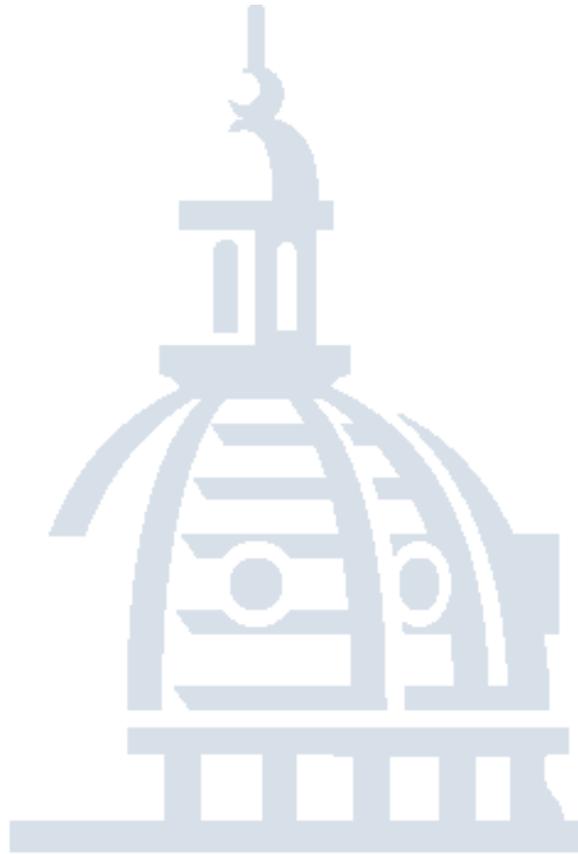


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**STATE OF IOWA**  
**FY 2009**  
**YEAR END REPORT ON**  
**GENERAL FUND**  
**REVENUES AND APPROPRIATIONS**



**FISCAL SERVICES DIVISION**

**JANUARY 2010**



## Introduction

This report provides a summary of Iowa's FY 2009 General Fund budget. The report examines the changes in revenues and appropriation activity through the fiscal year. The report also includes information on Iowa's reserve funds, a summary of the General Fund balance sheet over the last five years, and historical data on revenues and appropriations.

## Year in Review

The FY 2009 General Fund budget enacted by the General Assembly was based on a net revenue estimate of \$6.203 billion (including legislative adjustments) and appropriations totaling \$6.133 billion. After factoring in an estimated \$12.5 million in reversions, the projected surplus of the General Fund was \$82.6 million. Due to the downturn in the economy, tax revenues declined throughout the fiscal year. By the close of FY 2009, net General Fund tax revenues totaled \$5.889 billion, a reduction of \$314.4 million (5.1%) compared to the net revenue estimate used to balance the original FY 2009 budget. As revenues declined throughout the fiscal year, actions were taken to maintain a balanced budget. The Governor implemented a 1.5% across-the-board (ATB) reduction totaling \$89.1 million and the General Assembly enacted additional appropriation reductions of \$101.5 million. The General Assembly also used \$150.0 million in federal stimulus funds to replace reductions in K-12 education and Medicaid. By the close of the fiscal year, a transfer of \$45.3 million from the Economic Emergency Fund was needed to balance the budget.

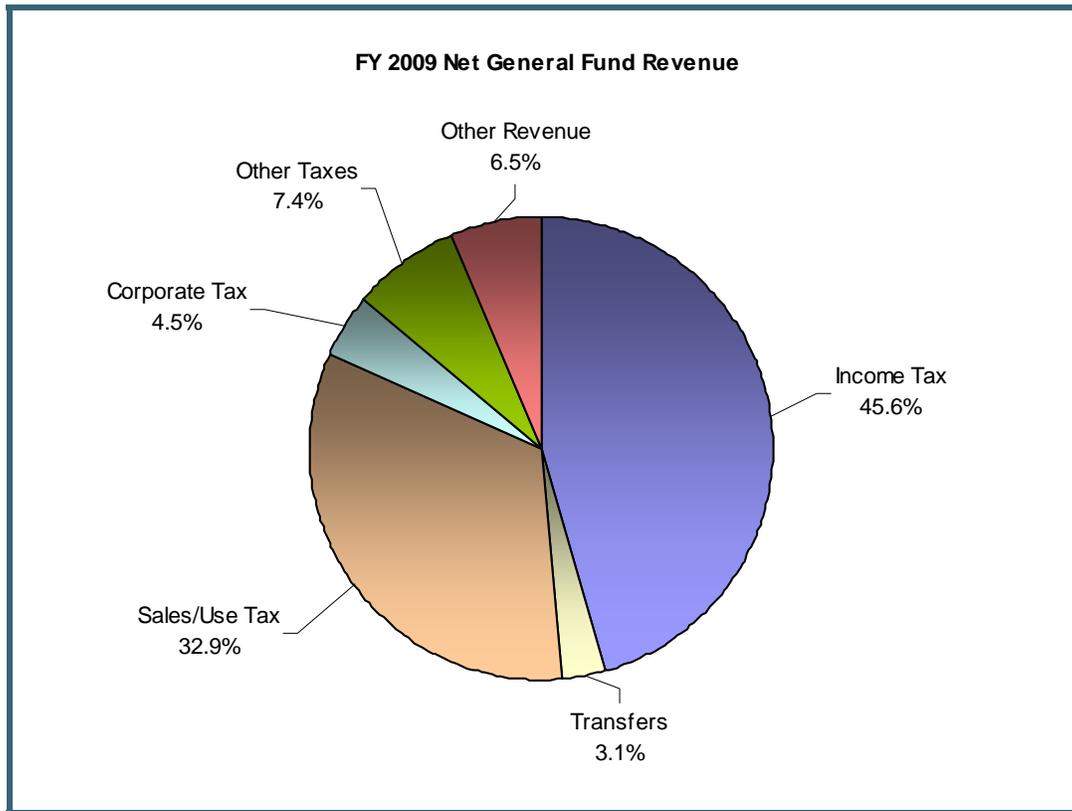
The final net General Fund revenues totaled \$5.934 billion for FY 2009, representing a decrease of \$150.4 million (2.5%) compared to FY 2008. General Fund appropriations (after reversions) totaled \$5.934 billion resulting in no surplus remaining at the end of the fiscal year. The following table summarizes the changes to the General Fund FY 2009 balance sheet at three different points in time:

- End of 2008 Session: the original enacted budget for FY 2009.
- End of the 2009 Session: the revised budget after mid-year reductions and adjustments.
- Actual FY 2009: the final year-end budget.

<b>FY 2009 General Fund Budget</b>			
(Dollars in Millions)			
	End of 2008 Session	End of 2009 Session	Actual FY 2009
<b>Funds Available:</b>			
Estimated Receipts	\$ 6,203.1	\$ 5,993.0	\$ 5,888.7
Econ. Emrg. Fund Transfer			45.3
<b>Total Net Revenues</b>	<b>6,203.1</b>	<b>5,993.0</b>	<b>5,934.0</b>
<b>Appropriations and Expenditures:</b>			
Appropriations	6,133.0	6,133.0	6,133.0
1.5% ATB Reduction		- 89.1	- 89.1
Net Deappropriations		- 101.5	- 101.5
Standing Adjustments		18.5	16.6
<b>Total Appropriations</b>	<b>6,133.0</b>	<b>5,960.9</b>	<b>5,959.0</b>
Reversions	- 12.5	- 12.5	- 25.0
<b>Net Appropriations</b>	<b>6,120.5</b>	<b>5,948.4</b>	<b>5,934.0</b>
<b>Ending Balance - Surplus</b>	<b>\$ 82.6</b>	<b>\$ 44.6</b>	<b>\$ 0.0</b>

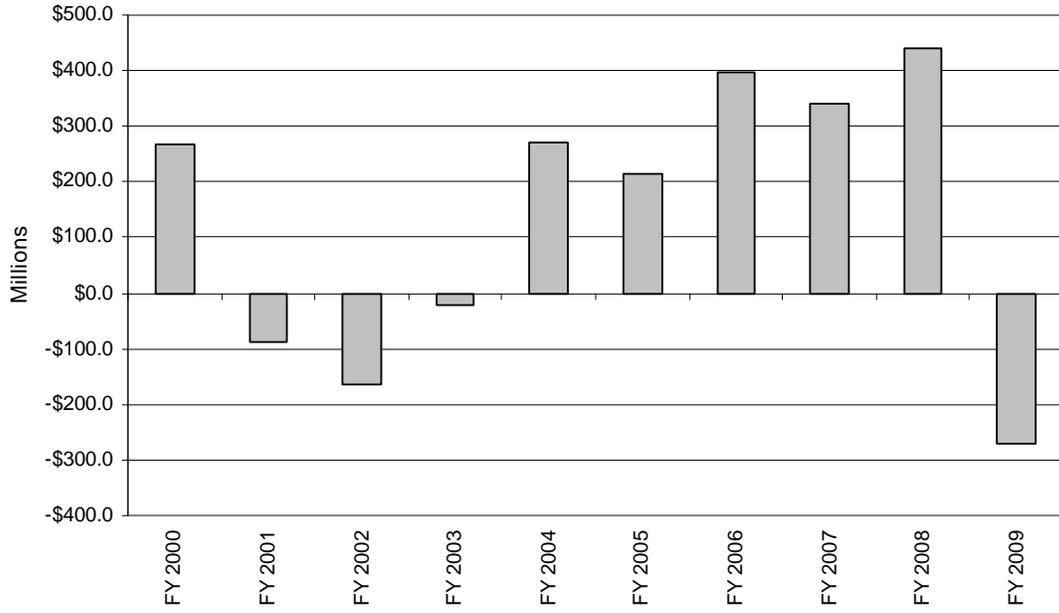
## General Fund Net Revenues and Refunds

During FY 2009, the State General Fund collected \$6.939 billion in gross revenue, \$185.0 million in revenue transfers, and refunded \$1.190 billion for net revenue of \$5.934 billion. This is a decrease of \$150.4 million (2.5%) compared to FY 2008. Of the total \$5.934 billion, 78.5% (\$4.661 billion) is from income taxes and sales/use taxes (net of refunds). The following chart shows the sources of net General Fund revenue for FY 2009.



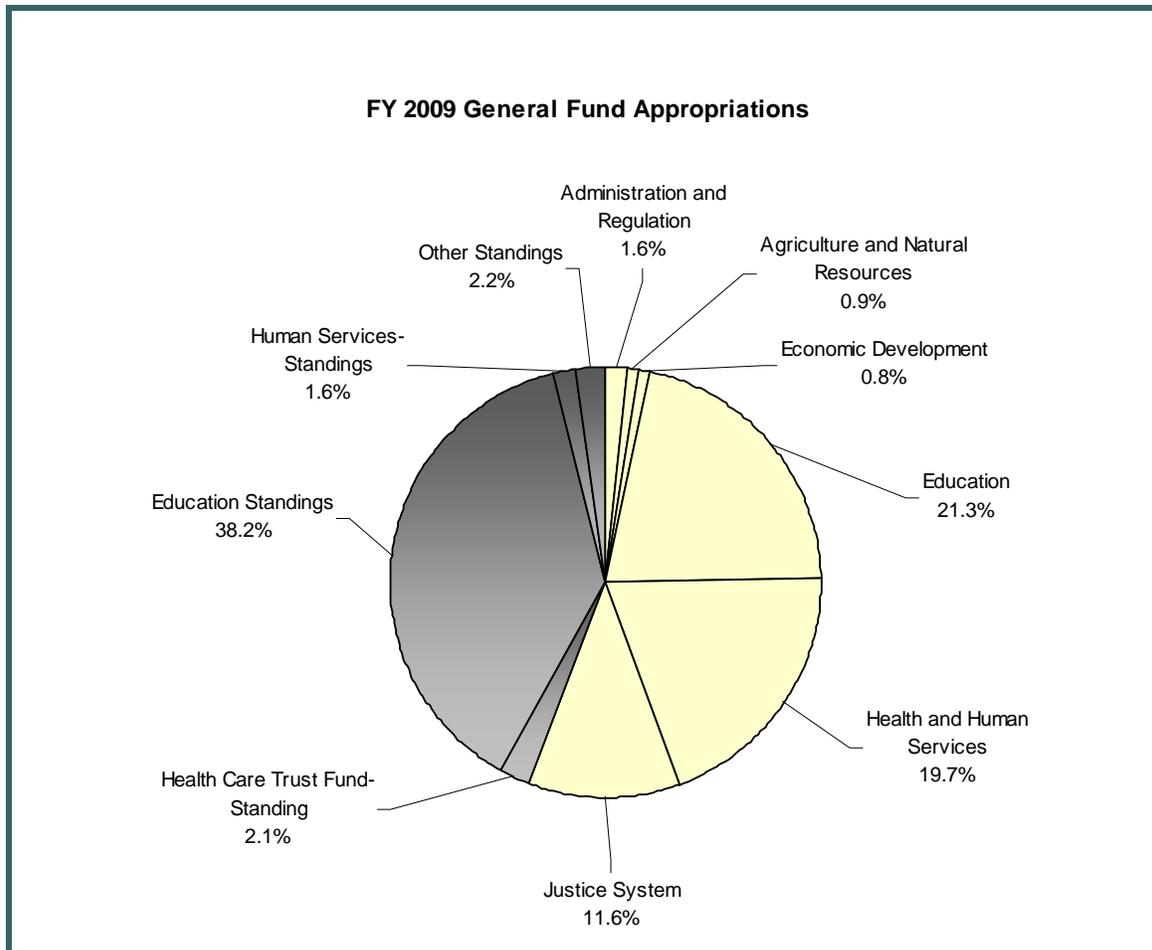
Since FY 1999, net General Fund revenue (excluding transferred revenue) increased from \$4.358 billion to \$5.749 billion, an increase of \$1.391 billion (31.9%). Net income tax revenue produced 63.0% of the growth, while net sales/use tax produced 26.9% and net corporate tax produced 1.0%. General Fund revenue has grown at an average annual rate of 2.8% over the past 10 fiscal years, but the rate varies considerably by year. Fiscal Year 2006 produced growth of 8.2%, while FY 2001, FY 2002, FY 2003, and FY 2009 each produced negative growth. The revenue in FY 2001 - FY 2003 and FY 2009 were impacted by economic downturns. The following chart shows the annual dollar growth by year (excluding transfer revenue).

**General Fund Revenue Growth**  
Excludes Transfers



## Appropriations

The final FY 2009 General Fund appropriations totaled \$5.959 billion (not including tax refunds). For purposes of this report, tax refunds are treated as adjustments to revenues. The following chart shows the distribution of the FY 2009 appropriations by budget subcommittee area. The gray shaded sections represent standing appropriations. Standing appropriations comprised 44.1% (\$2,628.5 million) of the total appropriations. The standing appropriations for K-12 education made up 38.2% of the total FY 2009 appropriations.



NOTE: The gray shaded areas indicate standing appropriations.

## Significant Increases

Fiscal Year 2009 appropriations increased \$60.6 million (1.0%) compared to FY 2008. This increase is after the appropriations were reduced by a 1.5% ATB reduction ordered by the Governor in December 2008 and deappropriations enacted during the 2009 Legislative Session. While several areas of the budget experienced appropriation increases, there were also areas that experienced significant reductions. Some of the General Fund reductions were the result of funding being shifted to non-General Fund sources. The following table highlights the significant appropriation changes from FY 2008 to FY 2009.

	FY 2008	FY 2009	FY 2009 vs FY 2008	Percent Change
Student Achievement/Teacher Quality	\$ 173.9	\$ 245.8	\$ 71.9	41.3%
Property Tax Credit Fund	28.0	43.7	15.7	56.1%
Board of Regents	668.6	684.2	15.6	2.3%
State Foundation School Aid	2,142.0	2,155.8	13.8	0.6%
Dept. of Corrections	353.3	365.2	11.9	3.4%
Community Colleges	174.0	181.8	7.8	4.5%
Appeal Board Claims	25.2	5.6	-19.6	-77.8%
Medical Services	631.6	593.3	-38.3	-6.1%
Grow Iowa Values Fund	50.0	0.0	-50.0	-100.0%
All Other Appropriations	1,651.8	1,683.6	31.8	1.9%
<b>Total</b>	<b>\$ 5,898.4</b>	<b>\$ 5,959.0</b>	<b>\$ 60.6</b>	<b>1.0%</b>

- The largest appropriation increase was \$71.9 million for the Student Achievement and Teacher Quality Program enacted in SF 277 (FY 2008 Student Achievement and Teacher Quality Program Act). The appropriation provides funding to school districts to enhance teacher salaries and other programs designed to improve teacher performance.
- The General Fund appropriation for the four property tax credits (Homestead, Elderly and Disabled, Military Service, and Ag Land tax credits) was increased by \$15.7 million. However, the total funding for the tax credits for both FY 2008 and FY 2009 was \$159.9 million, most of which was funded from non-General Fund sources. The General Fund increase was due to a larger portion of the tax credits being funded from the General Fund in FY 2009.
- The Board of Regents received a net increase totaling \$15.6 million from the General Fund in FY 2009. Included in the net increase is \$21.9 million for the general operating budgets of the three Regents universities and \$3.9 million for the new Science, Technology, Engineering, and Mathematics initiative at the University of Northern Iowa. The Board of Regent's appropriation for tuition replacement was funded from the Rebuild Iowa Infrastructure Fund in FY 2009. In FY 2008, \$14.0 million of the tuition replacement was appropriated from the

General Fund. The Board of Regents also received increases totaling \$3.8 million in other appropriations.

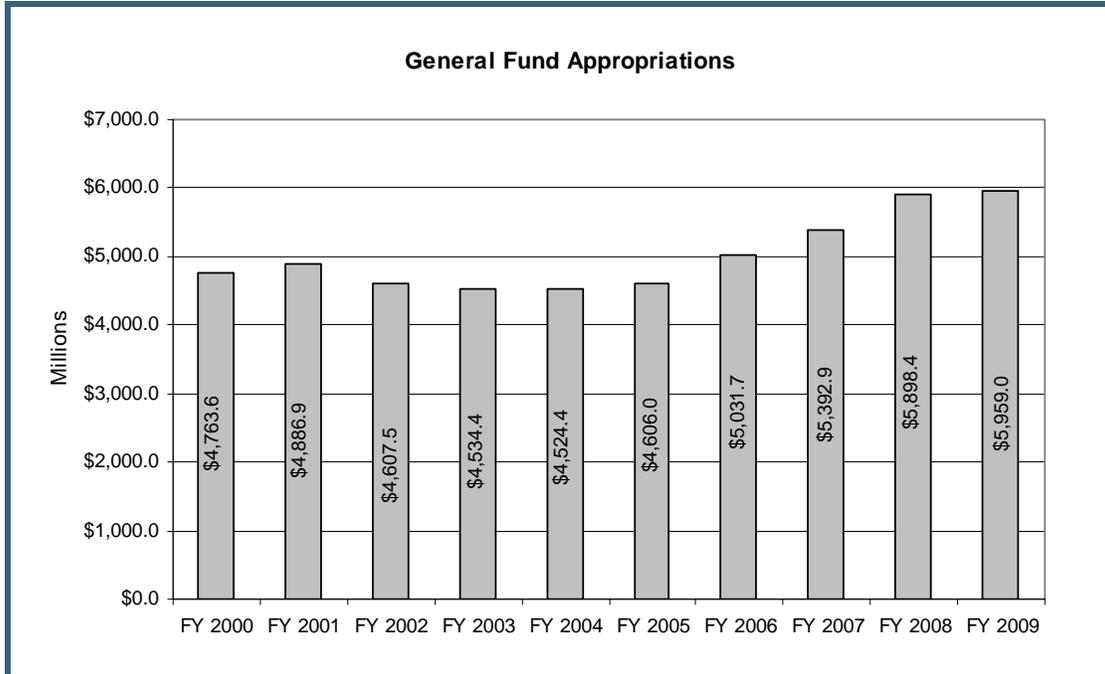
- The General Fund appropriation for State Foundation School Aid increased \$13.8 million for FY 2009. The General Assembly also appropriated \$40.0 million from federal stimulus funds, resulting in a total increase of \$53.8 million for FY 2009.
- The appropriation for State Appeal Board claims decreased \$19.6 million in FY 2009 compared to FY 2008 due to fewer claims being paid.
- The General Fund appropriation for Medicaid was \$38.3 million less than the FY 2008 level due to funding being shifted to non-General Fund sources in FY 2009. Total funding for Medicaid from all sources increased \$97.6 million compared to FY 2008. The State received \$114.0 million in federal stimulus funds in FY 2009 to offset increases in the General Fund. The following table summarizes the Medicaid funding changes for FY 2009.

<b>Medicald Funding</b>			
(Dollars in Millions)			
	FY 2008	FY 2009	FY 2009 vs FY 2008
General Fund	\$ 631.6	\$ 593.3	\$ -38.3
Health Care Trust Fund	99.5	114.4	14.9
Senior Living Trust Fund	65.0	111.8	46.8
Healthy Iowans Tobacco Trust	35.3	0.0	-35.3
Federal Stimulus	0.0	114.0	114.0
Other	17.6	13.1	-4.5
<b>Total</b>	<b>\$ 849.0</b>	<b>\$ 946.6</b>	<b>\$ 97.6</b>

- The Grow Iowa Values Fund received an appropriation of \$50.0 million from the General Fund in FY 2008. The Fund did not receive a General Fund appropriation for FY 2009, but received a \$45.0 million appropriation from the Rebuild Iowa Infrastructure Fund.

## Historical Growth

When compared to the past 10 years, General Fund appropriations have increased \$1.195 billion (25.1%) since FY 2000. Of the total increase, 95.0% went to four appropriations: State Aid to Schools (\$459.3 million), Medicaid (\$177.8 million), the Student Achievement and Teacher Quality Program (\$245.8 million), the Health Care Trust Fund (\$125.7 million), and the Department of Corrections (\$127.0 million). The following chart shows total appropriations for the last 10 years.



## Summary of FY 2009 Appropriations Activity

General Fund appropriations are adjusted for several factors throughout the fiscal year. The General Assembly enacts the original appropriations, salary adjustment, and supplemental appropriations. In addition, standing unlimited appropriations are adjusted based on actual expenditures. Other activity associated with appropriated funds include: balances brought forward, transfers, and reversions. The following table summarizes the overall General Fund activity for FY 2009 appropriations.

<b>Summary of General Fund Appropriations</b>	
	<u>FY 2009</u>
<b>General Fund Appropriations</b>	
Original Appropriation	\$ 6,045,054,558
Item Veto	-200,000
Salary Adjustment	88,100,000
ATB Reduction	-89,083,870
Adjustments to Standings	16,698,238
Supplemental/Deappropriations	<u>-101,547,206</u>
Total	<u>\$ 5,959,021,720</u>
<b>Other Activity</b>	
Balance forward from the previous year	\$ 50,874,484
Appropriation Transfers In	9,326,534
Appropriation Transfers Out	-9,326,534
Balance Carry Forward to the next year	-82,816,549
Reversions Total	<u>-25,077,641</u>
Total Other Activity	<u>\$ -57,019,706</u>
Total Net Appropriations Expended	<u>\$ 5,902,002,014</u>

### Original Appropriations for FY 2009

General Fund appropriations approved by the 2008 General Assembly for FY 2009, excluding the salary adjustment appropriation, totaled \$6.045 billion. The Governor vetoed one appropriation of \$200,000 associated with funding for the Public Safety Peace Office Retirement System. The original appropriation amount also includes the budgeted amounts for standing unlimited appropriations. These appropriations are adjusted throughout the fiscal year to reflect actual expenditures. These adjustments are included in the Adjustments to Standings total and are discussed in greater detail below.

### Salary Adjustments

Section 15 of HF 2700 (FY 2009 Standing Appropriations Act) appropriated a total of \$88.1 million for salary adjustment across all State agencies, including the Board of Regents. The appropriation was based on an estimate provided by the Department of Management in April of 2008.

A total of 75.1% of the salary adjustment dollars were allocated as follows: Board of Regents (47.3%), the Department of Human Services (14.1%), and the Department of Corrections (13.7%). The remaining 24.9% was allocated to all other State agencies. The following table summarizes the salary adjustment allocations by State agency.

	FY 2009	Percent of Total
Board of Regents	\$ 41,649,711	47.3%
Department of Human Services	12,429,994	14.1%
Department of Corrections	12,089,610	13.7%
Judicial Branch	7,647,352	8.7%
Department of Public Safety	3,085,529	3.5%
Department of Veterans Affairs	2,334,430	2.6%
Department of Inspections & Appeals	1,412,988	1.6%
Department of Commerce	1,084,422	1.2%
Department of Natural Resources	871,511	1.0%
Department of Education	857,459	1.0%
All Other State Agencies	4,636,994	5.3%
<b>Total</b>	<b>\$ 88,100,000</b>	<b>100.0%</b>

### **Across-the-Board Reduction**

Code Section 8.31, states that if the Governor determines that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, the Governor shall order reductions that are to be uniform and prorated between all departments, agencies, and establishments upon the basis of their respective appropriations. On December 22, 2008, the Governor issued Executive Order 19 requiring a 1.5% ATB reduction to all FY 2009 General Fund appropriations. This resulted in a reduction of \$89.1 million. The Executive Order was issued in response to a revised General Fund revenue estimate adopted by the Revenue Estimating Conference (REC) on December 12, 2008, causing the projected FY 2009 General Fund balance to be negative by \$87.0 million.

The following table shows the individual appropriations that received reductions in excess of \$1.0 million from the Governor's 1.5% ATB reduction. Because State School Aid receives the largest appropriation, it received the largest reduction of \$33.4 million, or 37.5% of the total. Other significant reductions included: Medicaid, which was reduced by \$9.8 million, and the general operating appropriations of the three Regents institutions, which were reduced by a combined \$8.9 million.

<b>FY 2009 General Fund Across-the-Board Reduction</b>		
	Reduction Amount	Percent of Total
State Foundation School Aid	\$ -33,366,442	37.5%
Medical Assistance (Medicaid)	-9,826,939	11.0%
University of Iowa - General Aid	-4,147,771	4.7%
Teacher Quality/Student Achievement	-3,750,188	4.2%
Iowa State University - General Aid	-3,265,426	3.7%
Community Colleges	-2,745,936	3.1%
Health Care Trust Fund	-1,914,000	2.1%
University of Northern Iowa - General Aid	-1,474,296	1.7%
Mental Health Property Tax Relief	-1,425,000	1.6%
DHS - Child and Family Services	-1,354,899	1.5%
DHS - Field Operations	-1,102,309	1.2%
All Other Agencies	-24,710,664	27.7%
<b>Total</b>	<b>\$ -89,083,870</b>	<b>100.0%</b>

### Adjustments to Standing Appropriations

There are numerous standing unlimited appropriations established in the Code. The exact amount for each of these appropriations is not known until the close of the fiscal year. As the General Assembly develops the budget, an estimated appropriation amount is included for budgeting purposes. This estimated appropriation is then adjusted throughout the fiscal year to reflect actual expenditures. The following table shows the significant standing unlimited appropriations and the adjustments.

<b>FY 2009 Adjustments to Standing Appropriations</b>			
	Total Appropriation <sup>/1</sup>	Adjustments to Standings	Final Appropriation
Performance of Duty	\$ 2,079,500	\$ 19,499,411	\$ 21,578,911
State Aid to Schools	2,153,433,558	2,381,236	2,155,814,794
State Appeal Board Claims	4,321,687	1,309,193	5,630,880
Legislative Branch	35,839,690	-887,087	34,952,603
National Guard Comp & Expense	415,314	-6,212,336	-5,797,022
Other	20,969,642	607,821	21,577,463
<b>Total</b>	<b>\$ 2,217,059,391</b>	<b>\$ 16,698,238</b>	<b>\$ 2,233,757,629</b>

<sup>/1</sup> These appropriations include adjustments for the 1.5% ATB reduction, supplemental appropriations, and deappropriations.

Three standing appropriations experienced significant adjustments in FY 2009 and are summarized below.

- The Executive Council authorizes funding through the Performance of Duty appropriation for emergency repairs to State property if sufficient funds are not available in a State agency's budget. In FY 2009, a total of \$21.6 million was approved by the Council. This was \$19.5 million more than the amount budgeted. Most of the funding was for disaster-related expenses.

- The appropriation for State Aid to Schools was increased by \$2.4 million due to revised enrollment figures and property valuations.
- The State Appeal Board authorizes payment of claims against the State associated with court judgments and settlements. For FY 2009, \$4.3 million was budgeted for Appeal Board claims. Actual claims exceeded the amount budgeted by \$1.3 million.
- The Legislative Branch operates with a standing unlimited appropriation and ended FY 2009 at \$887,000 below budget.
- National Guard activations are funded through the Compensation and Expense appropriation. During FY 2008, the Guard was activated in response to the natural disasters affecting the State, most of which occurred toward the end of FY 2008. The Department received a \$7.0 million reimbursement from the Federal Emergency Management Agency (FEMA) in FY 2009 for costs that were incurred in FY 2008. These federal reimbursements were credited to the Compensation and Expense appropriation, resulting in a net adjustment of \$ -6.2 million to the appropriation.

### **Supplemental Appropriations and Deappropriations**

The net total of all supplemental appropriations and deappropriations for FY 2009 resulted in a reduction of \$101.5 million to General Fund appropriations. The General Assembly enacted four bills during the 2009 Legislative Session that made supplemental appropriations and deappropriations to FY 2009 budgets.

- The appropriation changes enacted in HF 414 (FY 2009 Budget Adjustment Act) resulted in a net reduction of \$13.1 million to FY 2009 General Fund appropriations. The Act deappropriated a total of \$30.3 million from State agency operating appropriations, which in most instances resulted in a 2.0% reduction. The Act also provided supplemental appropriations totaling \$17.3 million in order to restore funding to certain budgets.
- House File 820 (FY 2010 Federal Funds Appropriation Act) deappropriated \$40.0 million from the FY 2009 General Fund appropriation for School Aid and replaced the funding with \$40.0 million in federal stimulus funds.
- House File 811 (Health and Human Services Appropriations Act) deappropriated \$52.0 million from the FY 2009 General Fund appropriation for Medicaid. The Department received \$114.0 million in federal stimulus funds to supplement the Medicaid Program in FY 2009.
- Senate File 478 (FY 2010 Standing Appropriations Act) provided supplemental appropriations totaling \$3.5 million to the Department of Inspections and Appeals for the Indigent Defense Program (\$2.2 million), \$559,000 for the Student Achievement and Teacher Quality Program, and \$760,000 for the Judicial Branch.

The following table shows the net effect of the supplemental appropriations and deappropriations by department.

<b>FY 2009 Supplemental Appropriations and Deappropriations</b>	
Department of Human Services	\$ -53,266,514
Department of Education	-40,025,534
Board of Regents	-7,000,000
Judicial Branch	-3,025,890
Department of Corrections	-1,839,678
Legislative Branch	-956,591
Department of Revenue	-550,404
Department of Public Safety	-450,246
Department of Agriculture and Land Stewardship	-422,334
Department of Inspections & Appeals	1,640,352
Department of Natural Resources	5,607,711
All Other State Agencies	-1,258,078
Total	<u>\$ -101,547,206</u>

## Balances Brought Forward

State agencies carried forward a total of \$50.9 million from FY 2008 appropriations into FY 2009 and \$82.8 million from FY 2009 appropriations into FY 2010. There are several circumstances that result in appropriated funds being carried forward into the next fiscal year.

- Code Section 8.62 allows State agencies to use 50.0% of unspent appropriated funds for employee training, technology enhancement, or purchases of goods and services from Iowa prison industries. This provision was notwithstanding in HF 414 (FY 2009 Budget Adjustment Act) as it relates to unspent funds from FY 2009 appropriations. All unspent funds from FY 2009 appropriations reverted to the General Fund.
- Some agencies are provided authorization through legislation to carry forward unspent appropriated funds for program expenses in the next fiscal year.
- Some appropriated funds become obligated during the fiscal year they were made. However, a portion of the payments against those obligations may not be paid until the following fiscal year. The funds that the Executive Council approves through the Performance of Duty account fall into this category. The majority of these funds have been approved for disaster relief by the Council. The following tables list the agencies with significant balances carried forward.

<b>Balances Brought Forward from FY 2008 Appropriations</b>	
	Balance Carryforward
Department of Human Services	\$ 21,317,681
Executive Council	13,097,512
Department of Veterans Affairs	4,134,582
Department of Economic Development	3,546,963
Department of Education	2,535,651
Department of Commerce	950,710
Department of Corrections	934,872
All Other State Agencies	4,356,513
<b>Total</b>	<b>\$ 50,874,484</b>

<b>Balances Carried Forward from FY 2009 Appropriations to FY 2010</b>	
	Balance Carryforward
Department of Human Services	\$ 56,089,261
Department of Veterans Affairs	6,992,024
Executive Council	6,872,153
Department of Education	3,667,954
Department of Economic Development	3,315,746
Department of Corrections	2,948,657
Department of Workforce Development	1,273,219
All Other State Agencies	1,657,535
<b>Total</b>	<b>\$ 82,816,549</b>

## Appropriation Transfers

Code Section 8.39, allows the Governor to transfer funds between line-item appropriations if an appropriation is insufficient to meet the legitimate expenses of a department. During FY 2009, a total of \$9.3 million of appropriated funds were transferred. Many of the transfers were made to backfill reductions related to the 1.5% ATB reduction and deappropriations enacted in HF 414 (FY 2009 Budget Adjustment Act). The following table summarizes the FY 2009 appropriation transfer amounts.

<b>8.39 Appropriation Transfers</b>			
<b>FY 2009 Appropriations</b>			
	Appropriation Transfers to	Appropriation Transfers out	Reason for transfer
<b>Governor's Office</b>			
Operations		\$ 80,000	For unanticipated expenses.
Terrace Hill Quarters	\$ 80,000		
<b>Management</b>			
Operations		6,000	Transferred to the Public Employees Relations Board.
<b>Human Rights</b>			
Asian and Pacific Islanders	3,400	9,850	To replace a portion of the FY 2009 budget reductions.
Status of Women	5,607		
Native American Affairs	3,900		
Dev., Assess., and Resolution Program			
Status of African Americans			
Latino Affairs			
<b>Economic Development</b>			
Small Business Assistance	5,000,000		Provide funding to the Small Business Disaster Recovery Assistance Program for storm-impacted small businesses.
<b>Office of Energy Independence</b>			
Iowa Power Fund		5,000,000	Transferred to the Department of Economic Development.
<b>Cultural Affairs</b>			
Historical Division	7,593	7,593	Funds transferred from DOM to replace a portion of the FY 2009 budget reductions.
Iowa Cultural Caucus			
<b>College Aid Commission</b>			
Tuition Grant Program - Not-For-Profit		908,000	To fund shortfalls in higher education tuition programs.
Tuition Grant Program - For-Profit	250,000		
National Guard Ed. Assistance	658,000		
<b>Workforce Development</b>			
Workers' Comp. Operations	44,152	194,375	To replace a portion of the FY 2009 budget reductions.
General Operations	65,735		
Security Employee Training Program	225		
Field Offices	136,763		
Offender Reentry Program			
Statewide Standards Skills Assessment			
<b>Public Employees Relations Board</b>			
Operations	6,000		Funds transferred from DOM to replace a portion of the FY 2009 budget reductions.

**8.39 Appropriation Transfers  
FY 2009 Appropriations**

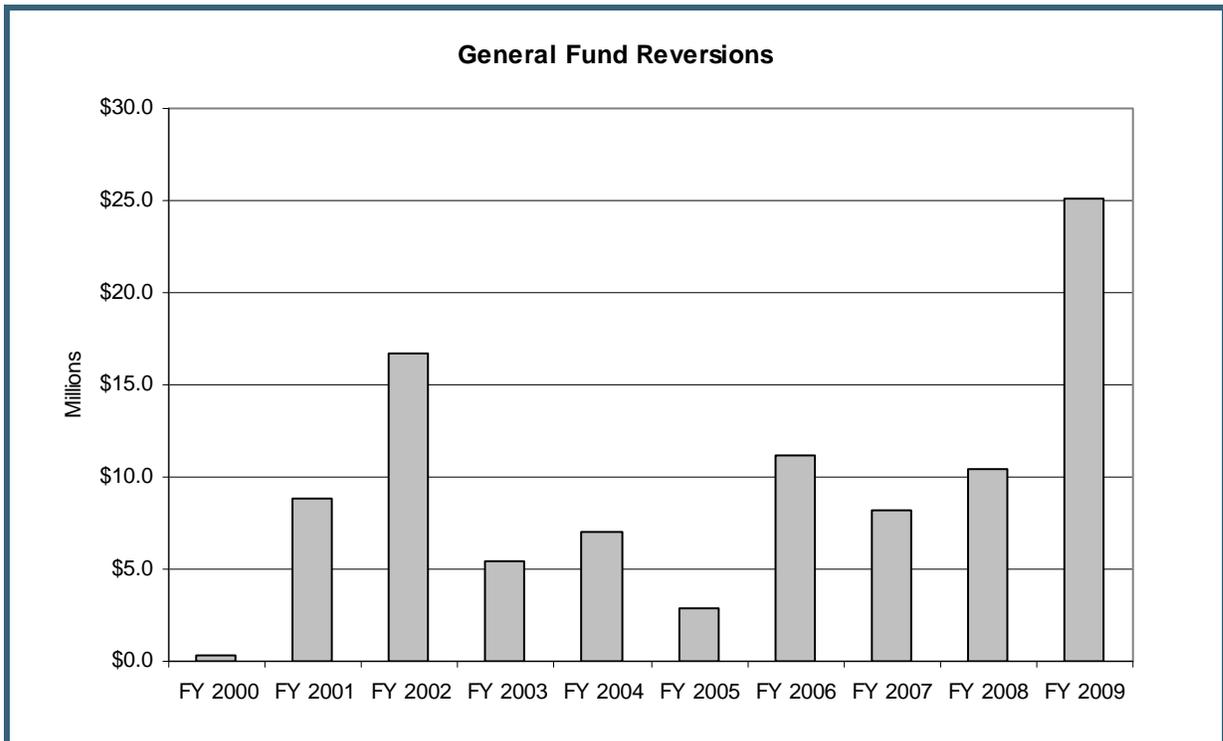
	Appropriation Transfers to	Appropriation Transfers out	Reason for transfer
<b>Education</b>			
Vocational Education Admin.	\$ 9,774		To replace a portion of the FY 2009 budget reductions.
School Food Service	37,645		
Voc. Ed. to Secondary Schools	44,054		
Core Curriculum	32,885		
Birth to Age 3 Services	25,821		
Community College Salaries	22,500		
Student Achievement/Teacher Quality	2,596,770		
Four Year Old Preschool Program		\$ 2,769,449	
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<b>Public Health</b>			
Chronic Conditions	19,597		To replace a portion of the FY 2009 budget reductions to minimize reduction in provider payments.
Environmental Hazards	11,220		
Infectious Disease	28,024		
Prevention and Chronic Care Mgmt.		58,841	
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<b>Inspections &amp; Appeals</b>			
Health Facilities Division	136,869		To cover the costs of the Ponca legal fees.
Small Business Disaster Assistance Program		136,869	
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<b>Veterans Affairs</b>			
Administration	100,000		To replace 2008 bonding funds for a portion of the cost of a veteran memorial in Dubuque.
County Grant Program		100,000	
<b>Total</b>	<u><u>\$ 9,326,534</u></u>	<u><u>\$ 9,326,534</u></u>	

## Reversions

Unless an agency is allowed to carry forward unspent funds from an appropriation, the unspent funds will revert to the fund from which it was appropriated. State agencies reverted a total of \$25.1 million from FY 2009 appropriations. Eight agencies contributed to over 90.0% of the reverted funds. The following table lists the significant reversions from FY 2009 appropriations by department.

	Reversion Amount	Percent of Total
Department of Human Services	\$ 8,632,066	34.4%
Department of Management	4,456,069	17.8%
Department of Inspections & Appeals	2,977,057	11.9%
Department of Corrections	2,473,025	9.9%
Department of Public Health	1,272,581	5.1%
Department of Commerce	1,142,376	4.5%
Department of Education	1,108,091	4.4%
Department of Administrative Services	728,009	2.9%
All Other Agencies	2,288,367	9.1%
<b>Total</b>	<b>\$ 25,077,641</b>	<b>100.0%</b>

Over the last 10 years, reversions have averaged approximately \$9.6 million per year. However, the amount reverted can vary significantly from year to year. In FY 2000, reversions were less than \$1.0 million and in FY 2009, they reached \$25.1 million.

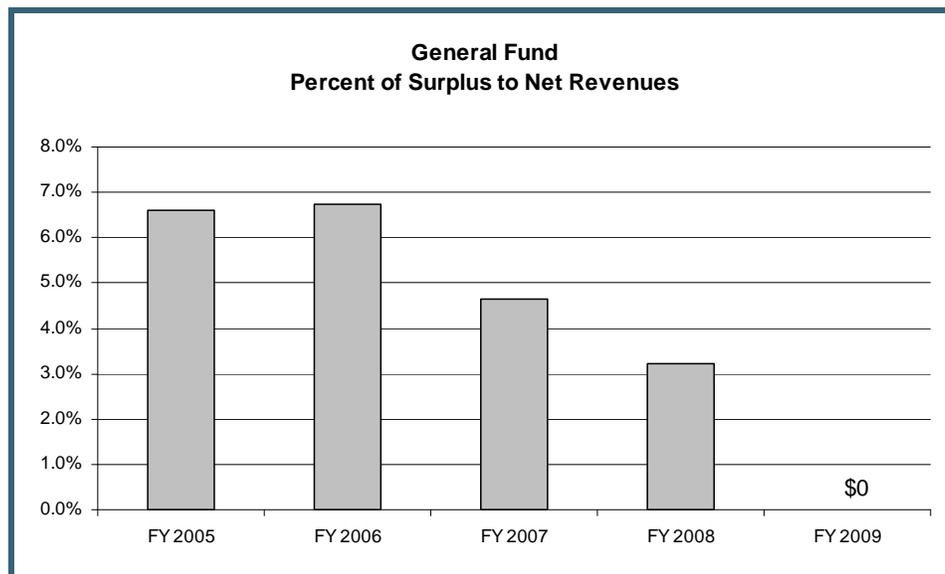


## General Fund Balance Sheet

The following table summarizes the condition of the General Fund over the last five years. From FY 2005 to FY 2008, the General Fund has maintained an annual surplus that has averaged 5.3% of total revenues. For FY 2009, the General Fund ended the year with a zero balance.

<b>State of Iowa General Fund</b>					
(Dollars in Millions)					
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
<b>Revenues</b>					
Receipts and Transfers	\$ 5,657.3	\$ 5,914.6	\$ 6,206.8	\$ 6,783.2	\$ 7,061.2
Tax Refunds	- 696.9	- 586.2	- 597.9	- 674.8	- 803.9
School Infrastructure Refunds					- 385.8
Accruals	- 31.4	54.0	37.4	- 24.0	17.2
Econ. Emrg. Fund Transfer					45.3
<b>Total Net Revenues</b>	<u>4,929.0</u>	<u>5,382.4</u>	<u>5,646.3</u>	<u>6,084.4</u>	<u>5,934.0</u>
<b>Appropriations</b>					
Appropriations	4,606.0	5,031.7	5,392.9	5,898.4	5,959.0
Reversions	- 2.9	- 11.2	- 8.2	- 10.4	- 25.0
<b>Net Appropriations</b>	<u>4,603.1</u>	<u>5,020.5</u>	<u>5,384.7</u>	<u>5,888.0</u>	<u>5,934.0</u>
<b>Ending Balance - Surplus</b>	<u>\$ 325.9</u>	<u>\$ 361.9</u>	<u>\$ 261.6</u>	<u>\$ 196.4</u>	<u>\$ 0.0</u>
Percent of Surplus to Revenues	6.6%	6.7%	4.6%	3.2%	0.0%
The sum of the numbers may not equal totals due to rounding.					

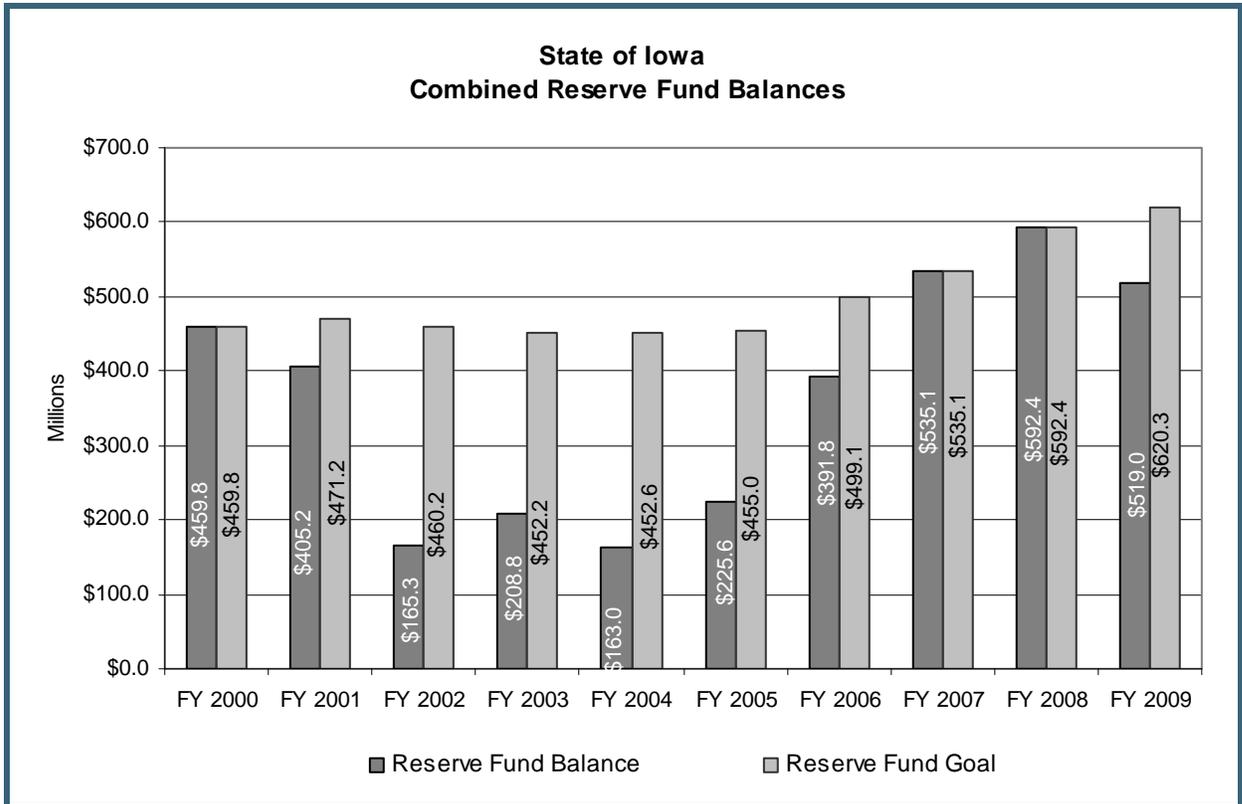
Over the last five years the surplus has varied on an annual basis. In FY 2005 and FY 2006, the surplus reached \$325.9 million and \$361.9 million, respectively. This equated to 6.6% and 6.7% of net revenues. In FY 2007 and FY 2008 the surplus dropped. The following chart shows the percent of the surplus to net revenues for the past five years.



## Reserve Funds (“Rainy Day Funds”)

The State’s Cash Reserve and Economic Emergency Funds had a combined ending balance of \$519.0 million in FY 2009. This was \$73.4 million (12.4%) below the FY 2008 ending balance of \$592.4 million. For FY 2009, the balance in the reserve funds were \$101.3 million below the statutory maximum balance of \$620.3 million.

The following chart compares the combined reserve fund balances to the statutory goal for the reserve funds for the last 10 years. As illustrated on the chart, the reserve fund balance began to decrease in FY 2001 until it reached a low of \$163.0 million in FY 2004. During this period the reserve funds were used to help balance the General Fund budget due to declining tax revenues associated with the economic slowdown during that time. The balances in the funds began to increase again in FY 2005 and FY 2006 until they reached the statutory cap of \$535.1 million in FY 2007. In FY 2009, a total of \$101.3 million was transferred from the Economic Emergency Fund for disaster assistance (\$56.0 million) and to help balance the FY 2009 budget (\$45.3 million).



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