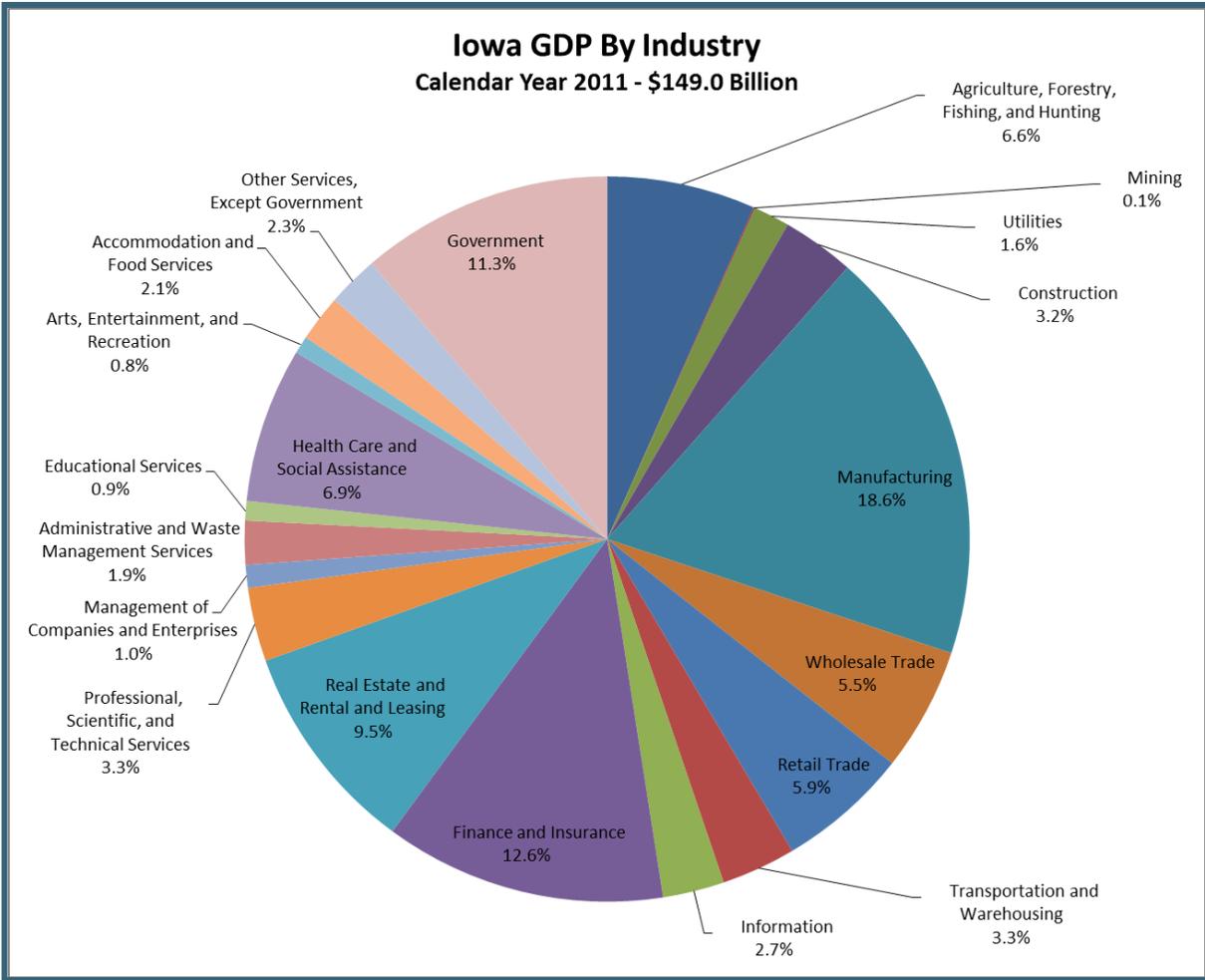
Over the same five-year period, Iowa’s per capita GDP decreased 1.1%. However, this was the smallest loss of all states examined and ranked Iowa fourth in terms of per capita GDP growth.



The pie graph on the next page displays Iowa’s GDP by North American Industry Classification System (NAICS) sector. The largest three sectors of Iowa’s GDP, Manufacturing, Finance and Insurance, and Federal, Local, and State Government, make up 42.5% of Iowa’s total GDP.

However, when looking at Iowa’s GDP, the fastest growing sector since 2007 is Agriculture, Forestry, Fishing, and Hunting. This sector increased 54.3%, followed by Healthcare and Social Assistance (22.4%), and Educational Service (19.7%). The sector with the most losses since 2007 is Arts, Entertainment, and Recreation. This sector decreased by 9.6%, followed by Construction (-6.6%), and Finance and Insurance (-5.9%).

For additional comparisons, please refer to www.statesperform.org or <http://www.bea.gov/regional/>.



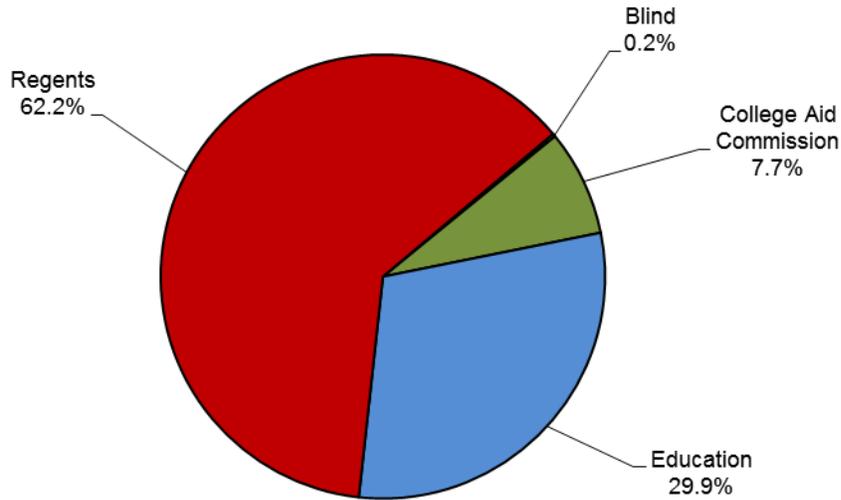
LSA Publications

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

- *Issue Review:* [Tourism Advertising and Travel](#)
- *Fiscal One-on-One Audio Interview:* [State Athletic Commissioner](#)
- *Fiscal Topic:* [Iowa Councils of Government](#)
- *Budget Unit Fiscal Topics:*
 - [Administration Division of the Department of Cultural Affairs](#)
 - [Historical Division of the Department of Cultural Affairs](#)
 - [Arts Division of the Department of Cultural Affairs](#)
 - [Community Cultural Grants](#)
 - [Historic Sites](#)
 - [Economic Development Appropriation](#)
 - [Workforce Development Fund](#)
 - [Rent Subsidy Program](#)
 - [Workers' Compensation Division of Iowa Workforce Development](#)
 - [Employee Misclassification Program](#)
 - [Offender Reentry Program](#)

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FY 2014 General Fund Governor's Recommendations



FY 2014 General Fund Governor's Recommendations

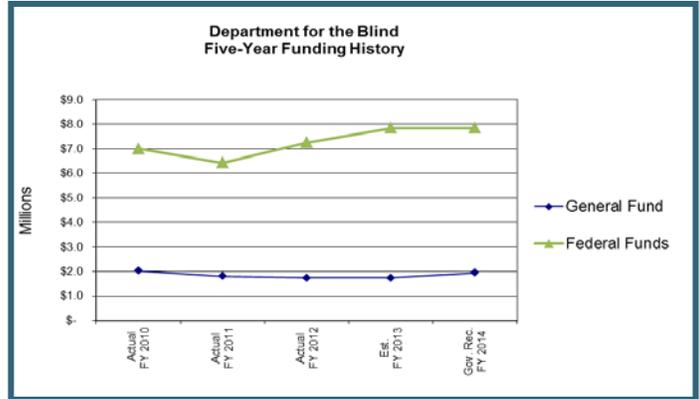
Blind	\$ 1,941,815
College Student Aid	71,094,112
Education	275,150,137
Regents	571,929,955
	<u>\$ 920,116,019</u>

DEPARTMENT FOR THE BLIND

Overview and Funding History

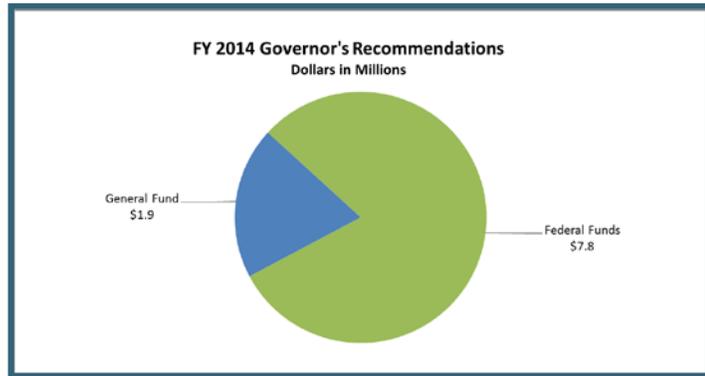
Agency Overview: The Department for the Blind provides vocational rehabilitation, independent living skills, library services, and other essential services to blind lowans. The Department's three major service areas are Vocational Rehabilitation (VR), Independent Living (IL), and the Library for the Blind and Physically Handicapped.

Funding History: The budget funding history for the Department for the Blind has remained relatively stable for the last five years for the General Fund and federal funds. The line chart on the right shows the funding history for the Department of Education from FY 2010 through the Governor's recommendations for FY 2014. The Department has not had any other fund appropriations for the last five years.



Governor's Recommendations

FY 2014: The Governor is recommending an FY 2014 General Fund appropriation of \$1.9 million, an increase of \$200,000 compared to estimated FY 2013. The pie chart on the right shows the FY 2014 Department for the Blind budget as recommended by the Governor.



FY 2015: The Governor is recommending an FY 2015 General Fund appropriation of \$1.9 million, the same level of funding compared to FY 2014 recommendation.

FY 2013 Quick Facts - Blind

69,000
Estimated Number of lowans that are blind or visually impaired

6,549
Number of individuals served by library services in CY 2011

50
Number Business Enterprises owned by legally blind clients in CY 2011

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Blind, Dept. for the				
Department for the Blind				
Department for the Blind	\$ 1,691,815	\$ 1,691,815	\$ 1,891,815	\$ 200,000
Newline for the Blind	50,000	50,000	50,000	0
Total Blind, Dept. for the	\$ 1,741,815	\$ 1,741,815	\$ 1,941,815	\$ 200,000

Governor's Recommendations: Significant Increases/Decreases – Department for the Blind

Department for the Blind	
An increase of 11.8% for the Department for the Blind for vocational rehabilitation purposes.	\$200,000

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 21.3%/78.7%. This funding is also subject to a maintenance of effort (MOE) requirement. Reduction in this State funding can lead to a loss of federal funding.

The Department did not meet MOE requirements for the federal fiscal years ending September 30, 2010, September 30, 2011, and September 30, 2012. This deficiency resulted in a MOE penalty of \$102,927 being assessed for the year ending September 30, 2011, and \$643,031 for the year ending September 30, 2012. The Department was unable to draw approximately \$1.0 million during 2011 and also during 2012 due to insufficiency of State match.

For the federal fiscal year ending September 30, 2012, the Department spent \$303,557 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 a reduction of \$303,557 in July 2013.

For the year ending September 30, 2013, the Department expects to meet the MOE requirement and yet be unable to match approximately \$1.0 million in available federal formula grants.

The Governor is recommending an increase in State funding for the Department for FY 2014 of \$200,000, an 11.8% increase compared to estimated FY 2013. The additional State funding of \$200,000 will match \$738,967 in federal funds if it is used for vocational rehabilitation purposes.

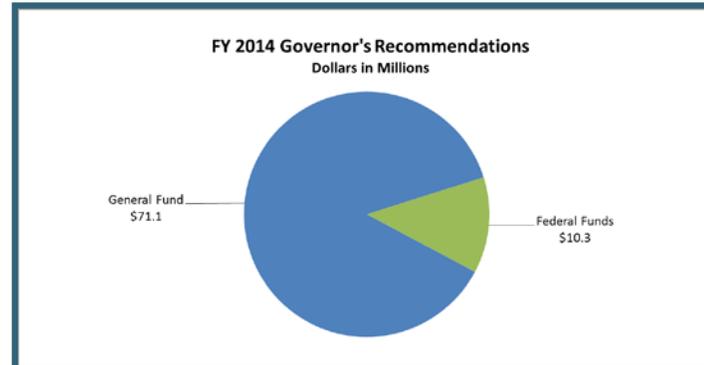
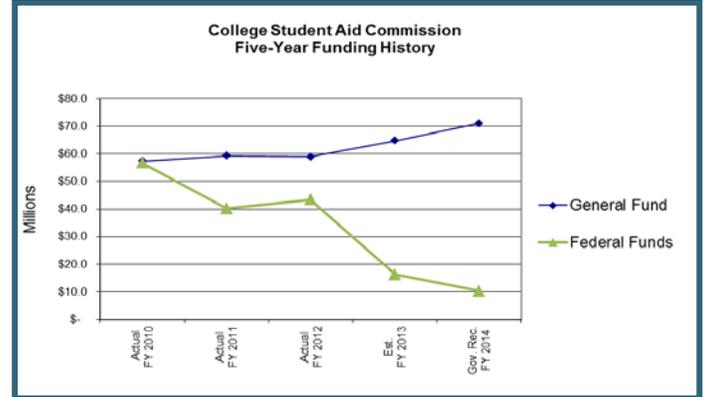
Reserve Funds – As of September 30, 2012, the Department carried over approximately \$2.2 million in federal formula grant funds. These funds are accumulated as a result of the federal stimulus program and from federal formula grants where the matching requirements have already been met or grants that required no matching funds. By September 30, 2013, the Department expects the carryover to be reduced to approximately \$863,000 and to be exhausted before the end of FY 2014.

COLLEGE STUDENT AID COMMISSION

Overview and Funding History

Agency Overview: 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.

Funding History: General Fund support for the College Student Aid has been gradually increasing over the past two years but has not reached the FY 2008 level of \$68.8 million. The line graph on the right shows a significant decrease in federal funding. This is a result of the discontinuation of the Federal Family Education Loan Program (FFELP). The Commission was the State guaranty agency for FFELP and received a variety of revenue as a result.



Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$71.1 million, an increase of \$6.4 million compared to estimated FY 2013. The pie chart on the right shows the FY 2014 College Student Aid Commission budget as recommended by the Governor.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$71.1 million, the same level of funding as the FY 2014 recommendation.

FY 2013 Quick Facts - CSAC

31st
Iowa’s ranking among the 50 states in total grant aid awarded to college students in FY 2012.

1st
Iowa’s ranking in percentage of need-based aid awarded to students attending private, nonprofit institutions.

28th
Iowa’s ranking in estimated need-based undergraduate grant dollars per undergraduate enrollment.

Source: National Association of State Student Grant and Aid Programs

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
College Aid Commission				
College Student Aid Comm.				
College Aid Commission	\$ 232,943	\$ 232,943	\$ 232,943	\$ 0
Iowa Grants	791,177	791,177	791,177	0
DMU Health Care Prof Recruitment	325,973	325,973	400,973	75,000
National Guard Benefits Program	4,800,233	4,800,233	5,100,233	300,000
Teacher Shortage Loan Forgiveness	392,452	392,452	392,452	0
All Iowa Opportunity Foster Care Grant Prog	554,057	554,057	554,057	0
All Iowa Opportunity Scholarships	2,240,854	2,240,854	2,240,854	0
Nurse & Nurse Educator Loan Program	80,852	80,852	80,852	0
Barber & Cosmetology Tuition Grant Program	36,938	36,938	36,938	0
Tuition Grant Program - Standing	45,513,448	45,513,448	47,513,448	2,000,000
Tuition Grant - For-Profit	2,500,000	2,500,000	2,500,000	0
Vocational Technical Tuition Grant	2,250,185	2,250,185	2,250,185	0
Skilled Workforce Shortage Tuition Grant Prog	5,000,000	5,000,000	5,000,000	0
Rural Primary Care Loan Repayment	0	0	2,000,000	2,000,000
Medical Residency Programs	0	0	2,000,000	2,000,000
Total College Aid Commission	\$ 64,719,112	\$ 64,719,112	\$ 71,094,112	\$ 6,375,000

Governor's Recommendations: Significant Increases/Decreases – College Student Aid Commission

General Fund	
An increase for Des Moines University (DMU) Health Care Professional Recruitment to expand the loan forgiveness program to other specialty practice areas.	\$75,000
An increase for the National Guard Benefits Program. The National Guard anticipates increased participation due to lower deployment levels.	\$300,000
An increase for the Iowa Tuition Grant – Nonprofit to continue the trend of gradually restoring funding to the FY 2009 level of \$49.3 million and will provide the full maximum award of \$4,000.	\$2,000,000
A new appropriation for the Rural Iowa Primary Care Loan Repayment Program. The Program was created but not funded in 2012 in HF 2458.	\$2,000,000
A new appropriation to provide State support to medical residency programs in Iowa.	\$2,000,000

Issues

National Guard Benefits – Based on projections provided by the Iowa National Guard in July 2012, the FY 2013 General Fund appropriation of \$4.8 million for the National Guard Educational Assistance Program (NGEAP) was intended to fund awards at a rate of 90.0% of tuition costs. The College Student Aid Commission does not anticipate a need for supplemental funding for FY 2013. The Commission has requested no increase in funding for FY 2014, although the members of the Commission have asked the Governor to support a 4.0% increase for most of the student aid programs, including NGEAP.

The Governor is recommending an increase of \$300,000 for FY 2014. The National Guard anticipates increased participation due to lower deployment levels.

Transfer of Federal Family Education Loan Program (FFELP) Loan Portfolio – The federal Health Care and Education Reconciliation Act of 2010 took effect on July 1, 2010, and eliminated the FFELP. The Iowa College Student Aid Commission (ICSAC) served as the State’s guaranty agency for the FFELP and used federal dollars to offer default aversion and loan rehabilitation services. The ICSAC has been able to use the annual revenue from those collection activities to subsidize the cost of administering State-funded student aid programs.

Effective October 1, 2012, the Commission transferred the FFELP loan portfolio, estimated at \$2.4 billion, to Great Lakes Higher Education Guaranty Corporation. Under the 10-year agreement with Great Lakes, the Commission will receive a portion of annual net collection revenues from the portfolio. The total amount of collection revenue will decline each year as loans are discharged and the portfolio balance declines. As a result of the transfer, the Commission reduced agency staffing to 37.0 FTE positions, eliminating the 10.0 FTE positions that had worked directly with the FFELP portfolio.

As the revenue from the agreement with Great Lakes declines over the next 10 years, it will be necessary to either increase funding for administration of State-funded student aid programs or reduce administrative costs (or both). The Commission estimates the annual cost of administering State aid programs will be \$852,000 in FY 2014. The General Fund appropriation for ICSAC administration in FY 2013 is \$233,000. The Commission’s official FY 2014 budget request includes no increase in administrative funding. However, the Commission members have asked the Governor to support full administrative funding of \$852,000.

Federal Funds – The federal College Access Challenge Grant (CACG) requires the State to 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 and FY 2011 State appropriations did not meet CACG MOE standards, Iowa did not receive a CACG award in FY 2012 or FY 2013. The ICSAC estimates that such a grant would have provided \$1.5 million each year for career planning and financial literacy programs.

Impact of Need-Based Student Aid – 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: 11.0%
- 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: 18.0%
- All-Iowa Opportunity Scholarship: FY 2008 (first year of funding): 79.0%; FY 2012: 70.0%

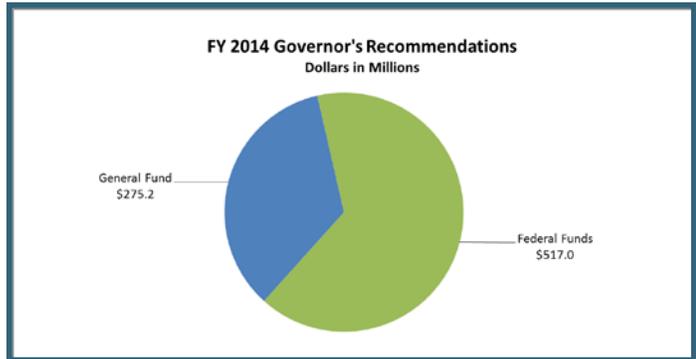
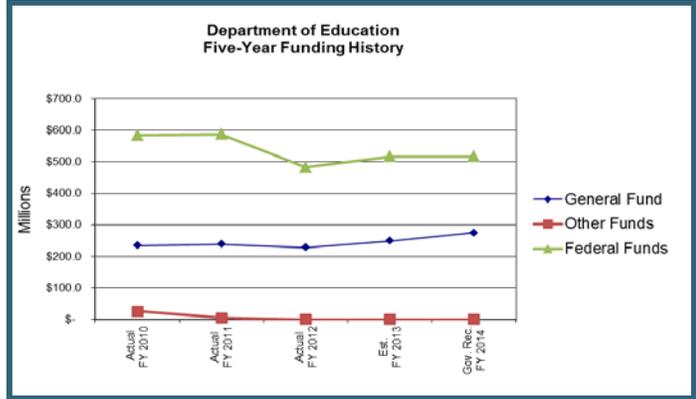
The Skilled Workforce Shortage Grant, established in 2012 and operating with a General Fund appropriation of \$5.0 million in FY 2013, is expected to serve approximately 4,400 students with a maximum award of \$2,040. The program serves community college students, as does the Vocational-Technical Tuition Grant.

DEPARTMENT OF EDUCATION

Overview and Funding History

Agency Overview: 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.

Funding History: The budget funding history for the Department of Education has remained relatively stable for the last five years for General and Federal Funds. The line chart on the right shows the funding history for the Department of Education from FY 2010 through the Governor’s recommendations for FY 2014. Other Fund Appropriations include a \$25.6 million appropriation from the Federal Recovery and Reinvestment Fund (FRRF) in FY 2010 for the community colleges and \$4.7 million in FY 2011 from the Cash Reserve Fund (CRF) for the Preschool Program, Jobs for America’s Graduates, and Sac and Fox Education.



Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$275.2 million. This is an increase of \$25.6 million compared to estimated FY 2013. The appropriation increase includes \$14.0 million for the Governor’s Education Reform proposal, outlined in more detail in the “Education Reform” section in this document. The pie chart on the right shows the FY 2014 Department of Education budget as recommended by the Governor.

The Governor is recommending no other fund appropriations for FY 2014. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$333.3 million. This is an increase of \$58.2 million compared to the FY 2014 request. The appropriation increase includes \$72.0 million for the Governor’s Education Reform proposal, outlined in more detail in the “Education Reform” section in this document.

FY 2013 Quick Facts - DE

26

Iowa’s Average Public School Teacher Salary Rank for 2011-2012 when compared to the nation.

97.0%

Percent of Iowa Vocational Rehabilitation Services counselors with a Master’s degree in counseling or a closely related field.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Education, Dept. of				
Education, Dept. of				
Administration	\$ 5,913,812	\$ 5,913,812	\$ 6,413,812	\$ 500,000
Vocational Education Administration	598,197	598,197	598,197	0
Vocational Education Secondary	2,630,134	2,630,134	2,630,134	0
Food Service	2,176,797	2,176,797	2,176,797	0
State Library	2,215,063	2,215,063	2,715,063	500,000
State Library - Enrich Iowa	2,174,228	2,174,228	2,174,228	0
ECI General Aid (SRG)	5,386,113	5,386,113	5,386,113	0
ECI Preschool Tuition Assistance (SRG)	5,428,877	5,428,877	5,428,877	0
ECI Family Support and Parent Ed (SRG)	12,364,434	12,364,434	12,364,434	0
Special Ed. Services Birth to 3	1,721,400	1,721,400	1,721,400	0
Nonpublic Textbook Services	560,214	560,214	560,214	0
Model Core Curriculum	1,000,000	1,000,000	1,000,000	0
Student Achievement/Teacher Quality	4,785,000	4,785,000	4,785,000	0
Jobs For America's Grads	540,000	540,000	540,000	0
Community Colleges General Aid	177,274,647	177,274,647	187,274,647	10,000,000
Community College Salary Increase	500,000	500,000	500,000	0
Workforce Training and Economic Dev Funds	8,000,000	8,000,000	8,000,000	0
Midwestern Higher Education Compact	100,000	100,000	100,000	0
Education Reform	0	0	14,000,000	14,000,000
Gap Tuition Assistance Fund	2,000,000	2,000,000	2,000,000	0
Iowa Reading Research Center	2,000,000	2,000,000	2,000,000	0
Total Education, Dept. of	\$ 237,368,916	\$ 237,368,916	\$ 262,368,916	\$ 25,000,000
Vocational Rehabilitation				
Vocational Rehabilitation	\$ 4,963,168	\$ 5,334,251	\$ 5,113,168	\$ 150,000
Independent Living	39,128	39,128	39,128	0
Entrepreneurs with Disabilities Program	145,535	145,535	145,535	0
Independent Living Center Grant	40,294	40,294	40,294	0
Total Vocational Rehabilitation	\$ 5,188,125	\$ 5,559,208	\$ 5,338,125	\$ 150,000
Iowa Public Television				
Iowa Public Television	\$ 6,969,021	\$ 6,969,021	\$ 7,443,096	\$ 474,075
Total Education, Dept. of	\$ 249,526,062	\$ 249,897,145	\$ 275,150,137	\$ 25,624,075

Governor's Recommendations: Significant Increases/Decreases – Department of Education

Department of Education Administration	
An increase of 8.5% for Education Administration to fund previously State-funded positions that were moved to federal administration funds back to being State-funded positions.	\$500,000
An increase of 22.6% for the State Library to fund previously State-funded positions that were moved to federal funding back to being State-funded positions.	\$500,000
An increase of 5.6% for Community Colleges General Aid.	\$10,000,000
A new appropriation for the Governor's Education Reform proposal.	\$14,000,000
An increase of 3.0% for Vocational Rehabilitation for client services.	\$150,000
An increase of 3.0% for Iowa Public Television for the Ready for School Initiative and equipment maintenance agreements.	\$474,000

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 \$10,715,828. For FY 2012, the State appropriation for Vocational Education Administration failed to meet the MOE requirement. The Department was cited and the FY 2013 appropriation was increased to meet the MOE requirement.
- **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 28.5%. Reductions in State funding for this appropriation may result in the need to lower meal reimbursement rates to schools.
- **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.

Federal Funds – Iowa Vocational Rehabilitation Services (IVRS) – For FFY 2011 (ended September 30, 2011), the IVRS had a federal funds match shortage of \$1.720 million, and this resulted in the loss of \$6.355 million in federal funds not earned. The Division also failed the MOE requirement by \$1,121,461; as a result, the federal funding available to the Division in the subsequent year was reduced by that amount.

- For FFY 2012, the IVRS anticipates a match shortage of \$1.775 million, and this will mean the loss of \$6.56 million in federal funds not earned. The Division is also anticipating a MOE deficit of \$151,855.
- For FFY 2013, the IVRS estimates a match shortage of \$1.745 million and a subsequent loss of federal funds not earned of \$6.448 million. The IVRS is also expecting an MOE deficit of \$129,122.
- For FFY 2014, the IVRS estimates a match shortage of \$1.661 million and a subsequent loss of federal funds not earned of \$6.137 million. The IVRS is not expecting an MOE deficit in FFY 2014.

The Governor is recommending an increase in State funding for the Department for FY 2014 of \$150,000, a 3.0% increase compared to estimated FY 2013. The additional State funding of \$150,000 will match \$554,000 in federal funds.

Waiting List – The Division notes, with the current level of funding, 1,000 less people will be served in FY 2014 and 3,000 less people in FY 2015. Individuals not served by the Division are added to a waiting list. The waiting list averaged 3,813 people in 2011 and 3,258 people in 2012. Currently the waiting list has 2,020 people.

Governor's Education Reform Proposal – The Governor is requesting \$14.0 million in FY 2014 and \$72.0 million for FY 2015 for his Education Reform Proposal. The table below outlines the Governor's recommended funding amounts and the FTE positions for FY 2014 and FY 2015 for the proposal. The proposal is outlined in the section of this document titled "Education Reform."

Provision	Governor's Education Reform Funding Appropriation Amounts as Specified in the Legislation		
	FY 2014	FY 2015	FTEs
Iowa Learning Online Initiative	\$ 1,500,000	\$ 1,500,000	3.0
Teach Iowa Marketing and Public Outreach Initiative	1,000,000	1,000,000	3.0
Teach Iowa Student Teaching Pilot Program	2,000,000	2,000,000	2.0
Iowa Promise Diploma Seal Program	4,000,000	4,000,000	3.0
Teacher and Administrator Development System	500,000	3,500,000	3.0
Teacher Leadership Grants and Aid	3,500,000	48,500,000	
Teacher Leadership Dept. of Education Support	1,500,000	1,500,000	7.0
High Need School Supplemental Aid	0	9,900,000	
High Need School Support	0	100,000	1.0
Total Appropriation Recommendation	\$ 14,000,000	\$ 72,000,000	22.0

Community College Enrollment – Total student enrollment in the 15 community colleges decreased by 5.2% in Fall 2012, the largest annual enrollment drop since the founding of the colleges in 1965. There have been only six years when enrollment decreased, including 2011 and 2012. In response to the recession, Fall 2009 enrollment increased 14.2%, the second largest increase ever, to a record total enrollment of 100,736 students. After an increase of 5.8% in 2010, enrollment decreased slightly (0.6%) in 2011. With the latest decrease, Fall 2012 total enrollment stands at 100,519.

Online enrollment in the community colleges decreased 3.7% in Fall 2012, to 28,225 students. As a percentage of total enrollment, online enrollment increased to 28.1% in 2012. Credit hours for online courses represent 15.8% of all Fall 2012 credit hours.

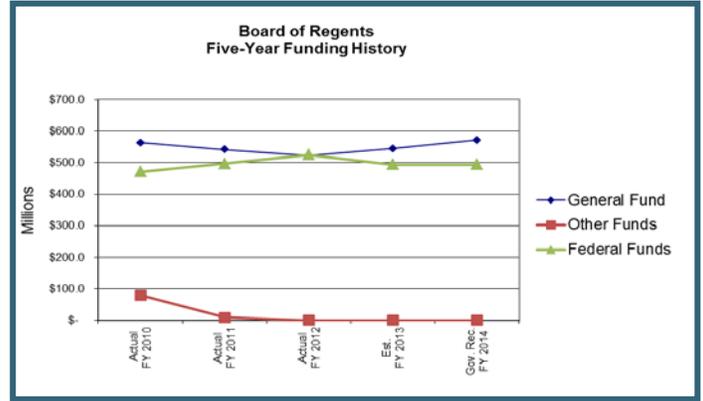
Joint enrollment of high school students in community colleges increased by 2.3% in Fall 2012, to 28,077 students. Joint enrollment represented 28.0% of total enrollment.

BOARD OF REGENTS

Overview and Funding History

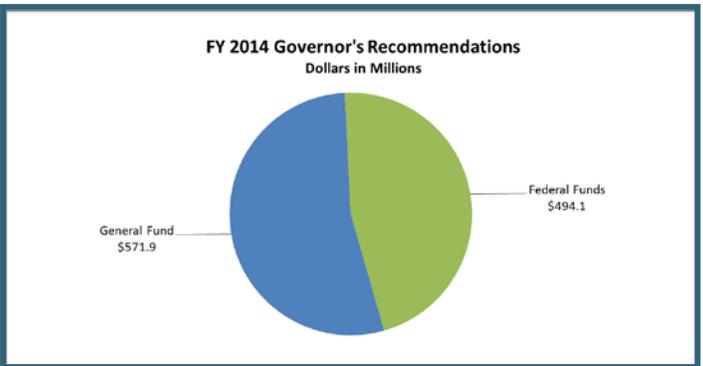
Agency Overview: The Board of Regents is a nine-member board that oversees the University of Iowa, Iowa State University, the University of Northern Iowa, the Iowa School for the Deaf, and the Iowa Braille and Sight Saving School. The Board establishes policy for the institutions; hires the university 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.

Funding History: Until FY 2013, General Fund support for the Board of Regents had been decreasing since FY 2009. The line graph on the right shows that the Governor’s FY 2014 recommendation will restore funding to the FY 2010 level. Federal funding increased as State General Fund support decreased, and federal support has leveled off at a slightly lower level. The other funds support shown for FY 2010 was \$80.0 million in federal ARRA funding appropriated by the State to the Board of Regents.



Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$571.9 million. This is an increase of \$26.9 million compared to estimated FY 2013. The pie chart on the right shows the FY 2014 Board of Regents budget as recommended by the Governor.



The Governor is also recommending funding of \$27.9 million for tuition replacement from the Rebuild Iowa Infrastructure Fund (RIIF), an increase of \$2.7 million compared to estimated FY 2013. The Governor is also recommending total funding of \$99.7 million for the University of Iowa Hospitals and Clinics from IowaCare funds, an increase of \$10.4 million compared to estimated FY 2013. 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.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$575.7 million, an increase of \$3.8 million compared to the FY 2014 recommendation.

FY 2013 Quick Facts - Regents

\$7,806
Average annual tuition and mandatory fees for a resident undergraduate student attending a State university.

\$1,324,128,272
Budgeted general education expenditures for the three universities.

58,207
Number of resident and nonresident undergraduate students enrolled in the three universities.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$575.7 million, an increase of \$3.8 million compared to the FY 2014 recommendation.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Regents, Board of				
Regents, Board of				
Regent Board Office	\$ 1,065,005	\$ 1,092,695	\$ 1,065,005	\$ 0
GRA - SW Iowa Regents Resource Ctr	87,471	187,485	182,734	95,263
GRA - Tri State Graduate Center	66,601	68,333	66,601	0
GRA - Quad Cities Graduate Center	129,776	35,410	34,513	-95,263
IPR - Iowa Public Radio	391,568	407,231	391,568	0
University of Iowa - General	216,414,572	222,041,351	222,041,351	5,626,779
UI - Oakdale Campus	2,186,558	2,404,807	2,186,558	0
UI - Hygienic Laboratory	3,536,716	4,401,915	3,536,716	0
UI - Family Practice Program	1,788,265	1,788,265	1,788,265	0
UI - Specialized Children Health Services	659,456	659,456	659,456	0
UI - Iowa Cancer Registry	149,051	149,051	149,051	0
UI - Substance Abuse Consortium	55,529	55,529	55,529	0
UI - Biocatalysis	723,727	723,727	723,727	0
UI - Primary Health Care	648,930	648,930	648,930	0
UI - Iowa Birth Defects Registry	38,288	38,288	38,288	0
UI - Iowa Nonprofit Resource Center	162,539	162,539	162,539	0
UI - IA Online Advanced Placement Acad.	481,849	481,849	481,849	0
UI - Iowa Flood Center	1,500,000	1,500,000	1,500,000	0
Iowa State University - General	169,577,342	173,986,353	173,986,353	4,409,011
ISU - Agricultural Experiment Station	28,111,877	28,842,786	28,111,877	0
ISU - Cooperative Extension	17,936,722	18,403,077	17,936,722	0
ISU - Leopold Center	397,417	407,750	397,417	0
ISU - Livestock Disease Research	172,845	177,338	172,844	-1
University of Northern Iowa - General	81,113,859	87,222,819	87,222,819	6,108,960
UNI - Recycling and Reuse Center	175,256	179,813	175,256	0
UNI - Math and Science Collaborative	4,700,000	4,700,000	4,700,000	0
UNI - Real Estate Education Program	125,302	128,560	125,302	0
Iowa School for the Deaf	8,853,563	9,119,170	8,853,563	0
Iowa Braille and Sight Saving School	3,691,310	3,802,049	3,691,310	0
ISD/IBS - Tuition and Transportation	11,763	12,116	11,763	0
ISD/IBS - Licensed Classroom Teachers	82,049	84,510	82,049	0
UI - Entrepreneurship & Economic Growth	0	7,000,000	2,000,000	2,000,000
BOR - Student Financial Aid	0	39,500,000	5,000,000	5,000,000
ISU - Leading the BioEconomy	0	7,500,000	3,750,000	3,750,000
Total Regents, Board of	\$ 545,035,206	\$ 617,913,202	\$ 571,929,955	\$ 26,894,749

Governor's Recommendations: Significant Increases/Decreases – Board of Regents

General Fund	
A shift of funds from the Quad Cities Graduate Center to the Southwest Iowa Regents Resource Center. This reflects changes in the services provided to Regents students by the centers. A transfer of funds in the same amount was made in the current year, as authorized by the General Assembly in SF 2321 (FY 2013 Education Appropriations Act).	\$95,263 -\$95,263
A 2.6% increase to each of the State universities for general operational support.	\$12,144,750
An additional increase for the University of Northern Iowa (UNI), fulfilling the second year of a three-year request for additional money to address UNI's unique funding challenges.	\$4,000,000
A new appropriation to expand public/private partnerships and programming through the Pappajohn Entrepreneurial Center.	\$2,000,000
A new appropriation to fund need-based student financial aid in lieu of the former practice of Tuition Set-Aside.	\$5,000,000
A new appropriation to support existing programs and establish and support new laboratories for biorenewables and biosciences research and to support interdisciplinary graduate education in those fields.	\$3,750,000

Issues

Transfer of Funds between Graduate Study Centers – On September 11, 2012, the General Assembly was notified of an FY 2013 transfer of funds from the Quad Cities Graduate Center to the Southwest Iowa Regents Resource Center of \$95,263. The transfer brought total FY 2013 funding to \$182,734 for Southwest and \$34,513 for Quad Cities. The increase in funding for Southwest was due to its relocation to the campus of Iowa Western Community College in 2011 and the resulting enhanced programming and staffing needs. The decrease in funding for Quad Cities was due to the level of direct services to Regents students and reliance on online delivery for the majority of the graduate programs offered. The services offered to Regents student by the Quad Cities Center are duplicative of services provided by the universities.

The FY 2014 appropriations requested by the Board of Regents for the three graduate centers represent a 2.6% increase for each center compared to the FY 2013 appropriations after the transfer.

The Governor is recommending funding at the level requested by the Board, including the shift of \$95,263 between the two graduate centers.

Tuition Set-Aside and Need-Based Student Financial Aid – At its October 25, 2012, meeting, the Board of Regents approved the recommendations of a committee appointed to consider alternatives to the practice of setting aside a percentage of tuition to fund student financial aid. Earlier in the year, the Board voted to stop the practice, referred to as tuition set-aside, effective for the 2012-2013 academic year.

As a result of the recommendations, the Board has requested a new appropriation for FY 2014 of \$39.5 million to be distributed to the three universities to provide need-based student financial aid. All of the funding is to be distributed as aid; no allowance for administrative costs is included. In FY 2012, the universities awarded \$38.1 million in need-based aid to undergraduate students. The Board agreed to reduce FY 2015 undergraduate tuition rates by an amount equal to a new FY 2014 appropriation for need-based aid.

The Board has asked the universities' foundations to increase their fundraising activities to replace the merit-based aid that had been provided by tuition set-aside. In FY 2012, \$8.5 million was awarded by the universities in merit-based aid to undergraduate students. The Regents committee estimates that the

foundations will need to establish an endowment of \$200.2 million to continue providing that level of support.

The Governor is recommending an appropriation of \$5.0 million for FY 2014 funding of student financial aid through the Regents institutions.

Tuition and Fees – At the December 5, 2012, Board of Regents meeting, the Board voted to freeze undergraduate tuition rates for the 2013-2014 academic year. The Board set the rates tentatively and indicated that they could be increased at the end of the 2013 Legislative Session if they find that State appropriations are not adequate.

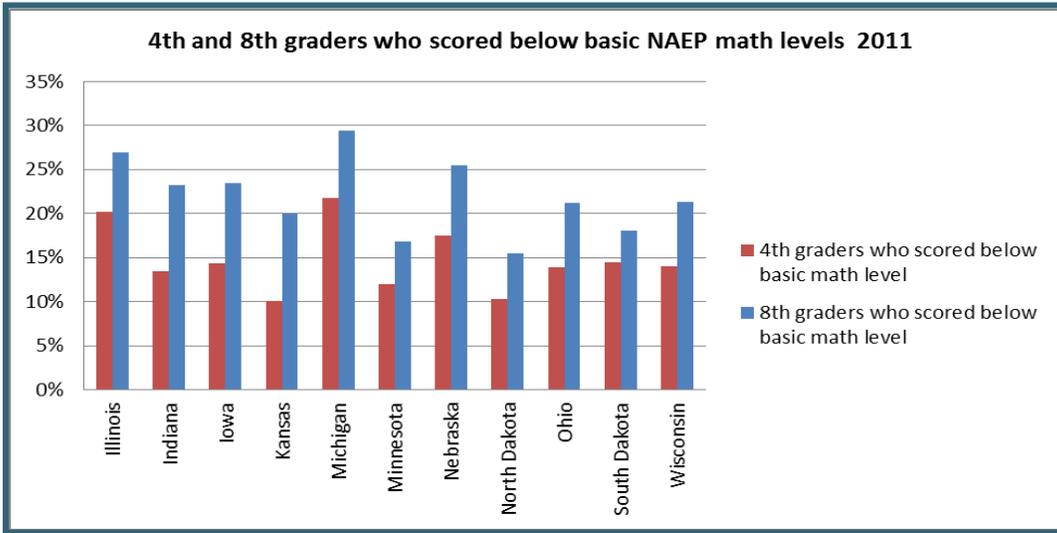
Nonresident tuition rates and mandatory fees for resident and nonresident students for 2013-2014 were not frozen. Nonresident rates were increased 2.6% at the University of Iowa (UI) and the University of Northern Iowa (UNI) and 2.3% at Iowa State University (ISU). Mandatory fees were increased 0.3% at UI and 5.1% at UNI, while ISU fees were not increased.

The Governor is recommending a 2.6% increase in funding for the three Regents universities for general education and an additional \$4.0 million for the University of Northern Iowa, fulfilling the second year of a three-year request for additional funding to address UNI's unique funding challenges. Board of Regents president Craig Lang has indicated that this level of funding would be sufficient to enable the Regents to maintain the tuition freeze for the 2013-2014 academic year.

Appropriation Reverted – In FY 2012, the total General Fund appropriation of \$11,763 for Tuition and Transportation for the special schools remained unspent and reverted to the General Fund at the end of the year. The purpose of the appropriation is to provide for the expenses of indigent resident students. The General Assembly may wish to explore whether this appropriation is still needed and, if so, whether the current level of funding is appropriate.

Comparison to Other States – Education Outcomes

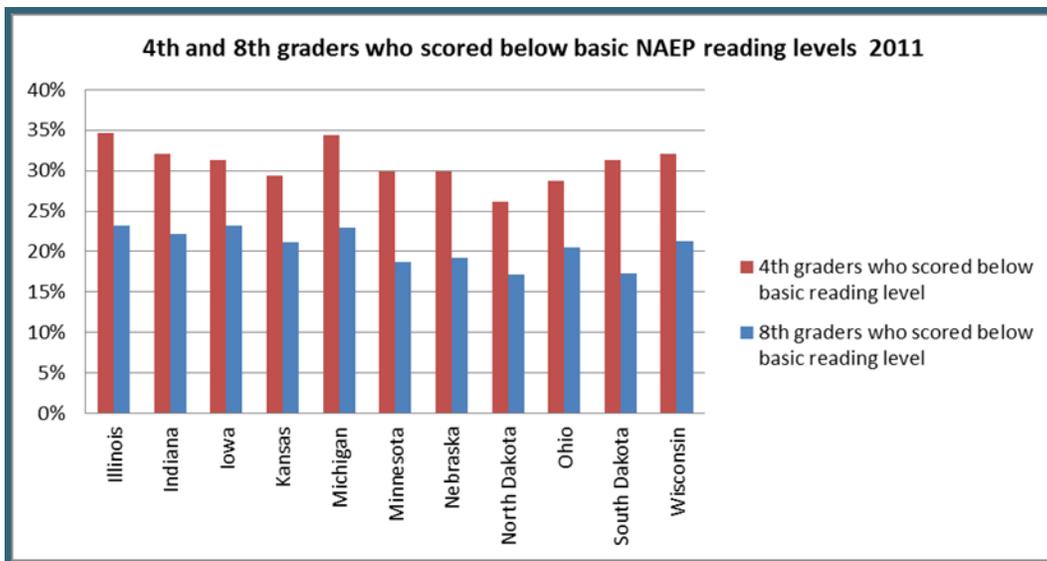
Data gathered from the [Council of State Governments States Perform](#) website show the percent of Iowa's students that scored below basic levels in math on the National Assessment of Educational Progress (NAEP) in 2011 was 14.3% for 4th graders and 23.5% for 8th graders. The percentages for other states in the Midwest Region for 4th graders (8th graders) were as follows: Illinois 20.2% (26.9%), Indiana 13.4% (23.2%), Kansas 10.1% (20.0%), Michigan 21.8% (29.4%), Minnesota 12.0% (16.8%), Nebraska 17.5% (25.5%), North Dakota 10.3% (15.5%), Ohio 13.9% (21.2%), South Dakota 14.4% (18.0%), and Wisconsin 14.0% (21.3%). The figure below shows the percentages of 4th and 8th graders that scored below basic NAEP math levels in 2011 for the Midwest region.



In reading, the percentage of Iowa students that scored below basic levels on the NAEP was 31.3% for 4th graders and 23.2% for 8th graders. The percentages for other states in the Midwest Region for 4th graders (8th graders) were as follows:

- Illinois 34.7% (23.2%)
- Indiana 32.1% (22.2%)
- Kansas 29.4% (21.2%)
- Michigan 34.4% (23.0%)
- Minnesota 29.9% (18.7%)
- Nebraska 29.9% (19.2%)
- North Dakota 26.2% (17.1%)
- Ohio 28.7% (20.5%)
- South Dakota 31.3% (17.3%)
- Wisconsin 32.1% (21.3%)

The figure below shows the percentages of 4th and 8th graders that scored below basic NAEP reading levels in 2011 for the Midwest region.



For additional comparison, please refer to <http://www.statesperform.org/Default.aspx>.

LSA Publications – Education

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

- *Budget Unit Fiscal Topics:*

- [Budget Unit: Early Childhood Iowa Initiative](#)
- [Budget Unit: State Library](#)
- [Budget Unit: State Library – Enrich Iowa](#)
- [Budget Unit: Iowa Jobs for America's Graduates](#)
- [Budget Unit: Midwest Higher Education Compact](#)
- [Budget Unit: Nonpublic Textbook Services](#)
- [Budget Unit: Entrepreneurs with Disabilities Program](#)
- [Budget Unit: Newline for the Blind](#)
- [Budget Unit: Tuition Grant Program](#)
- [Budget Unit: Health Care Professional Recruitment](#)
- [Budget Unit: Skilled Workforce Shortage Grant Program](#)
- [Budget Unit: Iowa Grants](#)
- [Budget Unit: Regents Universities General Education](#)
- [Budget Unit: National Guard Educational Assistance Program](#)
- [Budget Unit: Teacher Shortage Loan Forgiveness Program](#)
- [Budget Unit: Registered Nurse and Nurse Educator Loan Forgiveness Program](#)
- [Budget Unit: Barber and Cosmetology Tuition Grant Program](#)
- [Budget Unit: Iowa School for the Deaf](#)
- [Budget Unit: All Iowa Opportunity Foster Care Grant Program](#)
- [Budget Unit: All Iowa Opportunity Scholarships](#)
- [Budget Unit: College Student Aid Commission](#)
- [Budget Unit: Vocational-Technical Tuition Grant](#)
- [Budget Unit: Iowa Braille and Sight Saving School](#)
- [Budget Unit: Iowa Public Radio](#)
- [Budget Unit: Regents Board Office](#)
- [Budget Unit: Regents Graduate Study Centers](#)

- *Fiscal Topics:*

- [College Student Aid Commission – Administrative Costs of State-Funded Programs](#)
- [Community Colleges: State Funding](#)
- [School Aid: District Cost Per Pupil Differences Between School Districts](#)
- [School Aid Formula Funding – Area Education Agencies](#)
- [School Finance – Allowable Growth Rates](#)

- *Issue Reviews:*

- [Flood Recovery at the University of Iowa](#)
- [Secure an Advanced Vision for Education \(SAVE\) Funding – FY 2011 Report](#)
- [University Revenue Growth Adjusted for Inflation and Enrollment Change](#)
- [Salary Growth of Iowa Teachers and School Administrators](#)

- *Fiscal One-on-One Audio Interviews:*

[Iowa School Aid Funding Formula](#) (link opens the mp3 file)

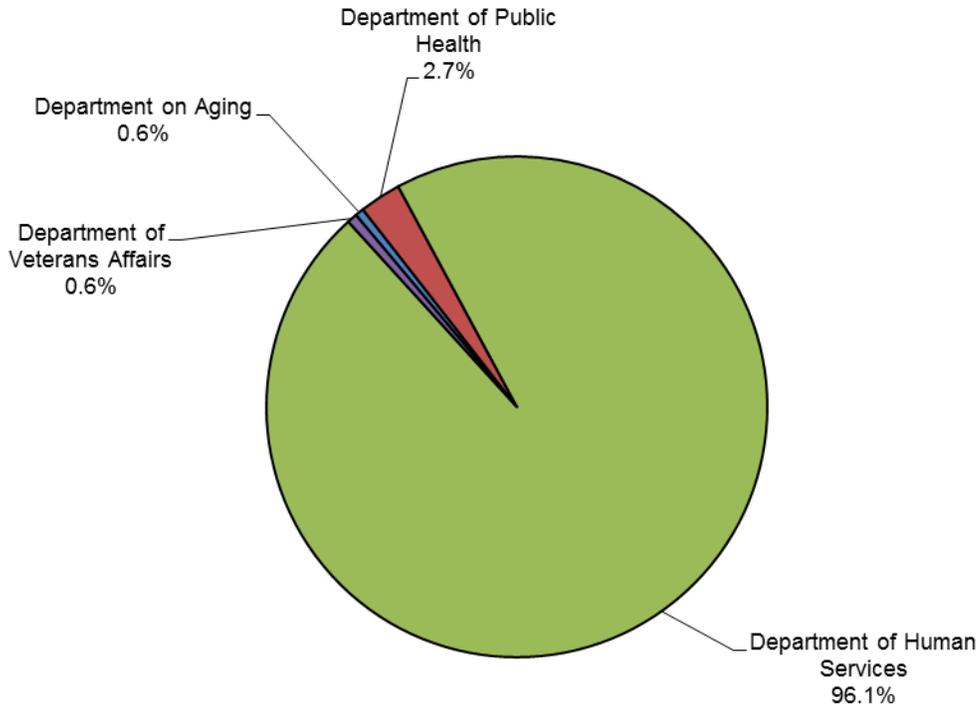
[Comparing Iowa College Student Aid to Nation](#) (link opens the mp3 file)

[The Founding of Iowa's Community College System](#) (link opens the mp3 file)

[Iowa Public Television \(IPTV\)](#) (link opens the mp3 file)

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FY 2014 Governor's General Fund Recommendations



FY 2014 Governor's General Fund Recommendations

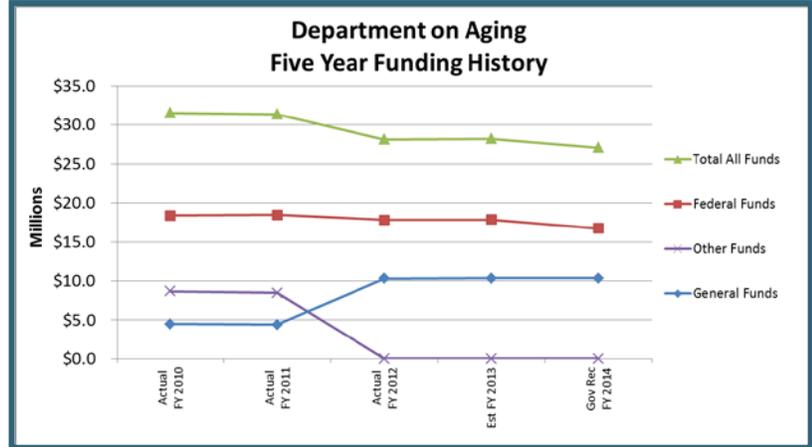
Department on Aging	\$ 10,342,086
Department of Public Health	48,948,269
Department of Human Services	1,754,431,909
Department of Veterans Affairs	11,721,638
	<u>\$ 1,825,443,902</u>

DEPARTMENT ON AGING

Overview and Funding History

Agency Overview: The Department on Aging is designated as the State Unit on Aging. The Department advocates for lowans age 60 and older and is responsible for developing a comprehensive and coordinated system of services and activities for older lowans through the 13 local Area Agencies on Aging across the State.

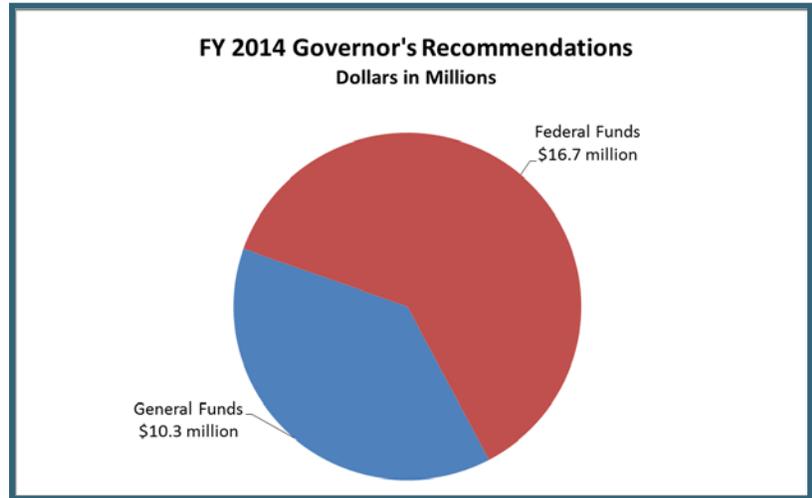
Funding History: State Funding for the Department on Aging has declined by approximately \$3.5 million since FY 2011 due mainly to budget reductions. Federal funding has remained relatively stable between \$17.6 million and \$18.5 million per year over the last five years. The Department received and appropriation from the Senior Living Trust Fund up until FY 2013 when funding from the fund was exhausted.



Governor’s Recommendations

FY 2014: The Governor is recommending General Fund appropriations totaling \$10.3 million. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending General Fund appropriations totaling \$10.3 million. This is no change compared to estimated FY 2014.



Issues

Elder Abuse Task Force – The Elder Abuse Task Force has been meeting throughout the summer and fall. The Subcommittee may wish to review the recommendations from the task force.

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 is in the process of implementing this reorganization and the General Assembly may wish to review this plan and the companion legislation.

FY 2013 Quick Facts

61,219
Number of consumers that received one or more services

2.8+ Million
Number of meals provided

534,256
Number of Home and Community-Based Services Provided

DEPARTMENT OF PUBLIC HEALTH

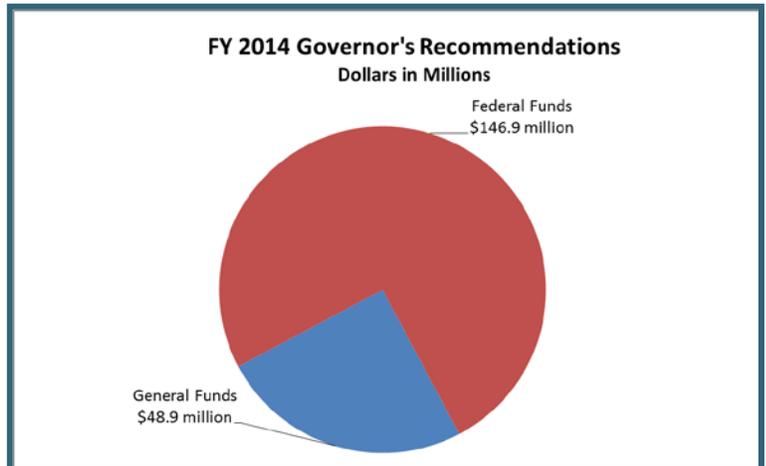
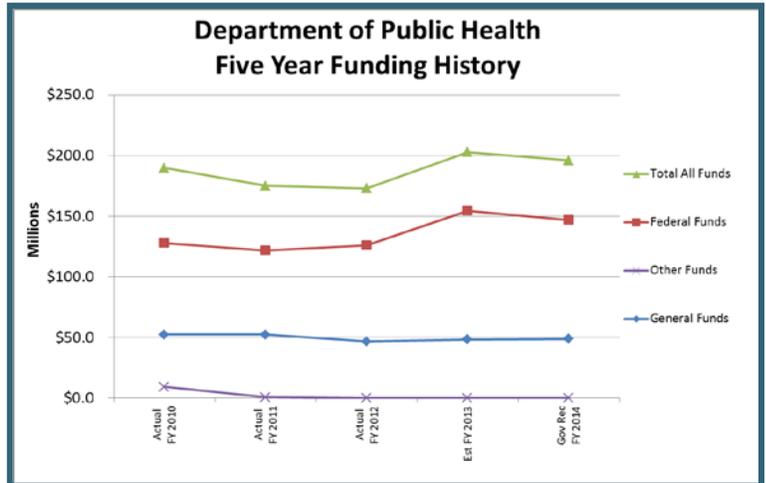
Overview and Funding History

Agency Overview: The Department of Public Health (DPH) works with local public health agencies to ensure quality health services in Iowa communities through contracts with more than 750 entities, in all 99 counties, to provide population-based health services and a limited number of personal health services. The Department assists in the administrative support for 24 licensure boards; 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.

Governor’s Recommendations

FY 2014: The Governor is recommending General Fund appropriations totaling \$48.9 million. The recommendation is an increase of \$636,000 (1.4%) compared to estimated FY 2013.

FY 2015: The Governor is recommending General Fund appropriations of \$48.9 million. This is a decrease of \$28,000 to reflect elimination of one-time funding for converting the licensing of certain professions to a fee-supported model.



FY 2013 Quick Facts

141
Number of federally certified rural health clinics in Iowa with primary care services.

3,271
Number of children served annually in a Child Protection Center funded by the DPH.

119
Number of currently licensed substance abuse assessment and treatment programs with services available to residents.

General Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
Addictive Disorders	\$ 23,863,690	\$ 23,913,690	\$ 23,863,690	\$ 0
Healthy Children and Families	2,603,559	2,653,559	2,653,559	50,000
Chronic Conditions	3,905,429	4,120,692	4,120,692	215,263
Community Capacity	4,869,980	4,894,980	4,894,980	25,000
Healthy Aging	7,297,142	7,297,142	7,297,142	0
Environmental Hazards	803,870	803,870	803,870	0
Infectious Diseases	1,335,155	1,335,155	1,335,155	0
Public Protection	2,779,127	3,267,127	3,175,127	396,000
Resource Management	804,054	2,204,054	804,054	0
Iowa Youth Suicide Prevention	50,000	0	0	-50,000
Total Public Health, Dept. of	\$ 48,312,006	\$ 50,490,269	\$ 48,948,269	\$ 636,263

Governor’s General Fund Recommendations: Significant Increases/Decreases

Department of Public Health

Healthy Children and Families: An increase to move youth suicide prevention funding from a separate appropriation to the Healthy Children and Families appropriation	\$50,000
Chronic Conditions: An increase to continue the activities of the Prevention and Chronic Care Management and Medicare Home Advisory Council that was previously funded by the Department of Human Services Health Care Transformation Account. The Account does not have sufficient funds for this item for FY 2014.	\$215,263
Community Capacity: An increase for the establishment of a Director’s Wellness Council.	\$25,000
Public Protection: An increase to maintain environmental health programs that currently deposit program fees in the General Fund. This total includes a onetime \$28,000 amount to assist with transitioning the licensing of orthotics, prosthetics, and pedorthists to a fee-supported model.	\$396,000
Iowa Youth Suicide Prevention: A decrease to reflect transfer of funding for this item to Healthy Children and Families.	\$ -50,000

DEPARTMENT OF HUMAN SERVICES

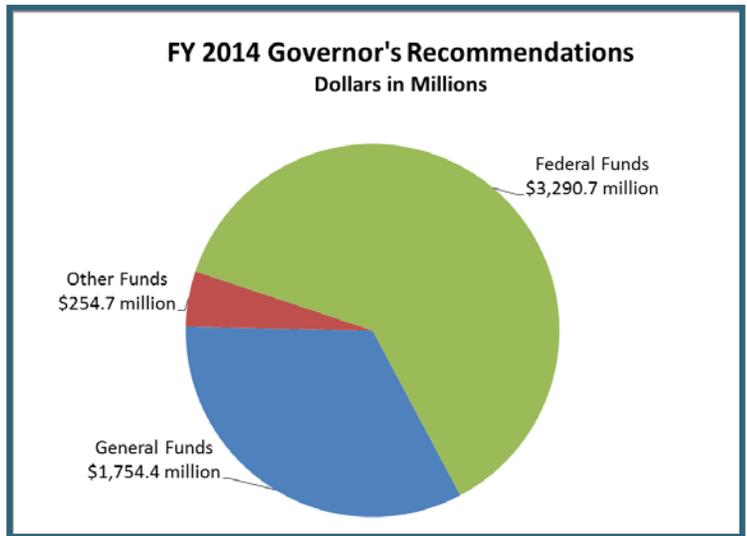
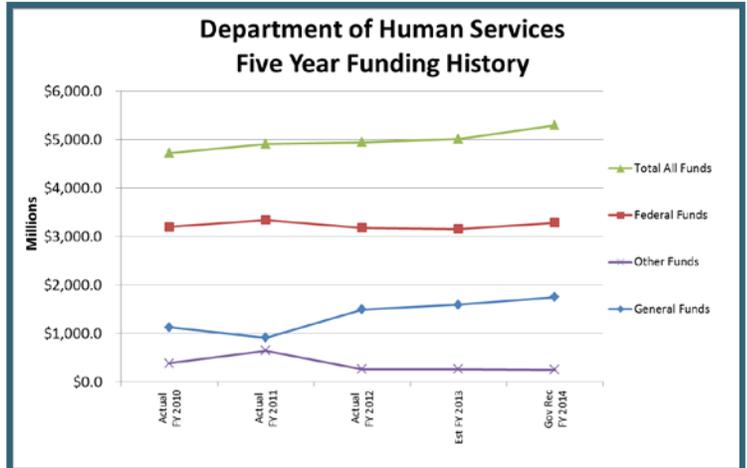
Overview and Funding History

Agency Overview: 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 individuals with intellectual disabilities.

Funding History: Funding for the Department of Human Services (DHS) has continued to increase from FY 2010-FY 2014 mainly due to increasing caseloads during the recession and increased costs of services. General Fund appropriations declined in FY 2010-FY 2011 as a result of federal stimulus dollars provided through the federal American Recovery and Reinvestment Act. In addition, the Federal Medical Assistance Percentage (FMAP) match rate continues to decline resulting in a need for additional General Fund appropriations for numerous DHS Programs (For more information on the FMAP rate decline, please see the Medicaid section of this document.)

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$1,754.4 million. This is an increase of \$157.0 million compared to estimated FY 2013. The Governor is also recommending other fund appropriations totaling \$254.7 million for FY 2014. This recommendation is a decrease of \$11.3 million compared to estimated FY 2013.



FY 2012 Quick Facts

52,055
Number of children received health care coverage under the *hawk-i* Program

1,400
Individuals served at the four Mental Health Institutes

\$332.4 million
Amount of child support payments collected by the Child Support Recovery Unit

FY 2015: The Governor is recommending General Fund appropriations totaling \$1,809.4 million. This is an increase of \$55.0 million compared to estimated FY 2014. The Governor is also recommending other fund appropriations totaling \$248.0 million for FY 2015. This recommendation is a decrease of \$6.7 million compared to estimated FY 2014.

Governor’s General Fund Recommendations – Department of Human Services

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Human Services, Dept. of				
Assistance				
Family Investment Program/JOBS	\$ 48,397,214	\$ 47,897,214	\$ 47,897,214	\$ -500,000
Medical Assistance	914,993,421	1,032,470,780	1,024,388,866	109,395,445
State Supplementary Assistance	15,450,747	16,512,174	16,512,174	1,061,427
State Children’s Health Insurance	36,806,102	43,877,719	36,806,102	0
Child Care Assistance	62,264,342	67,195,101	61,222,955	-1,041,387
Child and Family Services	81,231,561	81,738,194	81,274,946	43,385
Adoption Subsidy	36,788,576	39,157,985	39,156,832	2,368,256
Family Support Subsidy	1,096,784	1,092,955	994,955	-101,829
Conners Training	33,622	33,622	33,622	0
MI/MR/DD State Cases	11,150,820	0	0	-11,150,820
MH/DD Community Services	14,211,100	0	0	-14,211,100
Volunteer Services	84,660	84,660	84,660	0
MH/DD Growth Factor	74,697,893	0	0	-74,697,893
Medical Contracts	5,791,994	15,761,250	9,562,544	3,770,550
MH Property Tax Relief	81,199,911	0	0	-81,199,911
Non-Medicaid Cost Increases	0	1,960,000	0	0
IowaCare Program	0	8,934,329	0	0
Mental Health Redesign	40,000,000	259,201,434	255,459,813	215,459,813
Total Assistance	<u>\$ 1,424,198,747</u>	<u>\$ 1,615,917,417</u>	<u>\$ 1,573,394,683</u>	<u>\$ 149,195,936</u>
Toledo Juvenile Home				
Toledo Juvenile Home	\$ 8,297,765	\$ 8,859,355	\$ 8,859,355	\$ 561,590
Eldora Training School				
Eldora Training School	\$ 10,680,143	\$ 11,256,969	\$ 11,256,969	\$ 576,826
Cherokee				
Cherokee MHI	\$ 5,535,738	\$ 5,954,464	\$ 5,954,464	\$ 418,726
Clarinda				
Clarinda MHI	\$ 6,442,688	\$ 6,751,868	\$ 6,751,868	\$ 309,180
Independence				
Independence MHI	\$ 9,738,520	\$ 10,318,778	\$ 10,318,778	\$ 580,258
Mt Pleasant				
Mt Pleasant MHI	\$ 885,459	\$ 1,366,686	\$ 1,366,686	\$ 481,227
Glenwood				
Glenwood Resource Center	\$ 18,866,116	\$ 20,958,331	\$ 20,046,519	\$ 1,180,403
Woodward				
Woodward Resource Center	\$ 13,033,115	\$ 15,453,151	\$ 13,809,566	\$ 776,451
Cherokee CCUSO				
Civil Commitment Unit for Sexual Offenders	\$ 8,899,686	\$ 11,142,979	\$ 9,416,969	\$ 517,283

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Field Operations				
Child Support Recoveries	\$ 13,149,541	\$ 14,173,770	\$ 14,173,770	\$ 1,024,229
Field Operations	61,636,313	64,816,883	63,409,538	1,773,225
Total Field Operations	<u>\$ 74,785,854</u>	<u>\$ 78,990,653</u>	<u>\$ 77,583,308</u>	<u>\$ 2,797,454</u>
General Administration				
General Administration	<u>\$ 16,100,685</u>	<u>\$ 16,611,455</u>	<u>\$ 15,672,744</u>	<u>\$ -427,941</u>
Total Human Services, Dept. of	<u>\$ 1,597,464,516</u>	<u>\$ 1,803,582,106</u>	<u>\$ 1,754,431,909</u>	<u>\$ 156,967,393</u>

Governor’s General Fund Recommended Changes – Department of Human Services

Family Investment Program (FIP)/Promise Jobs – A decrease of \$500,000.	
A reduction as a result of the Governor’s veto in FY 2013.	\$ -500,000
A decrease due to a reduction in FIP caseload.	\$ -2,355,185
An increase to cover State share of operation and maintenance costs of new eligibility system.	\$681,768
An increase to meet federal Maintenance of Effort (MOE) requirements for FIP.	\$1,673,417
A decrease due to a reduction in Promise Jobs referrals.	\$ -545,089
An increase to meet federal MOE requirements for Promise Jobs.	\$545,089

Medicaid – A net increase of \$109.4 million.	
A reduction as a result of the Governor’s veto in FY 2013.	\$ -37,000
An increase to replace carryforward available in FY 2013.	\$15,337,099
An increase to fund the FY 2013 shortfall in FY 2014.	\$26,985,071
An increase to rebase nursing facilities.	\$14,268,148
A decrease due to changes in the Affordable Care Act changes being offset by higher Balancing Incentive Payment Program revenue.	\$ -80,861
An increase to reflect changes in the State’s FMAP rate.	\$43,206,760
An increase to transfer to the IowaCare Program due to increased expenditures.	\$15,158,120
An increase to replace FY 2013 funding from the Mental Health Risk Pool.	\$4,736,918
An increase to replace one-time funding from the Behavioral Health Account.	\$2,833,572
An increase to replace a one-time transfer from the Veterans Home in FY 2013.	\$3,533,208
A decrease due to increased revenue from the Nursing Facility Quality Assurance Trust Fund for FY 2014.	\$ -2,288,917
An increase due to decreased funding from the Hospital Health Care Access Trust Fund.	\$22,400
An increase due to a DOM adjustment to fund Medicaid at the bottom of the range projected by the forecasting group.	\$5,573,530
An increase due to a decrease in revenue from the CHIPRA performance bonus.	\$3,192,194
A decrease due to various cost containment strategies recommended by the Governor.	\$ -30,110,000
An increase due to a decrease in revenue from the Health Care Transformation Account.	\$7,065,203

State Supplementary Assistance – An increase of \$1.1 million.	
An increase due to growth in caseload.	\$1,061,427

Child Care Assistance – A decrease of \$1.0 million.	
An increase to restore services to FY 2013 levels.	\$1,183,051
An increase to provide funding for projected FY 2014 caseload growth.	\$1,895,652

A General Fund decrease due to an increase of available federal Temporary Assistance for Needy Families (TANF) funding.	-\$3,000,000
A decrease due to TANF carryforward funds from FY 2013.	-\$1,255,268
An increase to expand the federal fingerprint record check requirement.	\$135,178

Child and Family Services – An increase of \$43,000.	
An increase to reflect changes in the FMAP rate.	\$280,025
A transfer between the Children and Family Services and Adoption Subsidy appropriations for a provider rate increase for FY 2013 that was previously approved by the General Assembly.	\$201,608
An increase for family foster care rates to provide for 65.0% of the U.S. Department of Agriculture (USDA) estimated cost to raise a child in the Midwest.	\$1,738,174
A decrease to notwithstanding the family foster care rates to provide for 65.0% of the USDA estimated cost to raise a child in the Midwest and maintain payment rates at the FY 2013 level.	\$-1,738,174
A decrease to account for unused shelter beds.	\$ -438,248

Adoption Subsidy – An increase of \$2.4 million.	
A transfer between the Children and Family Services and Adoption Subsidy appropriations for a provider rate increase for FY 2013 that was previously approved by the General Assembly.	\$ -201,308
An increase due to an adoption subsidy shortfall between the FY 2013 appropriation and the DHS estimate of need for FY 2013 to fund 264 cases a month.	\$998,628
A caseload increase for 13 additional adoption subsidy cases.	\$790,660
An increase to reflect changes in the FMAP rate.	\$780,576
An increase for adoption subsidy maintenance rates to provide for 65.0% of the USDA estimated cost to raise a child in the Midwest.	\$4,717,235
A decrease to notwithstanding the adoption subsidy maintenance rates to provide for 65.0% of the USDA estimated cost to raise a child in the Midwest and maintain payment rates at the FY 2013 level.	\$ -4,717,235

Family Support Subsidy – A decrease of \$102,000.	
A decrease to account for the children that have aged out of the program.	\$ -101,829

MI/MR/DD State Cases – A decrease of \$11.2 million.	
A decrease to move this appropriation to the Mental Health Redesign Medicaid appropriation.	\$ -11,150,820

MH/DD Community Services – A decrease of \$14.2 million.	
A decrease to move this appropriation to the Mental Health Redesign Medicaid appropriation.	\$ -14,211,100

MH/DD Growth Factor – A decrease of \$74.7 million.	
A decrease to move this appropriation to the Mental Health Redesign Medicaid appropriation.	\$ -74,697,893

Medical Contracts – An increase of \$4.7 million.	
An increase to replace one-time funding from the Pharmaceutical Settlement Account.	\$3,455,804
An increase to replace one-time funding from the Health Care Transformation Account (HCTA).	\$2,400,000
An increase to fund appropriations previously funded from the HCTA.	\$3,247,412
An increase due to contract, technology, and operations increases.	\$715,538
An increase due to increased ITE mainframe usage related to the Affordable Care Act (ACA).	\$38,744
An increase due to screening and enrollment requirements under the ACA.	\$111,758
A decrease due to increased availability of funding from the Pharmaceutical Settlement Account.	\$ -5,300,000

MH Property Tax Relief – A decrease of \$81.2 million.	
A decrease to move this appropriation to the Mental Health Redesign Medicaid appropriation.	\$ -81,199,911
Mental Health Redesign – Medicaid – An increase of \$215.5 million.	
An increase due to the shift of the MH Property Tax Relief appropriation to Medicaid.	\$81,199,911
An increase due to the shift of the MH/DD Allowed Growth appropriation to Medicaid.	\$74,697,893
An increase due to the shift of the MH/DD Community Services appropriation to Medicaid.	\$14,211,100
An increase due to the shift of the MI/MR/DD State Cases appropriation to Medicaid.	\$11,150,820
An increase to replace a shortfall in FY 2013.	\$8,000,000
An increase due to the replacement of one-time revenue.	\$,7200,000
An increase due to a change in the use of services.	\$9,650,639
An increase due a reduction in the FMAP rate.	\$9,349,361
Toledo Juvenile Home – An increase of \$562,000.	
An increase to sustain the funding level approved by the General Assembly in FY 2013.	\$444,812
An increase due to increased pharmaceutical, food, transportation, utility, workers' compensation, printing, and postage costs.	\$44,118
A transfer from General Administration to sustain critical core staffing to maintain beds.	\$72,660
Eldora State Training School – An increase of \$577,000.	
An increase to sustain the funding level approved by the General Assembly in FY 2013.	\$443,811
An increase due to increased pharmaceutical, food, transportation, and utility costs.	\$60,355
A transfer from General Administration to sustain critical core staffing to maintain beds.	\$72,660
Cherokee Mental Health Institute – An increase of \$419,000.	
An increase due to the transfer of funding from the General Administration appropriation.	\$72,660
An increase to sustain the FY 2013 level of services.	\$346,066
Clarinda Mental Health Institute – An increase of \$309,000.	
An increase due to the transfer of funding from the General Administration appropriation.	\$72,660
An increase to sustain the FY 2013 level of services.	\$236,520
Independence Mental Health Institute – An increase of \$580,000.	
An increase due to the transfer of funding from the General Administration appropriation.	\$72,660
An increase to sustain the FY 2013 level of services.	\$466,512
An increase to reflect changes in the FMAP rate.	\$41,086
Mt. Pleasant Mental Health Institute – An increase of \$481,000.	
An increase due to the transfer of funding from the General Administration appropriation.	\$72,660
An increase to sustain the FY 2013 level of services.	\$326,082
An increase to sustain pharmacist staffing.	\$82,485
Glenwood Resource Center – An increase of \$1.4 million.	
An increase due to the transfer of funding from the General Administration appropriation.	\$72,660
An increase in food, transportation, and utilities costs.	\$326,082
An increase to reflect changes in the FMAP rate.	\$1,050,040

Woodward Resource Center – An increase of \$776,000.	
An increase due to the transfer of funding from the General Administration appropriation.	\$72,660
An increase in food, transportation, and utilities costs.	\$25,726
An increase to reflect changes in the State’s FMAP rate.	\$678,065
Civil Commitment Unit for Sexual Offenders – An increase of \$517,000.	
An increase due to the transfer of funding from the General Administration appropriation.	\$72,660
An increase to fund 10 additional court-ordered offenders.	\$444,623
Child Support Recovery Unit – An increase of \$1.2 million.	
An increase to replace lost federal incentives and other one-time funding.	\$712,415
An increase due to increased DAS services, corporate technology, and IT expenses.	\$475,711
Field Operations – An increase of \$1.8 million.	
An increase to replace one time Children’s Health Insurance Program (CHIP) contingency funds with the state share.	\$677,864
An increase to maintain cases per worker ratios at FY 2013 levels.	\$1,095,361
General Administration – A decrease of \$428,000.	
A decrease due to a transfer to the institutions to sustain critical core staffing to maintain beds.	\$ -653,940
An increase to sustain FY 2013 funding levels via carry forward authorization.	\$689,000
A decrease due to the removal of a Sex Offender Treatment Program earmark in SF 2336 (FY 2013 Health and Human Services Appropriations Act).	\$ -463,000

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Human Services, Dept. of				
Assistance				
Medical Assistance - HCTF	\$ 106,046,400	\$ 106,046,400	\$ 106,046,400	\$ 0
Medical Contracts-Pharm Settlement - PhSA	4,805,804	1,350,000	6,650,000	1,844,196
Broadlawns Hospital - ICA	71,000,000	71,000,000	67,500,000	-3,500,000
Regional Provider Network - ICA	4,986,366	4,986,366	5,986,366	1,000,000
Nonparticipating Providers - NPPR	2,000,000	2,000,000	2,000,000	0
Medical Information Hotline - HCTA	100,000	0	0	-100,000
Health Partnership Activities - HCTA	600,000	0	0	-600,000
Audits, Performance Eval., Studies - HCTA	125,000	0	0	-125,000
IowaCare Admin. Costs - HCTA	1,132,412	0	0	-1,132,412
Dental Home for Children - HCTA	1,000,000	0	0	-1,000,000
MH/DD Workforce Development - HCTA	50,000	0	0	-50,000
Medical Contracts - HCTA	2,400,000	0	0	-2,400,000
Broadlawns Admin - HCTA	540,000	0	0	-540,000
Medical Assistance - QATF	26,500,000	28,788,917	28,788,917	2,288,917
Medical Assistance - HHCAT	33,898,400	33,876,000	33,876,000	-22,400
Nonparticip Provider Reimb Fund - HHCAT	801,600	824,000	824,000	22,400
Electronic Medical Records - HCTA	100,000	0	0	-100,000
Medical Assistance - HCTA	6,872,920	0	0	-6,872,920
Care Coordination - ICA	500,000	500,000	0	-500,000
Lab Test & Radiology Pool - ICA	1,500,000	1,500,000	3,000,000	1,500,000
Uniform Cost Report - HCTA	150,000	0	0	-150,000
Health Care Access Council - HCTA	134,214	0	0	-134,214
Accountable Care Pilot - HCTA	100,000	0	0	-100,000
DPH Transfer e-Health - HCTA	363,987	0	0	-363,987
DPH Transfer Medical Home - HCTA	233,357	0	0	-233,357
Total Human Services, Dept. of	\$ 265,940,460	\$ 250,871,683	\$ 254,671,683	\$ -11,268,777

Governor’s Other Fund Recommended Changes – Department of Human Services

Pharmaceutical Settlement Account – An increase of \$1.8 million.	
An increase to Medical Contracts due to increased revenue from settlements with drug companies.	\$1,844,196

IowaCare Account – A decrease of \$1.5 million.	
A decrease due to lower patient volume at Broadlawns Hospital.	\$ -3,500,000
An increase for the Federally Qualified Health Centers participating in the IowaCare Program.	\$1,000,000
A decrease to eliminate the care coordination pool under the IowaCare Program.	\$ -500,000
An increase to fund the higher demand on the lab testing and care coordination funding pool.	\$1,500,000

Health Care Transformation Account – A decrease of \$13.9 million.	
At the end of FY 2013 there will be no funds remaining in the Health Care Transformation Account. The Governor is recommending funding for all Appropriations currently funded from the Account from the General Fund Medical Assistance (Medicaid) appropriation.	
A decrease to the Medical Information Hotline due to shifting funding sources.	\$ -100,000
A decrease to Health Partnership Activities due to shifting funding sources.	\$ -600,000

A decrease to Medical Audits, Performance Evaluations, and Studies due to shifting funding sources.	\$ -125,000
A decrease to IowaCare Administrative costs due to shifting funding sources.	\$ -1,132,412
A decrease to Dental Home for Children due to shifting funding sources.	\$ -1,000,000
A decrease to MH/DD Workforce Development due to shifting funding sources.	\$ -50,000
A decrease to Medical Contracts due to shifting funding sources.	\$ -2,400,000
A decrease to Broadlawns Administration due to shifting funding sources.	\$ -540,000
A decrease Electronic Medical Records due to shifting funding sources.	\$ -100,000
A decrease to Medical Assistance due to shifting funding sources.	\$ -6,872,920
A decrease to Uniform Cost Reports due to shifting funding sources.	\$ -150,000
A decrease to Health Care Access Council due to shifting funding sources	\$ -134,214
A decrease to Accountable Care Pilot Project due to shifting funding sources.	\$ -100,000
A decrease to DPH E-Health due to shifting funding sources.	\$ -363,987
A decrease to DPH Medical Home Advisory Council due to shifting funding sources.	\$ -233,357

Quality Assurance Trust Fund – An increase of \$2.3 million.	
An increase to Medicaid due to increased revenue available in the Trust Fund.	\$2,288,917

Hospital Health Care Access Trust Fund – No net change.	
A decrease due to a shift in funding from Medicaid to the Nonparticipating Provider Reimbursement Fund.	\$-22,000
An increase for the Nonparticipating provider reimbursement fund due to a lower federal match rate.	\$22,000

Issues

Sex Offender Treatment Program medical transitional release – Senate File 2336 ([FY 2013 Health and Human Services Appropriations Act](#)) allocated up to \$463,000 to the DHS General Administration appropriation to be used by DHS in collaboration with the Department of Corrections (DOC) and judicial districts to fund the placement of individuals in a transitional release program or discharged from commitment as a sexually violent predator due to the need for medical treatment. However, the appropriation was not paired with the proper authorization for the departments to carry out the intent of the funding.

Child Care Assistance (CCA) – It is possible that the DHS may be required to pay back \$2.5 million in federal funds as a result of an FY 2004 reobligation issue noted in an Office of Inspector General audit. The DHS intends to appeal the audit finding.

FMAP – The FMAP match rate is a formula that is used to determine the State and federal share of expenditures for the Medicaid Program. The rate is based on a three-year per capita average of Iowa compared to the rest of the states. Iowa continues to do better economically compared to other states, and because of this FMAP continues to decline. For FY 2014, the decline in FMAP is estimated to be \$57.1 million across all General Fund appropriations. *For more information regarding FMAP and Medicaid funding see the Medicaid Section of this document.*

Medicaid – *The Governor is recommending an additional \$109.4 million General Fund appropriation for Medicaid in FY 2014. With the General Fund appropriation and various cost-containment strategies, savings, and additional appropriations, the Governor is recommending funding of Medicaid at \$15.6 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 \$14.4 million for FY 2014. For more information, see the Medicaid Section in this document.

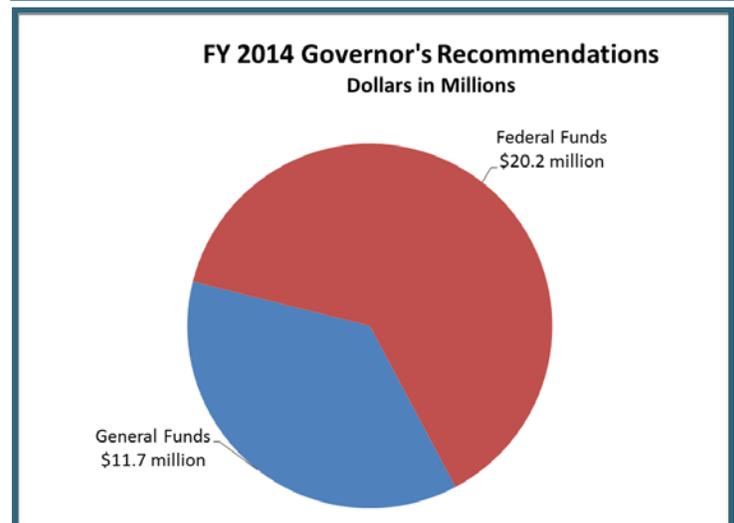
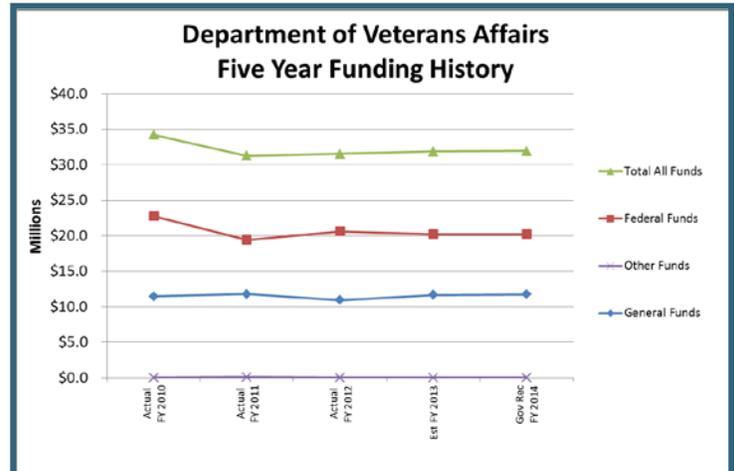
Mental Health – With the passage of SF 2315 (FY 2013 Mental Health Redesign Act) the DHS and various workgroups have been working throughout the summer and fall to implement the changes to the Mental Health System. In addition this fall the General Assembly had a [Mental Health and Disability Services Redesign Fiscal Viability Study Committee](#) that met twice and made various recommendations including providing \$20.0 million for the Mental Health Transition Fund for FY 2013. The purpose of the Transition fund is to provide a bridge to counties until the per capita levy equalization payment of \$29.8 million that begins in FY 2014. The Governor recommended \$3.8 million for the Transition Fund in FY 2013 and made no recommendation for the \$29.8 million equalization payment. The Health and Human Services Appropriations Subcommittee may wish to review the recommendations made by the Mental Health Interim Committee and the various workgroups run by the Departments.

DEPARTMENT OF VETERANS AFFAIRS

Agency Overview: 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.

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$11.7 million. The recommendation is a General Fund increase of \$68,000 (0.6%) compared to estimated FY 2013. The recommendation reflects an increase of \$14,000 to rent a building at Camp Dodge and \$54,000 to account for increased accounting, budgetary, and IT expenses provided by the Department of Public Defense.



General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Veterans Affairs, Dept. of</u>				
Veterans Affairs, Department of				
General Administration	\$ 1,025,819	\$ 1,093,508	\$ 1,093,508	\$ 67,689
War Orphans Educational Assistance	12,416	12,416	12,416	0
Vets Home Ownership Program	1,600,000	1,600,000	1,600,000	0
Veterans County Grants	990,000	990,000	990,000	0
Total Veterans Affairs, Department of	\$ 3,628,235	\$ 3,695,924	\$ 3,695,924	\$ 67,689
Veterans Affairs, Dept. of				
Iowa Veterans Home	\$ 8,025,714	\$ 8,025,714	\$ 8,025,714	\$ 0
Total Veterans Affairs, Dept. of	\$ 11,653,949	\$ 11,721,638	\$ 11,721,638	\$ 67,689

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. In November 2011, the Iowa Finance Authority ceased 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. In FY 2013, the Program received an appropriation of \$1.6 million from the General Fund. *The Governor is recommending the same funding level for FY 2014 and FY 2015.*

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 \$99.7 million for FY 2014. This is an increase of \$10.4 million compared to estimated FY 2013. The increase is a result of growth in the IowaCare Program.

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Regents, Board of</u>				
Regents, Board of				
UI - UIHC IowaCares Program - ICA	\$ 27,284,584	\$ 27,284,584	\$ 27,284,584	\$ 0
UI - UIHC IowaCares Expansion Pop - ICA	45,654,133	45,654,133	52,569,199	6,915,066
UI - UIHC IowaCares Physicians - ICA	16,277,753	16,277,753	19,806,365	3,528,612
Total Regents, Board of	\$ 89,216,470	\$ 89,216,470	\$ 99,660,148	\$ 10,443,678

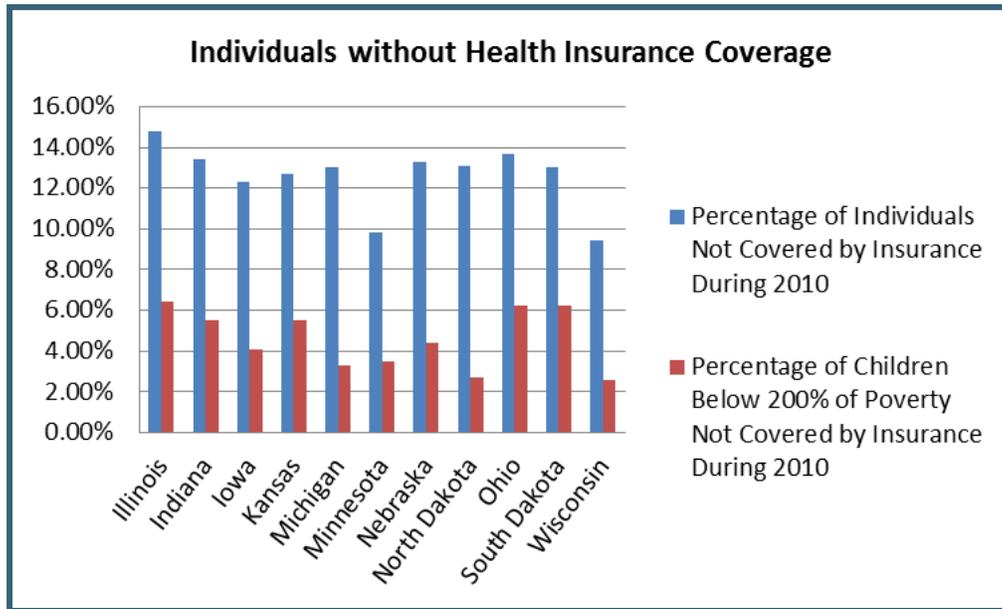
Governor’s Other Fund Recommended Changes – Board of Regents

IowaCare Account – An increase of \$10.4 million.	
An increase due to program growth and utilization at the UIHC.	\$6,915,066
An increase for additional physician reimbursement due to an increased number of patients at the UIHC.	\$3,528,612

Comparison to Other States – Children’s Health Insurance Coverage Outcomes

Data gathered from the [Council of State Governments States Perform](#) website, showed that Iowa is about in the middle compared with other states in the Midwest region when it came to insuring children with family incomes below 200.0% of the Federal Poverty Level (FPL) in CY 2010. Iowa had a 4.1% uninsured rate for that population compared to Wisconsin with a 2.6% uninsured rate for that population. Illinois had the highest rate of uninsured children below 200.0% of the FPL with 6.4%.

Among the adult population, Iowa is near the top with the lowest rate of uninsured with only 12.3% of individuals not having insurance coverage in CY 2010. That is compared to Illinois with the highest uninsured rate in the Midwest region at 14.8% and Wisconsin with the lowest rate at 9.4%. The majority of states in the Midwest region had about 13.0% uninsured.



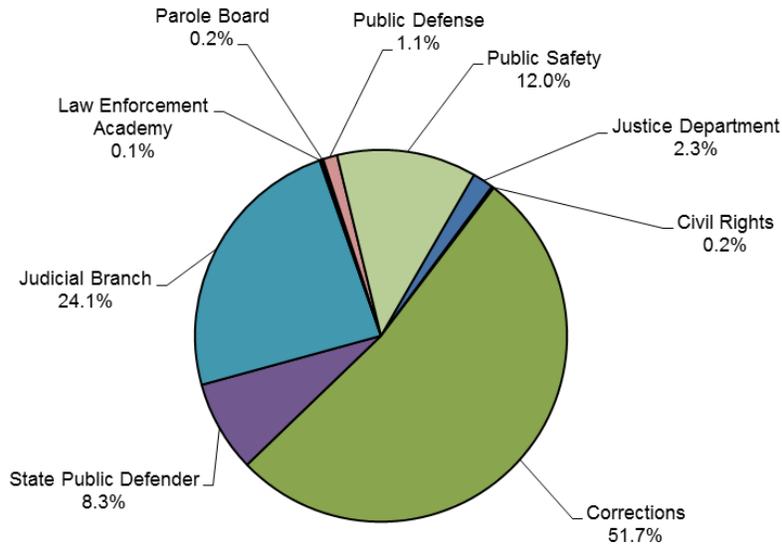
LSA Publications

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

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

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FY 2014 General Fund Governor's Recommendations



FY 2014 General Fund Governor's Recommendations

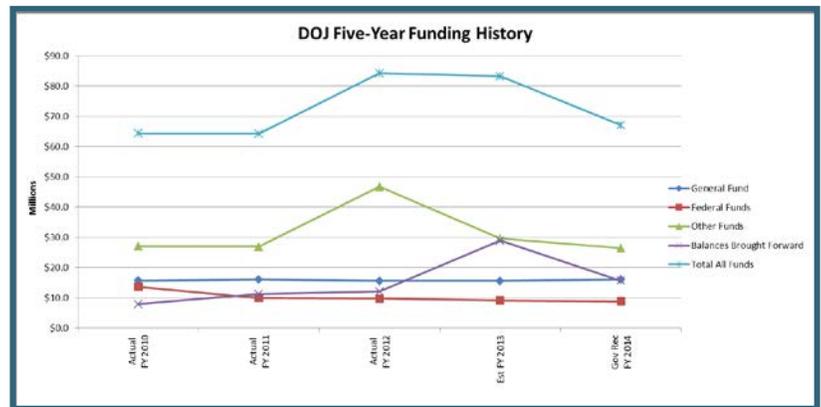
Justice Department	\$	12,951,746
Civil Rights		1,297,069
Corrections		368,045,923
State Public Defender		55,764,111
Judicial Branch		167,699,367
Law Enforcement Academy		1,001,698
Parole Board		1,203,835
Public Defense		8,701,319
Public Safety		85,179,511
	\$	<u>701,844,579</u>

DEPARTMENT OF JUSTICE

Overview and Funding History

Agency Overview: 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, the Consumer Advocate's Office, and the Victim Assistance Program. 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 Farm Mediation, Crime Victim Assistance, and Legal Services Poverty Grants.

Funding History: The line chart to the right shows the funding history for the Department of Justice. The Department receives General Fund appropriations for the Office of the Attorney General, Victim Assistance Grants, and Legal Services Poverty Grants. The General Fund appropriations have remained relatively stable over the last five years. The Crime Victim Assistance Division receives federal funds which have declined slightly over the same period. Other funds include the Department of Commerce Revolving Fund appropriation to the Office of the Consumer Advocate, and Attorney General reimbursements from other agencies, Funds, boards, grants, or internal accounts. The FY 2012 other funds include \$16.1 million in receipts to the [Mortgage Servicing Settlement Fund](#) that was created in [House File 2465](#) (FY 2013 Standing Appropriations Act) during the 2012 Legislative Session. This explains the spike in FY 2012 other fund receipts. Balances brought forward are unspent receipts from previous fiscal years. These funds are available for expenditure in the current or future fiscal years. The sources of the balances brought forward are restricted internal funds under the control of the Office of the Attorney General, the Victim Compensation Fund, and the Mortgage Servicing Settlement Fund.



FY 2013 Quick Facts - DOJ

29,350

Number of victims served

162 Attorneys

Out of 260.0 FTE positions in the Iowa Department of Justice

15 Divisions

In the Department of Justice

Governor's Recommendations:

FY 2014: The Governor is recommending FY 2014 General Fund appropriations totaling \$13.0 million for the Department of Justice. This is an increase of \$468,000 compared to estimated FY 2013 that includes \$175,000 for the Criminal Appeals Division within the Office of the Attorney General and \$293,000 for Legal Services Poverty Grants. The Governor is recommending Department of Commerce Revolving Fund

appropriations of \$3.1 million for the Office of the Consumer Advocate. This is no change compared to the current funding level.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$13.4 million for the Department of Justice. This is an increase of \$468,000 that includes \$175,000 for the Office of the Attorney General and \$293,000 for Legal Services Poverty Grants compared to the FY 2014 recommendation. The Governor is recommending Department of Commerce Revolving Fund appropriations of \$3.1 million for the Office of the Consumer Advocate. This is no change compared to the FY 2014 recommendation.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Justice, Department of				
Justice, Dept. of				
General Office A.G.	\$ 7,792,930	\$ 8,142,930	\$ 7,967,930	\$ 175,000
Victim Assistance Grants	2,876,400	2,876,400	2,876,400	0
Legal Services Poverty Grants	1,814,831	2,400,000	2,107,416	292,585
Total Justice, Department of	\$ 12,484,161	\$ 13,419,330	\$ 12,951,746	\$ 467,585

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Justice, Department of				
Consumer Advocate				
Consumer Advocate - CMRF	\$ 3,136,163	\$ 3,136,163	\$ 3,136,163	\$ 0
Total Justice, Department of	\$ 3,136,163	\$ 3,136,163	\$ 3,136,163	\$ 0

Issues

Victim Assistance Grants – The General Fund appropriation is combined with federal funds from the Victims of Crime Act (VOCA), Violence Against Women Act (VAWA), and Family Violence Prevention and Services Act to make grants to service providers of victims of violent crimes including domestic abuse, sexual assault, hotlines for domestic abuse and sexual assault, homicide survivor programs, and victim and witness coordinators. The Department supplements the General Fund appropriation with the Victim Compensation Fund.

Victim Services Changes – The Crime Victim Assistance Division (CVAD) is in the process of redefining how the State funds victim services at the local level. Currently, services and advocacy for victims of domestic

abuse and sexual assault, including shelter care, vary across the State. The CVAD funds about 44.0% of these services and is in the process of establishing six service areas across the State. Local providers are encouraged to develop coalitions to strengthen victim services and advocacy within their service area. The CVAD administers approximately \$10.6 million of state and federal funds for victim services at the local level. Based on research and experience in other states, the CVAD is encouraging new models of housing for victims of domestic violence and sexual assault, such as rapid rehousing and transitional housing, in addition to traditional shelter. The CVAD has been working with the [Iowa Coalition Against Domestic Violence](#) and the [Iowa Coalition Against Sexual Assault](#) to develop and implement requirements for local service providers to meet the initiative. *The Governor is not recommending an increase for Victim Assistance Grants.*

Appellate Cases – During the Governor’s December 2012 budget hearing, the Governor and Attorney General discussed the Supreme Court changing its approach to appellate defender motions to withdraw for frivolous appeals. This Supreme Court rule has increased the workload of both the State Public Defender’s Office and the Office of the Attorney General. In FY 2009, there were 16 attorneys in the Criminal Appeals Division of the Attorney General’s Office. They received 32.5 briefs in an average month. In FY 2013, there are 14 attorneys receiving 53 briefs in an average month. This is a staffing decrease of 12.5% and a workload increase of 63.1%. *The Governor is recommending an increase of \$175,000 for additional attorneys.*

Notice of Mortgage Foreclosure Counseling and Mediation Services – The Office indicates that it prefers extending until July 1, 2014, a requirement that a notice of the availability of mortgage foreclosure counseling and mediation services be provided to individuals facing foreclosure proceedings. Iowa Code section [654.4B](#) repeals the requirement to provide the notice on July 1, 2013.

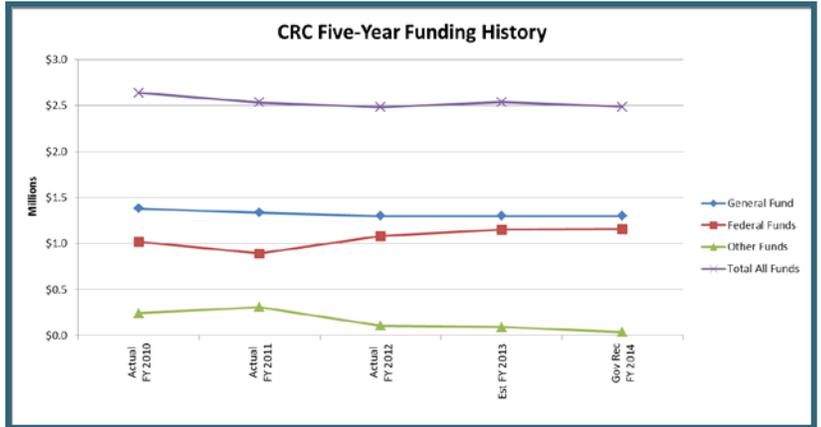
Second Injury Fund – Current law in Iowa Code section [85.67](#) permits the Office of the Attorney General to be reimbursed up to \$150,000 annually from the Second Injury Fund. The Office indicates that it would like the cap increased to \$215,000 to provide for an entry level attorney to staff the increased second injury caseload handled by the Office.

Consumer Education and Litigation Fund – Iowa Code section [714.16C\(2\)](#) makes a standing limited appropriation of \$1,125,000 from the Fund to the Office of the Attorney General for public education related to consumer fraud as well as enforcement of Iowa and federal consumer fraud laws. Iowa Code section [714.16C\(2\)](#) makes a standing limited appropriation of \$75,000 from the Fund to the Office of the Attorney General for investigation, prosecution, and consumer education related to consumer and criminal fraud committed against older Iowans. However, [SF 510 \(FY 2012 Justice System Appropriations Act\)](#) notwithstanding the above appropriation limits for FY 2009 through FY 2013 and increased the standing limited appropriation for public education related to consumer fraud and enforcement of Iowa and federal consumer fraud laws to \$1,875,000. The standing limited appropriation for investigation, prosecution, and consumer education related to consumer and criminal fraud committed against older Iowans was increased to \$125,000. The increase in the funding caps is repealed (scheduled to sunset) June 30, 2013. The Office would like to repeal the sunset in order to continue its current level of consumer protection activities.

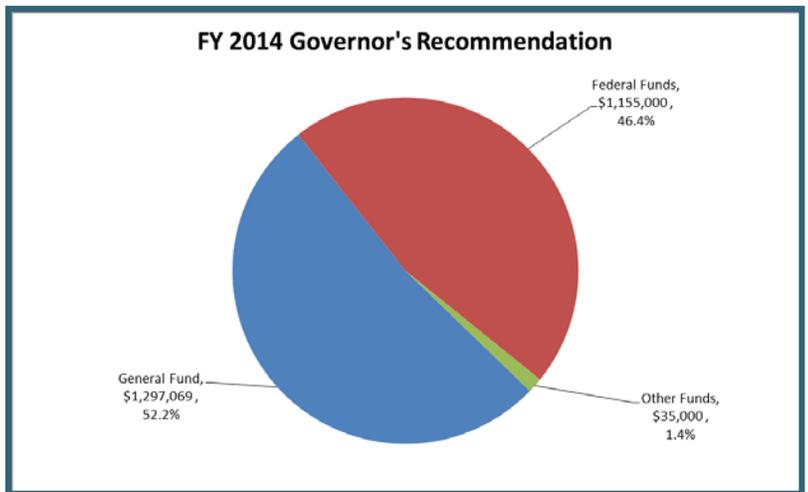
CIVIL RIGHTS COMMISSION

Overview and Funding History

Agency Overview: 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 about the Commission and how to recognize and prevent discrimination. Refer to the **Fiscal Topic Budget Unit: Iowa Civil Rights Commission** for additional information.



Funding History: The line chart to the right shows the five-year funding history of the Civil Rights Commission. Funding from all sources has been trending slightly downward. Federal funds increased in FY 2012 and partially offset the decrease in the General Fund appropriation and other receipts



Governor's Recommendations:

FY 2014: The Governor is recommending a General Fund appropriation of \$1.3 million. This is no change compared to estimated FY 2013. The pie chart to the right shows the Governor's FY 2014 total budget recommendation of \$2.5 million by funding source.

FY 2015: The Governor is recommending a General Fund appropriation of \$1.3 million. This is no change compared to the FY 2014 recommendation.

FY 2012 Quick Facts - CRC

1,726
Total number of cases processed

52.2%
General Fund percentage of the total budget

10,786
Participants in civil rights education and outreach

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Civil Rights Commission				
Civil Rights Commission				
Civil Rights Commission	\$ 1,297,069	\$ 1,297,069	\$ 1,297,069	\$ 0
Total Civil Rights Commission	<u>\$ 1,297,069</u>	<u>\$ 1,297,069</u>	<u>\$ 1,297,069</u>	<u>\$ 0</u>

Issues

FY 2012 Budget – The total budget for the Civil Rights Commission was \$2.5 million in FY 2012; the General Fund appropriation was 52.3% of the total budget. The Commission received \$1.1 million (44.0% of the total budget) from the [U.S. Equal Employment Opportunity Commission \(EEOC\)](#) and the [U.S. Department of Housing and Urban Development \(HUD\)](#). The Commission ended FY 2012 with a deficit of approximately \$1,400. The costs incurred in FY 2012 were expensed in FY 2013.

Federal Funds – During the Governor’s December 2012 budget hearing, Director Townsend indicated that potential budget reductions to the EEOC and HUD may be an opportunity for the Iowa Civil Rights Commission. The contracts with the EEOC and HUD are performance-based; the Commission is reimbursed based on work produced. If the EEOC and HUD have staff reductions, both federal agencies could refer complaints filed by Iowans to the Iowa Civil rights Commission for investigation and processing. This would assist the EEOC and HUD with managing their workload and provide the Commission an opportunity to increase the funds it earns from the federal government. Currently, the Commission is 100 cases ahead of its contractual obligations with the EEOC and should be in a position to request an upward modification to its FY 2013 contract, resulting in more federal funds for the Commission.

Statistics – The Commission closed 1,519 cases in FY 2012, a decrease of 244 (13.8%) compared to FY 2011 while the average number of days to process a case increased 19.43 days (7.6%) during the same period. The decrease in case closures and increase in processing time was due to the increased focus on reducing the backlog of nonhousing investigations and resulting closure of very old cases that remained in the backlog. The oldest case in the backlog ranged from complaints filed in 2001 to complaints filed in December 2010. During FY 2012, this backlog was reduced by 54.6% (from 260 to 118 cases) and the average age of cases was reduced by 33.5% (from 535 to 356 days). Director Townsend estimated the backlog will be eliminated by the end of FY 2013.

DEPARTMENT OF CORRECTIONS

Overview and Funding History

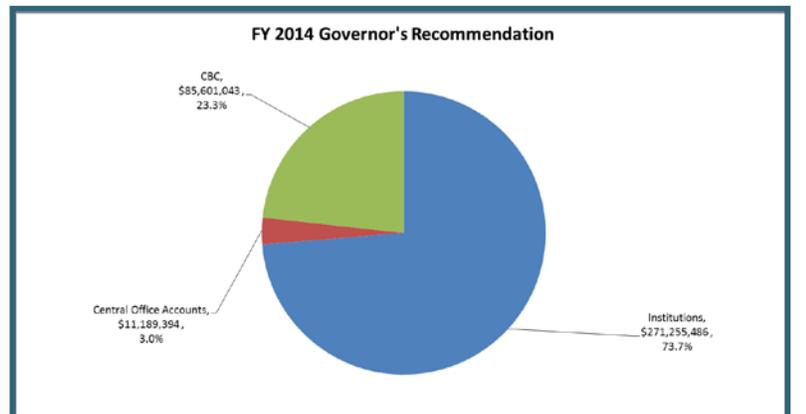
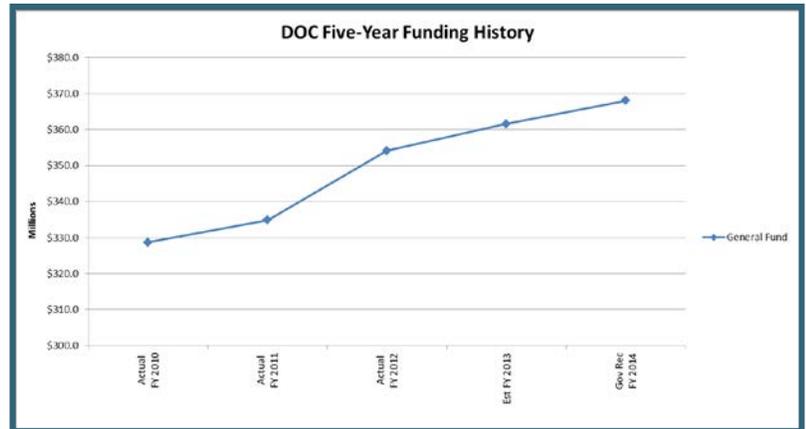
Agency Overview: The [Department of Corrections](#)' mission is to protect the public, employees, and offenders from victimization. The Department of Corrections (DOC) operates nine prisons to incarcerate legally committed adult offenders; partners with eight Community-Based Corrections (CBC) District 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.

Funding History: The total budget for the DOC is \$419.9 million in FY 2013. The majority of the budget (86.24%) is appropriated from the General Fund. Most of the remaining 13.76% is either local income in the CBC District Departments or major maintenance funding in the Institutions (prison system). The line graph to the right shows the General Fund appropriations to the DOC have been trending upward over the last five years.

Governor's Recommendations

FY 2014: The Governor is recommending General Fund appropriations totaling \$368.0 million for the DOC. This is an increase of \$6.4 million compared to estimated FY 2013. The pie chart to the right shows the Governor's recommendation for the prisons, CBC District Departments, and Central Office Accounts.

FY 2015: The Governor is recommending General Fund appropriations totaling \$367.7 million for the DOC. This is a decrease of \$334,500 compared to the FY 2014 General Fund recommendation.



FY 2013 Quick Facts - DOC

38,700
Offenders under correctional supervision in Iowa

34th
Iowa's national rank in corrections spending

33.9%
Iowa's recidivism rate – 40th in the nation

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Corrections, Dept. of				
Fort Madison				
Ft. Madison Institution	\$ 42,686,899	\$ 51,954,137	\$ 43,107,133	\$ 420,234
Anamosa				
Anamosa Institution	\$ 32,920,521	\$ 33,890,439	\$ 31,277,482	\$ -1,643,039
Oakdale				
Oakdale Institution	\$ 57,950,613	\$ 58,613,673	\$ 58,550,123	\$ 599,510
Newton				
Newton Institution	\$ 27,127,290	\$ 27,412,000	\$ 27,127,290	\$ 0
Mt Pleasant				
Mt. Pleasant Instution	\$ 26,751,707	\$ 27,372,902	\$ 24,811,427	\$ -1,940,280
Rockwell City				
Rockwell City Institution	\$ 9,671,148	\$ 9,836,698	\$ 9,671,148	\$ 0
Clarinda				
Clarinda Institution	\$ 25,241,616	\$ 26,896,230	\$ 25,241,616	\$ 0
Mitchellville				
Mitchellville Institution	\$ 16,341,725	\$ 26,894,002	\$ 21,604,035	\$ 5,262,310
Fort Dodge				
Ft. Dodge Institution	\$ 29,865,232	\$ 30,220,808	\$ 29,865,232	\$ 0
Central Office				
Corrections Administration	\$ 5,081,582	\$ 5,966,893	\$ 5,081,582	\$ 0
County Confinement	1,075,092	1,075,092	1,075,092	0
Federal Prisoners/Contractual	484,411	484,411	484,411	0
Corrections Education	2,358,109	3,108,109	2,358,109	0
Iowa Corrections Offender Network	424,364	424,364	2,000,000	1,575,636
Mental Health/Substance Abuse	22,319	22,319	22,319	0
Hepatitis Treatment And Education	167,881	167,881	167,881	0
Total Central Office	\$ 9,613,758	\$ 11,249,069	\$ 11,189,394	\$ 1,575,636
CBC District 1				
CBC District I	\$ 12,958,763	\$ 15,352,689	\$ 13,646,172	\$ 687,409
CBC District 2				
CBC District II	\$ 10,870,425	\$ 11,648,989	\$ 10,870,425	\$ 0
CBC District 3				
CBC District III	\$ 6,238,455	\$ 7,305,080	\$ 6,885,470	\$ 647,015

Corrections, Dept. of (cont)	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
CBC District 4				
CBC District IV	\$ 5,495,309	\$ 5,611,317	\$ 5,495,309	\$ 0
CBC District 5				
CBC District V	\$ 19,375,428	\$ 21,097,894	\$ 19,375,428	\$ 0
CBC District 6				
CBC District VI	\$ 14,095,408	\$ 15,623,738	\$ 14,095,408	\$ 0
CBC District 7				
CBC District VII	\$ 6,895,634	\$ 7,858,872	\$ 7,363,514	\$ 467,880
CBC District 8				
CBC District VIII	\$ 7,518,935	\$ 8,767,825	\$ 7,869,317	\$ 350,382
Total Corrections, Dept. of	\$ 361,618,866	\$ 397,606,362	\$ 368,045,923	\$ 6,427,057

Governor's Recommendations: Significant Increases/Decreases – DOC – FY 2014

Open New Facilities and Close existing Facilities	
An increase to operate new prison beds at Mitchellville (\$5,262,310 and 76.0 FTE positions), and new CBC residential beds at Waterloo (\$687,409 and 14.5 FTE positions), Sioux City (\$647,015 and 12.0 FTE positions), Davenport (\$467,880 and 9.5 FTE positions), and Ottumwa (\$350,382 and 6.4 FTE positions). The net increase in General Fund appropriations is \$4,035,762 to open the new prison and CBC beds and close existing facilities reflected below.	\$7,414,996
Replace the John Bennett Unit at Fort Madison	
One-time funding to renovate a bunk house at Farm One for minimum-security offenders currently housed in the John Bennett Unit. The Unit is a 152-bed minimum-security facility with a current population of 185 offenders. The Unit is closed under the Governor's recommendation.	\$500,000
Close Luster Heights Prison Camp	
A decrease to close the 88-bed minimum-security Camp in northeast Iowa. Current offender population is 82 offenders. Current budget is included in the General Fund appropriation to the Anamosa State Penitentiary. Includes a decrease of 15.0 FTE positions.	\$ -1,643,039
Close Women's Unit at Mount Pleasant	
A decrease to close the 100-bed Unit at Mount Pleasant and move the women offenders and funding to the Iowa Correctional Institution for Women at Mitchellville. Includes a decrease of 19.0 FTE positions at Mount Pleasant Correctional Facility.	\$ -1,736,195
Maintain Iowa Corrections Offender Network (ICON)	
An increase to fund programming and maintenance costs.	\$1,575,636
New Mental Health Unit	
An increase to establish a telepsychiatry unit at the Iowa Medical Classification Center (IMCC) at Oakdale to provide services to offenders on parole and probation in the CBC facilities and rural areas plus serve the Clarinda Correctional Facility. Includes 2.0 FTE positions for psychiatrists.	\$398,144
Transfers and Reallocations	
Transfer \$79,766 and 1.0 FTE position from the Iowa State Penitentiary at Fort Madison to the IMCC at Oakdale to realign mental health resources.	\$0

Transfer \$121,600 and 1.0 FTE position from the Mount Pleasant Correctional Facility to the IMCC at Oakdale to realign pharmacy resources. This is a net decrease of \$82,485 and 0.6 FTE position to the prison system budget to reflect the amount transferred to the Mental Health Institute at Mount Pleasant.	\$ -82,485
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Governor's Recommendations: Significant Increases/Decreases – DOC – FY 2015

John Bennett Unit at Fort Madison	
Decrease to reflect the FY 2014 one-time costs of renovating a bunk house.	\$ -500,000
Open New Beds	
Increase to provide additional funding for the new beds at Mitchellville. Includes additional 4.0 FTE positions.	\$215,504
Decrease in the Eighth CBC District Department to reflect the FY 2014 one-time costs of opening the Ottumwa CBC facility.	\$ -50,000

Issues

Budget Reallocations to the Sixth CBC District Department – The LSA was notified on June 20, 2012, that the DOC was reallocating \$663,568 to the Sixth CBC District Department as permitted in SF 510 (FY 2012 Justice System Appropriations Subcommittee Act). The District Department had an unanticipated deficit. The funds were transferred from the nine Institutions, five of the eight CBC District Departments, and Central Office.

Operating Costs for New Beds – The DOC estimates \$24.1 million and 359.3 FTE positions are needed for staffing new facilities in the CBC District Departments plus Mitchellville and Fort Madison. Construction has been completed on all the CBC beds. Refer to the **Issue Review, Construction Status and Operating Costs of New Corrections Beds**, for additional information. *The Governor is recommending a net increase of \$4.0 million in new funding for these facilities in FY 2014. See below for other changes in capacity and funding in the corrections system.*

The Governor is proposing the realignment of existing correctional facility space and usage as follows:

- *Open 151 new CBC residential beds in Davenport (39 beds), Waterloo (45 beds), Sioux City (42 beds), and Ottumwa (25 beds). Operating costs for the 26-bed residential facility in Cedar Rapids are not included in the Governor's recommendation. Opening these CBC beds should reduce the prison population by the Board of Parole increasing work releases to these facilities and/or judges placing probationers in these facilities rather than sending them to State prison. The DOC requested \$4.2 million and 69.9 FTE positions to open 177 beds. The Governor is recommending \$2.2 million and 42.4 FTE positions for 151 CBC residential beds.*
- *Fort Madison – the new Iowa State Penitentiary is under construction at Farm One. The General Assembly approved the construction during the 2008 Legislative Session; the proposal was to build an 800-bed maximum-security facility to replace 588 maximum-security beds and add 92 medical/segregation beds, for a net gain of 120 beds. The Governor's FY 2014 recommendation assumes the new prison will open approximately January 2014. The current correctional complex at Fort Madison – the maximum security unit, Clinical Care Unit, and the John Bennett Unit, are closed in the Governor's recommendation. The DOC requested \$9.3 million and 138.7 FTE positions to open the new facility in FY 2014. The Governor's recommendation is to use existing staff and support funds to operate the new prison. It appears there will be no net gain of prison capacity with the new Fort*

Madison prison in FY 2014. Some of the new facilities may not be staffed in the Governor's recommendation. Additional details will be forthcoming.

- The 200-bed Clinical Care Unit (CCU) at Fort Madison will be closed in the Governor's recommendation. The facility first became fully operational in FY 2003 and houses special needs and mentally ill offenders, as well as an administrative segregation unit. The DOC estimates the offenders will be transferred as follows: 140 to single cells at Clarinda, 40 to the IMCC at Oakdale, and 20 to the new Mental Health Unit at the new Iowa State Penitentiary. Staff and support costs for the current CCU will be transferred to the new prison.
- The bunkhouse at Farm One at Fort Madison is currently being used by construction crews. The Governor is recommending \$500,000 to renovate the building to house 80 minimum-security offenders that are currently housed in the John Bennett Unit.
- The 152-bed minimum-security John Bennett Unit at Fort Madison will close when the bunkhouse is renovated. The facility was built in 1963. Staff and support costs will be transferred to the renovated bunkhouse. The current population is 185 offenders at the John Bennett Unit, while the bunkhouse is estimated to be an 80-bed minimum security facility. Approximately 100 offenders will need to be paroled, granted work release, or transferred to another prison facility. It appears overall design capacity may be reduced by about 72 beds. Additional information will be available at the Justice System Appropriations Subcommittee meetings.
- The Clarinda Correctional Facility is currently operating at 95.9% of capacity, with 935 offenders housed in facilities designed for 975 beds. The 225-bed minimum-security Lodge is operating at 67.6% of capacity while the main prison is operating at 104.4% of capacity. The DOC plans to start transferring 280 offenders to Fort Dodge, Newton, and Anamosa, plus the Board of Parole may grant additional paroles and work releases to reduce the population. The DOC plans to use the current 140 double bunked cells as 140 single cells to house the offenders being transferred from the CCU at Fort Madison. The Governor is not recommending any funding changes for the Clarinda, Fort Dodge, Newton, and Anamosa Correctional Facilities. The Governor is recommending an increase of \$398,144 and 2.0 FTE positions at Oakdale to provide tele-psychiatry services to parolees, probationers, and the Clarinda Correctional Facility for the offenders transferred from the CCU.
- The Governor is recommending a decrease of \$1.6 million and 15.0 FTE positions to close the Luster Heights Prison Camp in Yellow River Forest State Park. The 88-bed minimum-security Camp currently houses 82 offenders that participate in substance abuse treatment and provide work crews to local governments and nonprofit organizations. The offenders may be released to parole or work release or transferred to another prison facility. The General Fund allocation for the Luster Heights Prison Camp is applied towards the operating costs of new corrections beds in the prison system and CBC District Departments.
- The Governor is recommending a decrease of \$1.7 million and 19.0 FTE positions to close the 100-bed Women's Unit at Mount Pleasant. There are currently 96 special needs and/or disruptive women offenders housed at this location. Staff and support costs, as well as the offenders, will be transferred to the new corrections beds at Mitchellville.
- Mitchellville – The General Assembly approved the construction during the 2008 Legislative Session; the proposal was to demolish and build new facilities at the existing location. The plan is to build 888 beds distributed as follows: 792 general population, 48 segregation, 10 infirmary, 30 medical and assisted

living, and eight hospice. The net gain in capacity was projected to be 337 beds. The Governor's FY 2014 recommendation assumes staffing starts July 1, 2013. Staff hiring and training will occur during the first half of FY 2014 and offenders will move during the course of the fiscal year as construction is completed on buildings. The DOC requested \$10.6 million and 150.8 FTE positions in FY 2014 and an additional \$2.5 million and 25.6 FTE positions in FY 2015 to open the new facility. The Governor's recommendation is \$5.3 million and 76.0 FTE positions in FY 2014 and an additional \$215,500 and 4.0 FTE positions in FY 2015. The Governor's recommendation opens the general population beds, medical clinic, acute care unit, subacute unit, and the reception center. Women offenders will no longer be sent to the IMCC at Oakdale upon their admission to the prison system. However, the Governor's recommendation does not open the long-term care unit, hospice, or assisted living units. There will be a 4-bed women's unit at the IMCC at Oakdale. Additional details will be forthcoming.

The DOC indicates it will open housing units at Fort Madison and Mitchellville gradually in FY 2014 and possibly into future fiscal years. The DOC stated it will take real-time experience to understand how each unit functions and how many units will be opened over time. The DOC's goal is to get all of its new operational units open in the upcoming fiscal years.

Prison Population and Staffing – The prison population decreased steadily during FY 2012 while the staffing remained relatively stable. As of December 2012, there were 8,224 offenders in prison and 2,687 staff. This is a decrease of 129 offenders (1.54%) and an increase of seven staff compared to June 2012 (year-end FY 2012). The prison population continues to slowly trend downward in FY 2013 while staffing is relatively stable. The DOC is requesting \$3.1 million and 54.0 FTE positions for critical staffing needs in the prisons. *The Governor is recommending closing the Luster Heights Prison Camp for a General Fund reduction of \$1.6 million and closing the Women's Unit at the Mount Pleasant Correctional Facility for a General Fund reduction of \$1.7 million.*

CBC Population and Staffing – The CBC population increased by 600 offenders during FY 2012 while staffing slightly decreased. There were 30,611 offenders under CBC supervision in December 2012 and 1,088 staff. This is an increase of 498 offenders (1.65%) and a decrease of three staff compared to June 2012. The CBC population fluctuates but appears to be trending upward in FY 2013 while staffing remains relatively stable. See the ***Issue Review***, [Community-Based Corrections Funding Levels](#) for information regarding funding levels, supervision standards, risk levels of the offenders supervised in CBC, and recidivism rates. The DOC requested \$2.5 million and 44.0 FTE positions for critical staffing needs in the CBC District Departments. *The Governor is not recommending additional staff to supervise the current CBC population.*

CBC Facility Capacity and Waiting List – The Fourth CBC District Department reconfigured its facilities in FY 2012. The former women's facility became an intake center for sex offenders. These offenders report to that facility for assessments and intake, and some offenders may live there. The average daily population of women offenders is 15. The women are now housed in a separate wing in the men's facility.

The Fifth CBC District Department contracted with Bridges of Iowa in FY 2009 for 68 substance abuse treatment beds at the Fort Des Moines Residential Facility. Starting in September 2012, Bridges of Iowa moved its program to the Polk County Jail. The 68 beds at Fort Des Moines were taken off the statewide facility capacity count because the beds are now vacant. The space for the beds is not currently staffed. Additional resources are required to operate the space vacated by Bridges of Iowa.

Statewide, there are 1,461 CBC facility beds including the changes made in Council Bluffs and Des Moines. This is a decrease of 48 beds statewide. There are usually about 530 offenders waiting for a CBC bed. These offenders are waiting in State and federal prisons or field services (probation, parole, or pretrial

release). Review the **Fiscal Topic**, [Community-Based Corrections Residential Facilities](#) for information regarding the use of and budgets for CBC Residential facilities. *The Governor is recommending a General Fund increase of \$2.2 million to operate an additional 151 CBC beds.*

Recidivism Studies – The Association of State Correctional Administrators standardized the definition of recidivism about 10 years ago to be the return to prison for any reason (such as parole revocation or conviction of a new crime). This uniformity permits comparisons across the country. The [PEW Center on the States](#) issued a report, “State of Recidivism,” in April 2011 that shows Iowa’s recidivism at 33.9% for offenders released in 2004 and tracked for three years. Iowa’s recidivism rate has decreased steadily since then, to 30.8% for offenders released in 2009 with outcomes tracked for three years. The DOC relies on the Justice Data Warehouse maintained by the Criminal and Juvenile Justice Planning Division of the Department of Human Rights to access the data that permits the recidivism analysis. During the Governor’s budget hearing, Director Baldwin indicated the 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.

Central Pharmacy – There are two central pharmacies in place and fully staffed. The DOC pharmacy in Des Moines is currently located in the Iowa Building that has been scheduled for demolition. The DOC pharmacy is planning to move to the Iowa Correctional Institution for Women at Mitchellville where adequate floor space for heavy equipment and security for the pharmacy is available. The Des Moines Central Pharmacy processes prescriptions for Newton, Mitchellville, Fort Dodge, Rockwell City, and Clarinda’s DOC patients. Oakdale is processing Anamosa, Fort Madison, Mount Pleasant, and its own DOC patients. The DOC pharmacy staff is working with the University of Iowa College of Pharmacy to increase efficiencies. *The Governor is recommending the realignment of pharmacy staff by transferring \$121,600 and 1.00 FTE position from Mount Pleasant to Oakdale. There is \$82,485 and 0.60 FTE position transferred from the DOC prison budget to the Mount Pleasant Mental Health Institute budget.*

Central Pharmacy Pilot Project – The DOC is working on a pilot project with the Attorney General’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. A research plan is in place to determine if this pilot project is successful in reducing recidivism.

Inmate Education – The General Fund appropriation for inmate education peaked in FY 2001 at \$3.3 million. The FY 2013 General Fund appropriation is \$2.4 million, an increase of \$50,000 (2.16%) compared to FY 2012 but a decrease of \$937,000 (28.43%) 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. The DOC is requesting an increase of \$750,000 for FY 2014 for corrections education. *The Governor is not recommending a funding increase for this program.*

Mental Health Programming – The DOC indicates \$1.6 million and 17.0 FTE positions will create a tele-psychiatry program at Oakdale for probationers and parolees, establish a special needs 50-bed housing unit

for mentally ill offenders at Clarinda, and implement a Mental Health Reentry and Diversion Program in the Fifth CBC District Department. *The Governor is recommending the realignment of mental health staff by transferring \$79,766 and 1.00 FTE position from Fort Madison to Oakdale and \$398,144 and 2.0 FTE positions to create a telepsychiatry unit at Oakdale to provide services to offenders on parole and probation and the Clarinda Correctional Facility.*

Program Restoration – The DOC is requesting \$1.8 million and 5.0 FTE positions to replace federal funds that are expiring and fund treatment contracts that were reduced due to budget constraints in seven of the eight CBC District Departments. Affected programs include drug courts, mental health, and substance abuse treatment. *The Governor is not recommending any funding for this request.*

Supreme Court Cases – The U.S. Supreme Court ruled in several cases affecting juveniles convicted of a Class A Felony offense (life sentence or “lifers”). In *Graham v. Florida*, the U.S. Supreme Court ruled that lifers convicted for a nonhomicide offense committed while they were juveniles must have an opportunity to be paroled. Seven Iowa lifers petitioned the Iowa District Court for a resentencing under this ruling and were resentenced to a term of years, meaning they are eligible for parole now unless they are serving a mandatory minimum sentence for another conviction.

In *Miller v. Alabama* the U.S. Supreme Court ruled that juveniles convicted of First Degree Murder must have an opportunity to be paroled. Iowa currently has 38 offenders serving a life sentence for a First Degree Murder conviction crime committed when they were juveniles. Governor Branstad announced in July 2012 that he commuted the sentences of these offenders to life in prison with the possibility of parole after they have served 60 years. It is probable that none of these offenders will be considered for parole within the next 20 years.

DEPARTMENT OF INSPECTIONS AND APPEALS – STATE PUBLIC DEFENDER

Overview and Funding History

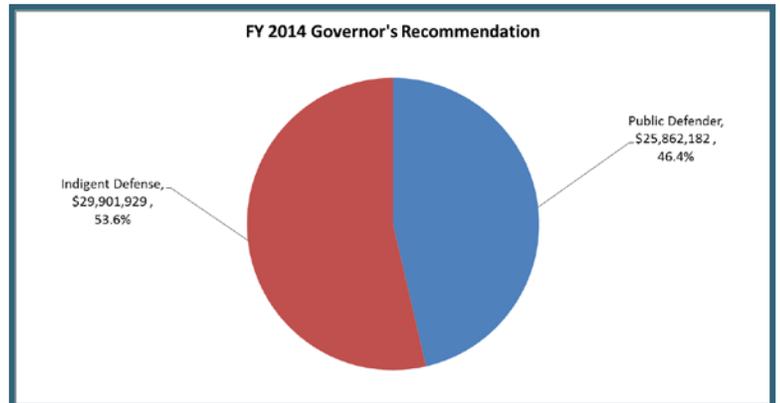
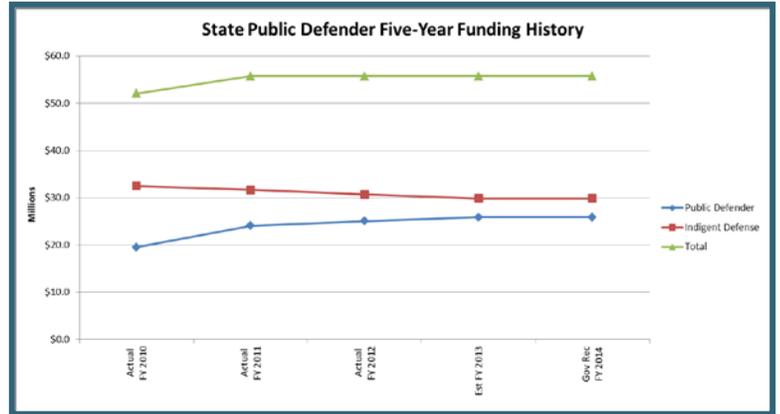
Agency Overview: General Fund appropriations for the [Department of Inspections and Appeals](#) are the responsibility of the [Administration and Regulation Subcommittee](#), except for the State Public Defender’s Office and indigent defense. The [State Public Defender’s Office](#) administers local 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.

Funding History: The line graph shows total General Fund appropriations for the State Public Defender’s Office and Indigent Defense for the last five years. Spending increased by \$3.7 million from FY 2010 to FY 2011, and remained relatively stable for succeeding fiscal years. The total number of cases and claims paid increased by 8.2% between FY 2010 and FY 2011. Additional funds were appropriated in FY 2011 to provide additional staff to existing offices and a new local office was opened in Ottumwa. Expenditures have since stabilized.

Governor’s Recommendations:

FY 2014: The Governor is recommending General Fund appropriations totaling \$55.8 million for the State Public Defender and Indigent Defense. This is no change compared to estimated FY 2013. The pie chart to the right shows the General Fund appropriation distribution between the State Public Defender’s Office and Indigent Defense.

FY 2015: The Governor is recommending General Fund appropriations totaling \$55.8 million. This is no change compared to the FY 2014 recommendation.



FY 2012 Quick Facts – SPD

\$498
Average Cost per Claim for Indigent Defense

\$280
Average cost per case for State Public Defender

145 Attorneys
Out of 219 FTE positions in the State Public Defender’s Office

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Inspections & Appeals, Dept. of				
Public Defender				
Public Defender	\$ 25,862,182	\$ 25,862,182	\$ 25,862,182	\$ 0
Indigent Defense Appropriation	29,901,929	29,901,929	29,901,929	0
Total Inspections & Appeals, Dept. of	\$ 55,764,111	\$ 55,764,111	\$ 55,764,111	\$ 0

Issues

Governor's Budget Hearing – State Public Defender Sam Langholz presented the FY 2014 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 following fiscal measures have been or are planned to be taken to contain costs:

- Closed the local office in Fort Madison.
- Implemented administrative rules that set maximum rates for freelance reporters and permit exclusive reduced rate contracts.
- Established a pilot project in Polk County to negotiate special contracts for attorneys in child support contempt cases.
- Implementing an online indigent defense claims submission system for billings from attorneys and other indigent defense providers, such as court reporters or investigators.
- Exploring the use of specialized contracts with attorneys and other providers.

Mr. Langholz indicates the following fiscal challenges:

- Lack of control over criminal and juvenile court filings and limited control over costs of representation.
- The Supreme Court is changing its approach for appellate defender motions to withdraw for frivolous appeals. This has increased the workload of both the State Public Defender's Office and the Office of the Attorney General. The State Appellate Defender had 73 motions to withdraw denied after the new rule was implemented. The denials require additional time and expense to fully brief those appeals. The number of appellate briefs prepared per month in the Appellate Defender's Office increased by 15.6% over the last three years, while staffing has remained stable.
- 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.

JUDICIAL BRANCH

Overview and Funding History

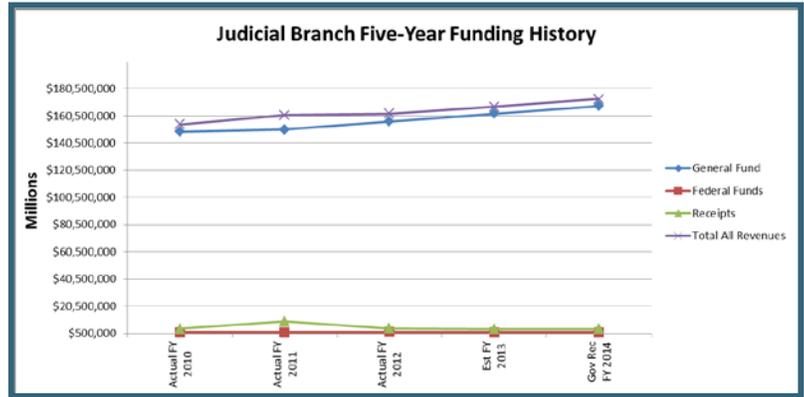
Agency Overview: Iowa has a unified trial court system known as the Iowa District Court that has general jurisdiction over all civil, criminal, juvenile, and probate matters in the State. The Iowa District Court is composed of different kinds of judicial officers with varying amounts of jurisdiction 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.

Funding History: The line graph to the right shows the funding history for the Judicial Branch. In FY 2010, the Judicial Branch implemented a voluntary reduction of \$11.4 million (7.1%) at the same time the Executive Branch agencies experienced a 10.0% across-the-board reduction. Beginning in FY 2011, the Jury and Witness Fee Revolving Fund began receiving a General Fund appropriation. Prior to this, two-year-old court debt was deposited in the Fund; however, this was changed in [SF 2383 \(Debt Collection Act\)](#) enacted during the 2010 Legislative Session.

Governor's Recommendations

FY 2014: For the [Judicial Branch](#), the Governor passed through the FY 2014 General Fund appropriation request totaling \$167.7 million. This includes a request of \$164.6 million for the operating budget and \$3.1 million for the Jury and Witness Fee Revolving Fund. This is an increase of \$5.7 million (3.6%) and 103.0 FTE positions compared to estimated FY 2013.

FY 2015: For the [Judicial Branch](#), the Governor passed through the FY 2015 General Fund appropriation request totaling \$172.8 million. This includes a request of \$169.7 million for the operating budget and \$3.1 million for the Jury and Witness Fee Revolving Fund. This is an increase of \$5.1 million (3.1%) and 99.0 FTE positions compared to the FY 2014 budget request.



FY 2013 Quick Facts – Judicial Branch

33

Number of Clerk of Court offices that have different hours than
M,W,F 8:00 – 4:30; T,TH 8-2:30

848

Number of jury trials in 2011

4.9%

Increase in District Court filings from 2000 to 2011

General Fund Recommendations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
Judicial Branch				
Judicial Branch				
Judicial Branch	\$ 158,911,822	\$ 164,599,367	\$ 164,599,367	\$ 5,687,545
Jury & Witness	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,100,000</u>	<u>0</u>
Total Judicial Branch	<u>\$ 162,011,822</u>	<u>\$ 167,699,367</u>	<u>\$ 167,699,367</u>	<u>\$ 5,687,545</u>

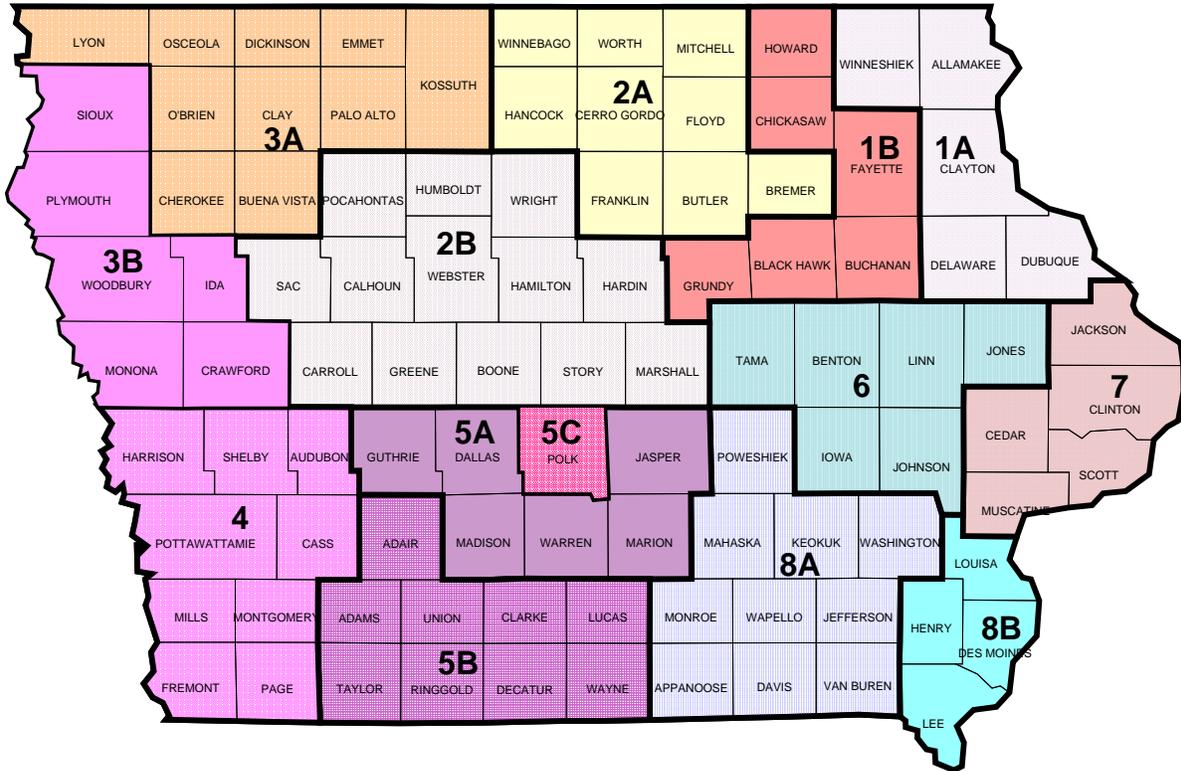
Governor's Recommendations: Significant Increases/Decreases – Judicial Branch

Operations	
An increase to restore 53.0 Clerk of Court FTE positions that were eliminated due to the 7.1% across the board (ATB) reduction of \$11.4 million in FY 2010.	\$2,389,929
An increase to restore 42 of the 180 positions that were eliminated due to the ATB reduction in FY 2010.	\$2,741,968
An increase for eight additional Information Technology staff to help expedite the implementation of the electronic document management system (EDMS) in all counties.	\$555,648

Electronic Document Management System (EDMS) Update

Subdistrict 3B was completed in April 2012. Story, Boone, Hamilton, Hardin, Marshall, Webster, Wright, Humboldt, and Pocahontas Counties are online, with the remainder of Subdistrict 2B (Sac, Carroll, Calhoun, and Greene Counties) coming online by February and March of 2013. Work in Polk County will begin in January 2013, with Subdistrict 5A beginning in late spring 2013. Subdistrict 3A will begin training in January 2013 with plans to complete the implementation of Subdistrict 3A by the end of FY 2013. District Four is scheduled to begin in early FY 2014 and moving toward District Six and Subdistrict 2A later in FY 2014.

The following map shows the Judicial Subdistricts:



Court Debt Collection Update

[Senate File 2383 \(Debt Collection Act\)](#) from the 2010 Legislative Session modified existing debt collection programs and created some new programs. The following chart shows the current revenue collected from outstanding court debt for FY 2012 as compared to FY 2011. This was an increase of \$6.3 million to the General Fund.

	Actual FY 2011	Actual FY 2012	Difference
Judicial Offsets	\$ 9,300,000	\$ 10,200,000	\$ 900,000
County Treasurer - DOR Taxes	127,000	291,000	164,000
County Treasurer - Court Debt	0	467,000	467,000
Centralized Collections Unit (CCU)	26,600,000	27,000,000	400,000
County Attorneys	5,800,000	6,800,000	1,000,000
Private Debt Collector	0	3,400,000	3,400,000
	<u>\$ 41,827,000</u>	<u>\$ 48,158,000</u>	<u>\$ 6,331,000</u>

NOTES:

The county treasurer court debt collection and the private debt collector programs did not begin until FY 2012.

The total amount collected by the county attorneys in FY 2011 was \$10.5 million. The State received \$5.8 million and the counties received \$4.7 million. For FY 2012, the total collected was \$12.9 million. The State received \$6.8 million and the counties received \$6.1 million.

In addition to the debt collection programs listed above, a new program began January 1, 2012, that permitted the Department of Revenue (IDR) to subpoena records of public and private utilities on a quarterly basis for individuals with debt placed with the Centralized Collections Unit (CCU). The IDR requests files in May and November of each year from three phone companies and one utility company. Additional companies will be added over time.

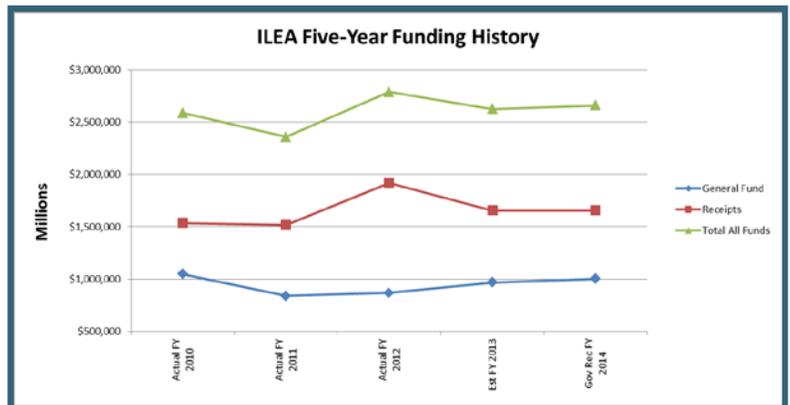
[Senate File 2428 \(Delinquent Debt Collection Act\)](#) required DOR to upgrade the collections system software for the CCU's computer-assisted collections system (CACS) by acquiring a web-based version of the system. When the files are run against the company data, approximately 20.0% of the files receive updated information which remains within the CCU and is used solely for collections purposes.

LAW ENFORCEMENT ACADEMY

Overview and Funding History

Agency Overview: The [Iowa Law Enforcement Academy \(ILEA\)](#) provides training for city and county law enforcement officers, Tribal government officers, conservation officers for the Department of Natural Resources, as well as 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 minimum hiring standards for law enforcement personnel, and provides audio-visual resources for law enforcement training and educational institutions. The Academy is also responsible for removing or suspending an officer's certification. The Director and staff are employed pursuant to the Iowa merit system.

The Basic Training provided at the ILEA is a 14-week course offered up to six times per year. In addition, the ILEA also offers one-day specialty schools and in-service seminars for law enforcement personnel. The ILEA facility is located at Camp Dodge, including dormitory rooms with a capacity for 112 people, classrooms, a cafeteria, physical fitness center, photography and video production studios, and administrative offices. The Academy shares firing ranges and tactical facilities with the Iowa National Guard and a driving campus with the Des Moines Area Community College campus. In addition to the ILEA, the Department of Public Safety, the Cedar Rapids Police Department, and the Des Moines Police



FY 2013 Quick Facts - ILEA

\$7,506

The full cost to attend the Basic Academy

14 weeks

The length of one Basic Academy

Six

The number of Basic Academies planned for FY 2013

Department offer training courses certified by ILEA. Training is also offered at Hawkeye Community College and Western Iowa Tech Community College for people with a two-year or four-year degree.

Funding History: The line graph on the previous page shows the five-year funding history for ILEA. One-third of the cost to attend the Basic ILEA is funded from the General Fund and the remaining two-thirds of the cost are billed to the local entity (city or county government). The local entity has the choice to bill the candidate for one-third of the cost to attend the Academy. Officers for Tribal governments and for the Departments of Natural Resources pay the full cost to attend. The ILEA Council annually reviews the costs associated with the Academy at their spring meeting to determine the tuition for the following year. In addition, fees are charged for continuing education programs. (Beginning July 2012, the Department of Transportation law enforcement staff attended the Department of Public Safety Academy.)

Governor's Recommendations

FY 2014: The Governor is recommending a General Fund appropriation of \$1.0 million. This is an increase of \$33,000 (3.4%) compared to estimated FY 2013 to cover increased billings from the Department of Public Defense for accounting support functions.

FY 2015: The Governor is recommending no change for FY 2015 compared to the FY 2014 recommendation.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Iowa Law Enforcement Academy				
Iowa Law Enforcement Academy Law Enforcement Academy	\$ 968,698	\$ 994,698	\$ 1,001,698	\$ 33,000
Total Iowa Law Enforcement Academy	\$ 968,698	\$ 994,698	\$ 1,001,698	\$ 33,000

Governor's Recommendations: Significant Increases/Decreases – ILEA

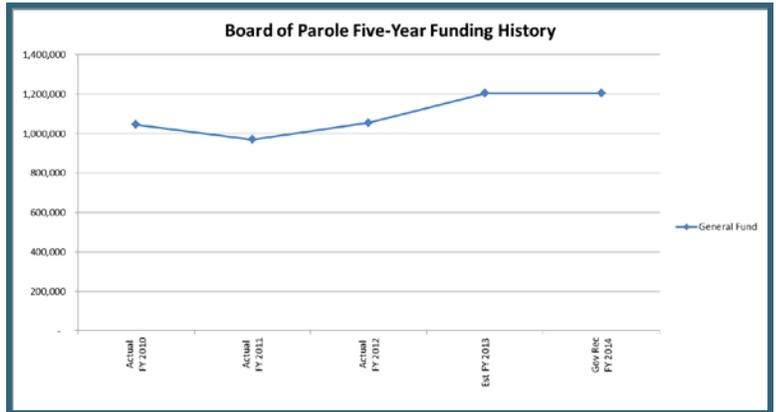
Operations	
To cover increased billings from the Department of Public Defense for accounting and payroll support (\$26,000) and for rent (\$7,000).	\$33,000

BOARD OF PAROLE

Overview and Funding History

Agency Overview: The [Board of Parole's](#) mission is to reintegrate offenders into the community to become productive and responsible citizens. 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 and commutations. For more information regarding the duties and workload, see the *Fiscal Topic*, [Budget Unit: Board of Parole](#).

Funding History: The line graph to the right shows the Board's General Fund appropriation for the last five years. The budget has been trending upward the last three years primarily due to personnel costs. There was a layoff in FY 2010 and a lawsuit that was settled by the Public Employees Relations Board (PERB) in FY 2012. One claimant opted to return to his old position as an Administrative Law Judge with the Board. This explains the increase in the budget from FY 2011 through FY 2013.



FY 2012 Quick Facts - BOP

40.00%

Increase in paroles from FY 2011 to FY 2012

-10.10%

Decrease in parole revocations from FY 2011 to FY 2012

6.5%

Increase in work releases from FY 2011 to FY 2012

Governor's Recommendations

FY 2014: The Governor is recommending General Fund appropriations totaling \$1.2 million for the Board of Parole. This is no change compared to estimated FY 2013.

FY 2015: The Governor is recommending General Fund appropriations totaling \$1.2 million. This is no change compared to the FY 2014 recommendation.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Parole, Board of				
Parole Board				
Parole Board	\$ 1,203,835	\$ 1,203,835	\$ 1,203,835	\$ 0
Total Parole, Board of	<u>\$ 1,203,835</u>	<u>\$ 1,203,835</u>	<u>\$ 1,203,835</u>	<u>\$ 0</u>

Issues

Strategic Initiatives – The Board:

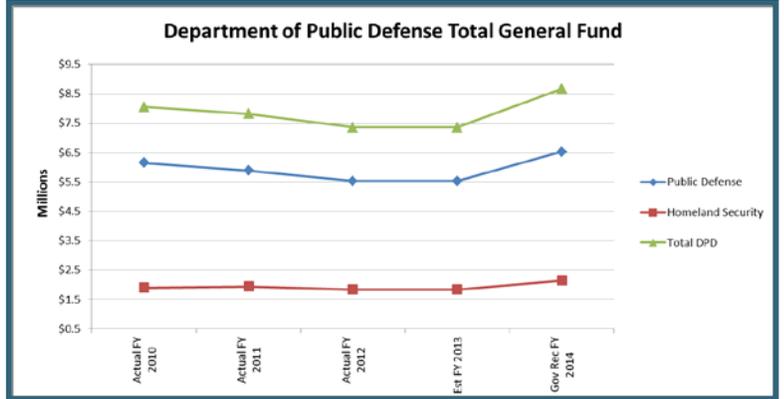
- Has amended its administrative rules to remove the super-majority voting requirement for certain cases and utilizes four different risk assessment tools.
- Is working with the DOC to migrate from a two-system platform to a single-system platform. The goal is to integrate fully with DOC's Iowa Corrections Offender Network (ICON), an enterprise offender tracking system.
- Is updating its mission statement, goals, and guiding principles as well as release and denial codes used to track Board actions.

Board Turnover – The Board had significant turnover in membership over the last three years. The Board received training and membership has stabilized with the appointment of a new Chairperson starting in September 2012. The Governor commended the Board at his November 2012 budget hearing for implementing efficiencies while protecting public safety. The DOC's prison population peaked at 9,009 offenders on April 9, 2011. Since that time, the population has decreased by about 845 offenders due to parole and work release grants). At the same time, the DOC recidivism rate has slightly decreased.

DEPARTMENT OF PUBLIC DEFENSE

Overview and Funding History

Agency Overview: 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.



Funding History: The budget funding history in the line chart shows the General Fund appropriations for the Military Division and for the Homeland Security and Emergency Management Division. Funding decreased for several years but the Governor’s recommendation is an increase compared to previous years’ appropriated amounts.

FY 2013 Quick Facts - DPD

9,206
Total personnel assigned to the Iowa National Guard as of December 10, 2012

42
Number of armories in Iowa

14
Number of current open disasters in the State

Governor’s Recommendations

FY 2014: The Governor is recommending General Fund appropriations totaling \$8.7 million. This is an increase of \$1.3 million (15.4%) compared to estimated FY 2013.

FY 2015: The Governor is recommending General Fund appropriations totaling \$9.1 million. This is an increase of \$387,000 (4.5%) compared to the Governor’s recommendation for FY 2014.

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Public Defense, Dept. of				
Public Defense, Dept. of Public Defense, Department of	\$ 5,527,042	\$ 5,527,042	\$ 6,527,042	\$ 1,000,000
Emergency Management Division Homeland Security & Emer Mgmt	\$ 1,836,877	\$ 1,836,877	\$ 2,174,277	\$ 337,400
Total Public Defense, Dept. of	<u>\$ 7,363,919</u>	<u>\$ 7,363,919</u>	<u>\$ 8,701,319</u>	<u>\$ 1,337,400</u>

Governor's Recommendations: Significant Increases/Decreases – Department of Public Defense

Operations	
For operations and maintenance of the State buildings at Camp Dodge; for the Deputy Adjutant General – Army; and for fire fighter benefits for airbase fire fighters due to changes in the federal reimbursement rates.	\$1,000,000
To move three FTE positions from Federal Emergency Management Agency (FEMA) funding to the State General Fund.	\$337,400

Issues

Proposed Legislation – The Department of Public Defense has a department prefile bill that would transfer the Division of Homeland Security and Emergency Management into a new Department of Homeland Security and Emergency Management. Similar language was included last year in SF 2338 (Government Efficiency Bill) that was vetoed by the Governor.

DEPARTMENT OF PUBLIC SAFETY

Overview and Funding History

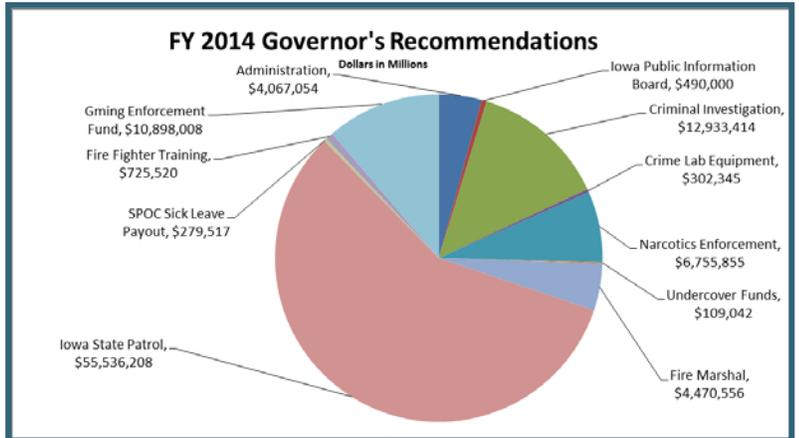
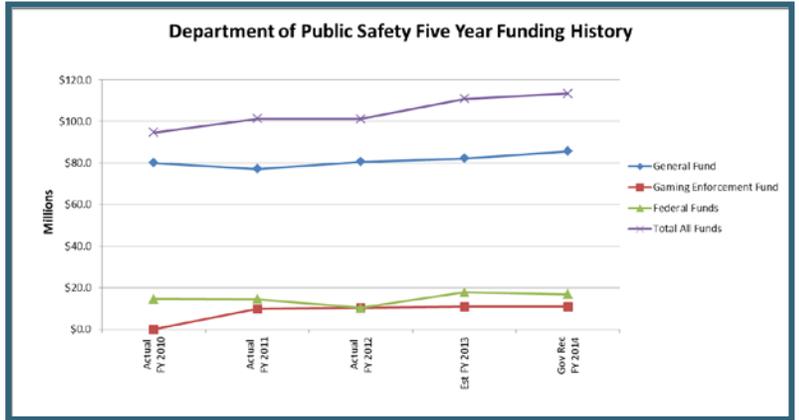
Agency Overview: The [Department of Public Safety](#) (DPS) is the State law enforcement agency. The Department includes: Administrative Services Division, Division of Criminal Investigation (DCI), Division of Narcotics Enforcement, Fire Marshal’s Office, and the State Patrol Division.

Funding History: The line graph to the right shows the five-year funding history for the DPS. In FY 2011, the Gaming Enforcement Fund 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 DCI no longer receives a General Fund appropriation for gaming enforcement but instead receives an appropriation from the Gaming Enforcement Fund.

Governor’s Recommendations

FY 2014: The Governor is recommending General Fund appropriations totaling \$85.7 million and an other fund appropriation to the Gaming Enforcement Fund totaling \$10.9 million. The pie chart shows the breakout of the Governor’s Recommendations for the Department of Public Safety.

FY 2015: The Governor is recommending the same amount for FY 2015 as was recommended in FY 2014.



FY 2013 Quick Facts - DPS

358
Number of traffic fatalities reported in Iowa as of December 26, 2012

5,689
Number of registrants on the Sex Offender Registry as of January 2, 2013

337
Number of meth lab incidents reported to the Division of Narcotics

General Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Public Safety, Department of				
Public Safety, Dept. of				
Public Safety Administration	\$ 4,007,075	\$ 4,007,075	\$ 4,067,054	\$ 59,979
Public Safety DCI	12,533,931	12,703,931	12,933,414	399,483
DCI - Crime Lab Equipment/Training	302,345	302,345	302,345	0
Narcotics Enforcement	6,429,884	6,583,273	6,755,855	325,971
Public Safety Undercover Funds	109,042	109,042	109,042	0
DPS Fire Marshal	4,298,707	4,360,041	4,470,556	171,849
Iowa State Patrol	53,493,490	54,688,279	55,536,208	2,042,718
DPS/SPOC Sick Leave Payout	279,517	279,517	279,517	0
Fire Fighter Training	725,520	725,520	725,520	0
Interoperable Comm Sys Board	48,000	0	0	-48,000
Total Public Safety, Department of	\$ 82,227,511	\$ 83,759,023	\$ 85,179,511	\$ 2,952,000
Total Public Safety, Department of	\$ 82,227,511	\$ 83,759,023	\$ 85,179,511	\$ 2,952,000

Governor's Recommendations: Significant Increases/Decreases – Department of Public Safety

Operations	
To restore one-time funding from FY 2013 for the Administration Division.	\$59,979
To restore vehicle depreciation and one-time funding from FY 2013 for the Division of Criminal Investigation.	\$399,483
To restore vehicle depreciation and one-time funding from FY 2013 for the Division of Narcotics Enforcement.	\$325,971
To restore vehicle depreciation and one-time funding from FY 2013 for the Office of the State Fire Marshal.	\$171,849
To restore vehicle depreciation and one-time funding from FY 2013 for the Iowa State Patrol.	\$2,042,718
A decrease in Statewide Interoperable Communications for a part-time staffing position.	\$ -48,000

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Public Safety, Department of				
Public Safety, Dept. of				
DPS Gaming Enforcement - GEF	\$ 10,898,008	\$ 10,898,008	\$ 10,898,008	\$ 0
Total Public Safety, Department of	\$ 10,898,008	\$ 10,898,008	\$ 10,898,008	\$ 0

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 \$109,000 (or 10.0% penalized from the State allocation) in Byrne Justice Assistance Grants funding for FFY 2013. This will primarily impact the Office of Drug Control Policy and the pass-through funds available to local law enforcement.

The U.S. Department of Justice announced a reallocation program for states that were not in compliance with the Act. Iowa applied for and received a reallocation of the \$109,000 for sex offender registry and notification enhancements. The money is being used to provide technical equipment to local sheriff's offices and other registering agencies to complete the 100.0% rollout of the Iowa Sex Offender Registry Database project. The equipment includes laptops, digital cameras, and electronic signature pads. The equipment is currently being ordered and, as of December 27, 2012, 69 counties (Sheriffs' Offices) have signed up for equipment.

Iowa State Patrol Vehicles – For FY 2013, the Department ordered a total of 50 vehicles (2013 Dodge Chargers). The delivery will be staggered, with 15 in February 2013, 15 in March 2013, and 20 in April 2013. The intent is to replace vehicles with high mileage. 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 140,000 per car and the replacement cycle is closer to a four-year cycle. Of the 399 vehicles, 174 (43.6%) have less than 70,000 miles.

As of November 2012:

Vehicles in excess of 100,000 miles = 148

Vehicles in excess of 90,000 miles = 28

Vehicles in excess of 80,000 miles = 22

Vehicles in excess of 70,000 miles = 27

Total = 399

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.

On December 10, 2012, the Federal Communications Commission (FCC) approved a waiver request from the January 1, 2013, narrowbanding requirements for the DPS and the Department of Natural Resources (DNR). The new DPS and DNR narrowbanding deadline is November 14, 2014. The Department of Transportation does not require a waiver as they are already narrowband compliant. The DOC waiver was also granted and the new deadline is January 1, 2014.

As of January 7, 2013, all mobile radios in DPS have been narrowbanded. The vehicle repeaters used to connect the handheld radios to the communications centers have not been narrowbanded.

Comparison to Other States – Outcomes

Corrections

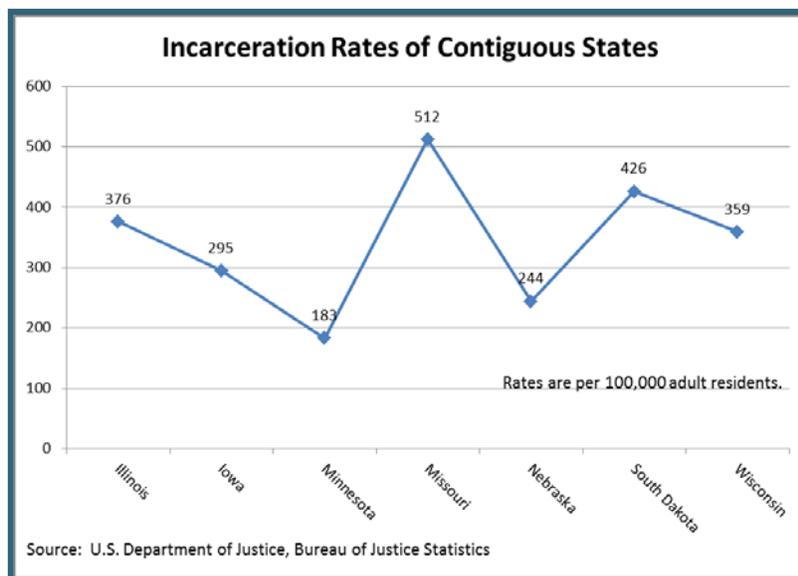
According to data from the [Council of State Governments States Perform](#) website, state prison recidivism rates range from 22.0% (Oregon) to 62.0% (Minnesota). Iowa's recidivism rate is 34.0%, or 40th in the nation (three states – Idaho, Iowa, and Mississippi – have a recidivism rate of 34.0%). In comparison to surrounding states, only Nebraska's rate of 33.0% is lower than Iowa.

According to the Council of State Governments (CSG), Iowa's violent crime rate is 273.5 per 100,000 residents, or 33rd in the nation. Contiguous states show the following violent crime rates: Illinois 435.2, Minnesota 236.0, Missouri 455.0, Nebraska 279.5, South Dakota 268.5, and Wisconsin 248.7. Iowa's property crime rate is 2,242.5 per 100,000 residents, or 41st nationally. Surrounding states show the following property crime rates: Illinois 2,681.0, Minnesota 2,572.3, Missouri 3,346.4, Nebraska 2,673.2, South Dakota 1,852.4, and Wisconsin 2,507.7.

Iowa ranks 37th nationally in terms of the incarceration rate of sentenced prisoners, with 295 inmates per 100,000 adult residents ([U.S. Department of Justice, Bureau of Justice Statistics](#)). Minnesota (183) and Nebraska (244) have lower incarceration rates than Iowa. Iowa ranks 33rd nationally in terms of the number of offenders under community supervision, with 1,451 offenders per 100,000 adult residents. Only Nebraska has a lower rate (1,230) than Iowa. See the chart below for information regarding incarceration rates of contiguous states.

Iowa ranks 34th nationally for State corrections spending, according to the [U.S. Census Bureau, 2011 Annual Survey of State Government Finances](#). Contiguous states rank as follows: Illinois 9th, Minnesota 28th, Missouri 21st, Nebraska 40th, South Dakota 49th, and Wisconsin 14th.

For additional information, please refer to the CSG website at <http://www.statesperform.org/Default.aspx> or the Bureau of Justice Statistics website at <http://bjs.ojp.usdoj.gov/> or the U.S. Census database at <http://www.census.gov/govs/state/>.



Judicial Branch

The [National Center for State Courts](#) (NCSC) has published the [Survey of Judicial Salaries](#) for 30 years. The most recent data available was of [January 1, 2012](#); however, new data for 2013 should be published in the near future.

In Iowa, the salary for a Justice on the Iowa Supreme Court is \$163,200 and this ranks 16 out of 51 in the nation. The national salary range for a Justice is \$112,530 to \$218,237, and the mean amount is \$152,606, and the median amount is \$146,917. In Iowa, the salary for a Judge on the Court of Appeals is \$147,900, a rank of 16 out of 39. This position is not in all 50 States and Washington, D.C. The national salary range for a Court of Appeals Judge is \$105,050 to \$204,599, the mean amount is \$146,887, and the median amount is \$140,732. In Iowa, the salary for a District Court Judge is \$137,700 and ranks 21 out of 51 in the nation. The national salary range for a District Court Judge is \$104,170 to \$180,802, the mean amount is \$137,151, and the median amount is \$132,500. (Mean is the average and the median is the numeric value separating the higher half from the lower half.)

The calendar year 2012 salaries of Iowa judges compared to surrounding states is as follows:

	Supreme Court Justices	Appeals Court Judges	District Court Judges
Illinois	\$ 209,344	\$ 197,032	\$ 180,802
Iowa	163,200	147,900	137,700
Minnesota	145,981	137,552	129,124
Missouri	137,034	128,207	120,484
Nebraska	142,760	135,622	132,053
S. Dakota	118,173	N/A	110,377
Wisconsin	144,495	136,316	128,600
Iowa's Rank in the nation	16 of 51	16 of 51	21 of 51
Mean	\$ 152,606	\$ 146,887	\$ 137,151
Median	146,917	140,732	132,500

Source: National Center for State Courts, as of 1/1/12

Public Safety

All 50 states and the federal government have laws that require certain convicted offenders to provide a DNA sample for inclusion in CODIS (the federal Combined DNA Index System database) and State databases. Louisiana was the first state to enact a state arrestee DNA collection law in 1997.

As of June 2012, according to the [National Institute of Justice](#), the federal government and 28 states have enacted arrestee DNA collection laws that authorize the collection of DNA following arrest or charging. Of the 28 state laws authorizing arrestee DNA collection, 13 collect samples from anyone arrested for a felony;

the remaining 15 limit the collection to violent crimes, including sexual assaults. Seven states also collect samples in certain misdemeanor cases.

States With Enacted Arrestee DNA Collection Laws			
Alabama	Florida	Missouri	South Carolina
Alaska	Illinois	New Jersey	South Dakota
Arizona	Kansas	New Mexico	Tennessee
Arkansas	Louisiana	North Carolina	Texas
California	Maryland	North Dakota	Utah
Colorado	Michigan	Ohio	Vermont
Connecticut	Minnesota	Oklahoma	Virginia

In some states, arrestee DNA collection laws have faced Fourth Amendment challenges in court. The Supreme Court of Virginia upheld the state's law in 2007. The Minnesota Court of Appeals, California Appellate Court, and the Maryland Supreme Court have found the law unconstitutional. Rulings in California and in Maryland are being appealed.

In [Maryland v. King](#) (12-207), the Supreme Court will decide whether the Fourth Amendment allows states to collect and analyze DNA, without a warrant, from people arrested and charged with a serious crime but not convicted. Oral arguments will be heard on February 26, 2013.

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 CJJD include research on both the adult and juvenile justice systems. Reports can be accessed at: <http://www.humanrights.iowa.gov/cjpd/publications/index.html>. The CJJD 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 – Justice

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

- *Issue Reviews:*
 - [Corrections Construction and Capacity](#)
 - [Construction Status and Operating Costs of New Corrections Beds](#)
 - [Community-Based Corrections Funding Levels](#)
 - [Iowa State Patrol and the Office of Motor Vehicle Enforcement Potential Integration](#)

- *Budget Unit Fiscal Topics:*
 - [Department of Public Safety Asset Sharing Fund - State](#)
 - [Department of Public Safety Asset Sharing Fund - Federal](#)
 - [Gaming Enforcement Revolving Fund](#)
 - [Homeland Security and Emergency Management Division](#)
 - [Forfeited Property](#)
 - [Corrections Education](#)
 - [County Confinement Account](#)
 - [Iowa Corrections Offender Network](#)
 - [Federal Prisoners/Contractual Services Account](#)
 - [Department of Corrections Central Office](#)
 - [Mental Health and Substance Abuse Treatment](#)
 - [Hepatitis Treatment and Education](#)
 - [Tobacco Litigation Donations Fund](#)
 - [Sex Offender Registry Fund](#)
 - [Court Ordered Environmental Crime Fines](#)
 - [Anti-Trust Fund](#)
 - [Victim Compensation Fund](#)
 - [Victim Assistance Grants](#)
 - [Elderly Victims Fraud Fund](#)
 - [Consumer Fraud Refunds](#)
 - [Consumer Education Fund](#)
 - [Consumer Credit Administration Fund](#)
 - [Office of the State Public Defender](#)
 - [Indigent Defense Fund](#)
 - [Mortgage Servicing Settlement Fund](#)
 - [Iowa Law Enforcement Academy \(ILEA\)](#)
 - [Jury and Witness Fee Revolving Fund](#)
 - [Enhanced Court Collections Fund](#)
 - [Iowa Civil Rights Commission](#)
 - [Iowa Law Enforcement Academy Audiovisual/Equipment Fund](#)
 - [Board of Parole](#)
 - [Iowa Law Enforcement Academy Gifts and Donations Fund](#)
 - [Court Technology and Modernization Fund](#)
 - [Civil Reparations Trust Fund](#)
 - [Iowa Statewide Interoperable Communications Systems Board](#)
 - [Electrician and Installers Licensing and Inspection Fund](#)
 - [State Fire Marshal's Office](#)
- *Fiscal Topics:*
 - [Department of Corrections Training](#)
 - [Community-Based Corrections Residential Facilities](#)
- *Fiscal One-On-One Audio Interviews (links open the mp3 files):*
 - [Prison Operations](#)
 - [State Appellate Defender](#)

[Historical Overview of the Judicial Branch](#)

[Overview of the Department of Corrections Part Two](#)

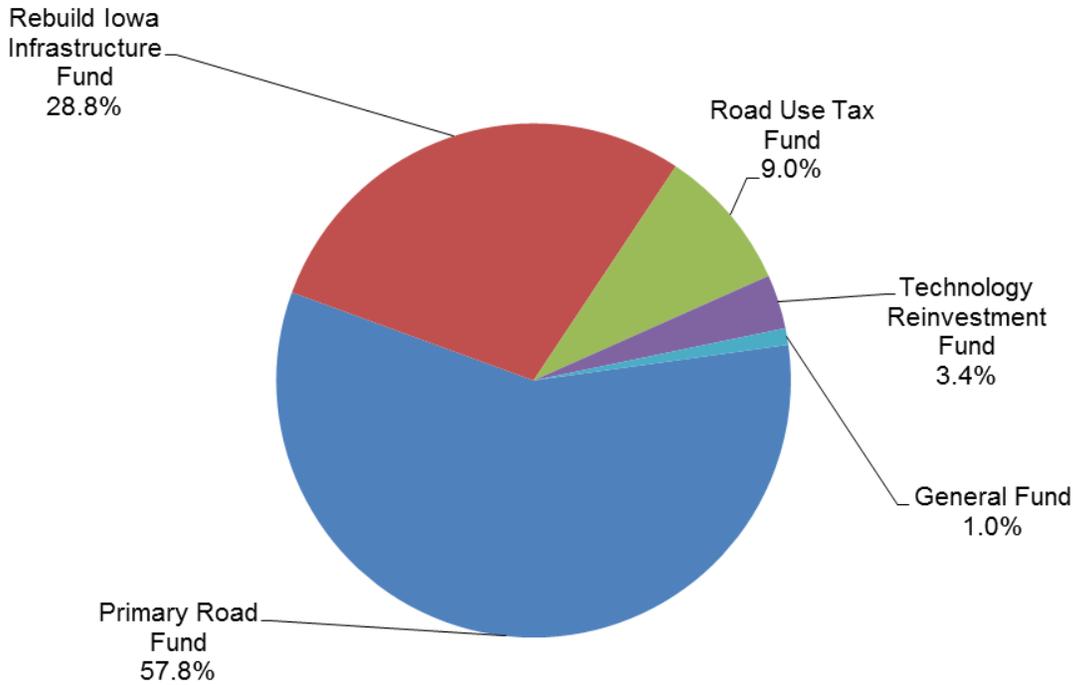
[Overview of the Department of Corrections Iowa Corrections Offender Network](#)

[Effects of Fuel Prices on the Iowa State Patrol](#)

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**FY 2014 Governor's Recommendations
 by Funding Source**



FY 2014 Governor's Recommendations by Funding Source

Primary Road Fund	\$ 305,277,336
Rebuild Iowa Infrastructure Fund	151,898,938
Road Use Tax Fund	47,563,319
Technology Reinvestment Fund	18,000,000
General Fund	5,500,000
	<u>\$ 528,239,593</u>

DEPARTMENT OF TRANSPORTATION

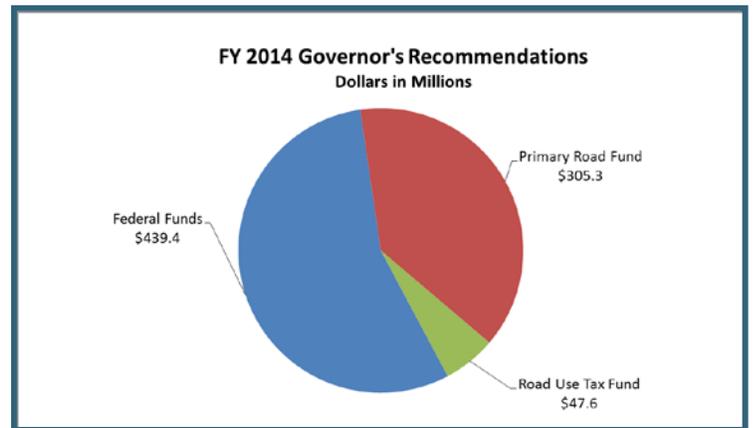
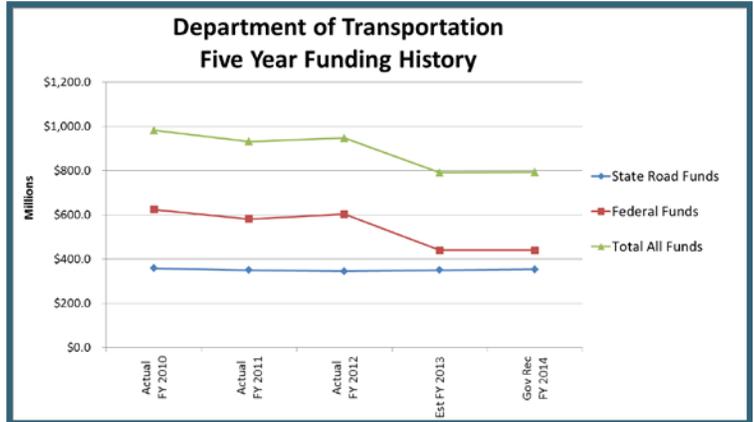
Overview and Funding History

Agency Overview: The mission of the Department of Transportation (DOT) is to serve the public by delivering a modern transportation system that supports the economic and social vitality of Iowa, increases safety, and maximizes customer satisfaction. The DOT consists of five operating divisions: Operations and Finance; Planning, Programming, and Modal; Motor Vehicle; Information Technology; and Highway. The DOT is proposing and the Governor has recommended a sixth division, the Performance and Technology Division to be created with resources from other divisions. 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 capitals appropriations that are not part of the operating division budget units but are essential for operation of the Department.

Funding History: The funding for the DOT comes from the State road funds, the Road Use Tax Fund and Primary Road Fund, has remained relatively stable for the last five years. The funding history chart shows funding for the DOT from FY 2010 through the Governor’s recommendations for FY 2014. Federal funding increased during FY 2010 and FY 2011 due to the federal stimulus funding provided by the American Recovery and Reinvestment Act, but has resumed the typical funding levels for federal transportation funds of approximately \$440.0 million annually.

Governor’s Recommendations

FY 2014: The Governor is recommending FY 2014 appropriations totaling \$352.9 million from the State road funds. This is an increase of \$2.4 million compared to estimated FY 2013. The total recommendation includes \$47.6 million from the Road Use Tax Fund and \$305.3 million from the



CY 2011 Quick Facts - DOT

114,384
Total number of miles of public road in Iowa

8,893
Number of miles of road maintained by Iowa DOT

4,176,883
Number of vehicles registered in Iowa

Primary Road Fund. The State funding provided for the DOT is comprised of 13.5% from the Road Use Tax Fund and 86.5% from the Primary Road Fund. The pie chart shows the FY 2014 DOT budget as recommended by the Governor. Of the \$352.9 million the Governor is recommending, 3.1% is for special purpose appropriations, 4.9% is for DOT capital appropriations, and 92.0% is for operating budgets of all divisions within the DOT.

FY 2015: The Governor is recommending a funding level totaling \$353.1 million for FY 2015.

Governor’s Recommendations: Department of Transportation FY 2014

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Transportation, Dept. of				
Road Use Tax Fund				
RUTF-Drivers' Licenses	\$ 3,876,000	\$ 3,876,000	\$ 3,876,000	\$ 0
RUTF-Scale/MVD Facilities Maint.	200,000	200,000	200,000	0
RUTF-Scale Replacement	350,000	280,000	280,000	-70,000
RUTF-Operations	6,570,000	6,845,000	6,845,000	275,000
RUTF-Planning & Programming	458,000	414,000	414,000	-44,000
RUTF-Motor Vehicle	33,921,000	33,921,000	33,921,000	0
RUTF-DAS Personnel & Utility Services	228,000	215,000	215,000	-13,000
RUTF-Unemployment Compensation	7,000	7,000	7,000	0
RUTF-Workers' Compensation	121,000	114,000	114,000	-7,000
RUTF-Indirect Cost Recoveries	78,000	78,000	78,000	0
RUTF-Auditor Reimbursement	67,319	67,319	67,319	0
RUTF-County Treasurers Support	1,406,000	1,406,000	1,406,000	0
RUTF-Road/Weather Conditions Info	100,000	100,000	100,000	0
RUTF-Mississippi River Park Comm	40,000	40,000	40,000	0
Total Road Use Tax Fund	\$ 47,422,319	\$ 47,563,319	\$ 47,563,319	\$ 141,000
Primary Road Fund				
PRF-Operations	\$ 40,607,023	\$ 42,051,866	\$ 42,051,866	\$ 1,444,843
PRF-Planning & Programming	8,697,095	7,865,454	7,865,454	-831,641
PRF-Highway	232,672,498	232,031,295	232,031,295	-641,203
PRF-Motor Vehicle	1,413,540	1,413,540	1,413,540	0
PRF-DAS Personnel & Utility Services	1,404,000	1,321,000	1,321,000	-83,000
PRF-DOT Unemployment	138,000	138,000	138,000	0
PRF-DOT Workers' Compensation	2,889,000	2,743,000	2,743,000	-146,000
PRF-Garage Fuel & Waste Mgmt.	800,000	800,000	800,000	0
PRF-Indirect Cost Recoveries	572,000	572,000	572,000	0
PRF-Auditor Reimbursement	415,181	415,181	415,181	0
PRF-Transportation Maps	80,667	160,000	160,000	79,333
PRF-Inventory & Equip.	5,366,000	5,366,000	5,366,000	0
PRF-Field Facility Deferred Maint.	1,000,000	1,500,000	1,500,000	500,000
PRF-Utility Improvements	400,000	400,000	400,000	0
PRF-Garage Roofing Projects	200,000	500,000	500,000	300,000
PRF-HVAC Improvements	200,000	500,000	500,000	300,000
PRF-Waste Water Treatment	1,000,000	1,000,000	1,000,000	0
PRF-New Hampton Garage	5,200,000	0	0	-5,200,000
PRF-Mason City Combined Facility	0	6,500,000	6,500,000	6,500,000
Total Primary Road Fund	\$ 303,055,004	\$ 305,277,336	\$ 305,277,336	\$ 2,222,332
Total Department of Transportation	\$ 350,477,323	\$ 352,840,655	\$ 352,840,655	\$ 2,363,332

Governor’s Recommendations: Significant Increases/Decreases – DOT

Operations	
A net increase to the Operations Division budget due to the creation of the new Performance and Technology Division.	\$1,719,843
A decrease in the Highway Division budget due to transfers to the new Performance and Technology Division.	-\$844,202
A decrease in the Planning and Programming Division budget due to transfers to the new Performance and Technology Division.	-\$875,641
An increase in the Highway Division for additional depreciation related to the equipment replacement backlog.	\$203,000

Special Purpose	
Transportation Maps – An increase to fund printing 1.8 million maps every two years.	\$79,333
Workers’ Compensation – A decrease for workers’ compensation payments.	-\$153,000
DAS Utility Services – A decrease for reimbursement to the Department of Administrative Services for utility services.	-\$96,000

Capitals	
Mason City combined facility – The DOT typically renovates one garage a year. The combined facility will provide for administrative services as well as maintenance and storage. For FY 2013, the funding was provided to the New Hampton garage.	\$6,500,000
HVAC improvements – Additional funding to address HVAC systems at DOT facilities.	\$300,000
Roof replacements – Additional funding to address roof replacement needs at DOT garages.	\$300,000
Deferred Maintenance – An increase to address ongoing major maintenance needs.	\$500,000

Issues

Equipment Replacement Backlog – This funding covers the incremental cost difference (replacement cost minus original cost) in the replacement of aging equipment. The DOT had not requested an appropriation for inventory and equipment replacement for FY 2003 through FY 2006 as a way to keep budget increases down. From FY 2007 through FY 2011, the appropriation remained constant at \$2.3 million. However, the funding had not been sufficient to replace the equipment on schedule, and a backlog of equipment needs exists. 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 received the same level of funding and the request for FY 2014 and FY 2015 is status quo. The sustained higher level in the inventory and equipment appropriation will enable the Department to address the needs over the next few fiscal years so that a normal replacement schedule can resume.

With the sustained higher level of funding, the DOT 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 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 funding at the same level as FY 2013.

Federal Highway Trust Fund – For more than 10 years, revenues flowing into the federal Highway Trust Fund (HTF) have been less than the Congressional appropriated levels of funding to the states. Congress used the balance that existed in the HTF to delay the need for additional revenues. With the balance

now depleted, Congress has transferred General Fund revenue to the HTF to keep it solvent. The latest transfer of \$21.2 billion was part of the most recent federal surface transportation bill entitled “Moving Ahead for Progress in the 21st Century” (MAP-21). MAP-21 authorized federal surface transportation funding at status quo levels for federal fiscal years (FFY) 2013 and 2014. The transfer of General Fund revenue will allow funding to remain at current levels through FFY 2014.

Without Congressional action to provide additional revenue, FFY 2015 funding levels will be reduced by up to 90.0%. And while funding in subsequent years will increase from the low in FFY 2015, the allocation to Iowa would remain lower than present funding levels. State projects that will likely be affected during FFY 2015 include the Interstate 29/80 Council Bluffs Interstate System, the Interstate 74 bridge project, and projects on U.S. highways 20, 30, and 61, as well as Iowa Highway 100. The reduced project funding will result in an estimated \$966.0 million reduction in funding during the FFY 2015 to FFY 2021 period. The impact to Iowa, should Congress not address the funding shortfall, is a significant reduction in funding available to the state and local jurisdictions for construction projects on roads and bridges.

At the state level, the Iowa Transportation Commission has developed and adopted a Five-Year Transportation Improvement Program for the state-owned system that anticipates Congress will keep the HTF solvent without the significant decrease in project funding during FFY 2015. The Iowa DOT is beginning discussions with the Commission on the development of the 2014-2018 Transportation Improvement Program in January. Those discussions will include continual updates on the status of federal funding discussions in Congress and how best to address the potential of an HTF cliff in FFY 2015. The Legislative Service Agency (LSA) staff will continue to monitor Federal Highway Trust fund levels.

INFRASTRUCTURE

Overview and Funding History

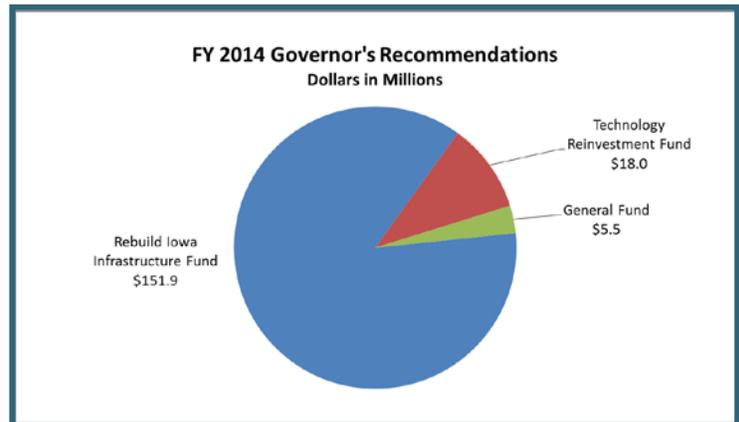
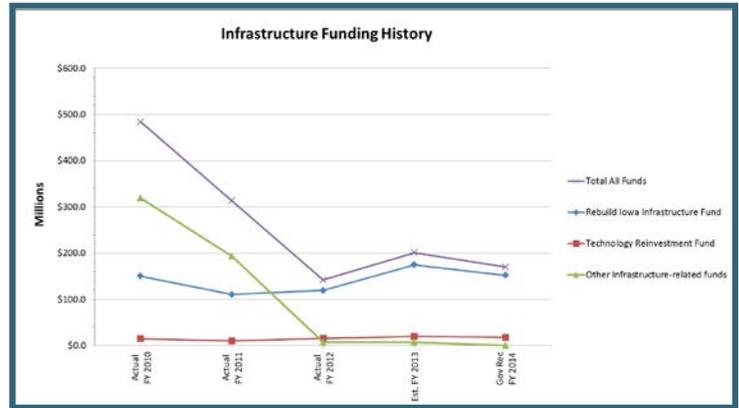
Infrastructure Overview: Primary infrastructure funding sources include the Rebuild Iowa Infrastructure Fund (RIIF) and the Technology Reinvestment Fund (TRF). The RIIF is funded mainly from wagering taxes that are paid to the State, after specific allocations in accordance with [Iowa Code section 8.57](#). Generally, the wagering taxes make up 75.0% to 85.0% of the revenue depositing in the RIIF. The Technology Reinvestment Fund receives a standing appropriation from the General Fund of \$17.5 million, but for several years its funding source has been shifted to the RIIF. In FY 2013, the funding for the TRF was provided by wagering taxes.

Funding History: In estimated FY 2013, additional infrastructure resources included the Endowment for Iowa’s Health Restricted Capitals Fund (RC2) and the Mortgage Servicing Settlement Fund. Other prior funding sources included other tax-exempt bond proceeds such as the RC2, the Revenue Bonds Capitals Fund (RBC), and the Revenue Bonds Capitals II Fund (RBC2). The funding history chart shows funding for infrastructure appropriations from FY 2010 through the Governor’s Recommendations for FY 2014. Funding in FY 2010, at the highest level in recent years, reflects the tax-exempt bond proceeds that deposited in the RBC and the RBC2. In addition, FY 2010 reflects one General Fund appropriation of \$1.4 million for commercial service airport infrastructure.

Governor’s Recommendations

FY 2014: The Governor is recommending a total of \$175.4 million for infrastructure-related projects and programs for FY 2014. This is an overall decrease of \$25.7 million compared to estimated FY 2013. The pie chart shows the FY 2014 infrastructure budget as recommended by the Governor. Of the \$175.4 million in recommendations, \$151.9 million is being recommended from the RIIF, \$18.0 million from the TRF, and \$5.5 million from the General Fund.

FY 2015: The Governor is recommending \$156.5 million in infrastructure appropriations, including \$5.5 million from the General Fund, for FY 2015, a decrease of \$18.9 million as compared to FY 2014.



FY 2012 Quick Facts - Infrastructure

18
Number of casinos providing wagering taxes to the State

\$286 million
Estimated wagering tax and license fee revenue to the State

80.7%
Of RIIF revenue that came from wagering taxes

Governor's Recommendations – RIIF Appropriations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Administrative Services - Capitals</u>				
Administrative Services - Capitals				
Complex Utility Tunnels Imprv-RIIF	\$ 0	\$ 1,900,000	\$ 0	\$ 0
Capitol Interior/Exterior - RIIF	0	2,200,000	0	0
Central Energy Plant/Facilities Mgmt - RIIF	0	600,000	0	0
DHS - Toledo RIIF	500,000	0	0	-500,000
Historical Building Repairs - RIIF	0	2,352,680	0	0
Hoover Security/Fire Walls-RIIF	0	262,600	0	0
Hoover UST Removal - RIIF	0	20,000	0	0
Leases/Relocation Assistance-RIIF	0	1,800,000	0	0
Major Maintenance - RIIF	10,250,000	31,000,000	2,000,000	-8,250,000
Major Maintenance (CHIP) - RIIF	0	0	20,637,183	20,637,183
Miller Bldg Renovation - RIIF	0	201,000	0	0
Routine Maintenance - RIIF	0	20,000,000	0	0
Security Door Upgrades Complex Bldgs - RIIF	0	136,400	0	0
Sidewalk & Parking Lot Repairs-RIIF	0	3,865,000	0	0
Wallace Building - RIIF	0	3,900,000	0	0
Total Administrative Services - Capitals	\$ 10,750,000	\$ 68,237,680	\$ 22,637,183	\$ 11,887,183
<u>Corrections Capital</u>				
Corrections Capital				
CBC 2nd Ames 40 Bed Expansion - RIIF	\$ 0	\$ 6,402,000	\$ 0	\$ 0
Anamosa Fire Escape/Luster Heights Well - R	0	3,003,680	0	0
ASP Waste Water Treatment - RIIF	0	1,500,000	0	0
CBC 8th District 25 Bed Expansion - RIIF	0	5,058,600	0	0
CBC Des Moines Expansion - RIIF	0	14,046,900	0	0
Construction Project Management - RIIF	1,000,000	200,000	200,000	-800,000
Fort Madison Construction and FFE Costs - RII	16,269,124	3,000,000	3,000,000	-13,269,124
Fort Madison FFE and Construction Costs - RC	2,000,000	0	0	-2,000,000
Major Maintenance - RIIF	0	3,000,000	0	0
Mitchellville Construction and FFE Costs - RII	14,170,062	26,769,040	26,769,040	12,598,978
Newton Hot Water Loop Repair - RIIF	425,000	0	0	-425,000
Total Corrections Capital	\$ 33,864,186	\$ 62,980,220	\$ 29,969,040	\$ -3,895,146
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
Great Places Infrastructure Grants - RIIF	1,000,000	5,000,000	1,000,000	0
Historical Bldg/Museum Renovation - RIIF	1,450,000	51,000,000	1,000,000	-450,000
Total Cultural Affairs, Dept. of	\$ 2,450,000	\$ 56,000,000	\$ 2,000,000	\$ -450,000

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Economic Development Authority</u>				
Economic Development Authority				
Regional Sports Authorities - RIIF	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0
Camp Sunnyside Cabins - RIIF	125,000	0	0	-125,000
Community Attraction & Tourism Grants - RII	5,000,000	5,000,000	5,000,000	0
Fort Des Moines Museum Renovation - RIIF	100,000	0	0	-100,000
High Quality Jobs Program - RIIF	15,000,000	15,000,000	0	-15,000,000
World Food Prize Borlaug/Ruan Scholar - RIIF	100,000	100,000	0	-100,000
Total Economic Development Authority	\$ 20,825,000	\$ 20,600,000	\$ 5,500,000	\$ -15,325,000
<u>Education Capital</u>				
Education Capital				
Comm College ACE Infrastructure - RIIF	6,000,000	0	0	-6,000,000
Community Colleges Maint/Bldg Ops - MSSF	5,000,000	0	0	-5,000,000
IPTV Transmission/Network Equipment - RIIF	0	960,000	960,000	960,000
Total Education Capital	\$ 11,000,000	\$ 960,000	\$ 960,000	\$ -10,040,000
<u>Human Services Capital</u>				
Human Services - Capital				
Maintenance Health Safety Loss - RIIF	\$ 0	\$ 7,282,017	\$ 0	\$ 0
Maintenance - RIIF	0	250,000	0	0
ADA Capital - RIIF	0	415,000	0	0
Major Projects - RIIF	0	775,500	0	0
Nursing Facility Const/Improvements - RIIF	250,000	0	0	-250,000
Total Human Services Capital	\$ 250,000	\$ 8,722,517	\$ 0	\$ -250,000
<u>Iowa Finance Authority</u>				
Iowa Finance Authority				
State Housing Trust Fund - RIIF	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0
Total Iowa Finance Authority	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0
<u>Natural Resources Capital</u>				
Natural Resources Capital				
State Park Infrastructure - RIIF	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Lakes Restoration & Dredging - RIIF	6,000,000	6,000,000	1,000,000	-5,000,000
Lake Delhi Improvements - RIIF	2,500,000	2,500,000	2,500,000	0
Water Trails & Low Head Dam - RIIF	1,000,000	1,000,000	0	-1,000,000
Osceola Reservoir - RIIF	0	0	1,000,000	1,000,000
Total Natural Resources Capital	\$ 14,500,000	\$ 14,500,000	\$ 9,500,000	\$ -5,000,000
<u>Public Defense Capital</u>				
Public Defense Capital				
Facility/Armory Maintenance - RIIF	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0
Statewide Modernization Readiness Ctrs-RIIF	2,050,000	2,000,000	0	-2,050,000
Camp Dodge Infrastructure Upgrades - RIIF	610,000	500,000	0	-610,000
Joint Forces HQ Renovation - RIIF	500,000	0	0	-500,000
Total Public Defense Capital	\$ 5,160,000	\$ 4,500,000	\$ 2,000,000	\$ -3,160,000

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Regents, Board of</u>				
<u>Regents, Board of</u>				
Regents Tuition Replacement - RIIF	\$ 25,130,412	\$ 27,867,775	\$ 27,867,775	\$ 2,737,363
Fire Safety and Deferred Maint All Institut - F	2,000,000	75,000,000	2,000,000	0
Innovation/Commerc of Research - RIIF	3,000,000	0	0	-3,000,000
ISU - Ag/Biosystems Engineering - RIIF	19,050,000	21,750,000	21,750,000	2,700,000
ISU - Biosciences Building - RIIF	0	5,000,000	0	0
ISU Research Park Bldg 5 Improvements - RIIF	1,000,000	0	0	-1,000,000
UI - Dental Science Building - RIIF	10,250,000	9,750,000	9,750,000	-500,000
UI - Pharmacy Building Renovation - RIIF	0	6,000,000	0	0
UNI - Bartlett Hall - RIIF	7,786,000	10,267,000	10,267,000	2,481,000
UNI - Schindler Education Center Renovation	0	3,000,000	0	0
Total Regents Capital	\$ 68,216,412	\$ 158,634,775	\$ 71,634,775	\$ 3,418,363
<u>State Fair Authority Capital</u>				
<u>State Fair Authority Capital</u>				
Cultural Center Renovation - RIIF	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
Total State Fair Authority Capital	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
<u>Transportation, Dept. of</u>				
<u>Transportation, Dept. of</u>				
Recreational Trails Grants - RIIF	\$ 3,000,000	\$ 2,500,000	\$ 0	\$ -3,000,000
Public Transit Infra Grants - RIIF	1,500,000	1,500,000	0	-1,500,000
Commercial Aviation Infra Grants - RIIF	1,500,000	1,500,000	1,500,000	0
General Aviation Infra Grants-RIIF	750,000	750,000	750,000	0
Railroad Revolving Loan & Grant - RIIF	1,500,000	2,000,000	1,000,000	-500,000
Total Transportation, Dept. of	\$ 8,250,000	\$ 8,250,000	\$ 3,250,000	\$ -5,000,000
<u>Treasurer of State</u>				
<u>Treasurer of State</u>				
Watershed Improvement Fund - RIIF	\$ 1,000,000	\$ 0	\$ 0	\$ -1,000,000
County Fair Improvements-RIIF	1,060,000	1,060,000	1,060,000	0
Total Treasurer of State	\$ 2,060,000	\$ 1,060,000	\$ 1,060,000	\$ -1,000,000
<u>Veterans Affairs, Dept. of</u>				
<u>Veterans Affairs, Department of</u>				
DVA Fire/Energy/ADA Improvements - RIIF	\$ 0	\$ 137,940	\$ 137,940	\$ 137,940
Total Veterans Affairs, Dept. of	\$ 0	\$ 137,940	\$ 137,940	\$ 137,940
<u>Veterans Affairs Capitals</u>				
<u>Veterans Affairs Capital</u>				
IVH Generator Emissions and Trans Bldg - RIIF	\$ 975,919	\$ 450,000	\$ 0	\$ -975,919
Total Veterans Affairs Capitals	\$ 975,919	\$ 450,000	\$ 0	\$ -975,919
Total Rebuild Iowa Infrastructure Fund	\$ 181,551,517	\$ 408,283,132	\$ 151,898,938	\$ -29,652,579

Note: The amount of \$151.9 million recommended from the RIIF does not reflect the \$42.0 million for the Environment First Fund or the \$1.0 million for Agricultural Draining Wells that are reflected in the Agricultural and Natural Resources Subcommittee tracking (in order to avoid double counting). Total appropriations recommended from the RIIF as reflected on the RIIF balance sheet equal \$194.9 million. See **Appendix C** for the RIIF balance sheet.

Current Law RIF Appropriations and Changes Recommended:

Under current law, there is \$130.5 million in previously enacted and standing appropriations from the RIF for FY 2014. The current law appropriations include the standing appropriations of \$42.0 million from the RIF to the Environment First Fund and \$3.0 million to the Housing Trust Fund. In addition, several multiyear projects are receiving funding, including the final year of funding for the prison construction at Mitchellville and Fort Madison. Other current law appropriations include construction projects at the three universities, state park infrastructure, Lake Delhi dam restoration, Community and Attraction Tourism Program grants, and the Cultural Center at the Iowa State Fair. For FY 2015, there is \$78.5 million in current law appropriations from the RIF. *The Governor is not recommending any changes to current law appropriations from the RIF.*

Transfers to the RIF for FY 2014:

The Governor is recommending two transfers into the RIF for additional revenues for FY 2014, from the Children's Health Insurance Program (CHIP) contingency funds and from the Property Tax Credit Fund, \$20.6 million and \$1.5 million, respectively.

- The transfer from the Property Tax Credit Fund uses the remaining balance with the intention of eliminating the Fund at the same time. The Fund was created during the 2005 Legislative Session and received a deposit of \$159.9 million from the General Fund Surplus for FY 2006. The Fund is no longer being used and the balance remained unobligated.
- The CHIP allotment pays for health insurance coverage for low-income children that have a family income between 133.00% and 300.00% of the federal poverty level. States have two years to spend the CHIP allotment and then funds are redistributed to other states through the CHIP contingency funds. Iowa used its initial allotment and applied for an additional \$3.8 million from the FY 2011 CHIP Contingency Fund, but received approximately \$28.9 million (under the federal distribution formula). Some funding has been used for various Human Services programs. The remaining amount is available for appropriation. According to the federal guidelines, the additional funds may be used on any appropriations, as long as the funds are not used to match federal funding. *The Governor is recommending directing the entire \$20.6 million to the DAS for major maintenance.*

Item Moving from the RIF to the General Fund

During the 2012 Legislative Session, [HF 2473 \(Economic Development Programs and Funding Act\)](#), expanded the High Quality Jobs Program under the Iowa Economic Development Authority to include a direct financial assistance component that was previously done through the former Grow Iowa Values Fund (renamed Economic Development Fund). For estimated FY 2013, funding for the Program was provided with a \$15.0 million appropriation from the RIF. *For FY 2014 and FY 2015, the Governor is recommending moving the Program to the General Fund, and funding at a higher level of \$19.0 million. For additional information, see the Economic Development Appropriations Subcommittee section in this document.*

Governor’s Recommendations – General Fund Appropriation

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
Transportation, Dept. of				
Transportation, Dept. of				
Multimodal Transportation System	\$ 0	\$ 0	\$ 5,500,000	\$ 5,500,000
Total Transportation, Dept. of	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>

Governor’s Significant Recommendations – General Fund Multimodal Transportation Funding

The Governor is recommending \$5.5 million appropriation from the General Fund to improve the State’s multimodal transportation system for enhancing economic development. Typically, appropriations for multimodal transportation programs have been provided in the annual infrastructure budget. For estimated FY 2013, \$8.3 million was appropriated from the RIIF for various multimodal programs. For FY 2014, the Governor is recommending \$3.3 million from the RIIF for multimodal programs, in addition to the General Fund recommendation.

The multimodal programs funded by the RIIF are freight rail, commercial service and general aviation airport vertical infrastructure, public transit vertical infrastructure, and recreational trails, and each have restrictions of how the funds may be used. The new General Fund multimodal funding will provide additional flexibility to the DOT and the Transportation Commission to assess where the multimodal system needs are and apply funding to them, as well as provide funding to new opportunities that arise. An example of multimodal funding that has an economic development component is the existing Railroad Revolving Loan and Grant Program. For additional information about existing multimodal programs under the DOT, see the related ***Issue Review*** published by the LSA.

Governor's Recommendations – TRF Appropriations

	<u>Estimated FY 2013</u>	<u>Dept Request FY 2014</u>	<u>Gov Rec FY 2014</u>	<u>Gov Rec vs Est FY 2013</u>
<u>Corrections, Dept. of</u>				
Central Office				
Iowa Corrections Offender Network - TRF	\$ 500,000	\$ 1,500,000	\$ 0	\$ -500,000
Radio Communications Upgrades - TRF	3,500,000	0	0	-3,500,000
Total Corrections, Dept. of	\$ 4,000,000	\$ 1,500,000	\$ 0	\$ -4,000,000
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
Grout Museum District Oral History Exhibit - TRF	\$ 150,000	\$ 129,450	\$ 129,450	\$ -20,550
Total Cultural Affairs, Dept. of	\$ 150,000	\$ 129,450	\$ 129,450	\$ -20,550
<u>Education, Dept. of</u>				
Education, Dept. of				
ICN Part III Leases & Maintenance - TRF	\$ 2,727,000	\$ 3,647,000	\$ 2,727,000	\$ 0
Statewide Ed Data Warehouse - TRF	600,000	1,000,000	600,000	0
IPTV - Inductive Output Tubes - TRF	\$ 320,000	\$ 0	\$ 0	\$ -320,000
Total Education, Dept. of	\$ 3,647,000	\$ 4,647,000	\$ 3,327,000	\$ -320,000
<u>Human Rights, Dept. of</u>				
Human Rights, Department of				
Criminal Justice Info System (CJIS) - TRF	\$ 1,714,307	\$ 0	\$ 1,454,734	\$ -259,573
Total Human Rights, Dept. of	\$ 1,714,307	\$ 0	\$ 1,454,734	\$ -259,573
<u>Human Services Capital</u>				
Human Services - Capital				
Medicaid Technology - TRF	\$ 4,120,037	\$ 4,815,163	\$ 4,815,163	\$ 695,126
Total Human Services Capital	\$ 4,120,037	\$ 4,815,163	\$ 4,815,163	\$ 695,126
<u>Iowa Tele & Tech Commission</u>				
Iowa Communications Network				
ICN Equipment Replacement - TRF	\$ 2,198,653	\$ 2,248,653	\$ 2,248,653	\$ 50,000
Total Iowa Tele & Tech Commission	\$ 2,198,653	\$ 2,248,653	\$ 2,248,653	\$ 50,000
<u>Judicial Branch</u>				
Judicial Branch				
Electronic Document Mgmt System - TRF	\$ 1,000,000	\$ 3,000,000	\$ 3,000,000	\$ 2,000,000
Total Judicial Branch	\$ 1,000,000	\$ 3,000,000	\$ 3,000,000	\$ 2,000,000

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
Management, Dept. of				
Management, Dept. of				
Searchable Online Databases - TRF	\$ 45,000	\$ 45,000	\$ 45,000	\$ 0
Iowa Grants Mgmt Implementation - TRF	125,000	0	0	-125,000
Total Management, Dept. of	\$ 170,000	\$ 45,000	\$ 45,000	\$ -125,000
Public Health, Dept. of				
Public Health, Dept. of				
Technology Consolidation - TRF	\$ 0	\$ 0	\$ 480,000	\$ 480,000
Total Public Health, Dept. of	\$ 0	\$ 0	\$ 480,000	\$ 480,000
Public Safety Capital				
Public Safety Capital				
Radio Communication Upgrades Mandate - TRF	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 0
Total Public Safety Capital	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 0
Total Technology Reinvestment Fund	\$ 19,499,997	\$ 18,885,266	\$ 18,000,000	\$ -1,499,997

Funding Source for the TRF:

[Iowa Code section 8.57C](#) provides a standing limited appropriation of \$17.5 million from the General Fund to the TRF. In recent fiscal years, the General Assembly has shifted the funding from the General Fund to the RIF. For estimated FY 2013, the \$20.0 million in funding was provided from wagering taxes that normally would have deposited in the General Fund. Between FY 2010 and FY 2012, the funding amount has been reduced from the \$17.5 million. The funding to the TRF was slated to resume at the statutory amount from the General Fund in FY 2014. *The Governor is recommending maintaining the statutory standing appropriation for the TRF from the General Fund.*

Current Law TRF Appropriations

Under current law, there is \$10.4 million previously enacted for FY 2014 and \$1.9 million for FY 2015 from the TRF. The FY 2014 appropriations include the third of four years of funding for Medicaid technology, the third of three years of funding for the radio communication upgrades for the Department of Public Safety, the Grout Museum Veterans Oral Histories, and the Electronic Document Management System in the Judicial Branch. *The Governor is recommending maintaining these previously enacted appropriations.*

Item Moving from the TRF to the General Fund

The Iowa Corrections Offender Network (ICON) has been partially funded from the TRF for many years. The funding is being moved to the General Fund in the Governor’s recommendations for FY 2014 and FY 2015 to reflect the ongoing operations of the system. In estimated FY 2013, the ICON is receiving \$500,000 from the TRF. For additional information, see the Justice System Appropriations Subcommittee section in this document.

Issues

Wallace Building Renovation

The Wallace Building was completed in 1978 and cost an estimated \$20.4 million, including planning and design, landscaping, artwork, and moving expenses. Of that amount, \$10.4 million was for actual construction. The building has 229,317 square feet with net usable space of 159,223 square feet. During the 2004 Legislative Session, the General Assembly required the DAS to complete a study regarding the condition of the Wallace Building and evaluate the costs and benefits of renovating or demolishing the facility. The evaluation, completed by AMEC E&C Service, a construction consultant in Minneapolis, MN, determined that the building should be used into the 21st century and remodeling offers the best use of capital. The estimated renovation at that time was \$31.2 million, including actual construction and design costs, but not including furniture, fixtures, and equipment (FF&E) costs, or relocation or leasing costs. While some corrective measures have been undertaken to alleviate some health, life, safety issues and make some tenant improvements, the building has not undergone renovation. Phase 1 of the 2010 Capitol Complex Master Plan included the demolition of the current Wallace Building and construction of a new office building in that location. Any decisions regarding the building have been on hold pending direction from the Governor and the General Assembly. During the last year, there was renewed focus on the future of the Wallace Building and the Iowa Building that prompted the DAS to have three private firms review the buildings and make recommendations. The three firms agreed in their recommendations that it was more cost-effective to demolish the Iowa Building and renovate the Wallace Building. The budget request submitted by the DAS, \$3.9 million for FY 2014 and \$46.8 million for FY 2015, reflected \$3.9 million for design costs and preconstruction management costs, \$37.6 million for actual construction, including construction management, but not FF&E, and then included estimated costs for relocation and leasing. *The Governor did not recommend funding for the Wallace Building renovation project in FY 2014 or FY 2015.*

Historical Building Renovation

The State Historical Building was completed in December 1987 and houses the Iowa Department of Cultural Affairs (DCA), the State Historical Museum, the State Historical Library and Archives, as well as the preservation office and the records center. The DCA hired a museum consultant to complete a needs assessment and make recommendations for improvements. The building does not meet modern museum construction standards and collections are at risk. The consultant provided three scenarios: addressing deferred maintenance only; renovation of the west wing and rebuilding the east wing; or demolition and complete rebuilding. According to the consultant, the building has millions of dollars in deferred maintenance issues and has several key issues that need addressing in order for the museum to follow industry best practices and to ensure museum collections are not at risk. The renovation project as proposed would include a visitor center that complements the West Capitol Terrace as the gateway for visitors to the Capitol. A complete renovation will alleviate the deferred maintenance issues as well as bring the building into modern museum construction standards. The DCA requested \$51.0 million in FY 2014 and \$50.0 million in FY 2015 for renovation of the State Historical Building. Of the \$51.0 million for FY 2014, \$1.0 million for repairs to the Historical Building was previously enacted in SF 2316 (FY 2013 Infrastructure Appropriations Act) during the 2012 Legislative Session. The amounts requested were placeholders pending further direction from the Governor and the General Assembly, and reflect the higher costs of the demolition and complete rebuilding scenario. *The Governor is recommending maintaining the previously enacted RIF appropriation of \$1.0 million for FY 2014 and \$25.0 million from the RIF for FY 2015. According to the Department of Management, it is not yet*

known which scenario will be funded while the DAS and DCA work on a construction plan. The FY 2015 funding is a placeholder indicating the intent to fund the renovation work at the building.

RIIF Negative Balance

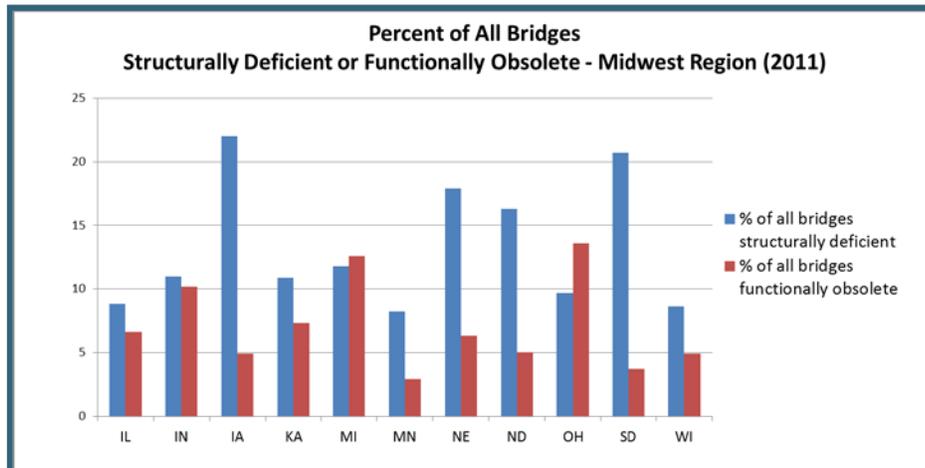
The RIIF Balance Sheet is updated for the Legislative Session after each December Revenue Estimating Conference (REC). In June 2012, after the 2012 Legislative Session, and after the Governor’s vetoes, the RIIF was in a negative balance. At the time, the LSA and the Department of Management (DOM) anticipated that the negative balance would be temporary and that once actual FY 2012 revenues were calculated, reversions occurred, and new revenues estimated at the October and December REC, the RIIF would be balanced again before the 2013 Legislative Session. In October, the REC reduced the base amount of wagering taxes anticipated to be coming to the State for FY 2013 by \$2.0 million compared to the prior December REC. The result is that as the 2013 Legislative Session begins, the RIIF will have a negative balance (\$ -934,000). The DOM is able to control cash flow and the projects do not draw down all of the appropriation in one year, so the negative balance is on paper for now. Reversions at the end of FY 2013 will help remedy some of the negative balance, but some adjustments by the General Assembly might be necessary. *The Governor is not recommending any adjustments regarding the RIIF for estimated FY 2013.*

Comparison to Other States – Transportation Outcomes

Bridges

Data gathered from the [Council of State Governments States Perform](#) website showed the percent of Iowa’s bridge infrastructure that was [structurally deficient](#) was 22.0%, the highest level in the Midwest region. Surrounding states showed the following percentages for state-owned structurally deficient bridges: Kansas 10.9%, Nebraska 17.9%, South Dakota 20.7%, Illinois 8.8%, and Minnesota 8.2%. For [functionally obsolete](#) bridges, Iowa was the one of the lowest in the Midwest region and tied with Wisconsin for third lowest in the United States.

The chart shows the percentages for the both types of bridge classifications for each state in the Midwest region. According to the [Iowa DOT Five Year Improvement Program](#), approximately, \$20.0 million is slated to be used in improvement projects for the approximately 4,000 State-owned bridges for FY 2013.



Traffic Fatalities

Iowa ranked fourth among the 11 states within the Midwest region with one of the lowest numbers of traffic fatalities, a total of 372 fatalities for CY 2009. Surrounding states showed higher numbers, including Illinois with a total of 911, Indiana with 693, Kansas with 386, and Minnesota with 421. However, comparing traffic fatalities per 100 million annual vehicle miles traveled (VMT) within the same region, Iowa's rank was eighth with a total of 1.2 fatalities per 100 million VMT annually. Only Kansas (1.31), South Dakota (1.36) and North Dakota (1.72) ranked higher in the region. Iowa ranks 26th nationally when comparing traffic fatalities per 100 million VMT annually (2009).

For additional comparison, please refer to <http://www.statesperform.org/Default.aspx>.

LSA Publications – Transportation and Infrastructure

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

- *Issue Reviews:*
 - [Multimodal Transportation Funding](#)
 - [Iowa State Patrol and the Office of Motor Vehicle Enforcement Potential Integration](#)
- *Fiscal Topics:*
 - [State Recreational Trails Program](#)
 - [Weight Enforcement Scale Replacement](#)
 - [Transportation Maps](#)
 - [Special License Plates](#)
- *Budget Unit Fiscal Topics:*
 - Transportation Budget – [Auditor of the State Reimbursement](#)
 - Transportation Budget – [Field Facility Deferred Maintenance](#)
 - Transportation Budget – [Indirect Cost Recoveries to the General Fund](#)
 - Transportation Budget – [Mississippi River Parkway Commission](#)
 - Transportation Budget – [Utility and Personnel Services from DAS](#)
 - Transportation Budget – [Weight Enforcement Scale Replacement](#)

 - Infrastructure Budget – [Board of Regents Tuition Replacement](#)
 - Infrastructure Budget – [Commercial Air Service Vertical Infrastructure Grant Program](#)
 - Infrastructure Budget – [Community Attraction and Tourism Program Grants](#)
 - Infrastructure Budget – [Iowa National Guard Facility/Armory Major Maintenance](#)
 - Infrastructure Budget – [Leases for Part III of the Iowa Communications Network](#)
 - Infrastructure Budget – [Railroad Revolving Loan and Grant Program](#)
 - Infrastructure Budget – [Statewide Education Data Warehouse](#)
 - Infrastructure Budget – [DAS Pooled Technology](#)
 - Infrastructure Budget – [Accelerated Career Education Program Infrastructure](#)
 - Infrastructure Budget – [Lake Restoration and Water Quality Program](#)
 - Infrastructure Budget – [DAS Major Maintenance](#)

- *Fiscal One-on-One Audio Interviews:*
 - [Gas Tax](#) – Interview with Stu Anderson, Director of the Planning, Programming and Modal Division, Iowa DOT (link opens the mp3 file)
 - [Rail Transportation in Iowa](#) – Interview with Tammy Nicholson, Director of the Office of Rail, Iowa DOT (link opens the mp3 file)
- *Fiscal Lunch and Learn Presentations:*
 - [Infrastructure Funding](#) – Presentation dated February 6, 2012
 - [Road Funding](#) – Presentation dated February 20, 2012

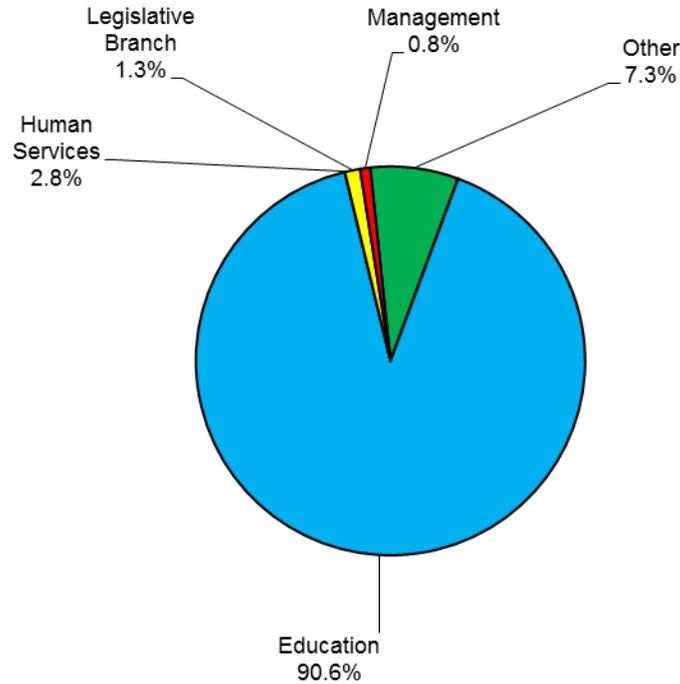
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Unassigned Standing Appropriations

Fiscal Staff: Dave Reynolds, Shawn Snyder,
 Jennifer Acton, and Dwayne Ferguson

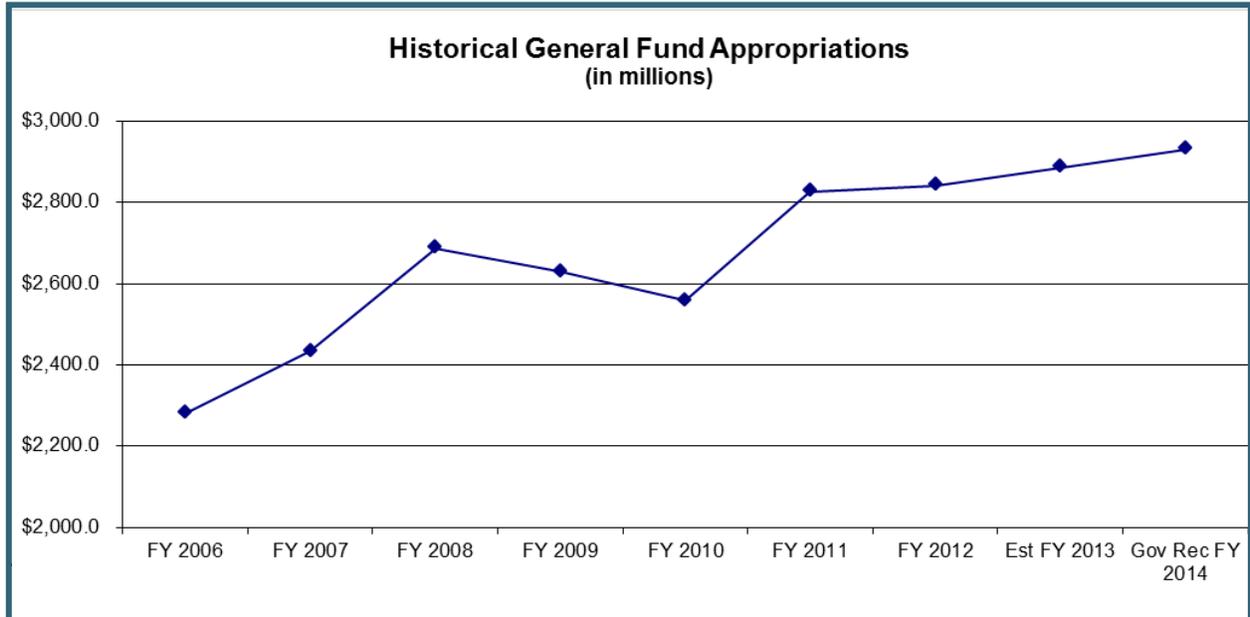
Analysis of Governor's Budget

FY 2014 General Fund Governor's Recommendations



FY 2014 General Fund Governor's Recommendations

Administrative Services	\$	796,958
Corrections		59,733
Cultural Affairs		416,702
Economic Development		810,306
Education		2,654,608,548
Executive Council		119,847
Legislative Branch		37,000,000
Governor		3,032
Public Health		232,500
Human Services		376,763
Management		24,636,307
Public Defense		344,644
Public Safety		5,000,000
Revenue		206,843,068
	\$	<u>2,931,248,408</u>



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 notwithstood 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 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Administrative Services, Dept. of</u>				
State Accounting Trust Accounts				
Federal Cash Management - Standing	\$ 356,587	\$ 356,587	\$ 356,587	\$ 0
Unemployment Compensation - Standing	440,371	440,371	440,371	0
Total Administrative Services, Dept. of	\$ 796,958	\$ 796,958	\$ 796,958	\$ 0
<u>Corrections, Dept. of</u>				
Central Office				
State Cases Court Costs	\$ 59,733	\$ 59,733	\$ 59,733	\$ 0
Total Corrections, Dept. of	\$ 59,733	\$ 59,733	\$ 59,733	\$ 0
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
County Endowment Funding - DCA Grants	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0
Total Cultural Affairs, Dept. of	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0
<u>Economic Development Authority</u>				
Economic Development Authority				
Tourism Marketing - Adjusted Gross Receipts	\$ 810,306	\$ 810,306	\$ 810,306	\$ 0
Total Economic Development Authority	\$ 810,306	\$ 810,306	\$ 810,306	\$ 0
<u>Education, Dept. of</u>				
Education, Dept. of				
Child Development	\$ 10,728,891	\$ 10,728,891	\$ 10,728,891	\$ 0
Sac Fox Settlement Education	100,000	100,000	100,000	0
State Foundation School Aid	2,653,718,726	2,660,014,108	2,635,218,726	-18,500,000
Nonpublic School Transportation	7,060,931	7,060,931	8,560,931	1,500,000
Total Education, Dept. of	\$ 2,671,608,548	\$ 2,677,903,930	\$ 2,654,608,548	\$ -17,000,000
<u>Executive Council</u>				
Executive Council				
Court Costs	\$ 59,772	\$ 59,772	\$ 59,772	\$ 0
Public Improvements	39,848	39,848	39,848	0
Drainage Assessment	20,227	20,227	20,227	0
Total Executive Council	\$ 119,847	\$ 119,847	\$ 119,847	\$ 0
<u>Legislative Branch</u>				
Legislative Branch				
Legislative Branch	\$ 34,237,076	\$ 37,000,000	\$ 37,000,000	\$ 2,762,924
Total Legislative Branch	\$ 34,237,076	\$ 37,000,000	\$ 37,000,000	\$ 2,762,924
<u>Governor</u>				
Governor's Office				
Interstate Extradition	\$ 3,032	\$ 3,032	\$ 3,032	\$ 0
Total Governor	\$ 3,032	\$ 3,032	\$ 3,032	\$ 0
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
Congenital & Inherited Disorders Registry	\$ 232,500	\$ 232,500	\$ 232,500	\$ 0
Total Public Health, Dept. of	\$ 232,500	\$ 232,500	\$ 232,500	\$ 0

Unassigned Standing Appropriations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Human Services, Dept. of</u>				
General Administration				
Commission of Inquiry	\$ 1,394	\$ 1,394	\$ 1,394	\$ 0
Nonresident Transfers	67	67	67	0
Nonresident Commitment Mental Illness	142,802	142,802	142,802	0
Total General Administration	\$ 144,263	\$ 144,263	\$ 144,263	\$ 0
Assistance				
Child Abuse Prevention	\$ 232,500	\$ 232,500	\$ 232,500	\$ 0
Total Human Services, Dept. of	\$ 376,763	\$ 376,763	\$ 376,763	\$ 0
<u>Management, Dept. of</u>				
Management, Dept. of				
Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
Appeal Board Claims	3,586,307	3,586,307	7,086,307	3,500,000
Technology Reinvestment Fund Approp	0	17,500,000	17,500,000	17,500,000
Total Management, Dept. of	\$ 3,636,307	\$ 21,136,307	\$ 24,636,307	\$ 21,000,000
<u>Public Defense, Dept. of</u>				
Public Defense, Dept. of				
Compensation and Expense	\$ 344,644	\$ 344,644	\$ 344,644	\$ 0
Total Public Defense, Dept. of	\$ 344,644	\$ 344,644	\$ 344,644	\$ 0
<u>Public Safety, Department of</u>				
Public Safety, Dept. of				
DPS-POR Unfunded Liabilities Until 85 Percent	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Total Public Safety, Department of	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
<u>Revenue, Dept. of</u>				
Revenue, Dept. of				
Ag Land Tax Credit - GF	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 0
Homestead Tax Credit Aid - GF	106,983,518	106,983,518	138,000,000	31,016,482
Elderly & Disabled Tax Credit - GF	24,957,000	24,957,000	27,200,000	2,243,000
Printing Cigarette Stamps	124,652	124,652	124,652	0
Tobacco Reporting Requirements	18,416	18,416	18,416	0
Military Service Tax Refunds	2,400,000	2,400,000	2,400,000	0
Total Revenue, Dept. of	\$ 173,583,586	\$ 173,583,586	\$ 206,843,068	\$ 33,259,482
Total Unassigned Standings	\$ 2,886,226,002	\$ 2,917,784,308	\$ 2,931,248,408	\$ 45,022,406

Governor's Recommendations: Significant General Fund Increases/Decreases

Department of Education	
School Foundation Aid: The decrease reflects funding for allowable growth at 0.0% and continuation of the \$20.0 million reduction for Area Education Agencies.	\$-18,500,000
Nonpublic School Transportation: This increase provides additional funds to make progress toward elimination of prorating claims for reimbursement.	\$1,500,000
Legislative Branch	
The increase reflects the revised budget estimate for FY 2014 submitted by the Legislative Branch. The Governor does not make a recommendation regarding the Legislative Branch budget.	\$2,762,924

Unassigned Standing Appropriations

Department of Management	
Appeal Board Claims: An increase to reflect the revised estimate for claims payments.	\$3,500,000
Technology Reinvestment Fund: This increase represents a return to the statutory appropriation amount. The fund received \$20.0 million from state wagering tax revenue for FY 2013.	\$17,500,000
Department of Public Safety	
Peace Officers Retirement System (PORS): The increase reflects a previously enacted new standing appropriation to reduce the level of unfunded liability. Per statute, this appropriation will continue until PORS is 85.0% funded.	\$5,000,000
Department of Revenue	
Homestead Tax Credit Aid: The increase reflects fully funding the credit.	\$31,016,482
Elderly and Disabled Tax Credit Aid: The increase reflects fully funding the credit.	\$2,243,000

Other Fund Recommendations

	Estimated FY 2013	Dept Request FY 2014	Gov Rec FY 2014	Gov Rec vs Est FY 2013
<u>Economic Development Authority</u>				
Economic Development Authority				
Endow Iowa Admin - County Endw Fund	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0
Total Economic Development Authority	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 0</u>
<u>Executive Council</u>				
Executive Council				
Performance of Duty - EEF	\$ 14,916,339	\$ 28,488,749	\$ 35,615,530	\$ 20,699,191
Total Executive Council	<u>\$ 14,916,339</u>	<u>\$ 28,488,749</u>	<u>\$ 35,615,530</u>	<u>\$ 20,699,191</u>
<u>Management, Dept. of</u>				
Management, Dept. of				
Environment First Fund - RIIF	\$ 35,000,000	\$ 42,000,000	\$ 42,000,000	\$ 7,000,000
Transfer from MSSF to RIIF	1,000,000	0	0	-1,000,000
Transfer from EEF to RIIF	20,000,000	0	0	-20,000,000
Total Management, Dept. of	<u>\$ 56,000,000</u>	<u>\$ 42,000,000</u>	<u>\$ 42,000,000</u>	<u>\$ -14,000,000</u>
<u>Regents, Board of</u>				
Regents, Board of				
ISU -Midwest Grape & Wine Industry - WGTF	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
Total Regents, Board of	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 0</u>
<u>Transportation, Dept. of</u>				
Transportation, Dept. of				
RUTF-Personal Delivery of Services	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0
RUTF-County Treasurer Equip Standing	650,000	650,000	650,000	0
Total Transportation, Dept. of	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 0</u>
Total Unassigned Standings	<u>\$ 72,111,339</u>	<u>\$ 71,683,749</u>	<u>\$ 78,810,530</u>	<u>\$ 6,699,191</u>

Governor’s Recommendations: Significant Other Fund Increases/Decreases

Executive Council	
Performance of Duty: An increase to reflect 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 emergency repairs to state property if sufficient funds are not available in a state agency’s budget as well as disaster-related costs for state and local governments. The funds are also used to match a significant amount of federal funds authorized by the Federal Emergency Management Agency (FEMA).	\$20,699,191
Department of Management	
Rebuild Iowa Infrastructure Fund (RIIF) appropriation to the Environment First Fund (EFF). The increase reflects a return to the statutory appropriation amount.	\$7,000,000
Transfer from Mortgage Settlement Servicing Fund (MSSF) to the RIIF. This decrease reflects a one-time transfer in FY 2013.	\$ -1,000,000
Transfer from the Economic Emergency Fund (EEF) to the RIIF. This decrease reflects a one-time transfer in FY 2013.	\$ -20,000,000

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COMMON ACRONYMS USED IN THE APPROPRIATIONS TABLES

AEA =	Area Education Agency	DHSRF =	Department of Human Services Reinvestment Fund
ACE =	Accelerated Career Education	DIA =	Department of Inspections and Appeals
ADA =	Americans with Disabilities Act	DOE =	U.S. Department of Energy
AG =	Office of the Attorney General	EBT =	Electronic Benefits Transfer
ARRA =	American Recovery and Reinvestment Act of 2009	ECI =	Early Childhood Iowa
CAT =	Community Attractions and Tourism	EEF =	Economic Emergency Fund
CBC =	Community-Based Corrections	EFF =	Environment First Fund
CCUSO =	Civil Commitment Unit for Sexual Offenders	EMS =	Emergency Management Services
CEF =	County Endowment Fund	ENDW =	Endowment for Iowa Health Account (Tobacco)
CPB =	Corporation for Public Broadcasting	ESCF =	Employment Security Contingency Fund
CRF =	Cash Reserve Fund	ESEA =	Elementary and Secondary Education Act
CSBG =	Community Services Block Grant	FaDSS =	Family Development & Self-Sufficiency Program
CSG =	Radio Community Service Grant	FES =	Federal Economic Stimulus Fund
CMRF =	Commerce Revolving Fund	FFE =	Furniture, Fixtures, and Equipment
DAS =	Department of Administrative Services	FRRF =	Federal Recovery and Reinvestment Fund
DD =	Developmental Disabilities	GEF =	Gambling Enforcement Revolving Fund
DCA =	Department of Cultural Affairs	GF =	General Fund
DE =	Department of Education	GIVF =	Grow Iowa Values Fund

GRF = Gaming Regulatory Revolving Fund
 GSL = Guaranteed Student Loan Program
 GTF = Gamblers Treatment Fund
 GWF = Groundwater Protection Fund
 HCTA = Health Care Transformation Account
 HCTF = Health Care Trust Fund
 HITT = Healthy Iowans Tobacco Trust Fund
 HHCAT = Hospital Health Care Access Trust Fund
 HR = Human Resources
 HSRF = Human Services Revolving Fund

 IBSSS = Iowa Braille and Sight Saving School
 ICA = IowaCare Account
 ICIW = Iowa Correctional Institute for Women
 ICN = Iowa Communications Network
 IowaAccess = IowaAccess Revolving Fund
 IPERS = Iowa Public Employees Retirement System
 IPTV = Iowa Public Television
 ISD = Iowa School for the Deaf
 ISP = Iowa State Patrol
 ISU = Iowa State University
 ITE = Information Technology Enterprise
 MFA = Medicaid Fraud Account

MH = Mental Health
 MHI = Mental Health Institute
 MMBF = Merchant Marine Bonus Fund
 MSSF = Mortgage Servicing Settlement Fund
 MVFT = Motor Vehicle Fuel Tax
 NAEP = National Assessment of Educational Progress
 NCES = National Center for Education Statistics
 NPDES = National Pollutant Discharge Elimination System
 NPRF = Nonparticipating Provider Revolving Fund
 NTIA = National Telecommunications and Information Administration

 PBF = Prison Bond Fund
 PhSA = Pharmaceutical Settlement Account
 PPTF = Pharmacy Provider Tax Fund
 P & I = Special Contingency Fund
 PCF = Prison Construction Fund
 PRF = Primary Road Fund
 PSEF = Public Safety Enforcement Fund
 PTRF = Property Tax Relief Fund
 PTCF = Property Tax Credit Fund
 QATF = Quality Assurance Trust Fund
 RBC = Revenue Bonds Capitals Fund
 RBC2 = Revenue Bonds Capitals II Fund



RC2 =	Endowment for Iowa’s Health Restricted Capitals Fund (Tobacco)	WIRB =	Watershed Improvement Review Board
RCF =	Restricted Capital Fund (Tobacco)		
REAP =	Resource Enhancement and Protection		
REC =	Revenue Estimating Conference		
RFIF =	Renewable Fuel Infrastructure Fund		
RFP =	Request for Proposal		
RIIF =	Rebuild Iowa Infrastructure Fund		
RUTF =	Road Use Tax Fund		
SAF =	State Aviation Fund		
SIF =	School Infrastructure Fund		
SLTF =	Senior Living Trust Fund		
SRG =	School Ready Grants		
TANF =	Temporary Assistance for Needy Families		
TOS =	Treasurer of State		
TRF =	Technology Reinvestment Fund		
TSB =	Targeted Small Business		
UI =	University of Iowa		
UNI =	University of Northern Iowa		
UST =	Underground Storage Tank Fund		
VTF =	Veterans Trust Fund		
WDF =	Workforce Development Fund		
WGTF =	Wine Gallonage Tax Fund		



Summary Data

General Fund

	Actual FY 2012	Estimated FY 2013	Gov Rec FY 2014	Gov Rec vs Est FY 2013	Gov Rec FY 2015	Gov Rec FY15 vs Gov Rec FY14
	(1)	(2)	(3)	(4)	(5)	(6)
Administration and Regulation	\$ 52,669,829	\$ 54,116,293	\$ 56,806,536	\$ 2,690,243	\$ 56,848,786	\$ 42,250
Agriculture and Natural Resources	32,287,828	35,354,860	35,354,860	0	35,354,860	0
Economic Development	36,632,425	37,704,041	67,149,235	29,445,194	67,220,710	71,475
Education	811,237,186	861,022,195	920,116,019	59,093,824	982,016,019	61,900,000
Health and Human Services	1,568,079,274	1,667,772,557	1,825,443,902	157,671,345	1,880,386,756	54,942,854
Justice System	669,986,315	684,939,992	701,844,579	16,904,587	707,509,213	5,664,634
Transportation, Infrastructure, and Capitals	0	0	5,500,000	5,500,000	5,500,000	0
Unassigned Standings	<u>2,841,560,459</u>	<u>2,886,226,002</u>	<u>2,931,248,408</u>	<u>45,022,406</u>	<u>3,010,786,256</u>	<u>79,537,848</u>
Grand Total	<u>\$ 6,012,453,316</u>	<u>\$ 6,227,135,940</u>	<u>\$ 6,543,463,539</u>	<u>\$ 316,327,599</u>	<u>\$ 6,745,622,600</u>	<u>\$ 202,159,061</u>

Note:

The Legislative Services Agency publishes *Budget Unit Fiscal Topics* that discuss the purpose of particular appropriations and programs. If a publication is available, it has been hyperlinked in the title of the appropriation. The titles with underline are the ones linked.

The Estimated FY 2013 column has not been adjusted for the Governor's recommended supplemental appropriations of \$42.3 million or the balance sheet adjustment of \$3.5 million for the State Appeal Board.

Administration and Regulation

General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Administrative Services, Dept. of</u>						
Administrative Services						
Administrative Services, Dept.	\$ 4,020,344	\$ 4,020,344	\$ 4,020,322	\$ -22	\$ 4,020,322	\$ 0
Utilities	2,626,460	2,676,460	2,676,460	0	2,676,460	0
Terrace Hill Operations	405,914	405,914	499,025	93,111	499,025	0
I3 Distribution	3,277,946	3,277,946	3,277,946	0	3,277,946	0
Iowa Building Operations	995,535	995,535	0	-995,535	0	0
Total Administrative Services, Dept. of	\$ 11,326,199	\$ 11,376,199	\$ 10,473,753	\$ -902,446	\$ 10,473,753	\$ 0
<u>Auditor of State</u>						
Auditor Of State						
Auditor of State - General Office	\$ 905,468	\$ 905,468	\$ 995,968	\$ 90,500	\$ 1,038,218	\$ 42,250
Total Auditor of State	\$ 905,468	\$ 905,468	\$ 995,968	\$ 90,500	\$ 1,038,218	\$ 42,250
<u>Ethics and Campaign Disclosure</u>						
Campaign Finance Disclosure						
Ethics & Campaign Disclosure Board	\$ 475,000	\$ 490,000	\$ 490,000	\$ 0	\$ 490,000	\$ 0
Total Ethics and Campaign Disclosure	\$ 475,000	\$ 490,000	\$ 490,000	\$ 0	\$ 490,000	\$ 0
<u>Commerce, Dept. of</u>						
Alcoholic Beverages						
Alcoholic Beverages Operations	\$ 1,220,391	\$ 1,220,391	\$ 1,220,391	\$ 0	\$ 1,220,391	\$ 0
Professional Licensing and Reg.						
Professional Licensing Bureau	\$ 600,353	\$ 600,353	\$ 600,353	\$ 0	\$ 600,353	\$ 0
Total Commerce, Dept. of	\$ 1,820,744	\$ 1,820,744	\$ 1,820,744	\$ 0	\$ 1,820,744	\$ 0
<u>Iowa Tele & Tech Commission</u>						
Iowa Communications Network						
Regional Telecom Councils	\$ 0	\$ 992,913	\$ 992,913	\$ 0	\$ 992,913	\$ 0
Total Iowa Tele & Tech Commission	\$ 0	\$ 992,913	\$ 992,913	\$ 0	\$ 992,913	\$ 0

Administration and Regulation

General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Governor</u>						
Governor's Office						
Governor/Lt. Governor's Office	\$ 2,288,025	\$ 2,194,914	\$ 2,194,914	\$ 0	\$ 2,194,914	\$ 0
Terrace Hill Quarters	0	93,111	0	-93,111	0	0
Total Governor	\$ 2,288,025	\$ 2,288,025	\$ 2,194,914	\$ -93,111	\$ 2,194,914	\$ 0
<u>Governor's Office of Drug Control Policy</u>						
Office of Drug Control Policy						
Drug Policy Coordinator	\$ 290,000	\$ 240,000	\$ 240,000	\$ 0	\$ 240,000	\$ 0
Total Governor's Office of Drug Control Policy	\$ 290,000	\$ 240,000	\$ 240,000	\$ 0	\$ 240,000	\$ 0
<u>Human Rights, Dept. of</u>						
Human Rights, Department of						
Human Rights Administration	\$ 206,103	\$ 206,103	\$ 206,103	\$ 0	\$ 206,103	\$ 0
Community Advocacy and Services	1,028,077	1,028,077	1,028,077	0	1,028,077	0
Criminal & Juvenile Justice	1,023,892	1,100,105	1,100,105	0	1,100,105	0
Total Human Rights, Dept. of	\$ 2,258,072	\$ 2,334,285	\$ 2,334,285	\$ 0	\$ 2,334,285	\$ 0
<u>Inspections & Appeals, Dept. of</u>						
Inspections and Appeals, Dept. of						
Administration Division	\$ 1,527,740	\$ 248,409	\$ 519,403	\$ 270,994	\$ 519,403	\$ 0
Administrative Hearings Division	528,753	528,753	678,942	150,189	678,942	0
Investigations Division	1,168,639	1,168,639	2,573,089	1,404,450	2,573,089	0
Health Facilities Division	3,555,328	3,917,666	5,092,033	1,174,367	5,092,033	0
Employment Appeal Board	42,215	42,215	42,215	0	42,215	0
Child Advocacy Board	2,680,290	2,680,290	2,680,590	300	2,680,590	0
Food and Consumer Safety	0	1,279,331	1,279,331	0	1,279,331	0
Total Inspections & Appeals, Dept. of	\$ 9,502,965	\$ 9,865,303	\$ 12,865,603	\$ 3,000,300	\$ 12,865,603	\$ 0
<u>Management, Dept. of</u>						
Management, Dept. of						
Department Operations	\$ 2,393,998	\$ 2,393,998	\$ 2,498,998	\$ 105,000	\$ 2,498,998	\$ 0
Total Management, Dept. of	\$ 2,393,998	\$ 2,393,998	\$ 2,498,998	\$ 105,000	\$ 2,498,998	\$ 0
<u>Public Information Board</u>						
Public Information Board						
Iowa Public Information Board	\$ 0	\$ 0	\$ 490,000	\$ 490,000	\$ 490,000	\$ 0
Total Public Information Board	\$ 0	\$ 0	\$ 490,000	\$ 490,000	\$ 490,000	\$ 0

Administration and Regulation

General Fund

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
Revenue, Dept. of						
Revenue, Dept. of Revenue, Department of	\$ 17,659,484	\$ 17,659,484	\$ 17,659,484	\$ 0	\$ 17,659,484	\$ 0
Total Revenue, Dept. of	<u>\$ 17,659,484</u>	<u>\$ 17,659,484</u>	<u>\$ 17,659,484</u>	<u>\$ 0</u>	<u>\$ 17,659,484</u>	<u>\$ 0</u>
Secretary of State						
Secretary of State Secretary of State - Operations	\$ 2,895,585	\$ 2,895,585	\$ 2,895,585	\$ 0	\$ 2,895,585	\$ 0
Total Secretary of State	<u>\$ 2,895,585</u>	<u>\$ 2,895,585</u>	<u>\$ 2,895,585</u>	<u>\$ 0</u>	<u>\$ 2,895,585</u>	<u>\$ 0</u>
Treasurer of State						
Treasurer of State Treasurer - General Office	\$ 854,289	\$ 854,289	\$ 854,289	\$ 0	\$ 854,289	\$ 0
Total Treasurer of State	<u>\$ 854,289</u>	<u>\$ 854,289</u>	<u>\$ 854,289</u>	<u>\$ 0</u>	<u>\$ 854,289</u>	<u>\$ 0</u>
Total Administration and Regulation	<u><u>\$ 52,669,829</u></u>	<u><u>\$ 54,116,293</u></u>	<u><u>\$ 56,806,536</u></u>	<u><u>\$ 2,690,243</u></u>	<u><u>\$ 56,848,786</u></u>	<u><u>\$ 42,250</u></u>

Agriculture and Natural Resources

General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Agriculture and Land Stewardship</u>						
Agriculture and Land Stewardship						
Administrative Division	\$ 16,497,308	\$ 17,081,328	\$ 17,081,328	\$ 0	\$ 17,081,328	\$ 0
Milk Inspections	189,196	189,196	189,196	0	189,196	0
Farmers with Disabilities	97,000	130,000	130,000	0	130,000	0
Local Food and Farm	0	75,000	75,000	0	75,000	0
Agricultural Education	0	25,000	25,000	0	25,000	0
Total Agriculture and Land Stewardship	\$ 16,783,504	\$ 17,500,524	\$ 17,500,524	\$ 0	\$ 17,500,524	\$ 0
<u>Natural Resources, Dept. of</u>						
Natural Resources						
Natural Resources Operations	\$ 12,266,688	\$ 12,516,700	\$ 12,516,700	\$ 0	\$ 12,516,700	\$ 0
Floodplain Management Program	0	2,000,000	2,000,000	0	2,000,000	0
Forestry Health Management	0	100,000	100,000	0	100,000	0
Total Natural Resources, Dept. of	\$ 12,266,688	\$ 14,616,700	\$ 14,616,700	\$ 0	\$ 14,616,700	\$ 0
<u>Regents, Board of</u>						
Regents, Board of						
ISU - Veterinary Diagnostic Laboratory	\$ 3,237,636	\$ 3,237,636	\$ 3,237,636	\$ 0	\$ 3,237,636	\$ 0
Total Regents, Board of	\$ 3,237,636	\$ 3,237,636	\$ 3,237,636	\$ 0	\$ 3,237,636	\$ 0
Total Agriculture and Natural Resources	\$ 32,287,828	\$ 35,354,860	\$ 35,354,860	\$ 0	\$ 35,354,860	\$ 0

Economic Development General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Cultural Affairs, Dept. of</u>						
Cultural Affairs, Dept. of						
Administration Division	\$ 171,813	\$ 171,813	\$ 171,813	\$ 0	\$ 171,813	\$ 0
Community Cultural Grants	172,090	172,090	172,090	0	172,090	0
Historical Division	2,767,701	2,767,701	3,267,701	500,000	3,267,701	0
Historic Sites	426,398	426,398	426,398	0	426,398	0
Arts Division	933,764	1,133,764	1,333,764	200,000	1,333,764	0
Great Places	150,000	150,000	150,000	0	150,000	0
Archiving Former Governor's Papers	65,933	65,933	65,933	0	65,933	0
Records Center Rent	227,243	227,243	227,243	0	227,243	0
Battle Flag Stabilization	60,000	60,000	60,000	0	60,000	0
Vicksburg National Military Park	320,000	0	0	0	0	0
Total Cultural Affairs, Dept. of	\$ 5,294,942	\$ 5,174,942	\$ 5,874,942	\$ 700,000	\$ 5,874,942	\$ 0
<u>Economic Development Authority</u>						
Economic Development Authority						
Economic Development Appropriation	\$ 9,783,424	\$ 9,783,424	\$ 16,268,118	\$ 6,484,694	\$ 16,268,118	\$ 0
World Food Prize	500,000	750,000	1,000,000	250,000	1,000,000	0
Iowa Comm Volunteer Serv - Promise	178,133	178,133	178,133	0	178,133	0
High Quality Jobs Program	0	0	19,000,000	19,000,000	19,000,000	0
Total Economic Development Authority	\$ 10,461,557	\$ 10,711,557	\$ 36,446,251	\$ 25,734,694	\$ 36,446,251	\$ 0
<u>Regents, Board of</u>						
Regents, Board of						
ISU - Economic Development	\$ 2,424,302	\$ 2,424,302	\$ 2,424,302	\$ 0	\$ 2,424,302	\$ 0
UI - Economic Development	209,279	209,279	209,279	0	209,279	0
UNI - Economic Development	574,716	574,716	574,716	0	574,716	0
Innovation/Commercialization of Research	0	0	3,000,000	3,000,000	3,000,000	0
Total Regents, Board of	\$ 3,208,297	\$ 3,208,297	\$ 6,208,297	\$ 3,000,000	\$ 6,208,297	\$ 0

Economic Development General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Iowa Workforce Development</u>						
Iowa Workforce Development						
Labor Services Division	\$ 3,495,440	\$ 3,495,440	\$ 3,495,440	\$ 0	\$ 3,495,440	\$ 0
Workers' Compensation Division	2,949,044	3,262,044	3,109,044	-153,000	3,109,044	0
Operations - Field Offices	8,671,352	9,179,413	9,179,413	0	9,179,413	0
Offender Reentry Program	284,464	284,464	284,464	0	284,464	0
Employee Misclassification Program	451,458	451,458	451,458	0	451,458	0
AMOS A Mid-Iowa Organizing Strategy	0	0	100,000	100,000	100,000	0
Total Iowa Workforce Development	\$ 15,851,758	\$ 16,672,819	\$ 16,619,819	\$ -53,000	\$ 16,619,819	\$ 0
<u>Iowa Finance Authority</u>						
Iowa Finance Authority						
Rent Subsidy Program	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0	\$ 658,000	\$ 0
Hills & Dales	100,000	0	0	0	0	0
Total Iowa Finance Authority	\$ 758,000	\$ 658,000	\$ 658,000	\$ 0	\$ 658,000	\$ 0
<u>Public Employment Relations Board</u>						
Public Employment Relations						
General Office	\$ 1,057,871	\$ 1,278,426	\$ 1,341,926	\$ 63,500	\$ 1,413,401	\$ 71,475
Total Public Employment Relations Board	\$ 1,057,871	\$ 1,278,426	\$ 1,341,926	\$ 63,500	\$ 1,413,401	\$ 71,475
Total Economic Development	\$ 36,632,425	\$ 37,704,041	\$ 67,149,235	\$ 29,445,194	\$ 67,220,710	\$ 71,475

Education General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
Blind, Dept. for the						
Department for the Blind						
Department for the Blind	\$ 1,691,815	\$ 1,691,815	\$ 1,891,815	\$ 200,000	\$ 1,891,815	\$ 0
Newsline for the Blind	50,000	50,000	50,000	0	50,000	0
Total Blind, Dept. for the	\$ 1,741,815	\$ 1,741,815	\$ 1,941,815	\$ 200,000	\$ 1,941,815	\$ 0
College Aid Commission						
College Student Aid Comm.						
College Aid Commission	\$ 232,943	\$ 232,943	\$ 232,943	\$ 0	\$ 232,943	\$ 0
Iowa Grants	791,177	791,177	791,177	0	791,177	0
DMU Health Care Prof Recruitment	325,973	325,973	400,973	75,000	400,973	0
National Guard Benefits Program	4,486,233	4,800,233	5,100,233	300,000	5,100,233	0
Teacher Shortage Loan Forgiveness	392,452	392,452	392,452	0	392,452	0
All Iowa Opportunity Foster Care Grant Prog	554,057	554,057	554,057	0	554,057	0
All Iowa Opportunity Scholarships	2,240,854	2,240,854	2,240,854	0	2,240,854	0
Nurse & Nurse Educator Loan Program	80,852	80,852	80,852	0	80,852	0
Barber & Cosmetology Tuition Grant Program	36,938	36,938	36,938	0	36,938	0
Tuition Grant Program - Standing	43,513,448	45,513,448	47,513,448	2,000,000	47,513,448	0
Tuition Grant - For-Profit	4,000,000	2,500,000	2,500,000	0	2,500,000	0
Vocational Technical Tuition Grant	2,250,185	2,250,185	2,250,185	0	2,250,185	0
Skilled Workforce Shortage Tuition Grant Prog	0	5,000,000	5,000,000	0	5,000,000	0
Rural Primary Care Loan Repayment	0	0	2,000,000	2,000,000	2,000,000	0
Medical Residency Programs	0	0	2,000,000	2,000,000	2,000,000	0
Total College Aid Commission	\$ 58,905,112	\$ 64,719,112	\$ 71,094,112	\$ 6,375,000	\$ 71,094,112	\$ 0

Education General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
Education, Dept. of						
Education, Dept. of						
Administration	\$ 5,913,812	\$ 5,913,812	\$ 6,413,812	\$ 500,000	\$ 6,413,812	\$ 0
Vocational Education Administration	449,276	598,197	598,197	0	598,197	0
Vocational Education Secondary	2,630,134	2,630,134	2,630,134	0	2,630,134	0
Food Service	2,176,797	2,176,797	2,176,797	0	2,176,797	0
State Library	1,209,619	2,215,063	2,715,063	500,000	2,715,063	0
State Library - Enrich Iowa	1,674,227	2,174,228	2,174,228	0	2,174,228	0
State Library - Library Service Areas	1,005,444	0	0	0	0	0
ECI General Aid (SRG)	5,386,113	5,386,113	5,386,113	0	5,386,113	0
ECI Preschool Tuition Assistance (SRG)	5,428,877	5,428,877	5,428,877	0	5,428,877	0
ECI Family Support and Parent Ed (SRG)	12,364,434	12,364,434	12,364,434	0	12,364,434	0
Special Ed. Services Birth to 3	1,721,400	1,721,400	1,721,400	0	1,721,400	0
Nonpublic Textbook Services	560,214	560,214	560,214	0	560,214	0
Model Core Curriculum	1,000,000	1,000,000	1,000,000	0	1,000,000	0
Student Achievement/Teacher Quality	4,785,000	4,785,000	4,785,000	0	4,785,000	0
Jobs For America's Grads	40,000	540,000	540,000	0	540,000	0
Community Colleges General Aid	163,774,647	177,274,647	187,274,647	10,000,000	187,274,647	0
Community College Salary Increase	500,000	500,000	500,000	0	500,000	0
Workforce Training and Economic Dev Funds	5,000,000	8,000,000	8,000,000	0	8,000,000	0
Midwestern Higher Education Compact	100,000	100,000	100,000	0	100,000	0
Education Reform	0	0	14,000,000	14,000,000	72,000,000	58,000,000
Gap Tuition Assistance Fund	0	2,000,000	2,000,000	0	2,000,000	0
Iowa Reading Research Center	0	2,000,000	2,000,000	0	2,000,000	0
Total Education, Dept. of	\$ 215,719,994	\$ 237,368,916	\$ 262,368,916	\$ 25,000,000	\$ 320,368,916	\$ 58,000,000
Vocational Rehabilitation						
Vocational Rehabilitation	\$ 4,963,168	\$ 4,963,168	\$ 5,113,168	\$ 150,000	\$ 5,263,168	\$ 150,000
Independent Living	39,128	39,128	39,128	0	39,128	0
Entrepreneurs with Disabilities Program	145,535	145,535	145,535	0	145,535	0
Independent Living Center Grant	40,294	40,294	40,294	0	40,294	0
Total Vocational Rehabilitation	\$ 5,188,125	\$ 5,188,125	\$ 5,338,125	\$ 150,000	\$ 5,488,125	\$ 150,000
Iowa Public Television						
Iowa Public Television	\$ 6,654,021	\$ 6,969,021	\$ 7,443,096	\$ 474,075	\$ 7,443,096	\$ 0
Regional Telecom Councils	992,913	0	0	0	0	0
Total Iowa Public Television	\$ 7,646,934	\$ 6,969,021	\$ 7,443,096	\$ 474,075	\$ 7,443,096	\$ 0
Total Education, Dept. of	\$ 228,555,053	\$ 249,526,062	\$ 275,150,137	\$ 25,624,075	\$ 333,300,137	\$ 58,150,000

Education General Fund

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
Regents, Board of						
Regents, Board of						
Regent Board Office	\$ 1,065,005	\$ 1,065,005	\$ 1,065,005	\$ 0	\$ 1,065,005	\$ 0
GRA - SW Iowa Regents Resource Ctr	87,471	87,471	182,734	95,263	182,734	0
GRA - Tri State Graduate Center	66,601	66,601	66,601	0	66,601	0
GRA - Quad Cities Graduate Center	129,776	129,776	34,513	-95,263	34,513	0
IPR - Iowa Public Radio	391,568	391,568	391,568	0	391,568	0
University of Iowa - General	209,737,311	216,414,572	222,041,351	5,626,779	222,041,351	0
UI - Oakdale Campus	2,186,558	2,186,558	2,186,558	0	2,186,558	0
UI - Hygienic Laboratory	3,536,716	3,536,716	3,536,716	0	3,536,716	0
UI - Family Practice Program	1,788,265	1,788,265	1,788,265	0	1,788,265	0
UI - Specialized Children Health Services	659,456	659,456	659,456	0	659,456	0
UI - Iowa Cancer Registry	149,051	149,051	149,051	0	149,051	0
UI - Substance Abuse Consortium	55,529	55,529	55,529	0	55,529	0
UI - Biocatalysis	723,727	723,727	723,727	0	723,727	0
UI - Primary Health Care	648,930	648,930	648,930	0	648,930	0
UI - Iowa Birth Defects Registry	38,288	38,288	38,288	0	38,288	0
UI - Iowa Nonprofit Resource Center	162,539	162,539	162,539	0	162,539	0
UI - IA Online Advanced Placement Acad.	481,849	481,849	481,849	0	481,849	0
UI - Iowa Flood Center	0	1,500,000	1,500,000	0	1,500,000	0
Iowa State University - General	164,345,198	169,577,342	173,986,353	4,409,011	173,986,353	0
ISU - Agricultural Experiment Station	28,111,877	28,111,877	28,111,877	0	28,111,877	0
ISU - Cooperative Extension	17,936,722	17,936,722	17,936,722	0	17,936,722	0
ISU - Leopold Center	397,417	397,417	397,417	0	397,417	0
ISU - Livestock Disease Research	172,845	172,845	172,844	-1	172,844	0
University of Northern Iowa - General	74,734,586	81,113,859	87,222,819	6,108,960	87,222,819	0
UNI - Recycling and Reuse Center	175,256	175,256	175,256	0	175,256	0
UNI - Math and Science Collaborative	1,734,656	4,700,000	4,700,000	0	4,700,000	0
UNI - Real Estate Education Program	125,302	125,302	125,302	0	125,302	0
Iowa School for the Deaf	8,679,964	8,853,563	8,853,563	0	8,853,563	0
Iowa Braille and Sight Saving School	3,618,931	3,691,310	3,691,310	0	3,691,310	0
ISD/IBS - Tuition and Transportation	11,763	11,763	11,763	0	11,763	0
ISD/IBS - Licensed Classroom Teachers	82,049	82,049	82,049	0	82,049	0
UI - Entrepreneurship & Economic Growth	0	0	2,000,000	2,000,000	2,000,000	0
BOR - Student Financial Aid	0	0	5,000,000	5,000,000	5,000,000	0
ISU - Leading the BioEconomy	0	0	3,750,000	3,750,000	7,500,000	3,750,000
Total Regents, Board of	\$ 522,035,206	\$ 545,035,206	\$ 571,929,955	\$ 26,894,749	\$ 575,679,955	\$ 3,750,000
Total Education	\$ 811,237,186	\$ 861,022,195	\$ 920,116,019	\$ 59,093,824	\$ 982,016,019	\$ 61,900,000

Health and Human Services

General Fund

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
<u>Aging, Dept. on</u>						
Aging, Dept. on						
Aging Programs	\$ 10,302,577	\$ 10,342,086	\$ 10,342,086	\$ 0	\$ 10,342,086	\$ 0
Total Aging, Dept. on	\$ 10,302,577	\$ 10,342,086	\$ 10,342,086	\$ 0	\$ 10,342,086	\$ 0
<u>Public Health, Dept. of</u>						
Public Health, Dept. of						
Addictive Disorders	\$ 23,503,190	\$ 23,863,690	\$ 23,863,690	\$ 0	\$ 23,863,690	\$ 0
Healthy Children and Families	2,594,270	2,603,559	2,653,559	50,000	2,653,559	0
Chronic Conditions	3,361,656	3,905,429	4,120,692	215,263	4,120,692	0
Community Capacity	4,235,166	4,869,980	4,894,980	25,000	4,894,980	0
Healthy Aging	7,297,142	7,297,142	7,297,142	0	7,297,142	0
Environmental Hazards	813,777	803,870	803,870	0	803,870	0
Infectious Diseases	1,345,847	1,335,155	1,335,155	0	1,335,155	0
Public Protection	2,776,232	2,779,127	3,175,127	396,000	3,147,127	-28,000
Resource Management	819,554	804,054	804,054	0	804,054	0
Vision Screening	100,000	0	0	0	0	0
Iowa Youth Suicide Prevention	0	50,000	0	-50,000	0	0
Total Public Health, Dept. of	\$ 46,846,834	\$ 48,312,006	\$ 48,948,269	\$ 636,263	\$ 48,920,269	\$ -28,000

Health and Human Services General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
Human Services, Dept. of						
Assistance						
Family Investment Program/JOBS	\$ 50,171,027	\$ 48,397,214	\$ 47,897,214	\$ -500,000	\$ 47,897,214	\$ 0
Medical Assistance	903,493,421	914,993,421	1,024,388,866	109,395,445	1,058,804,452	34,415,586
State Supplementary Assistance	16,850,747	15,450,747	16,512,174	1,061,427	16,512,174	0
State Children's Health Insurance	32,806,102	36,806,102	36,806,102	0	36,806,102	0
Child Care Assistance	53,237,662	62,264,342	61,222,955	-1,041,387	65,478,223	4,255,268
Child and Family Services	82,830,163	81,231,561	81,274,946	43,385	81,274,946	0
Adoption Subsidy	33,266,591	36,788,576	39,156,832	2,368,256	39,156,832	0
Family Support Subsidy	1,167,998	1,096,784	994,955	-101,829	994,955	0
Conners Training	33,622	33,622	33,622	0	33,622	0
MI/MR/DD State Cases	12,169,482	11,150,820	0	-11,150,820	0	0
MH/DD Community Services	14,211,100	14,211,100	0	-14,211,100	0	0
Volunteer Services	84,660	84,660	84,660	0	84,660	0
MH/DD Growth Factor	54,697,893	74,697,893	0	-74,697,893	0	0
Medical Contracts	0	5,791,994	9,562,544	3,770,550	14,862,544	5,300,000
MH Property Tax Relief	81,199,911	81,199,911	0	-81,199,911	0	0
Mental Health Redesign	0	40,000,000	255,459,813	215,459,813	266,459,813	11,000,000
Total Assistance	\$ 1,336,220,379	\$ 1,424,198,747	\$ 1,573,394,683	\$ 149,195,936	\$ 1,628,365,537	\$ 54,970,854
Toledo Juvenile Home						
Toledo Juvenile Home	\$ 8,258,251	\$ 8,297,765	\$ 8,859,355	\$ 561,590	\$ 8,859,355	\$ 0
Eldora Training School						
Eldora Training School	\$ 10,638,677	\$ 10,680,143	\$ 11,256,969	\$ 576,826	\$ 11,256,969	\$ 0
Cherokee						
Cherokee MHI	\$ 5,877,308	\$ 5,535,738	\$ 5,954,464	\$ 418,726	\$ 5,954,464	\$ 0
Clarinda						
Clarinda MHI	\$ 6,411,734	\$ 6,442,688	\$ 6,751,868	\$ 309,180	\$ 6,751,868	\$ 0
Independence						
Independence MHI	\$ 10,275,685	\$ 9,738,520	\$ 10,318,778	\$ 580,258	\$ 10,318,778	\$ 0
Mt Pleasant						
Mt Pleasant MHI	\$ 944,323	\$ 885,459	\$ 1,366,686	\$ 481,227	\$ 1,366,686	\$ 0
Glenwood						
Glenwood Resource Center	\$ 18,507,801	\$ 18,866,116	\$ 20,046,519	\$ 1,180,403	\$ 20,046,519	\$ 0

Health and Human Services

General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
Woodward						
Woodward Resource Center	\$ 12,785,658	\$ 13,033,115	\$ 13,809,566	\$ 776,451	\$ 13,809,566	\$ 0
Cherokee CCUSO						
Civil Commitment Unit for Sexual Offenders	\$ 7,550,727	\$ 8,899,686	\$ 9,416,969	\$ 517,283	\$ 9,416,969	\$ 0
Field Operations						
Child Support Recoveries	\$ 13,119,255	\$ 13,149,541	\$ 14,173,770	\$ 1,024,229	\$ 14,173,770	\$ 0
Field Operations	54,789,921	61,636,313	63,409,538	1,773,225	63,409,538	0
Total Field Operations	<u>\$ 67,909,176</u>	<u>\$ 74,785,854</u>	<u>\$ 77,583,308</u>	<u>\$ 2,797,454</u>	<u>\$ 77,583,308</u>	<u>\$ 0</u>
General Administration						
General Administration	\$ 14,596,745	\$ 16,100,685	\$ 15,672,744	\$ -427,941	\$ 15,672,744	\$ 0
Total Human Services, Dept. of	<u>\$ 1,499,976,464</u>	<u>\$ 1,597,464,516</u>	<u>\$ 1,754,431,909</u>	<u>\$ 156,967,393</u>	<u>\$ 1,809,402,763</u>	<u>\$ 54,970,854</u>
<u>Veterans Affairs, Dept. of</u>						
Veterans Affairs, Department of						
General Administration	\$ 998,832	\$ 1,025,819	\$ 1,093,508	\$ 67,689	\$ 1,093,508	\$ 0
War Orphans Educational Assistance	12,416	12,416	12,416	0	12,416	0
Vets Home Ownership Program	0	1,600,000	1,600,000	0	1,600,000	0
Veterans County Grants	990,000	990,000	990,000	0	990,000	0
Total Veterans Affairs, Department of	<u>\$ 2,001,248</u>	<u>\$ 3,628,235</u>	<u>\$ 3,695,924</u>	<u>\$ 67,689</u>	<u>\$ 3,695,924</u>	<u>\$ 0</u>
Veterans Affairs, Dept. of						
Iowa Veterans Home	\$ 8,952,151	\$ 8,025,714	\$ 8,025,714	\$ 0	\$ 8,025,714	\$ 0
Total Veterans Affairs, Dept. of	<u>\$ 10,953,399</u>	<u>\$ 11,653,949</u>	<u>\$ 11,721,638</u>	<u>\$ 67,689</u>	<u>\$ 11,721,638</u>	<u>\$ 0</u>
Total Health and Human Services	<u><u>\$ 1,568,079,274</u></u>	<u><u>\$ 1,667,772,557</u></u>	<u><u>\$ 1,825,443,902</u></u>	<u><u>\$ 157,671,345</u></u>	<u><u>\$ 1,880,386,756</u></u>	<u><u>\$ 54,942,854</u></u>

Justice System General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Justice, Department of</u>						
Justice, Dept. of						
General Office A.G.	\$ 7,792,930	\$ 7,792,930	\$ 7,967,930	\$ 175,000	\$ 8,142,930	\$ 175,000
Victim Assistance Grants	2,876,400	2,876,400	2,876,400	0	2,876,400	0
Legal Services Poverty Grants	1,814,831	1,814,831	2,107,416	292,585	2,400,000	292,584
Total Justice, Department of	\$ 12,484,161	\$ 12,484,161	\$ 12,951,746	\$ 467,585	\$ 13,419,330	\$ 467,584
<u>Civil Rights Commission</u>						
Civil Rights Commission						
Civil Rights Commission	\$ 1,297,069	\$ 1,297,069	\$ 1,297,069	\$ 0	\$ 1,297,069	\$ 0
Total Civil Rights Commission	\$ 1,297,069	\$ 1,297,069	\$ 1,297,069	\$ 0	\$ 1,297,069	\$ 0
<u>Corrections, Dept. of</u>						
Fort Madison						
Ft. Madison Institution	\$ 42,292,031	\$ 42,686,899	\$ 43,107,133	\$ 420,234	\$ 42,607,133	\$ -500,000
Anamosa						
Anamosa Institution	\$ 32,168,148	\$ 32,920,521	\$ 31,277,482	\$ -1,643,039	\$ 31,277,482	\$ 0
Oakdale						
Oakdale Institution	\$ 56,589,899	\$ 57,950,613	\$ 58,550,123	\$ 599,510	\$ 58,550,123	\$ 0
Newton						
Newton Institution	\$ 26,601,701	\$ 27,127,290	\$ 27,127,290	\$ 0	\$ 27,127,290	\$ 0
Mt Pleasant						
Mt. Pleasant Inst.	\$ 26,321,902	\$ 26,751,707	\$ 24,811,427	\$ -1,940,280	\$ 24,811,427	\$ 0
Rockwell City						
Rockwell City Institution	\$ 9,403,464	\$ 9,671,148	\$ 9,671,148	\$ 0	\$ 9,671,148	\$ 0
Clarinda						
Clarinda Institution	\$ 24,826,905	\$ 25,241,616	\$ 25,241,616	\$ 0	\$ 25,241,616	\$ 0
Mitchellville						
Mitchellville Institution	\$ 15,832,339	\$ 16,341,725	\$ 21,604,035	\$ 5,262,310	\$ 21,819,539	\$ 215,504
Fort Dodge						
Ft. Dodge Institution	\$ 29,259,196	\$ 29,865,232	\$ 29,865,232	\$ 0	\$ 29,865,232	\$ 0

Justice System General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
Central Office						
Corrections Administration	\$ 5,181,582	\$ 5,081,582	\$ 5,081,582	\$ 0	\$ 5,081,582	\$ 0
County Confinement	1,075,092	1,075,092	1,075,092	0	1,075,092	0
Federal Prisoners/Contractual	484,411	484,411	484,411	0	484,411	0
Corrections Education	2,308,109	2,358,109	2,358,109	0	2,358,109	0
Iowa Corrections Offender Network	424,364	424,364	2,000,000	1,575,636	2,000,000	0
Mental Health/Substance Abuse	22,319	22,319	22,319	0	22,319	0
Hepatitis Treatment And Education	167,881	167,881	167,881	0	167,881	0
Total Central Office	\$ 9,663,758	\$ 9,613,758	\$ 11,189,394	\$ 1,575,636	\$ 11,189,394	\$ 0
CBC District 1						
CBC District I	\$ 12,658,089	\$ 12,958,763	\$ 13,646,172	\$ 687,409	\$ 13,646,172	\$ 0
CBC District 2						
CBC District II	\$ 10,467,800	\$ 10,870,425	\$ 10,870,425	\$ 0	\$ 10,870,425	\$ 0
CBC District 3						
CBC District III	\$ 5,952,381	\$ 6,238,455	\$ 6,885,470	\$ 647,015	\$ 6,885,470	\$ 0
CBC District 4						
CBC District IV	\$ 5,416,853	\$ 5,495,309	\$ 5,495,309	\$ 0	\$ 5,495,309	\$ 0
CBC District 5						
CBC District V	\$ 18,897,467	\$ 19,375,428	\$ 19,375,428	\$ 0	\$ 19,375,428	\$ 0
CBC District 6						
CBC District VI	\$ 13,712,506	\$ 14,095,408	\$ 14,095,408	\$ 0	\$ 14,095,408	\$ 0
CBC District 7						
CBC District VII	\$ 6,716,588	\$ 6,895,634	\$ 7,363,514	\$ 467,880	\$ 7,363,514	\$ 0
CBC District 8						
CBC District VIII	\$ 7,372,419	\$ 7,518,935	\$ 7,869,317	\$ 350,382	\$ 7,819,317	\$ -50,000
Total Corrections, Dept. of	\$ 354,153,446	\$ 361,618,866	\$ 368,045,923	\$ 6,427,057	\$ 367,711,427	\$ -334,496
<u>Inspections & Appeals, Dept. of</u>						
Public Defender						
Public Defender	\$ 25,083,182	\$ 25,862,182	\$ 25,862,182	\$ 0	\$ 25,862,182	\$ 0
Indigent Defense Appropriation	30,680,929	29,901,929	29,901,929	0	29,901,929	0
Total Inspections & Appeals, Dept. of	\$ 55,764,111	\$ 55,764,111	\$ 55,764,111	\$ 0	\$ 55,764,111	\$ 0

Justice System General Fund

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
Judicial Branch						
Judicial Branch	\$ 154,111,822	\$ 158,911,822	\$ 164,599,367	\$ 5,687,545	\$ 169,743,963	\$ 5,144,596
Judicial Branch Jury & Witness	2,300,000	3,100,000	3,100,000	0	3,100,000	0
Total Judicial Branch	\$ 156,411,822	\$ 162,011,822	\$ 167,699,367	\$ 5,687,545	\$ 172,843,963	\$ 5,144,596
Iowa Law Enforcement Academy						
Iowa Law Enforcement Academy Law Enforcement Academy	\$ 868,698	\$ 968,698	\$ 1,001,698	\$ 33,000	\$ 1,001,698	\$ 0
Total Iowa Law Enforcement Academy	\$ 868,698	\$ 968,698	\$ 1,001,698	\$ 33,000	\$ 1,001,698	\$ 0
Parole, Board of						
Parole Board Parole Board	\$ 1,053,835	\$ 1,203,835	\$ 1,203,835	\$ 0	\$ 1,203,835	\$ 0
Total Parole, Board of	\$ 1,053,835	\$ 1,203,835	\$ 1,203,835	\$ 0	\$ 1,203,835	\$ 0
Public Defense, Dept. of						
Public Defense, Dept. of Public Defense, Department of	\$ 5,527,042	\$ 5,527,042	\$ 6,527,042	\$ 1,000,000	\$ 6,527,042	\$ 0
Emergency Management Division Homeland Security & Emer Mgmt	\$ 1,836,877	\$ 1,836,877	\$ 2,174,277	\$ 337,400	\$ 2,561,227	\$ 386,950
Total Public Defense, Dept. of	\$ 7,363,919	\$ 7,363,919	\$ 8,701,319	\$ 1,337,400	\$ 9,088,269	\$ 386,950

Justice System General Fund

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
Public Safety, Department of						
Public Safety, Dept. of						
Public Safety Administration	\$ 4,007,075	\$ 4,007,075	\$ 4,067,054	\$ 59,979	\$ 4,067,054	\$ 0
Public Safety DCI	12,533,931	12,533,931	12,933,414	399,483	12,933,414	0
DCI - Crime Lab Equipment/Training	302,345	302,345	302,345	0	302,345	0
Narcotics Enforcement	6,429,884	6,429,884	6,755,855	325,971	6,755,855	0
Public Safety Undercover Funds	109,042	109,042	109,042	0	109,042	0
DPS Fire Marshal	4,298,707	4,298,707	4,470,556	171,849	4,470,556	0
Iowa State Patrol	51,903,233	53,493,490	55,536,208	2,042,718	55,536,208	0
DPS/SPOC Sick Leave Payout	279,517	279,517	279,517	0	279,517	0
Fire Fighter Training	725,520	725,520	725,520	0	725,520	0
Interoperable Communications Sys Board	0	48,000	0	-48,000	0	0
Total Public Safety, Department of	\$ 80,589,254	\$ 82,227,511	\$ 85,179,511	\$ 2,952,000	\$ 85,179,511	\$ 0
Total Public Safety, Department of	\$ 80,589,254	\$ 82,227,511	\$ 85,179,511	\$ 2,952,000	\$ 85,179,511	\$ 0
Total Justice System	\$ 669,986,315	\$ 684,939,992	\$ 701,844,579	\$ 16,904,587	\$ 707,509,213	\$ 5,664,634

Transportation, Infrastructure, and Capitals General Fund

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
<u>Transportation, Dept. of</u>						
Transportation, Dept. of Multimodal Transportation System	\$ 0	\$ 0	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 0
Total Transportation, Dept. of	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>	<u>\$ 5,500,000</u>	<u>\$ 0</u>
Total Transportation, Infrastructure, and Capitals	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 5,500,000</u></u>	<u><u>\$ 5,500,000</u></u>	<u><u>\$ 5,500,000</u></u>	<u><u>\$ 0</u></u>

Unassigned Standings

General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Administrative Services, Dept. of</u>						
Administrative Services						
Volunteer EMS Provider Death Benefit	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Accounting Trust Accounts						
Federal Cash Management - Standing	\$ 9,944	\$ 356,587	\$ 356,587	\$ 0	\$ 356,587	\$ 0
Unemployment Compensation - Standing	609,923	440,371	440,371	0	440,371	0
Municipal Fire & Police Retirement	750,000	0	0	0	0	0
Total State Accounting Trust Accounts	\$ 1,369,867	\$ 796,958	\$ 796,958	\$ 0	\$ 796,958	\$ 0
Total Administrative Services, Dept. of	\$ 1,469,867	\$ 796,958	\$ 796,958	\$ 0	\$ 796,958	\$ 0
<u>Corrections, Dept. of</u>						
Central Office						
State Cases Court Costs	\$ 0	\$ 59,733	\$ 59,733	\$ 0	\$ 59,733	\$ 0
Total Corrections, Dept. of	\$ 0	\$ 59,733	\$ 59,733	\$ 0	\$ 59,733	\$ 0
<u>Cultural Affairs, Dept. of</u>						
Cultural Affairs, Dept. of						
County Endowment Funding - DCA Grants	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0	\$ 416,702	\$ 0
Total Cultural Affairs, Dept. of	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0	\$ 416,702	\$ 0
<u>Economic Development Authority</u>						
Economic Development Authority						
Tourism Marketing - Adjusted Gross Receipts	\$ 810,306	\$ 810,306	\$ 810,306	\$ 0	\$ 810,306	\$ 0
Total Economic Development Authority	\$ 810,306	\$ 810,306	\$ 810,306	\$ 0	\$ 810,306	\$ 0
<u>Education, Dept. of</u>						
Education, Dept. of						
Child Development	\$ 10,728,891	\$ 10,728,891	\$ 10,728,891	\$ 0	\$ 10,728,891	\$ 0
Sac Fox Settlement Education	100,000	100,000	100,000	0	100,000	0
State Foundation School Aid	2,623,826,586	2,653,718,726	2,635,218,726	-18,500,000	2,637,518,726	2,300,000
Nonpublic School Transportation	7,060,931	7,060,931	8,560,931	1,500,000	8,560,931	0
Total Education, Dept. of	\$ 2,641,716,408	\$ 2,671,608,548	\$ 2,654,608,548	\$ -17,000,000	\$ 2,656,908,548	\$ 2,300,000

Unassigned Standings

General Fund

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
<u>Executive Council</u>						
Executive Council						
Court Costs	\$ 545,875	\$ 59,772	\$ 59,772	\$ 0	\$ 59,772	\$ 0
Public Improvements	0	39,848	39,848	0	39,848	0
Drainage Assessment	167,793	20,227	20,227	0	20,227	0
Total Executive Council	\$ 713,669	\$ 119,847	\$ 119,847	\$ 0	\$ 119,847	\$ 0
<u>Legislative Branch</u>						
Legislative Branch						
Legislative Branch	\$ 32,908,253	\$ 34,237,076	\$ 37,000,000	\$ 2,762,924	\$ 37,000,000	\$ 0
Total Legislative Branch	\$ 32,908,253	\$ 34,237,076	\$ 37,000,000	\$ 2,762,924	\$ 37,000,000	\$ 0
<u>Governor</u>						
Governor's Office						
Interstate Extradition	\$ 0	\$ 3,032	\$ 3,032	\$ 0	\$ 3,032	\$ 0
Total Governor	\$ 0	\$ 3,032	\$ 3,032	\$ 0	\$ 3,032	\$ 0
<u>Public Health, Dept. of</u>						
Public Health, Dept. of						
Congenital & Inherited Disorders Registry	\$ 171,121	\$ 232,500	\$ 232,500	\$ 0	\$ 232,500	\$ 0
Total Public Health, Dept. of	\$ 171,121	\$ 232,500	\$ 232,500	\$ 0	\$ 232,500	\$ 0

Unassigned Standings

General Fund

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Human Services, Dept. of</u>						
General Administration						
Commission of Inquiry	\$ 1,394	\$ 1,394	\$ 1,394	\$ 0	\$ 1,394	\$ 0
Nonresident Transfers	67	67	67	0	67	0
Nonresident Commitment Mental Illness	142,802	142,802	142,802	0	142,802	0
Total General Administration	\$ 144,263	\$ 144,263	\$ 144,263	\$ 0	\$ 144,263	\$ 0
Assistance						
Child Abuse Prevention	\$ 197,067	\$ 232,500	\$ 232,500	\$ 0	\$ 232,500	\$ 0
Total Human Services, Dept. of	\$ 341,330	\$ 376,763	\$ 376,763	\$ 0	\$ 376,763	\$ 0
<u>Management, Dept. of</u>						
Management, Dept. of						
Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Appeal Board Claims	17,237,894	3,586,307	7,086,307	3,500,000	7,086,307	0
Technology Reinvestment Fund Appropriation	0	0	17,500,000	17,500,000	17,500,000	0
Total Management, Dept. of	\$ 17,287,894	\$ 3,636,307	\$ 24,636,307	\$ 21,000,000	\$ 24,636,307	\$ 0
<u>Public Defense, Dept. of</u>						
Public Defense, Dept. of						
Compensation and Expense	\$ 122,316	\$ 344,644	\$ 344,644	\$ 0	\$ 344,644	\$ 0
Total Public Defense, Dept. of	\$ 122,316	\$ 344,644	\$ 344,644	\$ 0	\$ 344,644	\$ 0
<u>Public Safety, Department of</u>						
Public Safety, Dept. of						
DPS-POR Unfunded Liabilities Until 85 Percent	\$ 0	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Total Public Safety, Department of	\$ 0	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0

Unassigned Standings

General Fund

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
Revenue, Dept. of						
Revenue, Dept. of						
Ag Land Tax Credit - GF	\$ 32,395,131	\$ 39,100,000	\$ 39,100,000	\$ 0	\$ 39,100,000	\$ 0
Homestead Tax Credit Aid - GF	86,188,387	106,983,518	138,000,000	31,016,482	139,000,000	1,000,000
Elderly & Disabled Tax Credit - GF	24,590,473	24,957,000	27,200,000	2,243,000	28,700,000	1,500,000
Printing Cigarette Stamps	124,652	124,652	124,652	0	562,500	437,848
Tobacco Reporting Requirements	18,416	18,416	18,416	0	18,416	0
Military Service Tax Refunds	2,285,535	2,400,000	2,400,000	0	2,400,000	0
Commercial/Ind Property Tax Replace	0	0	0	0	74,300,000	74,300,000
Total Revenue, Dept. of	\$ 145,602,595	\$ 173,583,586	\$ 206,843,068	\$ 33,259,482	\$ 284,080,916	\$ 77,237,848
Total Unassigned Standings	\$ 2,841,560,459	\$ 2,886,226,002	\$ 2,931,248,408	\$ 45,022,406	\$ 3,010,786,256	\$ 79,537,848

Summary Data

Other Funds

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
Administration and Regulation	\$ 53,825,185	\$ 53,984,067	\$ 51,211,095	\$ -2,772,972	\$ 49,278,095	\$ -1,933,000
Agriculture and Natural Resources	80,828,262	82,089,582	89,089,582	7,000,000	89,089,582	0
Economic Development	9,455,344	6,260,084	6,260,084	0	6,260,084	0
Health and Human Services	366,866,739	355,156,930	354,331,831	-825,099	347,681,831	-6,650,000
Justice System	13,471,872	14,034,171	14,034,171	0	14,034,171	0
Transportation, Infrastructure, and Capitals	486,842,741	551,528,837	522,739,593	-28,789,244	504,064,328	-18,675,265
Unassigned Standings	<u>74,854,820</u>	<u>72,111,339</u>	<u>78,810,530</u>	<u>6,699,191</u>	<u>77,711,949</u>	<u>-1,098,581</u>
Grand Total	<u>\$ 1,086,144,963</u>	<u>\$ 1,135,165,010</u>	<u>\$ 1,116,476,886</u>	<u>\$ -18,688,124</u>	<u>\$ 1,088,120,040</u>	<u>\$ -28,356,846</u>

Note:

The Legislative Services Agency publishes *Budget Unit Fiscal Topics* that discuss the purpose of particular appropriations and programs. If a publication is available, it has been hyperlinked in the title of the appropriation. The titles with underline are the ones linked.

Administration and Regulation

Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
Commerce, Dept. of						
Banking Division						
Banking Division - CMRF	\$ 8,851,670	\$ 9,098,170	\$ 9,160,198	\$ 62,028	\$ 9,160,198	\$ 0
Credit Union Division						
Credit Union Division - CMRF	\$ 1,727,995	\$ 1,792,995	\$ 1,792,995	\$ 0	\$ 1,792,995	\$ 0
Insurance Division						
Insurance Division - CMRF	\$ 4,983,244	\$ 4,983,244	\$ 5,023,244	\$ 40,000	\$ 5,090,244	\$ 67,000
Utilities Division						
Utilities Division - CMRF	\$ 8,173,069	\$ 8,173,069	\$ 8,173,069	\$ 0	\$ 8,173,069	\$ 0
Professional Licensing and Reg.						
Field Auditor - Housing Impr Fund	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0	\$ 62,317	\$ 0
Total Commerce, Dept. of	\$ 23,798,295	\$ 24,109,795	\$ 24,211,823	\$ 102,028	\$ 24,278,823	\$ 67,000
Inspections & Appeals, Dept. of						
Inspections and Appeals, Dept. of						
Medicaid Fraud - Health Facilities	\$ 650,000	\$ 286,661	\$ 0	\$ -286,661	\$ 0	\$ 0
Medicaid Fraud - EBT Investigations	119,070	119,070	0	-119,070	0	0
Medicaid Fraud - Dependent Adult	885,262	885,262	0	-885,262	0	0
Medicaid Fraud - Boarding Homes	119,480	119,480	0	-119,480	0	0
DIA - Med Fraud - Dependent Adult Abuse	250,000	250,000	0	-250,000	0	0
DIA - RUTF	1,623,897	1,623,897	1,623,897	0	1,623,897	0
Medicaid Fraud - Assisted Living	1,339,527	1,339,527	0	-1,339,527	0	0
Total Inspections and Appeals, Dept. of	\$ 4,987,236	\$ 4,623,897	\$ 1,623,897	\$ -3,000,000	\$ 1,623,897	\$ 0
Racing Commission						
Pari-Mutuel Regulation Fund	\$ 2,628,519	\$ 3,062,765	\$ 3,062,765	\$ 0	\$ 3,062,765	\$ 0
Riverboat Regulation Fund	3,194,244	3,045,719	3,170,719	125,000	3,170,719	0
Total Racing Commission	\$ 5,822,763	\$ 6,108,484	\$ 6,233,484	\$ 125,000	\$ 6,233,484	\$ 0
Total Inspections & Appeals, Dept. of	\$ 10,809,999	\$ 10,732,381	\$ 7,857,381	\$ -2,875,000	\$ 7,857,381	\$ 0

Administration and Regulation

Other Funds

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
<u>Management, Dept. of</u>						
Management, Dept. of DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	\$ 56,000	\$ 0
Total Management, Dept. of	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	\$ 56,000	\$ 0
<u>Revenue, Dept. of</u>						
Revenue, Dept. of Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0	\$ 1,305,775	\$ 0
Total Revenue, Dept. of	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0	\$ 1,305,775	\$ 0
<u>Secretary of State</u>						
Secretary of State Redistricting - lowAccess	\$ 75,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Secretary of State	\$ 75,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Treasurer of State</u>						
Treasurer of State I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0	\$ 93,148	\$ 0
Total Treasurer of State	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0	\$ 93,148	\$ 0
<u>IPERS Administration</u>						
IPERS Administration IPERS Administration	\$ 17,686,968	\$ 17,686,968	\$ 17,686,968	\$ 0	\$ 15,686,968	\$ -2,000,000
Total IPERS Administration	\$ 17,686,968	\$ 17,686,968	\$ 17,686,968	\$ 0	\$ 15,686,968	\$ -2,000,000
Total Administration and Regulation	\$ 53,825,185	\$ 53,984,067	\$ 51,211,095	\$ -2,772,972	\$ 49,278,095	\$ -1,933,000

Agriculture and Natural Resources

Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Agriculture and Land Stewardship</u>						
Agriculture and Land Stewardship						
Native Horse & Dog Prog-Unclaimed Winnings	\$ 305,516	\$ 305,516	\$ 305,516	\$ 0	\$ 305,516	\$ 0
Motor Fuel Inspection - RFIF	500,000	500,000	500,000	0	500,000	0
Conservation Reserve Enhance - EFF	1,000,000	1,000,000	1,000,000	0	1,000,000	0
Watershed Protection Fund - EFF	900,000	900,000	900,000	0	900,000	0
Farm Management Demo - EFF	625,000	625,000	625,000	0	625,000	0
Agricultural Drainage Wells - EFF	0	550,000	550,000	0	550,000	0
Soil & Water Conservation - EFF	2,000,000	2,550,000	2,550,000	0	2,550,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	1,000,000	0	1,000,000	0
Cost Share - EFF	6,300,000	6,650,000	6,650,000	0	6,650,000	0
Fuel Inspection - UST	250,000	250,000	250,000	0	250,000	0
Iowa FFA Foundation - EFF	25,000	0	0	0	0	0
Local Food & Farm Program - EFF	75,000	0	0	0	0	0
Agricultural Drainage Wells - RIIF	0	1,000,000	1,000,000	0	1,000,000	0
Water Quality Nutrient Mgmt - EFF	0	0	2,400,000	2,400,000	4,400,000	2,000,000
Total Agriculture and Land Stewardship	\$ 12,980,516	\$ 15,330,516	\$ 17,730,516	\$ 2,400,000	\$ 19,730,516	\$ 2,000,000
Loess Hills Dev. and Conservation						
Loess Hills - EFF	\$ 475,000	\$ 525,000	\$ 525,000	\$ 0	\$ 525,000	\$ 0
Total Agriculture and Land Stewardship	\$ 13,455,516	\$ 15,855,516	\$ 18,255,516	\$ 2,400,000	\$ 20,255,516	\$ 2,000,000

Agriculture and Natural Resources

Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Natural Resources, Dept. of</u>						
Natural Resources						
Fish & Game- DNR Admin Expenses	\$ 39,951,171	\$ 41,078,234	\$ 41,078,234	\$ 0	\$ 41,078,234	\$ 0
GWF - Storage Tanks Study	100,303	100,303	100,303	0	100,303	0
GWF - Household Hazardous Waste	447,324	447,324	447,324	0	447,324	0
GWF - Well Testing Admin 2%	62,461	62,461	62,461	0	62,461	0
GWF - Groundwater Monitoring	1,686,751	1,686,751	1,686,751	0	1,686,751	0
GWF - Landfill Alternatives	618,993	618,993	618,993	0	618,993	0
GWF - Waste Reduction and Assistance	192,500	192,500	192,500	0	192,500	0
GWF - Solid Waste Authorization	50,000	50,000	50,000	0	50,000	0
GWF - Geographic Information System	297,500	297,500	297,500	0	297,500	0
Snowmobile Registration Fees	100,000	100,000	100,000	0	100,000	0
Administration Match - UST	200,000	200,000	200,000	0	200,000	0
Technical Tank Review - UST	200,000	200,000	200,000	0	200,000	0
Keep Iowa Beautiful - EFF	0	0	200,000	200,000	200,000	0
Total Natural Resources, Dept. of	\$ 43,907,003	\$ 45,034,066	\$ 45,234,066	\$ 200,000	\$ 45,234,066	\$ 0
<u>Natural Resources Capital</u>						
Natural Resources Capital						
Volunteers and Keepers of Land - EFF	\$ 100,000	\$ 100,000	100,000	\$ 0	100,000	\$ 0
Park Operations & Maintenance - EFF	3,210,000	3,710,000	6,610,000	2,900,000	4,610,000	-2,000,000
Forestry Health Management - EFF	100,000	0	0	0	0	0
GIS Information for Watershed - EFF	195,000	195,000	195,000	0	195,000	0
Water Quality Monitoring - EFF	2,955,000	2,955,000	2,955,000	0	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0	500,000	0
Animal Feeding Operations - EFF	420,000	620,000	1,120,000	500,000	1,120,000	0
Air Quality Monitoring-Ambient - EFF	425,000	425,000	425,000	0	425,000	0
Water Quantity - EFF	495,000	495,000	495,000	0	495,000	0
Geological and Water Survey - EFF	200,000	200,000	200,000	0	200,000	0
REAP - EFF	12,000,000	12,000,000	12,000,000	0	12,000,000	0
Winterset Water Utility - EFF	0	0	1,000,000	1,000,000	1,000,000	0
Missouri River Flooding Repair - EFF	2,865,743	0	0	0	0	0
Total Natural Resources Capital	\$ 23,465,743	\$ 21,200,000	\$ 25,600,000	\$ 4,400,000	\$ 23,600,000	\$ -2,000,000
Total Agriculture and Natural Resources	\$ 80,828,262	\$ 82,089,582	\$ 89,089,582	\$ 7,000,000	\$ 89,089,582	\$ 0

Economic Development Other Funds

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
<u>Economic Development Authority</u>						
Economic Development Authority						
Workforce Development Fund	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 0
Total Economic Development Authority	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 0
<u>Iowa Workforce Development</u>						
Iowa Workforce Development						
Field Offices - Spec Cont Fund	\$ 1,217,084	\$ 1,627,084	\$ 1,627,084	\$ 0	\$ 1,627,084	\$ 0
Field Offices - UI Reserve Interest	4,238,260	633,000	633,000	0	633,000	0
Total Iowa Workforce Development	\$ 5,455,344	\$ 2,260,084	\$ 2,260,084	\$ 0	\$ 2,260,084	\$ 0
Total Economic Development	\$ 9,455,344	\$ 6,260,084	\$ 6,260,084	\$ 0	\$ 6,260,084	\$ 0

Health and Human Services

Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
Human Services, Dept. of						
Assistance						
Medical Assistance - HCTF	\$ 106,363,275	\$ 106,046,400	\$ 106,046,400	\$ 0	\$ 106,046,400	\$ 0
Medical Contracts-Pharm Settlement - PhSA	10,907,457	4,805,804	6,650,000	1,844,196	0	-6,650,000
Broadlawns Hospital - ICA	65,000,000	71,000,000	67,500,000	-3,500,000	67,500,000	0
Regional Provider Network - ICA	3,472,176	4,986,366	5,986,366	1,000,000	5,986,366	0
Nonparticipating Providers - NPPR	2,000,000	2,000,000	2,000,000	0	2,000,000	0
Medical Information Hotline - HCTA	100,000	100,000	0	-100,000	0	0
Health Partnership Activities - HCTA	600,000	600,000	0	-600,000	0	0
Audits, Performance Eval., Studies - HCTA	125,000	125,000	0	-125,000	0	0
IowaCare Admin. Costs - HCTA	1,132,412	1,132,412	0	-1,132,412	0	0
Dental Home for Children - HCTA	1,000,000	1,000,000	0	-1,000,000	0	0
MH/DD Workforce Development - HCTA	50,000	50,000	0	-50,000	0	0
Medical Contracts - HCTA	2,000,000	2,400,000	0	-2,400,000	0	0
Broadlawns Admin - HCTA	290,000	540,000	0	-540,000	0	0
Medical Assistance - QATF	29,000,000	26,500,000	28,788,917	2,288,917	28,788,917	0
Medical Assistance - HHCAT	39,223,800	33,898,400	33,876,000	-22,400	33,856,000	-20,000
Nonparticipating Provider Reimb Fund - HHCAT	776,200	801,600	824,000	22,400	844,000	20,000
Electronic Medical Records - HCTA	100,000	100,000	0	-100,000	0	0
Medical Assistance - HCTA	1,956,245	6,872,920	0	-6,872,920	0	0
Care Coordination - ICA	500,000	500,000	0	-500,000	0	0
Lab Test & Radiology Pool - ICA	1,500,000	1,500,000	3,000,000	1,500,000	3,000,000	0
Uniform Cost Report - HCTA	150,000	150,000	0	-150,000	0	0
Health Care Access Council - HCTA	134,214	134,214	0	-134,214	0	0
Accountable Care Pilot - HCTA	100,000	100,000	0	-100,000	0	0
DPH Transfer e-Health - HCTA	363,987	363,987	0	-363,987	0	0
DPH Transfer Medical Home - HCTA	233,357	233,357	0	-233,357	0	0
Total Human Services, Dept. of	\$ 267,078,123	\$ 265,940,460	\$ 254,671,683	\$ -11,268,777	\$ 248,021,683	\$ -6,650,000
Regents, Board of						
Regents, Board of						
UI - UIHC IowaCares Program - ICA	\$ 27,284,584	\$ 27,284,584	\$ 27,284,584	\$ 0	\$ 27,284,584	\$ 0
UI - UIHC IowaCares Expansion Pop - ICA	56,226,279	45,654,133	52,569,199	6,915,066	52,569,199	0
UI - UIHC IowaCares Physicians - ICA	16,277,753	16,277,753	19,806,365	3,528,612	19,806,365	0
Total Regents, Board of	\$ 99,788,616	\$ 89,216,470	\$ 99,660,148	\$ 10,443,678	\$ 99,660,148	\$ 0
Total Health and Human Services	\$ 366,866,739	\$ 355,156,930	\$ 354,331,831	\$ -825,099	\$ 347,681,831	\$ -6,650,000

Justice System

Other Funds

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
<u>Justice, Department of</u>						
Consumer Advocate						
Consumer Advocate - CMRF	\$ 3,136,163	\$ 3,136,163	\$ 3,136,163	\$ 0	\$ 3,136,163	\$ 0
Total Justice, Department of	\$ 3,136,163	\$ 3,136,163	\$ 3,136,163	\$ 0	\$ 3,136,163	\$ 0
<u>Public Safety, Department of</u>						
Public Safety, Dept. of						
DPS Gaming Enforcement - GEF	\$ 10,335,709	\$ 10,898,008	\$ 10,898,008	\$ 0	\$ 10,898,008	\$ 0
Total Public Safety, Department of	\$ 10,335,709	\$ 10,898,008	\$ 10,898,008	\$ 0	\$ 10,898,008	\$ 0
Total Justice System	\$ 13,471,872	\$ 14,034,171	\$ 14,034,171	\$ 0	\$ 14,034,171	\$ 0

Transportation, Infrastructure, and Capitals Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Administrative Services - Capitals</u>						
Administrative Services - Capitals						
DHS -Toledo Renovations - RIIF	\$ 0	\$ 500,000	\$ 0	\$ -500,000	\$ 0	\$ 0
Historical Building Repairs - RIIF	1,200,000	0	0	0	0	0
ITE Pooled Technology - TRF	1,643,728	0	0	0	0	0
Lucas Bldg SOS Office Security - RIIF	45,000	0	0	0	0	0
Major Maintenance (CHIP) - RIIF	0	0	20,637,183	20,637,183	0	-20,637,183
Major Maintenance - RBC	500,000	0	0	0	0	0
Major Maintenance - RBC2	2,020,000	0	0	0	0	0
Major Maintenance - RIIF	0	10,250,000	2,000,000	-8,250,000	14,000,000	12,000,000
Technology Projects and Consolidation	0	0	0	0	6,613,663	6,613,663
Total Administrative Services - Capitals	\$ 5,408,728	\$ 10,750,000	\$ 22,637,183	\$ 11,887,183	\$ 20,613,663	\$ -2,023,520
<u>Blind Capitals, Dept. for the</u>						
Dept. for the Blind Capitals						
Replace Air Handlers and Improvements - RIIF	\$ 1,065,674	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Blind Capitals, Dept. for the	\$ 1,065,674	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Corrections, Dept. of</u>						
Central Office						
Iowa Corrections Offender Network - TRF	\$ 500,000	\$ 500,000	\$ 0	\$ -500,000	\$ 0	\$ 0
Total Corrections, Dept. of	\$ 500,000	\$ 500,000	\$ 0	\$ -500,000	\$ 0	\$ 0
<u>Corrections Capital</u>						
Corrections Capital						
Radio Communications Upgrades - TRF	\$ 0	\$ 3,500,000	\$ 0	\$ -3,500,000	\$ 0	\$ 0
Newton Hot Water Loop Repair - RIIF	0	425,000	0	-425,000	0	0
Fort Madison FFE and Construction Costs - RC2	0	2,000,000	0	-2,000,000	0	0
Mitchellville Construction and FFE Costs - RIIF	14,761,556	14,170,062	26,769,040	12,598,978	0	-26,769,040
Fort Madison Construction and FFE Costs - RIIF	5,155,077	16,269,124	3,000,000	-13,269,124	0	-3,000,000
Construction Project Management - RIIF	4,500,000	1,000,000	200,000	-800,000	0	-200,000
Mitchellville Prison Expansion - RBC	4,430,952	0	0	0	0	0
Total Corrections Capital	\$ 28,847,585	\$ 37,364,186	\$ 29,969,040	\$ -7,395,146	\$ 0	\$ -29,969,040

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
<u>Cultural Affairs, Dept. of</u>						
Cultural Affairs, Dept. of						
Grout Museum District Oral History Exhibit - TRF	\$ 0	\$ 150,000	\$ 129,450	\$ -20,550	\$ 0	\$ -129,450
Great Places Infrastructure Grants - RIIF	1,000,000	1,000,000	1,000,000	0	1,000,000	0
Historical Bldg/Museum Renovation - RIIF	0	1,450,000	1,000,000	-450,000	25,000,000	24,000,000
Total Cultural Affairs, Dept. of	\$ 1,000,000	\$ 2,600,000	\$ 2,129,450	\$ -470,550	\$ 26,000,000	\$ 23,870,550
<u>Economic Development Authority</u>						
Economic Development Authority						
ACE Infrastructure Comm Colleges	\$ 5,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Regional Sports Authorities - RIIF	500,000	500,000	500,000	0	500,000	0
World Food Prize Borlaug/Ruan Scholar - RIIF	100,000	100,000	0	-100,000	0	0
Community Attraction and Tourism - RBC2	2,020,000	0	0	0	0	0
Community Attraction & Tourism Grants - RIIF	5,300,000	5,000,000	5,000,000	0	0	-5,000,000
Grow Iowa Values Fund - RIIF	15,000,000	0	0	0	0	0
Camp Sunnyside Cabins - RIIF	250,000	125,000	0	-125,000	0	0
Fort Des Moines Museum Renovation - RIIF	0	100,000	0	-100,000	0	0
High Quality Jobs Program - RIIF	0	15,000,000	0	-15,000,000	0	0
Total Economic Development Authority	\$ 28,170,000	\$ 20,825,000	\$ 5,500,000	\$ -15,325,000	\$ 500,000	\$ -5,000,000
<u>Education, Dept. of</u>						
Education, Dept. of						
ICN Part III Leases & Maintenance - TRF	\$ 2,727,000	\$ 2,727,000	\$ 2,727,000	\$ 0	\$ 3,647,000	\$ 920,000
Statewide Ed Data Warehouse - TRF	600,000	600,000	600,000	0	1,000,000	400,000
Total Education, Dept. of	\$ 3,327,000	\$ 3,327,000	\$ 3,327,000	\$ 0	\$ 4,647,000	\$ 1,320,000

Transportation, Infrastructure, and Capitals Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Education Capital</u>						
Education Capital						
IPTV Building Purchase - RIIF	\$ 1,255,550	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Comm College ACE Infrastructure - RIIF	0	6,000,000	0	-6,000,000	0	0
Community College Infrastructure - RIIF	1,000,000	0	0	0	0	0
Community Colleges Maint/Bldg Ops - MSSF	0	5,000,000	0	-5,000,000	0	0
IPTV - Inductive Output Tubes - TRF	0	320,000	0	-320,000	0	0
IPTV Transmission/Network Equipment - RIIF	0	0	960,000	960,000	873,250	-86,750
Total Education Capital	\$ 2,255,550	\$ 11,320,000	\$ 960,000	\$ -10,360,000	\$ 873,250	\$ -86,750
<u>Human Rights, Dept. of</u>						
Human Rights, Department of						
Criminal Justice Info System (CJIS) - TRF	\$ 1,689,307	\$ 1,714,307	\$ 1,454,734	\$ -259,573	\$ 2,000,000	\$ 545,266
Total Human Rights, Dept. of	\$ 1,689,307	\$ 1,714,307	\$ 1,454,734	\$ -259,573	\$ 2,000,000	\$ 545,266
<u>Human Services Capital</u>						
Human Services - Capital						
Nursing Facility Const/Improvements - RIIF	\$ 285,000	\$ 250,000	\$ 0	\$ -250,000	\$ 0	\$ 0
Medicaid Technology - TRF	3,494,176	4,120,037	4,815,163	695,126	1,945,684	-2,869,479
Ctrl IA Ctr for Indep Living - TRF	11,000	0	0	0	0	0
Total Human Services Capital	\$ 3,790,176	\$ 4,370,037	\$ 4,815,163	\$ 445,126	\$ 1,945,684	\$ -2,869,479
<u>Iowa Tele & Tech Commission</u>						
Iowa Communications Network						
ICN Equipment Replacement - TRF	\$ 2,248,653	\$ 2,198,653	\$ 2,248,653	\$ 50,000	\$ 2,248,653	\$ 0
Total Iowa Tele & Tech Commission	\$ 2,248,653	\$ 2,198,653	\$ 2,248,653	\$ 50,000	\$ 2,248,653	\$ 0
<u>Iowa Finance Authority</u>						
Iowa Finance Authority						
State Housing Trust Fund - RIIF	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 0
Total Iowa Finance Authority	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 0

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2012 <u>(1)</u>	Estimated FY 2013 <u>(2)</u>	Gov Rec FY 2014 <u>(3)</u>	Gov Rec vs Est FY 2013 <u>(4)</u>	Gov Rec FY 2015 <u>(5)</u>	Gov Rec FY15 vs Gov Rec FY14 <u>(6)</u>
<u>Judicial Branch</u>						
Judicial Branch						
Electronic Document Mgmt System - TRF	\$ 0	\$ 1,000,000	\$ 3,000,000	\$ 2,000,000	\$ 0	\$ -3,000,000
Total Judicial Branch	\$ 0	\$ 1,000,000	\$ 3,000,000	\$ 2,000,000	\$ 0	\$ -3,000,000
<u>Management, Dept. of</u>						
Management, Dept. of						
Searchable Online Databases - TRF	\$ 50,000	\$ 45,000	\$ 45,000	\$ 0	\$ 45,000	\$ 0
Iowa Grants Mgmt Implementation - TRF	0	125,000	0	-125,000	0	0
Total Management, Dept. of	\$ 50,000	\$ 170,000	\$ 45,000	\$ -125,000	\$ 45,000	\$ 0
<u>Natural Resources, Dept. of</u>						
Natural Resources						
Floodplain Mgmt and Dam Safety - RIIF	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Natural Resources, Dept. of	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Natural Resources Capital</u>						
Natural Resources Capital						
State Park Infrastructure - RIIF	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 0
Lakes Restoration & Dredging - RIIF	5,459,000	6,000,000	1,000,000	-5,000,000	6,000,000	5,000,000
Lake Delhi Improvements - RIIF	0	2,500,000	2,500,000	0	0	-2,500,000
Water Trails & Low Head Dam - RIIF	0	1,000,000	0	-1,000,000	0	0
Osceola Reservoir - RIIF	0	0	1,000,000	1,000,000	1,000,000	0
Total Natural Resources Capital	\$ 10,459,000	\$ 14,500,000	\$ 9,500,000	\$ -5,000,000	\$ 12,000,000	\$ 2,500,000
<u>Public Defense Capital</u>						
Public Defense Capital						
Facility/Armory Maintenance - RIIF	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Muscatine Readiness Center - RIIF	100,000	0	0	0	0	0
Statewide Modernization Readiness Ctrs - RIIF	1,800,000	2,050,000	0	-2,050,000	2,000,000	2,000,000
Camp Dodge Infrastructure Upgrades - RIIF	1,000,000	610,000	0	-610,000	500,000	500,000
Joint Forces HQ Renovation - RIIF	1,000,000	500,000	0	-500,000	0	0
Total Public Defense Capital	\$ 5,900,000	\$ 5,160,000	\$ 2,000,000	\$ -3,160,000	\$ 4,500,000	\$ 2,500,000

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Public Health, Dept. of</u>						
Public Health, Dept. of						
Technology Consolidation - TRF	\$ 0	\$ 0	\$ 480,000	\$ 480,000	\$ 0	\$ -480,000
Total Public Health, Dept. of	\$ 0	\$ 0	\$ 480,000	\$ 480,000	\$ 0	\$ -480,000
<u>Public Safety Capital</u>						
Public Safety Capital						
State Emergency Response Facility - RC2	\$ -2,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Radio Communication Upgrades Mandate - TRF	2,500,000	2,500,000	2,500,000	0	0	-2,500,000
Dubuque Fire Training Simulator - TRF	80,000	0	0	0	0	0
Total Public Safety Capital	\$ 580,000	\$ 2,500,000	\$ 2,500,000	\$ 0	\$ 0	\$ -2,500,000
<u>Regents, Board of</u>						
Regents, Board of						
Regents Tuition Replacement - RIIF	\$ 24,305,412	\$ 25,130,412	\$ 27,867,775	\$ 2,737,363	\$ 29,735,423	\$ 1,867,648
UI - Iowa Flood Center - RIIF	1,300,000	0	0	0	0	0
Total Regents, Board of	\$ 25,605,412	\$ 25,130,412	\$ 27,867,775	\$ 2,737,363	\$ 29,735,423	\$ 1,867,648
<u>Regents Capital</u>						
Regents Capital						
Fire Safety and Deferred Maint. All Institutions - RIIF	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 5,000,000	\$ 3,000,000
ISU - Ag/Biosystems Engineering - RIIF	1,000,000	19,050,000	21,750,000	2,700,000	18,600,000	-3,150,000
UI - Dental Science Building - RIIF	1,000,000	10,250,000	9,750,000	-500,000	8,000,000	-1,750,000
UNI - Bartlett Hall - RIIF	1,000,000	7,786,000	10,267,000	2,481,000	1,947,000	-8,320,000
Innovation/Commercialization of Research - RIIF	0	3,000,000	0	-3,000,000	0	0
ISU Research Park Bldg 5 Improvements - RIIF	0	1,000,000	0	-1,000,000	0	0
Total Regents Capital	\$ 5,000,000	\$ 43,086,000	\$ 43,767,000	\$ 681,000	\$ 33,547,000	\$ -10,220,000
<u>State Fair Authority Capital</u>						
State Fair Authority Capital						
Cultural Center Renovation - RIIF	\$ 0	\$ 250,000	\$ 250,000	\$ 0	\$ 0	\$ -250,000
Total State Fair Authority Capital	\$ 0	\$ 250,000	\$ 250,000	\$ 0	\$ 0	\$ -250,000

Transportation, Infrastructure, and Capitals Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
Transportation, Dept. of						
Transportation, Dept. of						
Recreational Trails Grants - RIF	\$ 3,000,000	\$ 3,000,000	\$ 0	\$ -3,000,000	\$ 2,500,000	\$ 2,500,000
Public Transit Infra Grants - RIF	1,500,000	1,500,000	0	-1,500,000	1,500,000	1,500,000
Commercial Aviation Infra Grants - RIF	1,500,000	1,500,000	1,500,000	0	1,500,000	0
General Aviation Infra Grants - RIF	750,000	750,000	750,000	0	750,000	0
Railroad Revolving Loan & Grant - RIF	2,000,000	1,500,000	1,000,000	-500,000	2,000,000	1,000,000
RUTF-Drivers' Licenses	3,876,000	3,876,000	3,876,000	0	3,876,000	0
RUTF-Operations	6,570,000	6,570,000	6,845,000	275,000	6,845,000	0
RUTF-Planning & Programming	458,000	458,000	414,000	-44,000	414,000	0
RUTF-Motor Vehicle	33,921,000	33,921,000	33,921,000	0	33,921,000	0
RUTF-DAS Personnel & Utility Services	225,000	228,000	215,000	-13,000	215,000	0
RUTF-Unemployment Compensation	7,000	7,000	7,000	0	7,000	0
RUTF-Workers' Compensation	119,000	121,000	114,000	-7,000	114,000	0
RUTF-Indirect Cost Recoveries	78,000	78,000	78,000	0	78,000	0
RUTF-Auditor Reimbursement	67,319	67,319	67,319	0	67,319	0
RUTF-County Treasurers Support	1,406,000	1,406,000	1,406,000	0	1,406,000	0
RUTF-Road/Weather Conditions Info	100,000	100,000	100,000	0	100,000	0
RUTF-Mississippi River Park Comm	40,000	40,000	40,000	0	40,000	0
PRF-Operations	40,076,529	40,607,023	42,051,866	1,444,843	42,051,866	0
PRF-Planning & Programming	8,697,095	8,697,095	7,865,454	-831,641	7,865,454	0
PRF-Highway	230,113,992	232,672,498	232,031,295	-641,203	232,234,295	203,000
PRF-Motor Vehicle	1,413,540	1,413,540	1,413,540	0	1,413,540	0
PRF-DAS Personnel & Utility Services	1,388,000	1,404,000	1,321,000	-83,000	1,321,000	0
PRF-DOT Unemployment	138,000	138,000	138,000	0	138,000	0
PRF-DOT Workers' Compensation	2,846,000	2,889,000	2,743,000	-146,000	2,743,000	0
PRF-Garage Fuel & Waste Mgmt.	800,000	800,000	800,000	0	800,000	0
PRF-Indirect Cost Recoveries	572,000	572,000	572,000	0	572,000	0
PRF-Auditor Reimbursement	415,181	415,181	415,181	0	415,181	0
PRF-Transportation Maps	242,000	80,667	160,000	79,333	242,000	82,000
PRF-Inventory & Equip.	5,366,000	5,366,000	5,366,000	0	5,366,000	0
PRF-Field Facility Deferred Maint.	1,000,000	1,000,000	1,500,000	500,000	1,700,000	200,000
Total Transportation, Dept. of	\$ 348,685,656	\$ 351,177,323	\$ 346,710,655	\$ -4,466,668	\$ 352,195,655	\$ 5,485,000

Transportation, Infrastructure, and Capitals Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Transportation Capitals</u>						
Transportation Capital						
RUTF-Scale/MVD Facilities Maint.	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0
RUTF-Scale Replacement	550,000	350,000	280,000	-70,000	0	-280,000
PRF-Utility Improvements	400,000	400,000	400,000	0	400,000	0
PRF-Garage Roofing Projects	200,000	200,000	500,000	300,000	500,000	0
PRF-HVAC Improvements	400,000	200,000	500,000	300,000	700,000	200,000
PRF-Ames Elevator Upgrade	100,000	0	0	0	0	0
PRF-Waste Water Treatment	1,000,000	1,000,000	1,000,000	0	1,000,000	0
PRF-Swea City Garage	2,100,000	0	0	0	0	0
PRF-New Hampton Garage	0	5,200,000	0	-5,200,000	0	0
PRF-Mason City Combined Facility	0	0	6,500,000	6,500,000	0	-6,500,000
PRF-Des Moines North Garage	0	0	0	0	6,353,000	6,353,000
Total Transportation Capitals	\$ 4,950,000	\$ 7,550,000	\$ 9,380,000	\$ 1,830,000	\$ 9,153,000	\$ -227,000
<u>Treasurer of State</u>						
Treasurer of State						
Watershed Improvement Fund - RIIF	\$ 0	\$ 1,000,000	\$ 0	\$ -1,000,000	\$ 0	\$ 0
County Fair Improvements-RIIF	1,060,000	1,060,000	1,060,000	0	1,060,000	0
Total Treasurer of State	\$ 1,060,000	\$ 2,060,000	\$ 1,060,000	\$ -1,000,000	\$ 1,060,000	\$ 0
<u>Veterans Affairs, Dept. of</u>						
Veterans Affairs, Department of						
DVA Remodeling and Moving Office - RIIF	\$ 0	\$ 0	\$ 137,940	\$ 137,940	\$ 0	\$ -137,940
Veterans Home Ownership Assistance - RIIF	1,000,000	0	0	0	0	0
Total Veterans Affairs, Dept. of	\$ 1,000,000	\$ 0	\$ 137,940	\$ 137,940	\$ 0	\$ -137,940
<u>Veterans Affairs Capitals</u>						
Veterans Affairs Capital						
IVH Generator Emissions and Trans Bldg - RIIF	\$ 250,000	\$ 975,919	\$ 0	\$ -975,919	\$ 0	\$ 0
Total Veterans Affairs Capitals	\$ 250,000	\$ 975,919	\$ 0	\$ -975,919	\$ 0	\$ 0
Total Transportation, Infrastructure, and Capitals	\$ 486,842,741	\$ 551,528,837	\$ 522,739,593	\$ -28,789,244	\$ 504,064,328	\$ -18,675,265

Unassigned Standings

Other Funds

	Actual FY 2012 (1)	Estimated FY 2013 (2)	Gov Rec FY 2014 (3)	Gov Rec vs Est FY 2013 (4)	Gov Rec FY 2015 (5)	Gov Rec FY15 vs Gov Rec FY14 (6)
<u>Economic Development Authority</u>						
Economic Development Authority						
Endow Iowa Admin - County Endw Fund	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0	\$ 70,000	\$ 0
Total Economic Development Authority	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0	\$ 70,000	\$ 0
<u>Executive Council</u>						
Executive Council						
Performance of Duty - EEF	\$ 8,048,731	\$ 14,916,339	\$ 35,615,530	\$ 20,699,191	\$ 34,516,949	\$ -1,098,581
Total Executive Council	\$ 8,048,731	\$ 14,916,339	\$ 35,615,530	\$ 20,699,191	\$ 34,516,949	\$ -1,098,581
<u>Human Services, Dept. of</u>						
Assistance						
Mental Health - EEF	\$ 7,200,089	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Mental Health Growth Factor	10,000,000	0	0	0	0	0
Total Human Services, Dept. of	\$ 17,200,089	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Management, Dept. of</u>						
Management, Dept. of						
Environment First Fund - RIIF	\$ 33,000,000	\$ 35,000,000	\$ 42,000,000	\$ 7,000,000	\$ 42,000,000	\$ 0
Technology Reinvestment Fund - RIIF	15,541,000	0	0	0	0	0
Transfer from MSSF to RIIF	0	1,000,000	0	-1,000,000	0	0
Transfer from EEF to RIIF	0	20,000,000	0	-20,000,000	0	0
Total Management, Dept. of	\$ 48,541,000	\$ 56,000,000	\$ 42,000,000	\$ -14,000,000	\$ 42,000,000	\$ 0
<u>Regents, Board of</u>						
Regents, Board of						
ISU - Midwest Grape & Wine Industry - WGTF	\$ 120,000	\$ 250,000	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Total Regents, Board of	\$ 120,000	\$ 250,000	\$ 250,000	\$ 0	\$ 250,000	\$ 0
<u>Transportation, Dept. of</u>						
Transportation, Dept. of						
RUTF-Personal Delivery of Services	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0	\$ 225,000	\$ 0
RUTF-County Treasurer Equipment Standing	650,000	650,000	650,000	0	650,000	0
Total Transportation, Dept. of	\$ 875,000	\$ 875,000	\$ 875,000	\$ 0	\$ 875,000	\$ 0
Total Unassigned Standings	\$ 74,854,820	\$ 72,111,339	\$ 78,810,530	\$ 6,699,191	\$ 77,711,949	\$ -1,098,581

Appendix B – FY 2014 Built-in and Anticipated General Fund Expenditures

Fiscal Staff: Dave Reynolds

Analysis of Governor's Budget

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 to provide a starting point for the General Assembly to begin making budget decisions during the next legislative session. The estimates reflect the incremental increases over the previous fiscal year's enacted appropriations. The estimates are divided into two categories: built-in expenditures and anticipated 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, and will likely require additional appropriated 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 to maintain funding at the prior year level.

FY 2014 Built-in and Anticipated Expenditure Estimates

For FY 2014, the LSA is projecting \$360.3 million in total built-in and anticipated expenditure increases. The FY 2014 projection includes: \$277.5 million in General Fund built-in increases and \$82.8 million in anticipated expenditure increases. The following tables provide an itemized list of the FY 2014 estimates. Additional detail for each of the estimates is also provided. The LSA will continue to monitor the estimated changes to State programs throughout the 2013 Legislative Session to refine the impact on the FY 2014 budget.

State of Iowa		
FY 2014 General Fund Built-in and Anticipated Expenditures		
(Dollars in Millions)		
	LSA	Percent
<u>Built-in Expenditures</u>	<u>Estimate</u>	<u>of Total</u>
1. Human Services - Medical Assistance	\$ 167.0	46.4%
2. Revenue - Homestead Tax Credit	28.8	8.0%
3. DNR - Resource Enhancement and Protection Program	20.0	5.6%
4. Management - Technology Reinvestment Fund	17.5	4.9%
5. Education - Instructional Support Program	14.8	4.1%
6. Human Services - Dental Home for Children	11.0	3.1%
7. Public Safety - Peace Officer Retirement	5.0	1.4%
8. Management - State Appeal Board Claims	3.4	0.9%
9. Revenue - Elderly and Disabled Tax Credit	3.3	0.9%
10. Education - Nonpublic School Transportation	2.6	0.7%
11. Education - Child Development/At-Risk Program	1.9	0.5%
12. Education - K-12 School Foundation Aid	1.6	0.4%
13. Economic Development - Tourism and Marketing	0.3	0.1%
14. Economic Development - World Food Prize	0.3	0.1%
15. Cultural Affairs - County Endowment Standing	0.1	0.0%
16. Revenue - Military Service Tax Credit	-0.1	0.0%
Subtotal	\$ 277.5	77.0%
<u>Anticipated Expenditure</u>		
17. Human Services - Mental Health Levy Equalization	\$ 29.8	8.3%
18. Corrections - Staff Additional CBC and Prison Beds	24.1	6.7%
19. Health Care Transformation Account	8.3	2.3%
20. Human Services - Adoption Subsidy Program	8.3	2.3%
21. Human Services - Child Care Assistance	4.2	1.2%
22. Inspection and Appeals - Medicaid Fraud Fund Replacement	3.0	0.8%
23. Human Services - Child Welfare Programs	2.0	0.6%
24. Corrections – Replace Expiring Federal Grants	1.8	0.5%
25. Public Safety - Vehicle Depreciation	1.6	0.4%
26. Public Safety - Peace Officer Retirement Contribution Increase	0.9	0.2%
27. Human Services - CCUSO	0.8	0.2%
28. Education - Reading Research Center	-2.0	-0.6%
Subtotal	\$ 82.8	23.0%
TOTAL PROJECTED EXPENDITURE CHANGES	\$ 360.3	100.0%

FY 2014 ESTIMATED GENERAL FUND EXPENDITURES

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
1. Human Services – Medical Assistance <i>Standing Unlimited Appropriation</i>	<p>Medical Assistance is a state/federal entitlement program that provides medical services to eligible low-income recipients. To qualify for federal funding, the State must reimburse providers for certain mandatory services.</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"> • An increase of \$43.0 million to replace the previous year’s estimated shortfall. • An increase of \$43.2 million to offset the decline in the Federal Medical Assistance Percentage rate. • An increase of \$14.8 million due to various revenue changes, including replacing one-time funds. • An increase of \$17.5 million to rebase nursing facilities and fund increased bed days. • An increase of \$15.3 million to replace the previous year’s carryforward. • An increase of \$33.2 million to fund various increases in utilization and enrollment. 	\$167.0
2. Revenue – Homestead Tax Credit <i>Standing Unlimited Appropriation</i>	<p>Provides a property tax credit for residential homeowners.</p>	<ul style="list-style-type: none"> • The projected demand for FY 2014 is \$135.8 million. The FY 2013 appropriation was capped at \$107.0 million. It is assumed the appropriation will not be capped in FY 2014. 	\$28.8

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
<p>3. DNR – Resource Enhancement and Protection Program <i>Standing Limited Appropriation</i></p>	<p>The Resource Enhancement and Protection (REAP) Program is a long-term integrated effort to use and protect Iowa’s natural resources through: acquisition and management of public lands; upgrading public park and preserve facilities; and environmental education, monitoring, and research. Iowa Code section 455A.18 provides a \$20.0 million standing appropriation from the General Fund to the REAP Program. Iowa Code section 455A.19 specifies the distribution of the funds to various State agencies, County Conservation Boards, and cities for projects that will protect and enhance the State’s natural resources.</p>	<ul style="list-style-type: none"> • The \$20.0 million standing appropriation for the REAP Program was notwithstanding in FY 2013 and the Program was instead funded at \$12.0 million from the Environment First Fund. • Under current law, the Program will be funded from the General Fund at \$20.0 million for FY 2014. 	<p>\$20.0</p>
<p>4. Management – Technology Reinvestment Fund <i>Standing Limited Appropriation</i></p>	<p>The Technology Reinvestment Fund is a standing limited appropriation from the General Fund to provide for computers, software, and other technology and equipment.</p>	<ul style="list-style-type: none"> • For FY 2013, the Technology Reinvestment Fund was funded with a \$20.0 million transfer from the State Wagering Tax revenues in lieu of the General Fund standing appropriation. • Under current law, a General Fund appropriation of \$17.5 million is provided for FY 2014. 	<p>\$17.5</p>
<p>5. Education – Instructional Support Program <i>Standing Unlimited Appropriation</i></p>	<p>Provides additional funding of up to 10.0% of the regular program district cost to be used for general operations. Funding comes from property taxes or a combination of property taxes and income surtax, and from State aid. Iowa Code requires the State aid portion to be capped at \$14.8 million.</p> <p>The Program received no State aid funding in FY 2012 or FY 2013.</p>	<ul style="list-style-type: none"> • Funding for the Program in FY 2013 was notwithstanding. • Under current law, the \$14.8 million will be restored for FY 2014. 	<p>\$14.8</p>

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
<p>6. Human Services – Dental Home for Children <i>Standing Unlimited Appropriation</i></p>	<p>Iowa Code section 249J.14(5) implements a Dental Home for Children Program beginning July 1, 2013. 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 every year since FY 2011.</p>	<ul style="list-style-type: none"> It is estimated that \$11.0 million will be needed to fund the Program in FY 2014. 	<p>\$11.0</p>
<p>7. Public Safety – Peace Officer Retirement <i>Standing Limited Appropriation</i></p>	<p>House File 2518 (Public Retirement Systems Act) enacted during the 2010 Legislative Session included language beginning July 1, 2012 (FY 2013), requiring a General Fund appropriation of \$5.0 million per year to the PORS Fund until the Fund reaches an 85.0% funded ratio.</p>	<ul style="list-style-type: none"> During the 2012 Legislative Session, the first installment (FY 2013) of the annual \$5.0 million supplemental payment was delayed one year and is scheduled to begin in FY 2014. 	<p>\$5.0</p>
<p>8. 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 budgeted for FY 2013 Appeals Board claims is \$3.5 million. The ten-year average of claims is \$12.6 million annually. The FY 2014 estimate assumes total claims of \$7.0 million, an increase of \$3.4 million compared to the FY 2013 budgeted amount. 	<p>\$3.4</p>
<p>9. Revenue – Elderly and Disabled Tax Credit <i>Standing Unlimited Appropriation</i></p>	<p>Provides a property tax credit and reimbursement of a portion of rent constituting taxes paid for low-income elderly and disabled individuals.</p>	<ul style="list-style-type: none"> Claims for this standing unlimited appropriation are projected to increase in FY 2014. 	<p>\$3.3</p>

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
10. Education – Nonpublic School Transportation <i>Standing Unlimited Appropriation</i>	Provides for the payment of approved claims of public school districts for transportation services to nonpublic school pupils.	<ul style="list-style-type: none"> • The FY 2013 appropriation is capped at \$7.1 million. • The appropriation is not capped for FY 2014. The estimated amount of claims for FY 2014 is \$9.7 million, resulting in an increase \$2.6 million. 	\$2.6
11. Education – Child Development (At-Risk) <i>Standing Limited Appropriation</i>	Provides child development services to at-risk three-year-old and four-year-old children. Program specifications are provided in Iowa Code chapter 256A . The appropriation is provided in Iowa Code section 279.51 .	<ul style="list-style-type: none"> • The Standing appropriation for FY 2014 totals \$12.6 million. • The FY 2013 appropriation is capped at \$10.7 million. • The estimated increase of \$1.9 million returns the appropriation to the statutory level. 	\$1.9

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
<p>12. Education – K-12 School Foundation Aid <i>Standing Unlimited Appropriation</i></p>	<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 have not been established for FY 2014.</p>	<ul style="list-style-type: none"> • Assuming a 0.0% allowable growth rate for FY 2014, funding school aid includes the following: • The total General Fund school aid amount is estimated at \$2,655.3 million for FY 2014. • Regular school aid is estimated to total \$2,277.2 million in FY 2014. 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 \$322.6 million in FY 2014. These include the teacher salary supplement, professional development supplement, and the early intervention supplement. • Preschool formula funding is estimated at \$64.2 million for FY 2014. • Of the \$1.6 million State aid increase, \$20.0 million is due to the restoration of state aid funding for AEAs, based on current law estimates. • NOTE: Supplementary and Special Education weighting data is preliminary and valuation data is currently estimated for FY 2014. The State aid estimate amounts will change based on actual and final data. 	<p>\$1.6</p>

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
13. Economic Development – Tourism and Marketing <i>Standing Unlimited Appropriation</i>	Iowa Code section 99F.11(3)(e) appropriates a portion of the State Wagering Tax revenue to the Department of Economic Development for regional tourism marketing.	<ul style="list-style-type: none"> • The estimated annual appropriation for regional tourism marketing is \$1.1 million. • The FY 2013 appropriation was reduced to \$0.8 million. • Under current law, the \$0.3 million will be restored for FY 2014. 	\$0.3
14. Economic Development – World Food Prize <i>Standing Limited Appropriation</i>	Iowa Code section 15.368(1) appropriates \$1.0 million annually from the General Fund for the World Food Prize Award.	<ul style="list-style-type: none"> • The FY 2013 appropriation of \$1.0 million was reduced to \$0.8 million. Additionally, \$0.1 million was appropriated from the Rebuild Iowa Infrastructure Fund for the Borlaug/Ruan Scholarship Program operated by the World Food Prize. • Under current law, \$1.0 million will be appropriated in FY 2014. 	\$0.3
15. Cultural Affairs - County Endowment Grants <i>Standing Limited Appropriation</i>	Iowa Code section 99F.11(3)(e) appropriates \$520,000 from a portion of the State Wagering Tax revenue. This is a grant program for cities and nonprofit, tax-exempt community organizations for the development of community programs that provide local jobs for Iowa residents and also promote Iowa's historic, ethnic, and cultural heritages.	<ul style="list-style-type: none"> • The FY 2013 appropriation of \$0.5 million was reduced to \$0.4 million. • Under current law, the \$0.1 million will be restored for FY 2014. 	\$0.1
16. Revenue – Military Service Tax <i>Standing Unlimited Appropriation</i>	Provides a property tax exemption for U. S. military veterans.	<ul style="list-style-type: none"> • Claims for this standing unlimited appropriation are projected to decrease in FY 2014. 	\$ -0.1

FY 2014 ESTIMATED GENERAL FUND EXPENDITURES

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
17. Human Services – Mental Health Levy Equalization <i>Appropriation</i>	Provides appropriations to counties for non-Medicaid mental health expenditures. The funds will be distributed so that all counties will have \$47.28 per capita.	<ul style="list-style-type: none"> This is the amount needed combined with the current county property tax levy so that all counties have the same base revenue amount of \$47.28 per capita. 	\$29.8
18. 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. Construction of all of the CBC facilities has been completed. The facilities at Fort Madison and Mitchellville were under construction as of November 2012. The Fort Madison facility is expected to be substantially completed in December 2012. The Mitchellville facility’s completion date crosses fiscal years.	<ul style="list-style-type: none"> Full operating costs for the 177 CBC beds is estimated to be \$4.9 million, with \$4.2 million funded from the State General Fund and \$592,000 generated by offender fees at the local level. The total increase for the Fort Madison facility is estimated to be \$11.8 million, phased in across FY 2014 (\$9.3 million) and FY 2015 (\$2.5 million). The total increase for the Mitchellville facility is estimated to be \$14.5 million, phased in across FY 2014 (\$10.6 million), FY 2015 (\$2.5 million), and FY 2016 (\$1.4 million). 	\$24.1
19. Human Services – Health Care Transformation Account <i>Appropriation</i>	The Health Care Transformation Account (HCTA) was created in conjunction with the IowaCare Program for expenditures related to advancing health care delivery and innovation.	<ul style="list-style-type: none"> The HCTA will be depleted at the end of FY 2012. To continue funding the regular appropriations from the Account, \$8.3 million is needed. 	\$8.3

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
<p>20. 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 parental rights have been terminated.</p> <p>Iowa Code section 234.38 requires the DHS to base payment rates for this program on 65.0% of the U.S. Department of Agriculture (USDA) estimate to raise a child in the Midwest.</p>	<ul style="list-style-type: none"> • A shortfall of \$992,000 is projected for FY 2013. To maintain FY 2013 service levels, an increase in funding is needed in FY 2014 to cover the shortfall. • The declining FMAP rate and caseload growth will increase the State cost by \$2.5 million. • Iowa Code section 234.38 will increase the State cost by \$4.7 million. This section has been notwithstanding for many years. 	<p>\$8.3</p>
<p>21. 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"> • This increase is due to projected caseload growth and annualization of provider rate increases approved during the 2012 Legislative Session. 	<p>\$4.2</p>
<p>22. Inspection and Appeals – Medicaid Fraud Fund Replacement <i>Appropriation</i></p>	<p>The Department of Inspections and Appeals has received appropriations from the Medicaid Fraud Fund for ongoing operations.</p>	<ul style="list-style-type: none"> • The revenues for this Fund are unstable. For FY 2013, the Governor recommended and the Administration and Regulation Appropriations Subcommittee considered shifting the funding to the General Fund. It is assumed agreement will be reached to shift funding in FY 2014. 	<p>\$3.0</p>

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
<p>23. Human Services – Child Welfare Programs <i>Appropriation</i></p>	<p>Child welfare programs are services and interventions for children, youth, and families designed to improve safety, permanency, well-being, and community safety. Programs include family and group foster care, child welfare emergency services, emergency juvenile shelter, supervised apartment living, and preparation for adult living.</p> <p>Iowa Code section 234.38 requires the DHS to base payment rates for certain programs on 65.0% of the USDA estimate to raise a child in the Midwest.</p>	<ul style="list-style-type: none"> • The declining FMAP rate will increase the State cost by \$280,000. • Iowa Code section 234.38 will increase the State cost by \$1.7 million. This section has been notwithstanding for many years. 	<p>\$2.0</p>
<p>24. Corrections – Replace Expiring Federal Grants <i>Appropriation</i></p>	<p>The CBC District Departments offset General Fund reductions in previous years by successfully applying for federal grants, as well as reducing treatment contracts. Affected programs include drug courts, mental health programs, and substance abuse treatment contracts. All eight CBC District Departments are included in this anticipated loss of federal grants and treatment reductions.</p>	<ul style="list-style-type: none"> • These are grants that have been either extended from previous years, or are scheduled to expire at the end of FY 2013. This does not include any potential reductions due to sequestration. Loss of programs and treatment contracts may increase recidivism. 	<p>\$1.8</p>
<p>25. Public Safety – Vehicle Depreciation <i>Appropriation</i></p>	<p>The Department of Public Safety (DPS) pays into a depreciation accumulation account in the Department of Administrative Services for the purchase of new vehicles. Currently, the replacement cycle for most vehicles within Public Safety is approximately every four years. In the past, the DPS has found it necessary, and has been authorized to use depreciation funds, to offset cost increases for such things as overtime, increased fuel costs, equipment expenditures, and salary increases in years when there was no salary adjustment appropriated.</p>	<ul style="list-style-type: none"> • Depreciation funding is spread across all Divisions within the DPS. Depreciation funds were used to resolve FY 2013 budget problems, including salaries, fuel, and other support expenditures. 	<p>\$1.6</p>

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
26. Public Safety – Peace Officer Retirement Contribution Increase <i>Appropriation</i>	For FY 2014, the State contribution rate for the Peace Officers’ Retirement System (PORS) Fund will increase from 27.0% to 29.0%. These increases are funded through the Salary Adjustment Act. In years when there has been no salary adjustment appropriation, the Department has had to absorb the cost increase within the operating budget. The increase is approximately \$885,000.	<ul style="list-style-type: none"> The PORS contribution rates are set in statute. Effective July 1, 2013 (FY 2014), the State contribution will be 29.0%, an increase of 2.0% compared to the previous year, and the member contribution rate will be 10.85%, an increase of 0.5% compared to the previous year. 	\$0.9
27. Human Services – Civil Commitment Unit for Sex Offenders <i>Appropriation</i>	The Civil Commitment Unit for Sexual Offenders (CCUSO) at Cherokee provides secure, long-term, highly-structured treatment for violent sexual predators that have completed their prison sentence but were found likely to reoffend in a separate civil trial.	<ul style="list-style-type: none"> The additional funds are needed due to the anticipated placement of 10 additional offenders. The Department of Human Services may not deny a court-ordered admission to the facility. 	\$0.8

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 14 Change (4)
<p>28. Education – Reading Research Center <i>Appropriation</i></p>	<p>The purpose of the Center is to apply current research on literacy to provide for the development of the following:</p> <ul style="list-style-type: none"> • Instructional strategies for prekindergarten through the 12th grade to achieve literacy proficiency that includes reading, reading comprehension, and writing for all students. • Strategies for identifying and providing evidence-based interventions for students, beginning in kindergarten, that are at risk of not achieving literacy proficiency. • Models for effective school and community partnerships to improve student literacy. • Professional development strategies and material to support teacher effectiveness in student literacy development. • Data reports on attendance center, school district, and statewide progress toward literacy proficiency. • The Center will establish program criteria and guidelines for implementation of an intensive summer literacy program by school districts. 	<ul style="list-style-type: none"> • The Department of Education received a \$2.0 million appropriation in FY 2013 to establish the Center. • The FY 2013 funding was intended to be a one-time appropriation to establish the Center. However, the Department is requesting an additional \$2.0 million appropriation from the General Fund for FY 2014. 	<p>\$ -2.0</p>

Appendix C – Other Funds Balance Sheets

Fiscal Staff: Dave Reynolds and Marcia Tannian

Analysis of Governor's Budget

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 2012	Estimated FY 2013	Gov Rec FY 2014	Gov Rec FY 2015
Revenue				
Balance Forward	\$ 47,106	\$ 81,761	\$ 81,761	\$ 81,761
RIIF Appropriation	33,000,000	35,000,000	42,000,000	42,000,000
Total Revenue	\$ 33,047,106	\$ 35,081,761	\$ 42,081,761	\$ 42,081,761
Appropriations				
Department of Agriculture				
Soil Conservation Cost Share	\$ 6,300,000	\$ 6,650,000	\$ 6,650,000	\$ 6,650,000
Watershed Protection Program	900,000	900,000	900,000	900,000
Wetland Incentive Program (CREP)	1,000,000	1,000,000	1,000,000	1,000,000
Conservation Reserve Program (CRP)	1,000,000	1,000,000	1,000,000	1,000,000
Farm Demonstration Program	625,000	625,000	625,000	625,000
Loess Hills Conservation Authority	475,000	525,000	525,000	525,000
Agricultural Drainage Wells	0	550,000	550,000	550,000
Soil & Water Conservation Fund	2,000,000	2,550,000	2,550,000	2,550,000
Local Food and Farm Program	75,000	0	0	0
Iowa FFA Foundation	25,000	0	0	0
Water Quality Nutrient Management	0	0	2,400,000	4,400,000
Total Department of Agriculture	\$ 12,400,000	\$ 13,800,000	\$ 16,200,000	\$ 18,200,000
Department of Natural Resources				
REAP Program	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
Park Operations and Maintenance	3,210,000	3,710,000	6,610,000	4,610,000
Volunteer Water Quality Initiative	100,000	100,000	100,000	100,000
Animal Feeding Operations	420,000	620,000	1,120,000	1,120,000
Water Quantity Program	495,000	495,000	495,000	495,000
Air Quality Monitoring Program	425,000	425,000	425,000	425,000
Water Quality Protection	500,000	500,000	500,000	500,000
Geographic Information System Development	195,000	195,000	195,000	195,000
Water Quality Monitoring Stations	2,955,000	2,955,000	2,955,000	2,955,000
Forestry Management Program	100,000	0	0	0
Geological Water Survey	200,000	200,000	200,000	200,000
Winterset Water Utility	0	0	1,000,000	1,000,000
Keep Iowa Beautiful	0	0	200,000	200,000
Total Department of Natural Resources	\$ 20,600,000	\$ 21,200,000	\$ 25,800,000	\$ 23,800,000
Total Appropriations	\$ 33,000,000	\$ 35,000,000	\$ 42,000,000	\$ 42,000,000
Reversions	34,655	0	0	0
Total Ending Balance	\$ 81,761	\$ 81,761	\$ 81,761	\$ 81,761

Rebuild Iowa Infrastructure Fund (RIIF)

	Actual FY 2012	Estimated FY 2013	Current Law FY 2014	Current Law FY 2015	Gov Rec FY 2014	Gov Rec FY 2015
Resources						
Balance Forward	\$ 16,842,569	\$ 15,451,552	\$ -933,885	\$ 42,891,653	\$ -933,885	\$ 592,245
Wagering Tax and Fees	140,924,750	148,450,000	149,650,000	151,700,000	149,650,000	151,700,000
Wagering Tax - Rev Bond Debt Service Transfer	1,057,409	934,314	901,727	767,369	901,727	767,369
Wagering Tax - Federal Subsidy Holdback Transfer	3,758,533	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Wagering Tax - School Inf Bond Debt Ser Transfer	1,992,449	2,358,721	2,268,675	2,262,425	2,268,675	2,262,425
Mortgage Servicing Settlement Fund Transfer	0	1,000,000	0	0	0	0
Economic Emergency Fund Transfer	0	20,000,000	0	0	0	0
Federal Funds - CHIP Contingency Transfer	0	0	0	0	20,637,183	0
Property Tax Credit Fund Transfer	0	0	0	0	1,476,307	0
Interest	1,744,440	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
MSA Tobacco Payment/Endowment Transfers	16,721,510	15,973,045	16,041,176	16,100,027	16,041,176	16,100,027
Misc/Adjustments to Balance	788	0	0	0	0	0
Total Resources	\$ 183,042,448	\$ 209,617,632	\$ 173,377,693	\$ 219,171,474	\$ 195,491,183	\$ 176,872,066
Appropriations						
Administrative Services						
Major Maintenance	\$ 0	\$ 10,250,000	\$ 0	\$ 0	\$ 2,000,000	\$ 14,000,000
CHIP Funded Major Maintenance	0	0	0	0	20,637,183	0
Toledo Juvenile Home Palmer Cottage Renovation	0	500,000	0	0	0	0
Lucas Bldg - Sec of State Security Improvements	45,000	0	0	0	0	0
Historical Building Exterior Repairs	1,200,000	0	0	0	0	0
Agriculture and Land Stewardship						
Agricultural Drainage Wells	0	1,000,000	0	0	1,000,000	1,000,000
Department for the Blind						
Replace Air Handlers and Improvements	1,065,674	0	0	0	0	0
Corrections						
Mitchellville Construction and FFE One-Time Costs	14,761,556	14,170,062	26,769,040	0	26,769,040	0
ISP- Ft. Madison FFE One-Time Costs	5,155,077	16,269,124	3,000,000	0	3,000,000	0
Construction Project Mgmt and Correctional Spec	4,500,000	1,000,000	200,000	0	200,000	0
Newton Hot Water Loop Repair	0	425,000	0	0	0	0
Cultural Affairs						
Historical Bldg Renovation - 25th Anniversary	0	1,450,000	1,000,000	0	1,000,000	25,000,000
Great Places Infrastructure Grants	1,000,000	1,000,000	0	0	1,000,000	1,000,000

Rebuild Iowa Infrastructure Fund (RIIF)

	Actual FY 2012	Estimated FY 2013	Current Law FY 2014	Current Law FY 2015	Gov Rec FY 2014	Gov Rec FY 2015
Economic Development						
Grow Iowa Values Fund	15,000,000	0	0	0	0	0
High Quality Jobs Program	0	15,000,000	0	0	0	0
Community Attraction & Tourism Grants	5,300,000	5,000,000	5,000,000	0	5,000,000	0
Regional Sport Authorities	500,000	500,000	0	0	500,000	500,000
Camp Sunnyside Cabin/Kitchen Renovations	250,000	125,000	0	0	0	0
World Food Prize Borlaug/Ruan Scholar Program	100,000	100,000	0	0	0	0
Fort Des Moines Museum Renovations and Repairs	0	100,000	0	0	0	0
Education						
Community Colleges General Infrastructure	1,000,000	0	0	0	0	0
Comm Colleges Accelerated Career Ed (ACE) Infra	5,000,000	6,000,000	0	0	0	0
IPTV Digital Equipment Replacement	0	0	0	0	960,000	873,250
Iowa Public Television - Building Purchase	1,255,550	0	0	0	0	0
Human Services						
Nursing Home Facility Improvements	285,000	250,000	0	0	0	0
Iowa Finance Authority						
State Housing Trust Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Management						
Technology Reinvestment Fund	15,541,000	0	0	0	0	0
Environment First Fund	33,000,000	35,000,000	42,000,000	42,000,000	42,000,000	42,000,000
Natural Resources						
State Park Infrastructure	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Lake Restoration & Water Quality	5,459,000	6,000,000	0	0	1,000,000	6,000,000
Lake Delhi Dam Restoration	0	2,500,000	2,500,000	0	2,500,000	0
Floodplain Management/Dam Safety	2,000,000	0	0	0	0	0
Water Trails and Low Head Dam Grants	0	1,000,000	0	0	0	0
Osceola Reservoir	0	0	0	0	1,000,000	1,000,000
Public Defense						
Facility/Armory Maintenance	2,000,000	2,000,000	0	0	2,000,000	2,000,000
Statewide Modernization - Readiness Centers	1,800,000	2,050,000	0	0	0	2,000,000
Joint Forces Headquarters Renovation	1,000,000	500,000	0	0	0	0
Camp Dodge Infrastructure Upgrades	1,000,000	610,000	0	0	0	500,000
Muscatine Armed Forces Readiness Center	100,000	0	0	0	0	0

Rebuild Iowa Infrastructure Fund (RIIF)

	Actual FY 2012	Estimated FY 2013	Current Law FY 2014	Current Law FY 2015	Gov Rec FY 2014	Gov Rec FY 2015
Regents						
Tuition Replacement	24,305,412	25,130,412	0	0	27,867,775	29,735,423
UI - Iowa Flood Center	1,300,000	0	0	0	0	0
Fire Safety and ADA Compliance (Deferred Maint)	2,000,000	2,000,000	0	0	2,000,000	5,000,000
UI Dental Science Bldg	1,000,000	10,250,000	9,750,000	8,000,000	9,750,000	8,000,000
ISU Ag/Biosystems Eng Complex Phase II	1,000,000	19,050,000	21,750,000	18,600,000	21,750,000	18,600,000
UNI Bartlett Hall Renovation	1,000,000	7,786,000	10,267,000	1,947,000	10,267,000	1,947,000
ISU Research Park Building 5 Improvements	0	1,000,000	0	0	0	0
Innovation/Commercialization of Research (262B)	0	3,000,000	0	0	0	0
State Fair						
Cultural Center Renovation and Improvements	0	250,000	250,000	0	250,000	0
Transportation						
Railroad Revolving Loan and Grant (Freight Rail)	2,000,000	1,500,000	0	0	1,000,000	2,000,000
Recreational Trails	3,000,000	3,000,000	0	0	0	2,500,000
Public Transit Vertical Infrastructure Grants	1,500,000	1,500,000	0	0	0	1,500,000
Commercial Service Air Vertical Infra Grants	1,500,000	1,500,000	0	0	1,500,000	1,500,000
General Aviation Vertical Infrastructure Grants	750,000	750,000	0	0	750,000	750,000
Treasurer						
County Fairs Infrastructure	1,060,000	1,060,000	0	0	1,060,000	1,060,000
Watershed Improvement Review Board	0	1,000,000	0	0	0	0
Veterans Affairs						
Home Ownership Program	1,000,000	0	0	0	0	0
Remodeling and Moving Office - IDVA	0	0	0	0	137,940	0
IVH Generator Improvements/Trans Bldg	250,000	0	0	0	0	0
IVH Boiler Replacement	0	975,919	0	0	0	0
Net Appropriations	<u>\$ 167,983,269</u>	<u>\$ 210,551,517</u>	<u>\$ 130,486,040</u>	<u>\$ 78,547,000</u>	<u>\$ 194,898,938</u>	<u>\$ 176,465,673</u>
Reversions	-392,373	0	0	0	0	0
Ending Balance	<u>\$ 15,451,552</u>	<u>\$ -933,885</u>	<u>\$ 42,891,653</u>	<u>\$ 140,624,474</u>	<u>\$ 592,245</u>	<u>\$ 406,393</u>

Note:

Wagering tax estimates account for all allocations in Iowa Code section 8.57 that occur before the remainder deposits in the RIIF as well as five-year 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 2012	Estimated FY 2013	Current Law FY 2014	Gov Rec FY 2014	Gov Rec FY 2015
Resources					
Beginning Balance	\$ 2,861	\$ 154,153	\$ 654,156	\$ 654,156	\$ 154,156
General Fund Standing Appropriation	0	0	17,500,000	17,500,000	17,500,000
Wagering Taxes Transfer	0	20,000,000	0	0	0
Rebuild Iowa Infrastructure Fund	15,541,000	0	0	0	0
Total Available Resources	\$ 15,543,861	\$ 20,154,153	\$ 18,154,156	\$ 18,154,156	\$ 17,654,156
Appropriations					
Department of Administrative Services					
Pooled Technology Projects	\$ 1,643,728	\$ 0	\$ 0	\$ 0	\$ 0
Technology Consolidation Projects	0	0	0	0	6,613,663
Department of Corrections					
Iowa Corrections Offender Network Data System	500,000	500,000	0	0	0
Radio Communications Upgrade	0	3,500,000	0	0	0
Department of Cultural Affairs					
Grout Museum Veterans Oral Histories	0	150,000	129,450	129,450	0
Department of Education					
ICN Part III & Maintenance & Leases	2,727,000	2,727,000	0	2,727,000	3,647,000
Statewide Education Data Warehouse	600,000	600,000	0	600,000	1,000,000
IPTV Inductive Output Tubes	0	320,000	0	0	0
Department of Human Rights					
Criminal Justice Info System Integration (CJIS)	1,689,307	1,714,307	0	1,454,734	2,000,000
Department of Human Services					
Central IA Ctr for Indep Living (CICIL) Acct Software	11,000	0	0	0	0
Medicaid Technology	3,494,176	4,120,037	4,815,163	4,815,163	1,945,684
Iowa Telecomm and Technology Commission					
ICN Equipment Replacement	2,248,653	2,198,653	0	2,248,653	2,248,653
Judicial Branch					
Electronic Document Management System	0	1,000,000	3,000,000	3,000,000	0
Department of Management					
Searchable Online Budget and Tax Database	50,000	45,000	0	45,000	45,000
Electronic Grants Management System	0	125,000	0	0	0
Department of Public Health					
Technology Consolidation Projects	0	0	0	480,000	0
Department of Public Safety					
Radio Communications Upgrade	2,500,000	2,500,000	2,500,000	2,500,000	0
Dubuque Fire Training Simulator	80,000	0	0	0	0
Total Appropriations	\$ 15,543,864	\$ 19,499,997	\$ 10,444,613	\$ 18,000,000	\$ 17,500,000
Reversions	-154,156	0	0	0	0
Ending Balance	\$ 154,153	\$ 654,156	\$ 7,709,543	\$ 154,156	\$ 154,156

Appendix D – Interim Committee Summary

Fiscal Staff: Mary Shipman

Analysis of Governor’s Budget

COMMITTEE NAME	CHARGE
Mental Health and Disability Services Redesign Fiscal Viability Study Committee	CHARGE: Analyze the fiscal viability of the mental health and disability services redesign provisions enacted in the 2012 Legislative Session. Upon request and approval by legislative leadership, the Committee may contract to have an independent analysis performed. Reports of such an analysis are to be submitted to the General Assembly for consideration during the 2013 Legislative Session. The Committee met in December 2012 and January 2013. Website: https://www.legis.iowa.gov/Schedules/committee.aspx?GA=84&CID=849
Electronic Commerce Study Committee (Memorandum to the Studies Committee)	CHARGE: Collect information from stakeholders relating to the collection of sales and use taxes from local and internet-based retailers (known as “E-fairness”) and the collection of electronic payment transaction interchange fees (known as swipe fees). The Committee met in December 2012. Website: https://www.legis.iowa.gov/Schedules/committee.aspx?GA=84&CID=850
Legislative Tax Expenditure Committee	CHARGE: This is a permanent statutory committee created under the Legislative Council in Iowa Code section 2.45 and section 2.48 . 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 second scheduled review (2012), to review the Fund of Funds, targeted jobs withholding credits, the funding of urban renewal projects with sales tax revenue, school tuition organization tax credits, and tuition and textbook tax credits. The Committee met in December 2012. Website: https://www.legis.iowa.gov/Schedules/committee.aspx?GA=84&CID=511
State Government Efficiency Review Committee	CHARGE: This is a permanent statutory committee created in Iowa Code section 2.69 . 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. NOTE: The Committee was required to meet in 2012, but met early in November 2011 instead. Website: https://www.legis.iowa.gov/Schedules/committee.aspx?GA=84&CID=540
Property Assessment Appeal Board Review Committee	CHARGE: This is a permanent statutory committee created in Iowa Code section 421.1A(7) . The review committee was established as of January 1, 2012. The review committee is required to submit a report recommending any changes to the Property Assessment Appeal Board. The report is due January 15, 2013. Staffing assistance for the committee is provided by the Department of Revenue. The Committee met in December 2012. Website: https://www.legis.iowa.gov/Schedules/committee.aspx?GA=84&CID=851

The State is currently in the process of negotiations with unions representing State employees for salaries and benefits for FY 2014 and FY 2015. [Iowa Code Chapter 20](#) establishes the framework and timeline for the bargaining process. The basic deadlines are:

- August through September – Unions request bargaining.
- November through December – Unions and the State present initial proposals.
- January through March – Negotiation sessions occur. This may result in the appointment of a mediator, fact finding, and binding arbitration.
- March 15 – Deadline for impasse procedure and filing of neutrals award if required.

Governor's proposed collective bargaining changes

The Governor's FY 2014 and FY 2015 recommendations and the Departments' FY 2014 and FY 2015 requests do not include salary adjustment appropriations. State agencies use existing funds to pay the cost of salaries, including the cost to fund negotiated contracts with various bargaining units and increases for noncontract employees.

Estimated Salary expenditures for FY 2014 and FY 2015

Not all bargaining units have reached an agreement. Therefore, the LSA is not able to estimate the fiscal impact of collective bargaining at this time.

The following is a summary of the opening bargaining unit (union) offers and the State's responses. The information contains only a summary of the major points. Copies of the opening offers and the State's response are available from the LSA upon request. Since collective bargaining agreements cover two years, there will be no collective bargaining negotiations during the 2014 Legislative Session. The FSD will provide an update when the agreements become final.

FY 2014 AND FY 2015 COLLECTIVE BARGAINING UNIT NEGOTIATIONS

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

Unit Offer

Wages:

- 1.00% across-the-board pay increase on June 21, 2013 (FY 2014).
- 2.00% across-the-board pay increase beginning with the pay period that includes July 1, 2014 (FY 2015).
- Step increases of 4.50% for eligible employees during FY 2014 and FY 2015.
- Review of all job classifications.

Benefits: Modifications to pharmacy and office visit benefits.

State Response

Wages: No across-the-board pay increase or steps for FY 2014 and FY 2015.

Benefits:

- The State will contribute eighty percent (80.00%) toward any Health plan and coverage level selected by the employee; the employee will contribute twenty percent (20.00%). Employees will also be offered a comprehensive wellness program including, and not limited to, a health risk assessment, biometric screening, and engagement activities, as applicable. Employees who successfully complete the prescribed components of the wellness program will receive an annual premium differential of \$360. Currently the State pays 100.00% for single coverage. Increases Deductibles, Out-of-Pocket Maximums, Coinsurance, and Copayments.
- The State will contribute eighty percent (80.00%) of the total Dental premium; the employee will contribute twenty percent (20.00%) of the total premium. The dental insurance program will also be revised to include a \$50 deductible for employees and a \$150 deductible for employees and their dependents; the deductible will apply to all nonpreventative services. The current dental plan includes a copayment and does not include a deductible.
- Modifies the coverage amounts for life insurance.
- Strikes permissive subjects of bargaining from the agreement.
- Modifies dues check off language.
- Eliminates the Grievance Resolution Improvement Process.
- Modifies the Layoff and Transfer procedures.

Agreement – Negotiations are ongoing.

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

- 2.00% across-the-board pay increase on June 21, 2013 (FY 2014).
- 1.00% across-the-board pay increase beginning with the pay period that includes January 1, 2014 (FY 2014).
- 2.00% across-the-board pay increase beginning with the pay period that includes July 1, 2014 (FY 2015).
- 1.00% across-the-board pay increase beginning with the pay period that includes January 1, 2015 (FY 2015).
- Step increases of 4.50% for eligible employees during FY 2014 and FY 2015.

Benefits: No Change**State Response****Wages:** No across-the-board pay increase or steps for FY 2014 and FY 2015.**Benefits:**

- The State will contribute eighty percent (80.00%) toward any Health plan and coverage level selected by the employee; the employee will contribute twenty percent (20.00%). Employees will also be offered a comprehensive wellness program including, and not limited to, a health risk assessment, biometric screening, and engagement activities, as applicable. Employees who successfully complete the prescribed components of the wellness program will receive an annual premium differential of \$360. Currently the State pays 100.00% for single coverage. Increases Deductibles, Out-of-Pocket Maximums, Coinsurance, and Copayments.
- The State will contribute eighty percent (80.00%) of the total Dental premium; the employee will contribute twenty percent (20.00%) of the total premium. The dental insurance program will also be revised to include a \$50 deductible for employees and a \$150 deductible for employees and their dependents; the deductible will apply to all nonpreventative services. The current dental plan includes a copayment and does not include a deductible.
- Modifies the coverage amounts for life insurance.
- Strikes permissive subjects of bargaining from the agreement.
- Modifies layoff procedures.

Agreement – Negotiations are ongoing.

State Police Officers Council (SPOC)**Unit Offer****Wages:**

- 2.00% across-the-board pay increase on June 21, 2013 (FY 2014).
- 2.00% across-the-board pay increase beginning with the pay period that includes July 1, 2014 (FY 2015).
- Step increases of 4.50% for eligible employees during FY 2014 and FY 2015.
- Provides Premium Pay for weekends and hours worked between 6 PM and 7 AM.
- Changes to job classifications.

Benefits:

- Modifies the Grievance, Layoff, Transfer, and Hours of Work procedures.
- Provides medical and dental coverage for families of employees killed in the line of duty.
- Modifies the coverage amounts for life insurance.
- Modifies Holiday, Vacation, and Sick Leave provisions.
- Modifies Per Diem, Court Allowance, Clothing Maintenance, and Damage to Personal Items payment provisions.

State Response**Wages: No across-the-board pay increase or step for FY 2014 and FY 2015.****Benefits:**

- The State will contribute eighty percent (80.00%) toward any Health plan and coverage level selected by the employee; the employee will contribute twenty percent (20.00%). Employees will also be offered a comprehensive wellness program including, and not limited to, a health risk assessment, biometric screening, and engagement activities, as applicable. Employees who successfully complete the prescribed components of the wellness program will receive an annual premium differential of \$360. Currently the State pays 100.00% for single coverage. Increases Deductibles, Out-of-Pocket Maximums, Coinsurance, and Copayments.
- The State will contribute eighty percent (80.00%) of the total Dental premium; the employee will contribute twenty percent (20.00%) of the total premium. The dental insurance program will also be revised to include a \$50 deductible for employees and a \$150 deductible for employees and their dependents; the deductible will apply to all nonpreventative services. The current dental plan includes a copayment and does not include a deductible.
- Modifies the coverage amounts for life insurance.
- Strikes permissive subjects of bargaining from the agreement.
- Modifies dues check off language.
- Modifies the Transfer procedure.
- Modifies the conversion of Sick Leave to Vacation.

Agreement**Wages:**

- No across-the-board pay increase.
- Provides additional payments each pay period, beginning July 1, 2013 through December 31, 2013, equal to 1.00% of the employees ending FY 2013 biweekly base pay. An additional 1.00% of the employees July 1, 2013, biweekly base pay will be added to this amount beginning January 1, 2014 (FY 2014).
- Provides additional payments each pay period, beginning July 1, 2014, through December 31, 2014, equal to 1.00% of the employees ending FY 2014 biweekly base pay, not including the additional payments that are to be made in FY 2014. An additional 1.00% of the employees July 1, 2014 biweekly base pay will be added to this amount beginning January 1, 2015 (FY 2015).
- Maintains step increases of 3.50% for eligible employees during FY 2014 and FY 2015.
- Provides an additional 1.00% step increase for eligible employees during FY 2014 and FY 2015 for employees that receive an overall rating of “meets expectations,” “satisfactory,” or above.

Benefits:

- Eliminates the requirement that an agency lay off all nonpermanent employees, within the layoff unit and classification, before the lay-off of permanent employees.
- Permits State Troopers to bank up to 80 hours of Compensatory Time, an increase of 56 hours.
- Grants State Troopers’ the ability to convert up to 80 hours of compensatory time to cash at their current hourly rate at the end of a fiscal year. Hours above 80 hours may be converted at the employer’s discretion.
- Permits Conservation Officers to use as time off or convert to cash up to 80 hours of Compensatory Time, an increase of 20 hours.
- Grants Park Rangers’ the ability to convert up to 80 hours of compensatory time to cash at their current hourly rate, an increase of 44 hours.
- Permits a Special Agent 1 to carry forward all Compensatory Time, an increase from 80 hours. Grants the employee the discretion to convert up to 80 hours per quarter to cash.
- The State will contribute eighty percent (80.00%) toward and coverage for a Health Insurance plan under Alliance Select and coverage level selected by the employee; the employee will contribute twenty percent (20.00%). The State share has been a maximum of 85.00% of the cost of family coverage under Alliance Select. Employees will also be offered a comprehensive wellness program. Employees who successfully complete the prescribed components of the wellness program will receive a monthly premium differential of \$62 and the employee’s contribution will not exceed 15.00%. Currently the State pays 100.00% for single coverage.
- Employees that choose to waive Health Insurance participation coverage with the State will receive monthly opt-out payment of \$125.
- Modifies the coverage amounts for Life Insurance.
- Immediate Family Death Leave increased to five working days from three.
- Adds the carry forward of 40 hours each fiscal year to the next for Family Care to a maximum fiscal year utilization of 80 hours.
- Increases Per Diem, for employees that work at least four hours, to \$9 from \$8 per day.
- Increases the Clothing Maintenance Allowance for nonuniformed officers in the divisions of the Department of Public Safety by \$500 annually.

Judicial AFSCME**Unit Offer****Wages:**

- 1.00% across-the-board pay increase on June 21, 2013 (FY 2014).
- 2.00% across-the-board pay increase beginning with the pay period that includes July 1, 2014 (FY 2015).
- Step increases of 4.50% for eligible employees during FY 2014 and FY 2015.

Benefits: Modifications to pharmacy and office visit benefits.

State Response

Wages: No across-the-board pay increase or step for FY 2014 and FY 2015.

Benefits:

- The State will contribute eighty percent (80.00%) toward any Health plan and coverage level selected by the employee; the employee will contribute twenty percent (20.00%). Employees will also be offered a comprehensive wellness program including, and not limited to, a health risk assessment, biometric screening, and engagement activities, as applicable. Employees who successfully complete the prescribed components of the wellness program will receive an annual premium differential of \$360. Currently the State pays 100.00% for single coverage. Increases Deductibles, Out-of-Pocket Maximums, Coinsurance, and Copayments.
- The State will contribute eighty percent (80.00%) of the total Dental premium; the employee will contribute twenty percent (20.00%) of the total premium. The dental insurance program will also be revised to include a \$50 deductible for employees and a \$150 deductible for employees and their dependents; the deductible will apply to all nonpreventative services. The current dental plan includes a copayment and does not include a deductible.
- Modifies the coverage amounts for life insurance.
- Modifies the Layoff procedure.

Agreement – Negotiations are ongoing.

Judicial Public Professional and Maintenance Employees (PPME)**Unit Offer****Wages:**

- 10.00% across-the-board pay increase on June 21, 2013 (FY 2014).
- 5.00% across-the-board pay increase beginning with the pay period that includes July 1, 2014 (FY 2015).
- Step increases of 2.50% for eligible employees during FY 2014 and FY 2015.
- Increase the State match for Deferred Compensation to \$100 from \$75.

Benefits: Modifies Layoff and Transfer procedures.

State Response

Wages: No across-the-board pay increase or step for FY 2014 and FY 2015.

Benefits:

- The State will contribute eighty percent (80.00%) toward any Health plan and coverage level selected by the employee; the employee will contribute twenty percent (20.00%). Employees will also be offered a comprehensive wellness program including, and not limited to, a health risk assessment, biometric screening, and engagement activities, as applicable. Employees who successfully complete the prescribed components of the wellness program will receive an annual premium differential of \$360. Currently the State pays 100.00% for single coverage. Increases Deductibles, Out-of-Pocket Maximums, Coinsurance, and Copayments.
- The State will contribute eighty percent (80.00%) of the total Dental premium; the employee will contribute twenty percent (20.00%) of the total premium. The dental insurance program will also be revised to include a \$50 deductible for employees and a \$150 deductible for employees and their dependents; the deductible will apply to all nonpreventative services. The current dental plan includes a copayment and does not include a deductible.
- Modifies the coverage amounts for life insurance.

Agreement – Negotiations are ongoing.

University of Northern Iowa (UNI) – United Faculty

Unit Offer – Information has not been received for this bargaining unit.

State Response – Information has not been received for this bargaining unit.

Agreement – Negotiations are ongoing.

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

Unit Offer – Information has not been received for this bargaining unit.

State Response – Information has not been received for this bargaining unit.

Agreement – Negotiations are ongoing.

Service Employees International Union (SEIU) – University of Iowa and University of Iowa Hospital and Clinic (SUI/UIHC)

Unit Offer – Information has not been received for this bargaining unit.

State Response – Information has not been received for this bargaining unit.

Agreement – Negotiations are ongoing.

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Appendix F – Public Retirement Systems

Fiscal Staff: Jennifer Acton

Analysis of Governor's Budget

	Judicial	PORS	411 System	IPERS		
				Regular Membership	Sheriffs and Deputies	Protection Occupation
FY 2014 Total Contribution Rate	39.95%	39.85%	39.52%	14.88%	19.76%	16.90%
Employee	9.35%	10.85%	9.40%	5.95%	9.88%	6.76%
Employer	30.60%	29.00%	30.12%	8.93%	9.88%	10.14%
FY 2013 Total Contribution Rate	39.95%	37.35%	35.52%	14.45%	19.80%	17.11%
Employee	9.35%	10.35%	9.40%	5.78%	9.90%	6.84%
Employer	30.60%	27.00%	26.12%	8.67%	9.90%	10.27%
June 30, 2012, Valuation Factors						
Actuarial Accrued Liability	\$170.2 million	\$480.0 million	\$2,493.8 million	\$29,446.2 million		
Actuarial Value of Assets	\$117.3 million	\$293.0 million	\$1,838.6 million	\$23,530.1 million		
Unfunded Accrued Liability	\$53.0 million	\$187.0 million	\$655.2 million	\$5,916.1 million		
2012 Funded Ratio	68.90%	61.00%	73.73%	79.91%		
2011 Funded Ratio	66.60%	62.60%	78.18%	79.89%		
2012 Market Rate of Return	-1.70%	-2.50%	0.33%	3.73%		
2011 Market Rate of Return	19.90%	24.10%	23.07%	19.91%		
Coverage						
Total Members	386	1,167	8,000	335,098		
Active Members	192	618	3,888	155,800	1,530	6,870
Active Member Average Age	56.64	40.5	40.8	46.0	41.8	42.0
Years of Service	11.8	15.0	13.5	11.6	14.8	11.2
Average Annual Wage	\$ 134,167	\$ 71,039	\$ 66,491	\$ 39,152	\$ 59,353	\$ 43,400