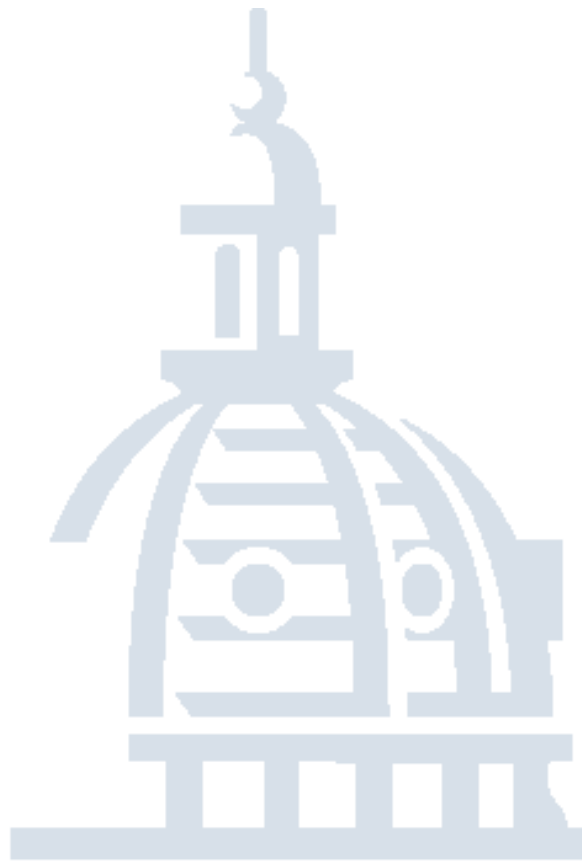


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**SUMMARY OF FY 2012 AND FY 2013 BUDGET  
AND  
GOVERNOR'S RECOMMENDATIONS**



**FISCAL SERVICES DIVISION**

**JANUARY 31, 2011**



**LEGISLATIVE  
SERVICES AGENCY**

*Serving the Iowa Legislature*

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## FOREWORD

The purpose of this document is to provide the General Assembly with information concerning FY 2012 General Fund estimated receipts and the Governor's budget recommendations. The information provides an overall summary of the State budget and is intended to help the General Assembly take a proactive approach toward the budgetary process.

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

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

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# TABLE OF CONTENTS

	<b>Page</b>
Document Notes .....	1
2011 Iowa Legislative Session Timetable.....	3
Fiscal Services Division Staff Listing.....	5
<b>Budget Overview</b>	
Overview of Governor’s Budget .....	9
Comparison of All Appropriated Funds .....	25
General Fund Revenue.....	27
<b>Overall Budget Issues</b>	
Revenue and Economic Outlook.....	31
Early Retirement Program .....	39
Federal Funds .....	43
Government Reorganization and Efficiency .....	49
Governor’s Tax Proposals .....	53
Medicaid.....	57
Public Retirement Systems .....	61
School Aid .....	65
<b>FY 2012 Governor’s Recommendations by Subcommittee</b>	
Administration and Regulation .....	73
Agriculture and Natural Resources.....	89
Economic Development .....	99
Education .....	109
Health and Human Services.....	121
Justice System .....	139
Transportation, Infrastructure, and Capitals.....	161
Unassigned Standing Appropriations.....	175
<b>Appendices</b>	
A – Appropriations Tracking by Subcommittee.....	183
General Fund .....	185
Other Fund.....	209
B – Projected FY 2012 Built-in and Anticipated General Fund Expenditures.....	233
C – Interim Committee Summary .....	255
D – Salaries and Collective Bargaining .....	257
E – Other Fund Balance Sheets.....	269

## DOCUMENT NOTES

### *When Reviewing This Document, Please Note The Following:*

The Fiscal Services Division obtained documents from the I/3 Budget System and from the Department of Management (DOM) to compile the information provided in this document. Additional details were provided through review of a draft of the Governor's budget document received on January 25, 2011.

Other items worth noting when reviewing this document include:

- Revenues and expenditures are estimated for FY 2011 and FY 2012. The statutory expenditure limitation for FY 2012 will be \$6,288.5 million based on the results of the Revenue Estimating Conference meeting on December 6, 2010.
- When analyzing the FY 2012 Governor's recommendations, the FY 2012 appropriation recommendations are compared to the estimated net FY 2011 appropriations. Estimated net FY 2011 appropriations reflect the mid-year reductions totaling \$83.7 million as required in HF 2531 (FY 2011 Standing Appropriations Act) and as outlined by Governor Culver and implemented by the DOM on January 3, 2011.
- Governor Culver requested that all departments and agencies submit status quo (no increase) budget requests for FY 2012. Most, but not all, adhered to this directive. A summary of the few departments and agencies that actually requested new funding for FY 2012 is included in the Budget Overview section of this document.
- **Appendix A** is an appropriations tracking document showing General Fund and other fund appropriations and the Governor's recommendations by Subcommittee area.
- **Appendix B** is a listing of the projected FY 2012 built-in and anticipated increases and decreases.
- **Appendix C** provides a brief summary of the charges of the 2010 Interim Committees.
- **Appendix D** provides a summary of salary and collective bargaining information.
- **Appendix E** provides other fund balance sheets.

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## 2011 SESSION TIMETABLE

*\*If rules remain unchanged; see HCR 3, and HR 8 (2009). NOTE: The Senate approved rules that moved both funnel dates up one week (SR 2 – January 27, 2011) but the House has not yet taken action.*

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

<b>JANUARY 10</b>	First day of session. (Iowa Code Sec. 2.1)
<b>FEBRUARY 18</b> <i>(Friday of 6th 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)
<b>MARCH 11</b> <i>(Friday of 9th week)**</i>	Final date for Senate bills to be reported out of Senate committees and House bills out of House committees. ( <a href="#">Joint Rule 20</a> )
<b>MARCH 21 – MARCH 25</b> <i>(11th week)</i>	Senate considers only Senate bills and unfinished business. House considers only House bills and unfinished business. ( <a href="#">Joint Rule 20</a> )
<b>MARCH 28 – APRIL 8</b> <i>(12th and 13th weeks)</i>	Debate not limited by rule.
<b>APRIL 8</b> <i>(Friday of the 13th week)**</i>	Final date for Senate bills to be reported out of House committee and House bills out of Senate committees. ( <a href="#">Joint Rule 20</a> )
<b>APRIL 11 – April 15</b> <i>(14th week)</i>	Senate considers only House bills and unfinished business and House considers only Senate bills and unfinished business. ( <a href="#">Joint Rule 20</a> )
<b>APRIL 18</b> <i>(Beginning of 15th week)</i>	Amendments need not be filed on the day preceding floor debate. ( <a href="#">House Rule 31.8</a> )
<b>APRIL 18</b> <i>(Beginning of 15th week)</i>	Only the following bills are eligible for consideration: ( <a href="#">Joint Rule 20</a> ) <ul style="list-style-type: none"> <li>• Appropriations bills</li> <li>• Ways and Means bills</li> <li>• Government Oversight bills</li> <li>• Legalizing Acts</li> <li>• Bills co-sponsored by Majority and Minority Leaders of one House</li> <li>• Companion bills sponsored by Senate and House Majority Leaders</li> <li>• Conference Committee Reports</li> <li>• Concurrent or Simple Resolutions</li> <li>• Bills passed by both Houses in different forms</li> <li>• Bills on the Veto Calendar (Joint Rule 23)</li> <li>• Administrative Rules Review Committee Bills</li> <li>• Committee Bills related to delayed Administrative Rules [Iowa Code Sec. 17A.8 (9)]</li> <li>• Joint Resolutions nullifying Administrative Rules</li> <li>• Unfinished Business</li> </ul>
<b>APRIL 29</b>	110th calendar day of the Session [per diem expenses end – Iowa Code Sec. 2.10(1)]

**\*\*The March 11 and April 8 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 [Iowa Code Sec. 17A.8(9)].**

*Updated by the Legislative Information Office on 8/23/2010*

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# STAFF LISTING

## FISCAL SERVICES DIVISION LEGISLATIVE SERVICES AGENCY

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Department on Aging			
Family Investment Program (FIP), Promise Jobs, Food Stamps			
Institutions			
Medical Services/Medicaid			
Mental Health/Mental Retardation/Developmental Disabilities (MH/MR/DD) Enhanced Services			
Senior Living Trust Fund			
Social Services Block Grant			
Temporary Assistance for Needy Families (TANF) Block Grant			
Veteran’s Affairs			
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## BUDGET OVERVIEW

### The Economy and Revenue Estimates for FY 2011 and FY 2012

The U.S. Economy entered a recession in December 2007. Iowa entered the recession sometime between April and October 2008 and revenue growth in Iowa began to weaken significantly. For four quarters, the Revenue Estimating Conference (REC) revised revenue projections downward for FY 2009 and 2010 to reflect the declining economic conditions.

General Fund revenue began to show signs of improvement in the last quarter of FY 2010. By the close of the fiscal year, actual year-end General Fund receipts were \$231.8 million (4.3% higher) than the March 2010 REC estimate. After applying the year-end adjustments to standing appropriations and factoring in reversions, FY 2010 ended with a General Fund surplus of \$335.6 million. In September 2010, the National Bureau of Economic Research (NBER) announced the recession had ended in June 2009, and lasted 18 months.

Pursuant to statute, the Governor's FY 2012 budget is based on the December 6, 2010, REC estimate. Excluding transfers, the projected net general fund growth rates for FY 2011 and FY 2012 are:

- FY 2011: 3.5%, an increase of \$216.11 million compared to actual FY 2010 revenues.
- FY 2012: 4.5%, an increase of \$257.0 million compared to estimated FY 2011 revenues.

For FY 2013, the Governor is estimating a growth rate of 4.0% in total tax and other receipts, an increase of \$279.6 million compared to estimated FY 2012 revenues.

Through January 26, 2011, FY 2011 net General Fund receipts, excluding transfers, are up 7.2% compared to FY 2010.

### Summary of the Governor's Recommendations for FY 2011, FY 2012, and FY 2013

#### FY 2011 Budget Changes

The Governor's revised FY 2011 General Fund appropriates a total of \$5,318.9 million. This includes \$5,279.1 million in appropriations enacted during the 2010 Legislative Session and \$39.8 million in recommended FY 2011 supplemental appropriations. The Governor's recommended supplemental appropriations are to help mitigate the impact of the mid-year \$83.8 million budget reduction implemented as a result of HF 2531 (FY 2011 Standing Appropriations Act).

The Governor is also recommending revenue adjustments that will reduce FY 2011 General Fund revenues by \$41.3 million (see below).

#### FY 2012 Budget Recommendations

For FY 2012, the Governor is recommending FY 2012 General Fund appropriations of \$6,161.6 million, an increase of \$842.7 million (15.8%) when compared to the Governor's revised net FY 2011 budget. This includes funding \$709.4 million in appropriations funded from non-General Fund sources in FY 2011. The programs funded from the \$709.4 million are primarily recurring costs that had been

## Budget Overview

funded from the General Fund prior to FY 2011 and the Governor is recommending moving the funding for these programs back to the General Fund.

The Governor's budget includes total General Fund revenues of \$6,409.0 million. This includes the December 6, 2010, Revenue Estimating Conference (REC) estimate of \$6,031.3 million, revenue adjustments of \$122.9 million (see below), and a transfer from the Economic Emergency Fund of \$254.8 million. The Governor's FY 2012 recommendation leaves a \$249.4 million General Fund surplus. The Governor does not include a recommendation to fund the collective bargaining agreement in FY 2012.

### FY 2013 Budget Recommendations

The Governor is recommending a biennial budget that includes FY 2013 General Fund appropriations totaling \$6,272.5 million, an increase of \$112.9 million (1.8%) compared to the recommended FY 2012 appropriations. The FY 2013 recommendation also includes an assumption of 4.0% revenue growth, \$57.1 million in revenue adjustments, and a transfer of \$232.0 million from the Economic Emergency Fund. The Governor's FY 2013 recommendation leaves a \$289.2 million General Fund surplus.

The following table details the projected General Fund Balance Sheet for FY 2011, FY 2012 and FY 2013. A General Fund appropriations tracking document is attached to this document.

<b>State of Iowa</b>				
<b>Estimated Condition of the General Fund</b>				
(Dollars in Millions)				
	Actual FY 2010	Gov Rec FY 2011	Gov Rec FY 2012	Gov Rec FY 2013
<b>Funds Available:</b>				
Receipts	\$ 6,711.4	\$ 6,916.8	\$ 7,196.1	
Transfers	140.9	81.9	65.2	
Tax Refunds	- 859.1	- 826.0	- 838.0	
School Infrastructure Refunds	- 372.5	- 395.0	- 409.6	
Accruals	13.1	13.9	17.6	
Net Receipts	<u>5,633.8</u>	<u>5,791.6</u>	<u>6,031.3</u>	<u>6,272.6</u>
Revenue Adjustments		- 41.3	122.9	57.1
Economic Emergency Fund Transfer			254.8	232.0
<b>Total Funds Available</b>	<u>\$ 5,633.8</u>	<u>\$ 5,750.3</u>	<u>\$ 6,409.0</u>	<u>\$ 6,561.7</u>
<b>Expenditure Limitation</b>			<b>6,337.8</b>	<b>6,488.2</b>
<b>Estimated Appropriations and Expenditures:</b>				
Appropriations	\$ 5,304.7	\$ 5,279.1	\$ 6,161.6	\$ 6,274.5
Estimated Supplemental Appropriations		39.8		
Total Appropriation	<u>5,304.7</u>	<u>5,318.9</u>	<u>6,161.6</u>	<u>6,274.5</u>
Reversions	- 6.5	- 2.0	- 2.0	- 2.0
<b>Net Appropriations</b>	<u>\$ 5,298.2</u>	<u>\$ 5,316.9</u>	<u>\$ 6,159.6</u>	<u>\$ 6,272.5</u>
<b>Ending Balance - Surplus</b>	<u>\$ 335.6</u>	<u>\$ 433.4</u>	<u>\$ 249.4</u>	<u>\$ 289.2</u>
<b>Appropriations/Transfers to Other Funds</b>				
Senior Living Trust Fund	\$ 48.2	\$ 0.0	\$ 0.0	\$ 0.0
Cash Reserve Fund	287.4	433.4	249.4	289.2
<b>Total</b>	<u>\$ 335.6</u>	<u>\$ 433.4</u>	<u>\$ 249.4</u>	<u>\$ 289.2</u>

Numbers may not equal totals due to rounding.

## Revenue Estimates

The Governor's FY 2011 and FY 2012 budgets are based on the revenue estimate established by the REC on December 6, 2010. That estimate includes potential contingent liabilities in the form of tax credits. The table below outlines the potential tax credits that may be claimed against the State in FY 2011 and FY 2012. 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 (noted by an asterisk), there is a maximum that may be claimed either in one year, or over a period of years.

<b>Estimated Contingent Liabilities for State Tax Credits</b>		
(Dollars in Millions)		
<b>Legislation or Tax Credit Program</b>	<b>FY 2011</b>	<b>FY 2012</b>
Accelerated Career Education Tax Credit	* \$ 4.3	\$ 4.3
Agricultural Assets Transfer Tax Credit	*	2.2
Biodiesel Blended Fuel Tax Credit	6.0	5.4
Charitable Conservation Contribution Tax Credit	0.4	0.5
Child and Dependent Care Tax Credit	9.2	6.3
DED Awarded Sales Tax Refunds	7.4	6.0
E85 Gasoline Promotion Tax Credit	1.9	1.5
Early Childhood Development Tax Credit	0.5	0.5
Earned Income Tax Credit	32.6	30.3
Endow Iowa Tax Credit	*	3.0
Enterprise Zone Program Housing Investment Tax Credit	*	3.2
Enterprise Zone Program Investment Tax Credit	*	18.6
Ethanol Blended Gasoline Tax Credit	2.1	0.0
Ethanol Promotion Tax Credit	5.0	4.4
Film, Television, and Video Project Promotion Program - Awarded	*	0.5
Film, Television, and Video Project Promotion Program - Future Awards	*	0.0
Film, Television, and Video Project Promotion Program - Under Review	*	5.4
High Quality Job Program Investment Tax Credit	*	29.9
Historic Preservation and Cultural and Entertainment District Tax Credit	*	29.8
Iowa New Job Income Tax Credits (260E)	5.1	5.4
Iowa New Job Training Program Withholding Credits (260E)	48.6	50.8
New Capital and Income Program Investment Tax Credit	1.1	0.0
New Jobs and Income Program Investment Tax Credit	4.9	0.0
Redevelopment Tax Credit	*	0.1
Renewable Energy Tax Credit	*	2.5
Research Activities Tax Credit	34.3	35.0
School Tuition Organization Tax Credit	*	7.3
Supplemental Research Activities Tax Credit	16.8	16.2
Targeted Jobs Tax Credit from Withholding	2.3	3.5
Tuition and Textbook Tax Credit	15.9	16.0
Venture Capital Tax Credit - Iowa Fund of Funds	*	0.0
Venture Capital Tax Credit - Qualified Bus. or Comm.-Based Seed Capital Fund	*	1.2
Venture Capital Tax Credit - Venture Capital Funds	*	0.3
Soy-Based Cutting Tool Oil Tax Credit	*	0.0
Wage-Benefits Tax Credit	*	3.9
Wind Energy Production Tax Credit	*	0.7
<b>Tax Credit Program Total</b>	<b>\$ 320.1</b>	<b>\$ 294.6</b>
<b>Estimated Change from the Previous Fiscal Year</b>	<b>\$ 38.3</b>	<b>\$ -25.6</b>

Notes:  
 Estimates are based on information provided by the Department of Revenue prior to the December, 2010, Revenue Estimating Conference and may differ from information provided in the Department's Contingent Liabilities Report.

\*Indicates that programs have credit cap amount.

## Governor's Revenue Adjustments

<b>General Fund Revenue Adjustments</b>			
(Dollars in Millions)			
	Gov Rec FY 2011	Gov Rec FY 2012	Gov Rec FY 2013
Tax Relief Act	\$ 15.4	\$ 119.3	\$ 119.7
Internal Revenue Code (IRC) Bill	- 19.3	-38.3	-22.0
Corporate Income Tax	- 36.6	-136.2	-223.0
Active Duty Military Pay Income Tax Exclusion	- 0.8	-11.9	-9.5
Gambling tax Increase	0.0	190.0	191.9
<b>Total Revenue Adjustments</b>	<b>\$ - 41.3</b>	<b>\$ 122.9</b>	<b>\$ 57.1</b>

**FY 2011** – the Governor is recommending a negative \$41.3 million in General Fund revenue adjustments to the FY 2011 Revenue Estimating Conference projection. This includes:

- Reducing Iowa's current corporate income tax rate from a set of tiered rates ranging from 6.0% to 12.0% to a flat corporate tax rate of 6.0%. This is estimated to reduce revenue by \$36.6 million.
- Expanding Iowa's current income tax exclusion for certain military pay to include all active duty military pay. This is estimated to reduce revenue by \$800,000.
- Conforming the Iowa tax code to mirror recent Congressional changes to the federal tax code. The federal Acts included in the conformity recommendation include the Tax Relief and Jobs Creation Act, Patient Protection Act, and the Small Business Jobs Act. This is estimated to reduce revenue by \$19.3 million.
- Incorporating into the revenue estimate the federal deductibility impacts of recent Congressional action (Tax Relief Act) lowering tax year 2011 and 2012 federal tax rates and extending expiring tax credits and other tax preferences. For FY 2011, the estimate is an increase to revenue of \$15.4 million. The Congressional action occurred after the December REC meeting.

**FY 2012** – the Governor is recommending \$122.9 million in General Fund revenue adjustments for FY 2012. This includes:

- Reducing Iowa's current corporate income tax rate from a set of tiered rates ranging from 6.0% to 12.0% to a flat corporate tax rate of 6.0%. This is estimated to reduce revenue in FY 2012 by \$136.2 million.
- Expanding Iowa's current income tax exclusion for certain military pay to include all active duty military pay. This is estimated to reduce revenue by \$11.9 million.
- Conforming the Iowa tax code to mirror recent Congressional changes to the federal tax code. The federal Acts included in the conformity recommendation include the Tax Relief and Jobs Creation Act, Patient Protection Act, and the Small Business Jobs Act. This is estimated to reduce revenue by \$38.3 million.
- Incorporating into the revenue estimate the federal deductibility impacts of recent Congressional action (Tax Relief Act) lowering tax year 2011 and 2012 federal tax rates and extending expiring tax credits and other tax preferences. This is estimated to increase revenue by \$119.3 million.

- Increasing the maximum tax rate for gambling facilities from the current 22.0% to 36.0% and depositing the additional revenue in the State General Fund is estimated to increase revenue by \$190.0 million in FY 2012.

**FY 2013** – the Governor is recommending \$57.1 million in General Fund revenue adjustments for FY 2013. This includes:

- Reducing Iowa’s current corporate income tax rate from a set of tiered rates ranging from 6.0% to 12.0% to a flat corporate tax rate of 6.0%. This is estimated to reduce revenue in FY 2013 by \$223.0 million.
- Expanding Iowa’s current income tax exclusion for certain military pay to include all active duty military pay. This is estimated to reduce revenue by \$9.5 million.
- Coupling with the Internal Revenue Code conforming the Iowa tax code to mirror recent Congressional changes to the federal tax code. The federal Acts included in the conformity recommendation include the Tax Relief and Jobs Creation Act, Patient Protection Act, and the Small Business Jobs Act. This is estimated to reduce revenue by \$22.0 million.
- Incorporating into the revenue estimate the federal deductibility impacts of recent Congressional action (Tax Relief Act) lowering tax year 2011 and 2012 federal tax rates and extending expiring tax credits and other tax preferences. This is estimated to increase revenue by \$119.7 million.
- Increasing the maximum tax rate for gambling facilities from the current 22.0% to 36.0% and depositing the additional revenue in the State General Fund is estimated to increase revenue by \$191.9 million in FY 2013.

### **FY 2011 Governor’s Recommended Appropriation Adjustments**

The following table shows changes and recommended adjustments to FY 2011 appropriations. The General Assembly enacted a total of \$5,279.1 million in General Fund appropriations for FY 2011. Included in the enacted appropriations was a reduction of \$83.8 million that was to be allocated by the Department of Management (DOM) across all Executive Branch operational appropriations, excluding the Board of Regents. The provision requiring the \$83.8 million reduction was in Section 27 of HF 2531 (FY 2011 Standing Appropriations Act). On January 3, 2011, Governor Culver ordered the reduction to be implemented. Governor Branstad’s FY 2011 budget did not include an increase to the Legislative Branch standing appropriation reflecting an increase of session days from 80 to 110.

The Governor is recommending General Fund supplemental appropriations totaling \$39.8 million for FY 2011. This results in the Governor’s revised budget for FY 2011 totaling \$5,318.9 million. The following table provides a summary of estimated FY 2011 appropriations including the Governor’s recommended adjustments.



## Budget Overview

	\$84M Reduction				
	Initial Est FY 2011*	Allocation FY 2011	Estimated FY 2011	Gov Rec Supp FY 2011	Gov Rec FY 2011
Administration and Regulation	\$ 66,549,490	\$ -7,218,206	\$ 59,331,284	\$ 263,329	\$ 59,594,613
Agriculture and Natural Resources	35,917,312	-2,152,106	33,765,206	0	33,765,206
Economic Development	41,754,957	-3,598,327	38,156,630	0	38,156,630
Education	844,371,902	-8,755,571	835,616,331	0	835,616,331
Health and Human Services	935,477,757	-32,544,235	902,933,522	3,856,867	906,790,389
Justice System	635,701,393	-29,475,081	606,226,312	35,708,133	641,934,445
Unassigned Standings	2,803,071,366	-16,975	2,803,054,391	0	2,803,054,391
<b>Grand Total</b>	<b>\$ 5,362,844,177</b>	<b>\$ -83,760,501</b>	<b>\$ 5,279,083,676</b>	<b>\$ 39,828,329</b>	<b>\$ 5,318,912,005</b>

\* Represents the FY 2011 legislative action prior to the allocation of the \$83.8 million reduction.

The following table provides a list of the Governor recommended supplemental appropriations or “addbacks” to mitigate the impact of the mid-year \$83.8 million budget reduction implemented as a result of HF 2531. The supplemental appropriations are discussed in greater detail below.

<b>Governor's Recommendation FY 2011 Supplemental Appropriations</b>	
	<u>FY 2011</u>
Administration and Regulation	
Dept. of Admin. Services - Terrace Hill Operation	\$ 263,329
Health and Human Services	
Dept. of Human Services - Mental Health Institutions	\$ 2,644,319
Dept. of Public Health - Health Services	1,212,551
Total Health and Human Services	<u>\$ 3,856,870</u>
Justice Systems	
Dept. of Inspections and Appeals - Indigent Defense	\$ 18,551,500
Dept. of Corrections - Operations	14,201,633
Dept. of Public Safety - Operations	2,955,000
Total Justice Systems	<u>\$ 35,708,133</u>
Total Supplemental Appropriations	<u><u>\$ 39,828,332</u></u>

- **Department of Administrative Services** – The Governor is recommending \$263,000 for operational costs associated with grounds maintenance at Terrace Hill. The recommendation is to correct a provision in HF 2531 that inadvertently appropriated the funds for FY 2010 instead of FY 2011.

- **Department of Human Services** – The Governor is recommending \$2.6 million for the Mental Health Institutions to allow the Department to keep the number of mental health beds at the current level.
- **Department of Public Health** – The Governor is recommending \$1.2 million for the Department of Public Health to be used for health services programs.
- **State Public Defender’s Office** – The Governor is recommending an FY 2011 supplemental appropriation of \$18.6 million for the Indigent Defense Fund and the Office of the State Public Defender. The Governor is not recommending any further increases in FY 2012 or FY 2013. The LSA estimates the need is at least an additional \$600,000 in FY 2012. This creates a budget gap that may result in transfers from other agencies or be paid through the State Appeals Board.
- **Department of Corrections** – The Governor is recommending an FY 2011 supplemental appropriation of \$14.2 million for the nine prisons, eight Community-Based Corrections (CBC) District Departments, and Central Office. The recommendation partially offsets the mid-year reduction of \$23.3 million. The difference of \$9.1 million will be met through State Employee Retirement Incentive Program (SERIP). However, there is a remaining FY 2011 budget gap of approximately \$5.1 million to fund filled positions across the corrections system.
- **Department of Public Safety** – The Governor is recommending an FY 2011 supplemental appropriation of \$3.0 million to partially offset the mid-year reduction of \$4.0 million to the Department of Public Safety.

### Summary of the Governor’s FY 2012 and FY 2013 Budget

The Governor is recommending General Fund appropriations totaling \$6,161.6 million, representing an increase of \$842.7 million (15.8%) compared to the estimated net FY 2011 General Fund appropriations, or \$185.6 less than the “adjusted appropriations.” Based on the Governor’s recommendation, the adjusted appropriations compare the FY 2012 General Fund appropriations to the FY 2011 appropriations, assuming appropriations from non-General Fund sources had been made from the General Fund in FY 2011.

The Governor is recommending General Fund appropriations totaling \$6,274.5 million for FY 2013, representing an increase of \$112.9 million (1.8%) compared to the Governor’s recommendation for FY 2012. Of the eight budget areas, six had no funding level changes based on the Governor’s recommendation.

The following table provides a summary of the Governor’s recommendations for FY 2012 and FY 2013 by appropriations subcommittee.

**Summary of FY 2012 and FY 2013 Governor Recommendations**

	Gov Rec FY 2011	Gov Rec FY 2012	Gov FY12 vs Gov FY11	Gov Rec FY 2013	Gov FY 2012 vs Gov FY 2013
Administration and Regulation	\$ 59,594,613	\$ 80,903,347	\$ 21,308,734	\$ 80,903,347	\$ 0
Agriculture and Natural Resources	33,765,206	32,751,632	-1,013,574	32,751,632	0
Economic Development	38,156,630	36,589,337	-1,567,293	36,589,337	0
Education	835,616,331	815,913,310	-19,703,021	815,913,310	0
Health and Human Services	906,790,389	1,524,420,054	617,629,665	1,624,358,347	99,938,293
Justice System	641,934,445	670,135,296	28,200,851	670,135,296	0
Transportation, Infrastructure, and Capitals	0	0	0	0	0
Unassigned Standings	2,803,054,391	3,000,917,825	197,863,434	3,013,894,577	12,976,752
<b>Grand Total</b>	<b>\$ 5,318,912,005</b>	<b>\$ 6,161,630,801</b>	<b>\$ 842,718,796</b>	<b>\$ 6,274,545,846</b>	<b>\$ 112,915,045</b>

**Significant Appropriation Changes in the Governor’s FY 2012 Budget**

Of the total \$842.7 million net increase in General Fund appropriations for FY 2012, 77.6% of the increases are for Medical Assistance (Medicaid) and State School Aid. Other increases include funding for Property Tax Credits, the Governor’s new preschool initiative, Performance of Duty (ongoing natural disaster costs), Child Care Assistance, the Family Investment Program, and Indigent Defense.

The increases are largely the result of restoring General Fund appropriations to programs that were funded with non-General Fund sources in FY 2011. The Governor’s recommendations include moving \$709.4 million in appropriations that were funded from non-General Fund sources in FY 2011 back to the General Fund in FY 2012.

The Governor is also recommending decreases to several programs, including a reduction of \$28.0 million to the three Regents universities operating appropriations, a reduction of \$19.6 million associated with the sunset of the Iowa Power Fund, a reduction of \$12.2 million associated with the sunset of the Voluntary Preschool Access Program, and \$8.4 million for a reduction to general aid for community colleges (Merged Area Schools).

**Significant General Fund Appropriation Changes**

(Dollar in Millions)

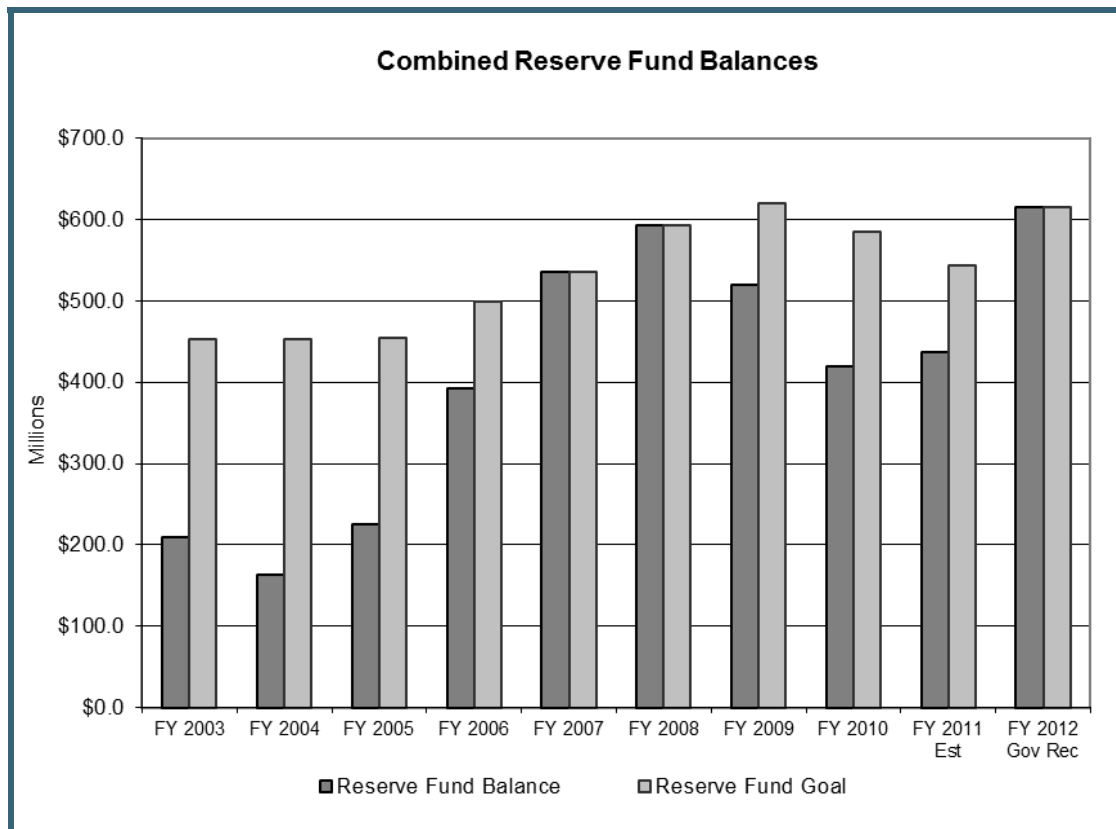
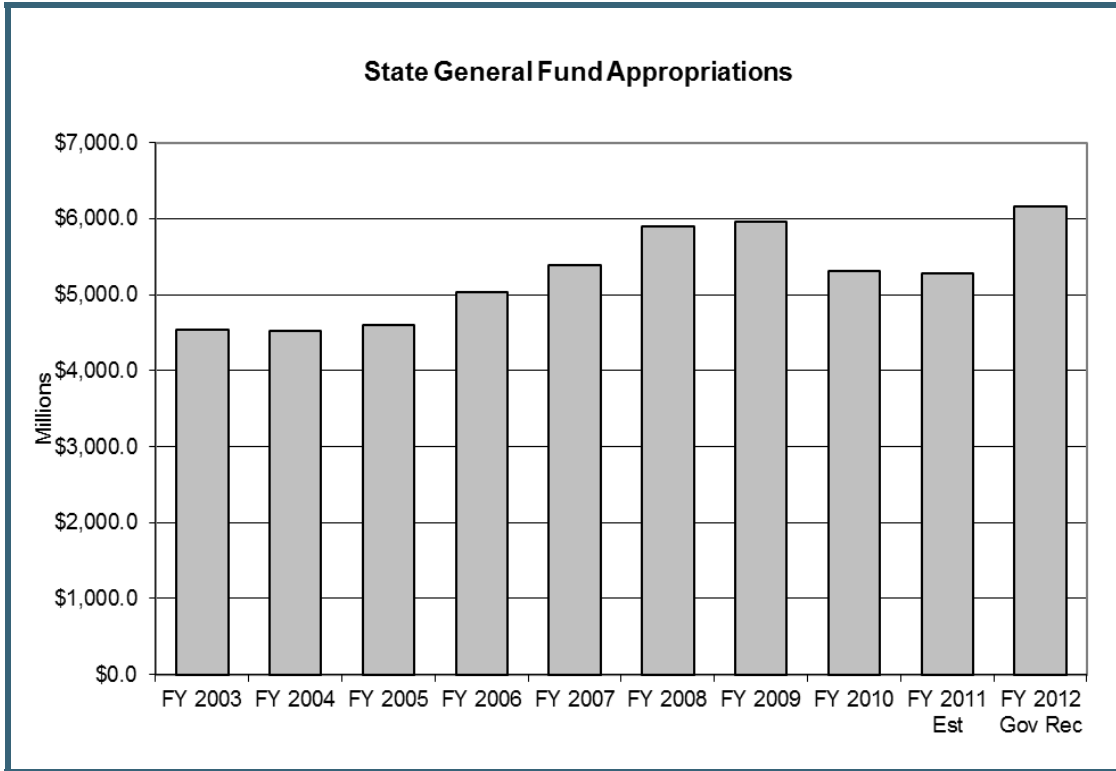
	<b>FY 2012</b>
Medical Assistance	\$ 527.6
State Foundation School Aid	126.3
Property Tax Credits	54.7
Preschool Program	43.6
Executive Council - Performance of Duty	36.9
DHS - Child Care Assistance	27.5
DHS - Family Investment Program/JOBS	20.4
Indigent Defense Appropriation	16.0
Regents Universities' General Operations	-28.0
Office of Energy Independence- Iowa Power Fund	-19.6
Voluntary Preschool Access	-12.2
Merged Area Schools-General Aid	-8.4

## Governor's Recommendations – Reserve Funds

The following table reflects estimates based on the Governor's budget for the State's reserve funds for FY 2011, FY 2012, and FY 2013.

- Under the Governor's recommendation, the combined reserve fund balance for FY 2011 is \$436.9 million or \$105.8 million less than the statutory maximum.
- In FY 2012, assuming the Cash Reserve Fund receives \$433.4 million from the FY 2011 General Fund surplus, the balances in both the Cash Reserve Fund and the Economic Emergency Fund will reach their statutory goals of \$461.6 million and \$153.9 million respectively. The combined balance of both reserve funds will total an estimated \$615.5 million resulting in an excess of \$254.8 million that will be transferred to the General Fund.
- In FY 2013, assuming the Cash Reserve Fund receives \$249.4 million from the FY 2012 General Fund surplus, the balances in both the Cash Reserve Fund and the Economic Emergency Fund will reach their statutory goals of \$474.7 million and \$158.2 million respectively. The combined balance of both reserve funds will total an estimated \$632.9 million resulting in an excess of \$232.0 million that will be transferred to the General Fund.

<b>State of Iowa Reserve Funds</b>				
(Dollars in Millions)				
<b>Cash Reserve Fund (CRF)</b>				
	Actual	Estimated	Gov Rec	Gov Rec
	FY 2010	FY 2011	FY 2012	FY 2013
Balance Brought Forward	\$ 465.2	\$ 322.8	\$ 337.8	\$ 461.6
Gen. Fund Appropriation from Surplus	0.0	287.4	433.4	249.4
<b>Total Funds Available</b>	<b>465.2</b>	<b>610.2</b>	<b>771.2</b>	<b>711.0</b>
Appropriations & Transfers	-142.4	-272.4		
<b>Total Appropriations &amp; Transfers</b>	<b>-142.4</b>	<b>-272.4</b>	<b>0.0</b>	<b>0.0</b>
Excess Transferred to EEF	0.0	0.0	- 309.6	- 236.3
<b>Balance Carried Forward</b>	<b>\$ 322.8</b>	<b>\$ 337.8</b>	<b>\$ 461.6</b>	<b>\$ 474.7</b>
<i>Maximum 7.5%</i>	\$ 439.2	\$ 407.0	\$ 461.6	\$ 474.7
<b>Economic Emergency Fund (EEF)</b>				
	Actual	Estimated	Gov Rec	Gov Rec
	FY 2010	FY 2011	FY 2012	FY 2013
Balance Brought Forward	\$ 53.8	\$ 99.1	\$ 99.1	\$ 153.9
General Fund Repayment (Sec. 8.55)	45.3			
Excess from Cash Reserve	0.0	0.0	309.6	236.3
<b>Total Funds Available</b>	<b>99.1</b>	<b>99.1</b>	<b>408.7</b>	<b>390.2</b>
Appropriations & Transfers				
Excess Transferred to General Fund			-254.8	-232.0
<b>Balance Carried Forward</b>	<b>\$ 99.1</b>	<b>\$ 99.1</b>	<b>\$ 153.9</b>	<b>\$ 158.2</b>
<i>Maximum 2.5%</i>	\$ 146.4	\$ 135.7	\$ 153.9	\$ 158.2
<b>Combined Balances</b>				
	Actual	Estimated	Gov Rec	Gov Rec
	FY 2010	FY 2011	FY 2012	FY 2013
Statutory Maximum	\$ 585.5	\$ 542.7	\$ 615.5	\$ 632.9
Fund Balances	\$ 421.9	\$ 436.9	\$ 615.5	\$ 632.9



## LSA FY 2012 Budget Projection

Prior to the beginning of the legislative session the LSA provides a projection for the succeeding fiscal year budget. The FY 2012 budget projection is intended to provide a framework for identifying legislative actions that will be needed to balance the FY 2012 General Fund budget. In other words, the projection is a “starting point” for decision making. In order to project the condition of the FY 2012 budget, basic assumptions about the budget are required. Using these assumptions, along with requirements of current law, a projection of the budget can be provided. The assumptions are summarized below:

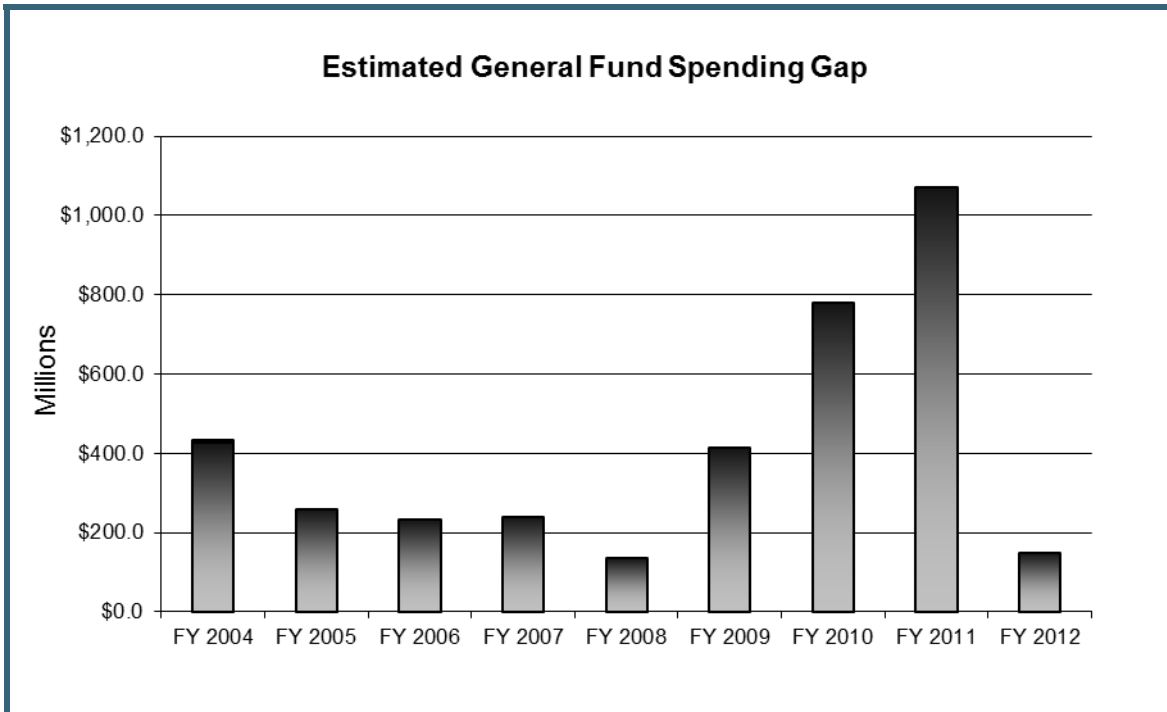
- Revenue Estimating Conference December estimate and federal tax law changes.
- The total enacted appropriations for FY 2011 is used as the baseline estimate for FY 2012.
- Expenditures for FY 2012 were analyzed to account for the automatic increases over and above the baseline estimate of \$5.279 billion that would occur under current law. Also examined were the significant anticipated expenditure increases that will be experienced by State agencies due to a variety of factors including the loss of federal stimulus funds. The built-in and anticipated expenditures are estimated at \$1.257 billion for FY 2012.
- The estimate also assumes a supplemental appropriation of \$18.6 million to fully fund the cost of indigent defense for FY 2011.

Based on the above assumptions, the FY 2012 appropriations are projected to exceed the expenditure limitation by \$148.8 million. This shortfall, or budget gap, represents 2.3% of projected revenues. The spending gap is not intended to be a prediction of an FY 2012 deficit; instead, it is intended to assist lawmakers in measuring the effects of proposed changes to spending and revenue.

<b>State of Iowa</b>			
<b>Estimated Condition of the General Fund</b>			
(Dollars in Millions)			
	Actual FY 2010	Estimated FY 2011	LSA Est FY 2012
<b>Funds Available:</b>			
Net Revenues	\$ 5,633.8	\$ 5,791.6	\$ 6,031.3
Federal Tax Law Changes		15.4	119.3
Economic Emergency Fund Transfer			298.7
<b>Total Funds Available</b>	<b>\$ 5,633.8</b>	<b>\$ 5,807.0</b>	<b>\$ 6,449.3</b>
<b>Expenditure Limitation</b>			<b>6,387.7</b>
<b>Estimated Appropriations and Expenditures:</b>			
Appropriations	\$ 5,304.7	\$ 5,279.1	\$ 5,279.1
Estimated Supplementals		18.6	
Built-in and Anticipated Expenditures			1,257.4
Adjustment to Balance Budget			- 148.8
<b>Total Appropriation</b>	<b>5,304.7</b>	<b>5,297.7</b>	<b>6,387.7</b>
Reversions	- 6.5	- 5.0	- 6.5
<b>Net Appropriations</b>	<b>\$ 5,298.2</b>	<b>\$ 5,292.7</b>	<b>\$ 6,381.2</b>
<b>Ending Balance - Surplus</b>	<b>\$ 335.6</b>	<b>\$ 514.3</b>	<b>\$ 68.1</b>

## Budget Overview

Historically, the General Assembly has faced projected budget gaps prior to the start of legislative sessions. Each year the General Assembly has closed the budget gap and has enacted a balanced budget. Since FY 2004, the projected budget gap has averaged \$411.8 million and ranged from a low of \$137.1 million for FY 2008 to \$1.070 billion for FY 2011. The following chart shows the budget gaps that have been projected by the LSA prior to each legislative session.



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## Potential FY 2012 and FY 2013 Budget Issues Identified by the LSA

The following issues have been identified by the LSA staff. More issues are included in the Overall Budget Issues section (School Aid, Medicaid, Governor's Tax Proposals, etc.) and in the Appropriations Subcommittee sections of this document.

**Collective Bargaining** – The Governor does not include a recommendation to fund collective bargaining in FY 2012. In FY 2011, Governor Culver did not recommend and the General Assembly did not appropriate additional funds for salary expenditures. State agencies used existing funds to pay the cost of salaries, including the cost to fund negotiated contracts with various bargaining units, and increases for noncontract employees. The total estimated need to fund salary increases for FY 2012 is \$89.2 million for the General Fund costs and includes \$46.3 million for the Board of Regents. Not all bargaining units have reached an agreement. The estimates are based on all bargaining units agreeing to continued steps for all eligible employees and across-the-board adjustments of 2.0% effective July 1, 2011, and 1.0% effective January 1, 2012. These estimates are subject to change due to ongoing negotiations for some of the bargaining units.

**State Early Retirement Incentive Program (SERIP)** – Senate File 2062 established a State Employee Retirement Incentive Program for eligible employees of the Executive Branch of the State and made the Program optional for the Legislative and Judicial Branches, and the Board of Regents institutions. The Judicial Branch and the Board of Regents did not participate in the Program. Elected officials and employees eligible for an enhanced Sick Leave Conversion Program under Code Section 70A.23(4) (Sworn Peace Officers) were excluded from participating in the Program. The Program is administered by the Department of Administrative Services (DAS). A total of 2,067 people retired under the Program resulting in current estimated FY 2011 savings of \$71.2 million for all funds, including \$35.7 million for the General Fund. These estimates will be revised periodically until final results are reported.



## REVENUE AND EXPENDITURE SHIFTS

The following information is a summary from an *Issue Review* published by the LSA on December 13, 2010, entitled *General Fund Revenue Transfers and Appropriation Shifts*. The *Issue Review* is available online at the following link: <http://www.legis.state.ia.us/Isadocs/IssReview/2010/IRDLR002.PDF>.

The State’s General Fund revenue budget consists largely of personal income taxes and sales taxes. These two sources comprise nearly 80.0% of the total revenues deposited in the General Fund. The remaining 20.0% comes from a variety of other taxes and fees. In addition to the General Fund revenues, other taxes and fees have been enacted that generate revenue that has been dedicated to various funds that are not part of the General Fund. Some of the significant non-General Fund sources include: the Road Use Tax Fund, Rebuild Iowa Infrastructure Fund, Senior Living Trust Fund, and the Health Care Trust Fund. The revenues deposited in these funds have designated purposes specified in the Iowa Code. However, unless the expenditure of these non-general fund sources are constitutionally restricted (i.e., the Road Use Tax Fund), the General Assembly has the authority to change the designated uses of the funds.

The General Assembly and Governor have routinely used non-General Fund sources to help balance the General Fund budget. This practice increased significantly in FY 2002 in order to respond to sudden declines in General Fund tax revenue brought on by the recession of 2001.

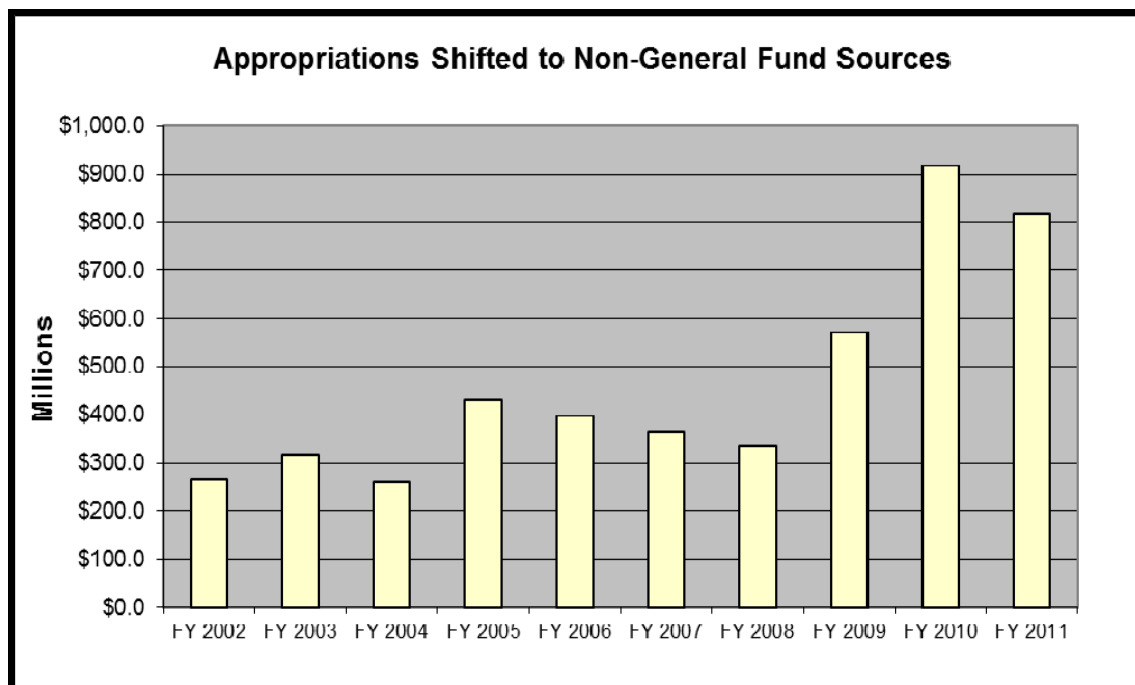
The following table shows the revenues transferred to the General Fund since FY 2002. The majority of the transfers have come from the Cash Reserve Fund, the Economic Emergency Fund, the Endowment for Iowa’s Health Account (tobacco settlement proceeds), and the Rebuild Iowa Infrastructure Fund.

<b>Revenue Transfers to the General Fund</b>										
(Dollars in Millions)										
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
AEA Balance Transfer	\$ 0.0	\$ 0.0	\$ 10.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Cash Reserve Fund	90.0	45.8	0.0	0.0	0.0	0.0	0.0	0.0	65.0	0.0
Commerce Revolving Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-26.2	-27.0
Economic Emergency Fund	105.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Endowment for Iowa’s Health Account	22.0	0.0	20.0	0.0	0.0	0.0	0.0	21.9	0.0	0.0
Environment First Fund	7.5	18.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gaming Enforcement Revolving Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-8.9
Healthy Iowans Tobacco Trust	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prison Infrastructure Fund	6.2	6.5	6.5	6.5	0.0	0.0	0.0	0.0	0.0	0.0
Rebuild Iowa Infrastructure Fund	9.8	15.5	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Fund Interest	15.6	5.2	7.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
School Infrastructure Fund	0.0	22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unclaimed Property (Demutualization)	0.0	0.0	26.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Underground Storage Tank Fund	0.0	10.0	0.0	0.0	0.0	0.0	3.0	0.0	0.0	0.0
Other	20.1	18.4	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>\$ 282.2</b>	<b>\$ 141.8</b>	<b>\$ 85.4</b>	<b>\$ 6.5</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 3.0</b>	<b>\$ 21.9</b>	<b>\$ 38.8</b>	<b>\$ -35.9</b>

## Revenue and Expenditure Shifts

The LSA tracks appropriations routinely funded from the General Fund that have been appropriated from a non-General Fund source for the purpose of helping to balance the General Fund budget. Many of these non-General Fund sources have relatively stable ongoing revenue sources such as the Cash Reserve Fund, the Rebuild Iowa Infrastructure Fund, the Health Care Trust Fund, and the Underground Storage Tank Fund. Other sources have a revenue stream that is time-limited in that the revenue directed to the fund was only available for a few years, such as the Senior Living Trust Fund, the Federal Recovery and Reinvestment Fund (Federal Stimulus Funds), Endowment for Iowa's Health Account, and the IowaCare Account.

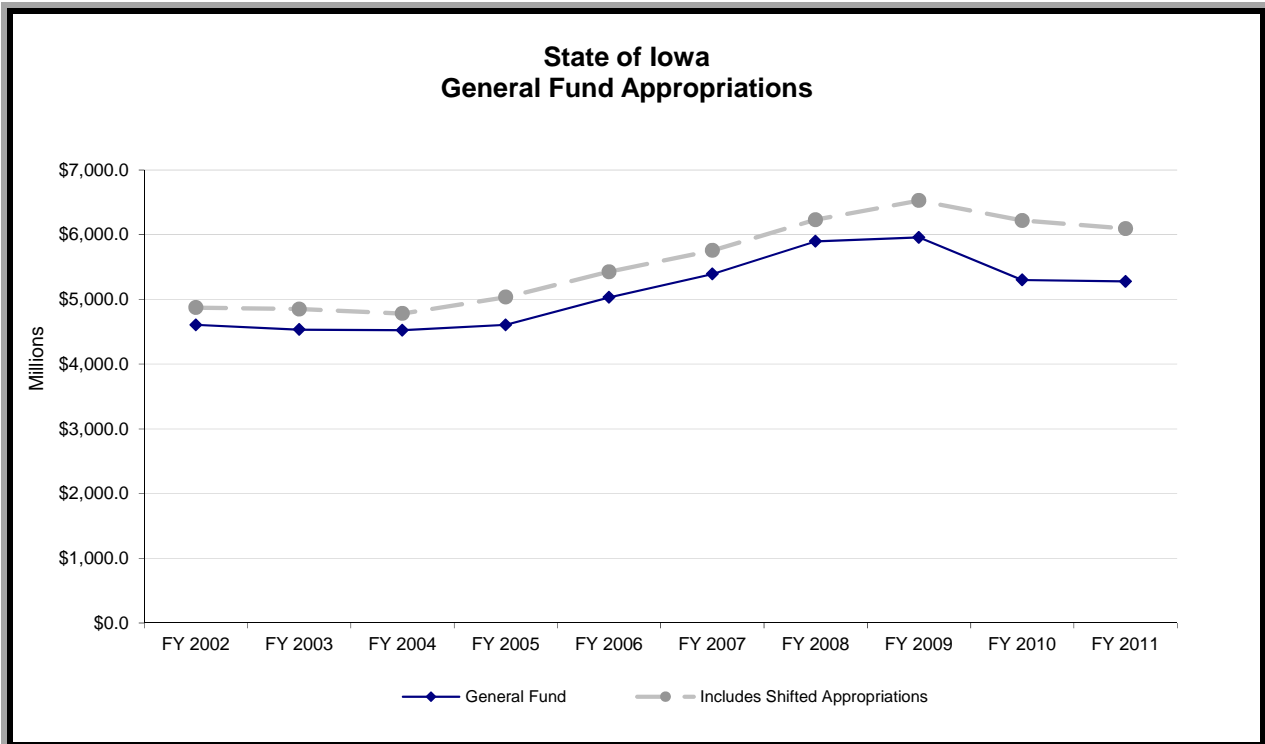
The following chart shows total appropriations that have been shifted from the General Fund to other sources over the last ten years. There was a significant increase in appropriation shifts in FY 2010 and FY 2011, largely due to the receipt of federal stimulus funds and the use of the State's Cash Reserve Fund.



The following table provides a summarized breakdown of the appropriation shifts by funding source from FY 2002 to FY 2011. Of the total \$918.8 million in appropriation shifts in FY 2010, \$634.5 million (69.1%) was associated with federal stimulus funds. In FY 2011, General Fund appropriations shifted to non-General Fund sources totaled \$817.4 million, including \$302.1 million (37.0%) shifted to federal stimulus funds and \$250.8 million (30.7%) to the Cash Reserve Fund.

Summary of General Fund Appropriations Shifted to Other Funding Sources (Dollars in Millions)										
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Federal Stimulus Funds	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 168.6	\$ 634.5	\$ 302.1
Senior Living Trust Fund	79.4	82.8	140.7	143.4	108.7	74.1	74.6	121.6	48.9	47.6
Property Tax Credit Fund	0.0	0.0	0.0	0.0	159.7	159.9	131.9	115.5	3.8	0.0
Cash Reserve Fund	0.0	1.8	0.0	159.7	0.0	0.0	0.0	0.0	80.3	250.8
Healthy Iowans Tobacco Trust	44.2	52.8	51.4	51.8	51.7	53.7	52.9	17.7	0.0	0.0
Rebuild Iowa Infrastructure Fund	0.0	5.9	1.3	1.3	0.5	16.3	12.3	101.4	65.5	76.0
IowaCare Account	0.0	0.0	0.0	0.0	53.2	53.2	53.2	36.3	27.3	27.3
Restricted Capital Funds Account	7.2	29.0	29.1	28.9	15.8	0.0	0.0	0.0	0.0	0.0
Hospital Trust Fund	7.0	19.0	29.0	37.5	0.0	0.0	0.0	0.0	0.0	0.0
Endowment for Iowa's Health Account	42.5	36.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Environment First Fund	10.1	3.5	7.5	7.5	7.5	7.5	9.5	9.5	9.5	3.5
Economic Emergency Fund	44.9	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Underground Storage Tank Program	18.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.7
Commerce Revolving Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.2	27.0
Regents Demutualization	0.0	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Bonds Capitals Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	13.0
Hospital Health Care Access Trust Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.9
Human Services Reinvestment Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.8	0.0
Insurance Premium Tax	0.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gaming Enforcement Revolving Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9
Other	12.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.6
<b>Total</b>	<b>\$ 265.8</b>	<b>\$ 316.6</b>	<b>\$ 259.0</b>	<b>\$ 430.1</b>	<b>\$ 397.1</b>	<b>\$ 364.7</b>	<b>\$ 334.4</b>	<b>\$ 570.6</b>	<b>\$ 918.8</b>	<b>\$ 817.4</b>

The following chart compares the total enacted General Fund appropriations over the last ten fiscal years to the combined total of General Fund appropriations plus appropriations shifted to other sources. On average, shifted appropriations have totaled 9.1% of the total General Fund appropriations. However, over the last three fiscal years the shifted appropriations have averaged 13.9% of General Fund appropriations.



## COMPARISON OF ALL APPROPRIATED FUNDS

The Governor is recommending a total of \$6,999.6 million in appropriations from all State funding sources for FY 2012. This represents a decrease of \$1.8 million (0.0%) compared to all State appropriations of FY 2011. For this comparison, the FY 2011 General Fund appropriation total includes the Governor's recommended supplemental appropriations of \$39.8 million. The Governor's recommended budget includes an increase of \$842.7 million (15.8%) in General Fund appropriations. The Governor is recommending a total \$944.0 million from non-General fund sources, which represents a reduction of \$935.8 million (49.8%).

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

Most of the reductions to non-General Fund appropriations are due to the Governor recommending the appropriations be funded from the General Fund in FY 2012. This includes appropriations funded through the Federal Recovery and Reinvestment Fund (federal stimulus), Cash Reserve Fund, Property Tax Credit Fund, Senior Living Trust Fund, Underground Storage Tank Fund, and the Commerce Revolving Fund.

The Governor's budget includes General Fund appropriations of approximately \$709.4 million for programs that received funding from non-General Fund sources in FY 2011. The significant appropriations are summarized below.

### **Federal Recovery and Reinvestment Fund (Federal Stimulus Funds):**

- \$190.7 million for Medicaid
- \$47.9 million for School Aid
- \$25.5 million for Temporary Assistance for Needy Families
- \$15.8 million for Child Care Assistance
- \$13.5 million for various other programs

### **Cash Reserve Fund:**

- \$172.8 million for Medicaid
- \$54.7 million for property tax credits
- \$10.5 million for Performance of Duty (disaster funding)
- \$708,000 for other programs

### **Commerce Revolving Fund:**

- \$26.7 million for funding the operations of the regulatory divisions under the Department of Commerce, including Banking, Credit Union, Insurance, Utilities, and the Consumer Advocate. Under current law, the Commerce Revolving Fund sunsets at the end of FY 2011. The Governor is not recommending an extension of the Fund.

### **Senior Living Trust Fund:**

- \$39.0 million for Medicaid
- \$8.5 million for the Department on Aging
- \$700,000 for the Rent Subsidy Program

## Comparison of All Appropriated Funds

<b>Comparison of All Appropriated Funds</b>					
(Dollars in Millions)					
Funding Sources	Actual FY 2010	Est. Net FY 2011	Gov. Rec. FY 2012	Gov. Rec. vs. FY 2011	Percent Change
<b>GENERAL FUND</b>					
Total General Fund Appropriations	\$ 5,304.7	\$ 5,318.9	\$ 6,161.6	\$ 842.7	15.8%
<i>General Fund Appropriations to Other Funds*</i>					
Mental Health Property Tax Relief Fund	-3.3	0.0	0.0	0.0	
Health Care Trust Fund	-106.0	-106.0	-106.0	0.0	
Property Tax Credit Fund	-91.3	-91.3	0.0	91.3	
Total GF Appropriations to Other Funds	<u>-200.6</u>	<u>-197.3</u>	<u>-106.0</u>	<u>91.3</u>	
<b>Net General Fund Appropriations</b>	<b>\$ 5,104.1</b>	<b>\$ 5,121.6</b>	<b>\$ 6,055.6</b>	<b>\$ 934.0</b>	<b>18.2%</b>
<b>NON-GENERAL FUND APPROPRIATIONS</b>					
Rebuild low a Infrastructure Fund	\$ 206.8	\$ 153.2	\$ 167.7	\$ 14.5	
RIIF Appropriations to Other Funds*	-56.5	-43.0	-43.0	0.0	
Net RIIF Appropriations	<u>\$ 150.3</u>	<u>\$ 110.2</u>	<u>\$ 124.7</u>	<u>\$ 14.5</u>	
Cash Reserve Fund	80.3	272.4	0.0	\$ - 272.4	
CRF Appropriations to Other Funds*	-54.7	-54.7	0.0	54.7	
Net RIIF Appropriations	<u>\$ 25.6</u>	<u>\$ 217.7</u>	<u>\$ 0.0</u>	<u>\$ - 217.7</u>	
Federal Recovery and Reinvestment Fund**	\$ 642.1	\$ 302.6	\$ 0.0	\$ - 302.6	
Primary Road Fund	302.4	301.8	298.3	-3.5	
Revenue Bonds Capitals II Fund	0.0	150.0	0.0	-150.0	
low aCare Fund	122.8	147.3	147.3	0.0	
Property Tax Credit Fund	149.8	146.0	0.0	-146.0	
Health Care Trust	106.9	106.9	106.0	-0.9	
Road Use Tax Fund	52.9	51.6	50.3	-1.3	
Senior Living Trust Fund	49.6	48.3	0.0	-48.3	
Hospital Health Care Access Trust	0.0	40.0	40.0	0.0	
Revenue Bonds Capitals Fund	317.5	39.2	4.1	-35.1	
Fish And Wildlife Trust Fund	38.8	38.8	38.8	0.0	
Environment First Fund	42.0	33.0	33.0	0.0	
Commerce Revolving Fund	26.7	27.1	0.0	-27.1	
Underground Storage Tank Fund	0.2	26.6	0.4	-26.2	
IPERS Fund	18.0	17.7	17.7	0.0	
Quality Assurance Trust Fund	2.3	13.9	35.7	21.8	
School Infrastructure Fund	0.0	12.7	0.0	-12.7	
Technology Reinvestment Fund	14.8	10.1	10.0	-0.1	
Gaming Enforcement Revolving Fund	0.0	9.8	9.8	0.0	
Other	43.3	28.5	27.9	-0.6	
<b>Total Non-General Fund</b>	<b><u>2,106.0</u></b>	<b><u>1,879.8</u></b>	<b><u>944.0</u></b>	<b><u>-935.8</u></b>	<b><u>-49.8%</u></b>
<b>SUBTOTAL OF ALL STATE FUNDS</b>	<b><u>\$ 7,210.1</u></b>	<b><u>\$ 7,001.4</u></b>	<b><u>\$ 6,999.6</u></b>	<b><u>\$ - 1.8</u></b>	<b><u>0.0%</u></b>
* Appropriations between funding sources are adjusted to avoid double counting.					
** Includes non-appropriated federal stimulus funds received directly by the Medicaid Program that were used to offset State funding.					

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## GENERAL FUND REVENUE

### REVENUE ESTIMATING CONFERENCE

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

- Holly Lyons, Fiscal Services Division Director, LSA
- David Roederer, Department of Management (assumed to be Governor's designee at next REC meeting)
- David Underwood, CFO on Demand, Mason City

The December estimate must be used by the Governor in the preparation of the budget message and by the General Assembly in the budget process. If the REC reduces the December estimate at a later meeting held before the end of the Legislative Session (usually held in March or April), the Governor must adjust the budget recommendations to account for the reduction in revenue. In addition, the General Assembly is also required to use the lower estimate for establishing next year's budget. This happened in FY 2010. The March 20, 2009 REC estimate was \$269.9 million less than the December estimate. The Governor submitted a revised budget on April 3.

If the REC increases the estimate above the December figure, the Governor and General Assembly are required to use the lower estimate established in December. This provision was notwithstanding for three of the last five fiscal years: FY 2006, 2007, and 2009, but not for FY 2008 or FY 2010.

2005 Session: Used April 2005 REC for FY 2006 budget. Added \$85.0M (\$84.2M after expenditure limit)  
 2006 Session: Used March 2006 REC for FY 2007 budget. Added \$46.2M (\$45.7M after expenditure limit)  
 2007 Session: Used December 2006 REC for the FY 2008 budget.  
 2008 Session: Used April 2009 REC for the FY 2009 budget. Added \$49.1M (\$48.6M after expenditure limit)  
 2009 Session: Used March 2009 REC for the FY 2010 budget. March REC was \$269.9M below December estimate  
 2010 Session: Used December 2009 REC for FY 2011 budget.

On December 6, 2010, the REC estimated FY 2012 total State net General Fund revenues, excluding transfers, at \$5.966 billion. This reflects revenue growth of 4.5% compared to the December REC estimate for FY 2011.

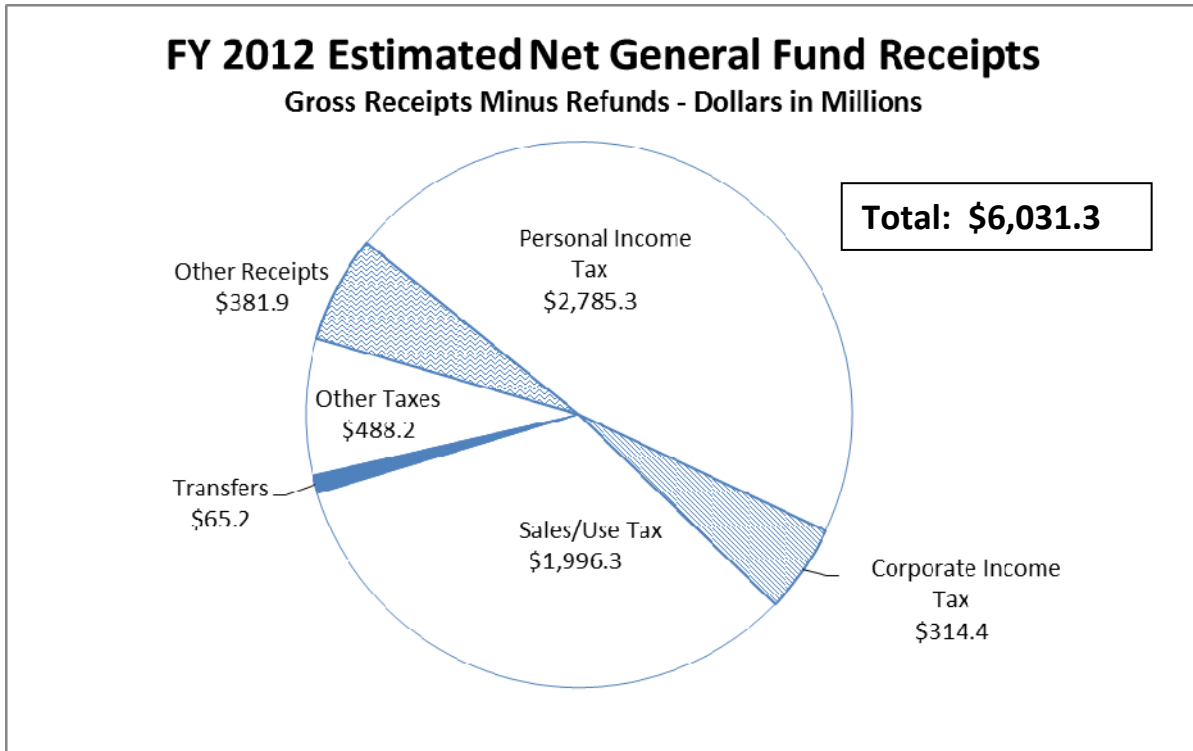
Including transfers, the December REC estimated General Fund FY 2012 revenues at \$6.031 billion, \$239.7 million (4.1%) above the estimated FY 2011 level.

**FY 2011 AND FY 2012 REC GENERAL FUND REVENUE PROJECTIONS**  
(Dollars in Millions)

	% Change		REC	% Change	REC	% Change
	FY 10	FY 10 vs. FY 09	FY 11 Estimate	FY 11 Est. vs. FY 10 Actual	FY 12 Estimate	FY 12 Est. vs. FY 11 Estimate
	Actual	Actual	6-Dec-10	Actual	6-Dec-10	Estimate
<b>Tax Receipts</b>						
Personal Income Tax	\$3,235.9	-2.8%	\$3,360.7	3.9%	\$3,412.3	1.5%
Sales/Use Tax	2,293.1	-1.5%	2,369.5	3.3%	2,449.9	3.4%
Corporate Income Tax	389.3	-6.5%	411.9	5.8%	454.4	10.3%
Inheritance Tax	67.4	-10.6%	69.4	3.0%	114.1	64.4%
Insurance Premium Tax	88.6	-1.6%	98.4	11.1%	106.1	7.8%
Cigarette Tax	206.1	-4.5%	203.0	-1.5%	201.0	-1.0%
Tobacco Tax	26.0	13.0%	27.2	4.6%	27.5	1.1%
Beer Tax	14.4	-2.0%	14.7	2.1%	14.8	0.7%
Franchise Tax	31.6	-6.2%	31.0	-1.9%	33.7	8.7%
Miscellaneous Tax	-0.4	n/a	1.0	-350.0%	1.0	0.0%
<b>Total Tax Receipts</b>	<b>\$6,352.0</b>	<b>-2.7%</b>	<b>\$6,586.8</b>	<b>3.7%</b>	<b>\$6,814.8</b>	<b>3.5%</b>
<b>Other Receipts</b>						
Institutional Payments	\$14.8	-4.5%	\$15.2	2.7%	\$15.4	1.3%
Liquor Profits	80.4	-6.0%	83.7	4.1%	85.4	2.0%
Interest	4.0	-72.6%	2.0	-50.0%	2.0	0.0%
Fees	47.8	-38.5%	24.6	-48.5%	66.0	168.3%
Judicial Revenue	108.6	9.9%	101.6	-6.4%	112.0	10.2%
Miscellaneous Receipts	37.8	-5.0%	36.9	-2.4%	34.5	-6.5%
Racing and Gaming	66.0	10.0%	66.0	0.0%	66.0	0.0%
<b>Total Other Receipts</b>	<b>\$359.4</b>	<b>-8.5%</b>	<b>\$330.0</b>	<b>-8.2%</b>	<b>\$381.3</b>	<b>15.5%</b>
<b>Gross Tax &amp; Other Receipts</b>	<b>\$6,711.4</b>	<b>-3.0%</b>	<b>\$6,916.8</b>	<b>3.1%</b>	<b>\$7,196.1</b>	<b>4.0%</b>
Accruals (Net)	\$13.1		\$13.9		\$17.6	
Refund (Accrual Basis)	\$-859.1	6.9%	\$-826.0	-3.9%	\$-838.0	1.5%
School Infrs. Refunds (Accrual)	\$-372.5	-3.4%	\$-395.0	6.0%	\$-409.6	3.7%
<b>Total Net Receipts</b>	<b>\$5,492.9</b>	<b>-4.5%</b>	<b>\$5,709.7</b>	<b>3.9%</b>	<b>\$5,966.1</b>	<b>4.5%</b>
<b>Transfers (Accrual Basis)</b>						
Lottery	\$55.2	-2.5%	\$58.0	5.1%	\$61.0	5.2%
Other Transfers	85.7	-33.3%	23.9	-72.1%	4.2	-82.4%
<b>Net Receipts Plus Transfers</b>	<b>\$5,633.6</b>	<b>-5.1%</b>	<b>\$5,791.6</b>	<b>2.8%</b>	<b>\$6,031.3</b>	<b>4.1%</b>
Estimated Gambling Revenues Deposited To Other Funds	\$207.1	-4.2%	\$197.6	-4.6%	\$211.2	6.9%

**Note:** The Revenue Estimating Conference estimated FY 2011 and FY 2012 General Fund revenues on December 6, 2010. The individual revenue items are projected on a July 1 to June 30 gross cash year basis and do not reflect accrued revenues. The cash revenue total is adjusted for receipts that arrive after June 30 by the Accruals (Net) line at the bottom of the table. Tax refunds, school infrastructure refunds, and transfers are estimated on a fiscal year basis.

The following pie chart illustrates the breakdown of estimated FY 2012 General Fund receipts by category.



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# REVENUE AND ECONOMIC OUTLOOK

**National Economy**

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

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

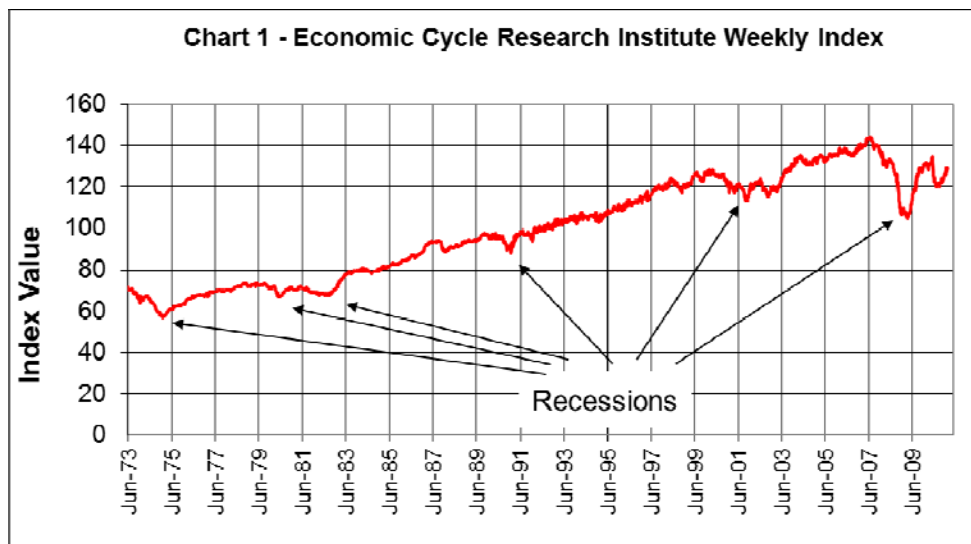
According to the Committee, a recession begins just after the economy reaches a peak of activity and ends as the economy reaches its trough. Between a trough and subsequent peak, the economy is in expansion. Expansion is the normal state of the economy; most recessions are brief. The Committee waits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

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

<b>United States Business Cycle</b>			
Seven most recent recessions			
End of Expansion (Peak)	End of Contraction (Trough)	Length of Expansion in Months	Length of Recession in Months
Dec. 1969	Nov. 1970	106	11
Nov. 1973	Mar. 1975	36	16
Jan. 1980	Jul. 1980	58	6
Jul. 1981	Nov. 1982	12	16
Jul. 1990	Mar. 1991	92	8
Mar. 2001	Nov. 2001	120	8
Dec. 2007	Jun. 2009	73	18
Source: National Bureau of Economic Research			

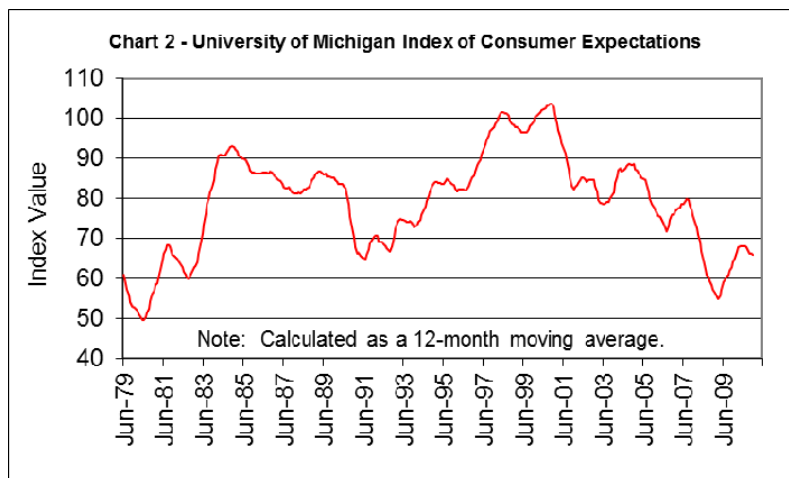
**Economic Cycle Research Institute** – The Economic Cycle Research Institute (ECRI) is an independent institute whose mission is to advance the tradition of business cycle research established at the NBER and Center for International Business Cycle Research (CIBCR). The ECRI Weekly Leading Index is designed to be clearly cyclical and is constructed as a weighted average of seven key economic data series designed to predict economic conditions in the near term. The Index is designed to turn down before a recession and turn up before an expansion. The Index is presented in **Chart 1**, with arrows indicating the current and five previous recessions. The Index is currently indicating considerable

improvement since spring 2009, but economic activity is still significantly below the prerecession peak and well off its historical growth trend.



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

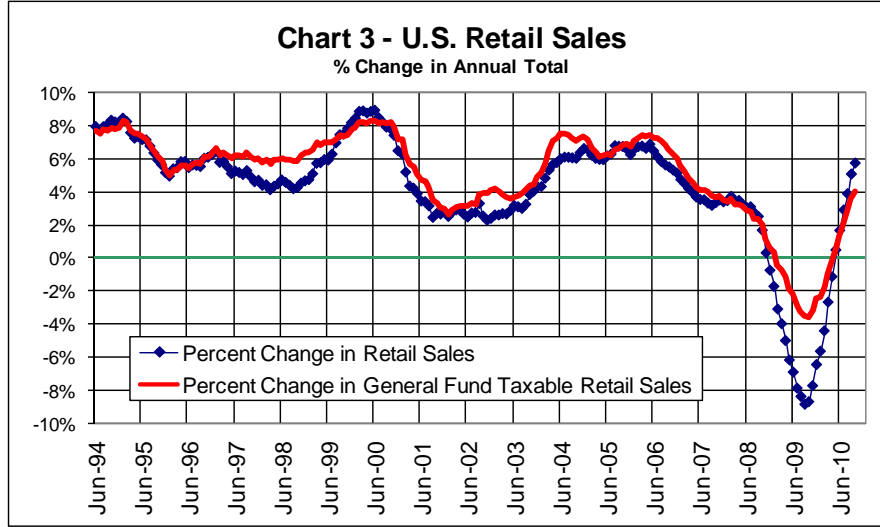
**Chart 2** presents a 12-month moving average of the Index. The chart shows consumer confidence as reported through the Index reached a peak in the second half of calendar year 2000. Since that peak, the Index declined steadily through March 2009. The Index has improved since then, but the overall level of consumer confidence is still very low.



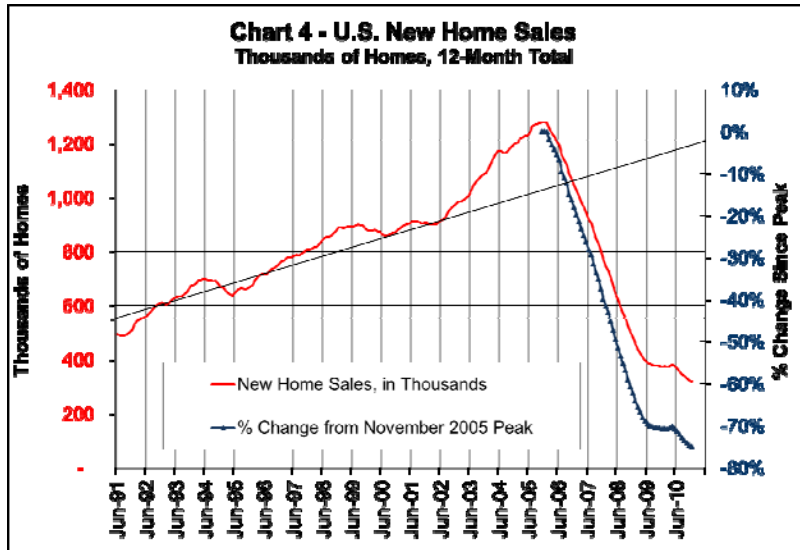
**U.S. Retail Sales** – The U.S. Census Bureau produces monthly estimates of total national retail sales, with subcategory detail showing a breakdown by type of retail establishment. The 12-month moving retail sales total peaked in July 2008 at \$4.518 trillion. Following that peak, the 12-month total of retail sales fell by 9.2%, bottoming in October 2009. Through October 2010, more than half of the drop has been regained, but annual retail sales remain 4.0% below the July 2008 peak.

Iowa General Fund sales/use tax receipts depend on the retail sale of taxable items. Excluding three categories of retail sales that are not generally subject to General Fund sales/use tax (food stores, gasoline

stations, and motor vehicle dealers); total national sales peaked in October 2008 and decreased 2.5% before rebounding beginning December 2009 (red line on **Chart 3**).

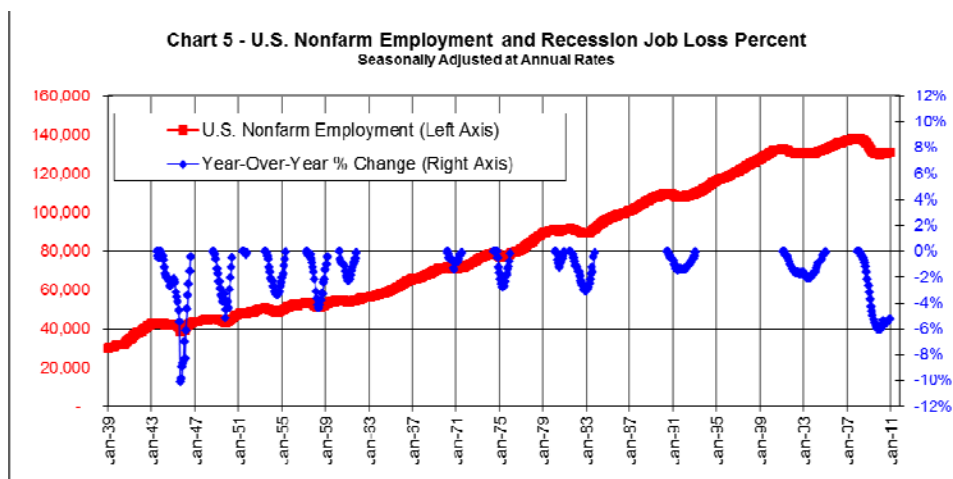


**U.S. New Single Family Home Sales** – The U.S. Census Bureau produces monthly estimates of U.S. new single family home sales. The 12-month moving average peaked in November 2005 at 1,279,200 annual units (**Chart 4**). Through December 2010, new home sales for the preceding 12 months totaled 321,000, or a drop of 74.9% from the 2005 peak. The top line in the following chart is read from the left axis and provides the annual total of home sales since 1991. The bottom line, read from the right axis, provides the percentage change in the number of annual new home sales, compared to the 2005 peak. The flattening in the decline during the June 2009 to June 2010 can be attributed to federal tax credits to encourage home purchases. The decline resumed after the tax credits expired.



**U.S. Employment** – Using seasonally adjusted numbers, year-over-year U.S. job growth peaked in March 2006 at 2,870,000 jobs, and U.S. nonfarm employment peaked in December 2007 at 137,951,000 jobs. Annual job growth turned negative in May 2008 and, peak to trough, the seasonally adjusted job series shows job losses totaled 8,363,000 (December 2009). In the twelve months since the bottom, the U.S. has added back 1,124,000 jobs, 13.4% of the peak-to-trough job loss. The red line on **Chart 5** below depicts total U.S. nonfarm employment since 1939, while the blue line indicates job number declines

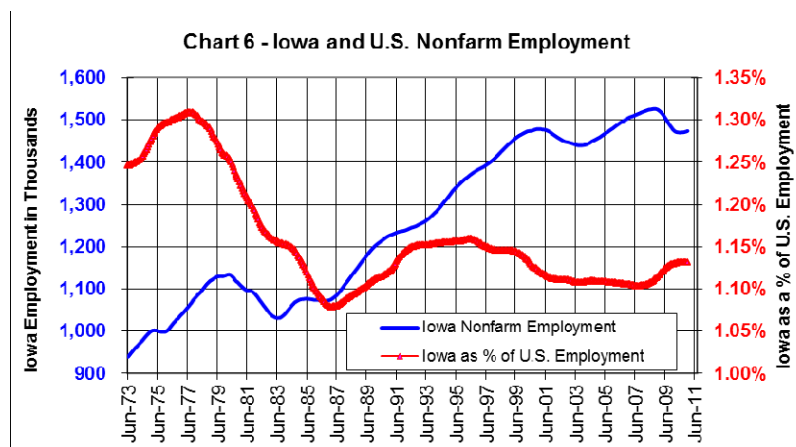
around recessions. From the standpoint of jobs lost, this past recession was the worst recession since the end of World War II.



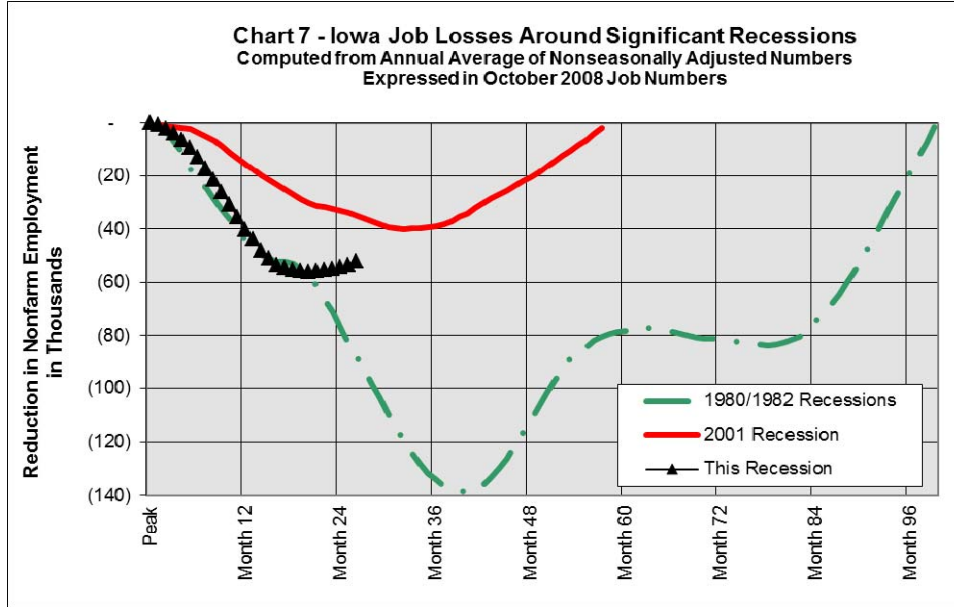
### Iowa Economy

**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. Through December 2010, the annual average has fallen 52,300 jobs from the October 2008 peak.

Iowa’s share of total U.S. nonfarm employment declined throughout the economic downturn of the early 2000s as well as the economic recovery that followed, indicating that employment gains in Iowa were not as strong as those of the entire nation. From the prerecession peak (August 1996) through the start of the U.S. recession (December 2007), the Iowa/U.S. employment ratio fell from 1.16% of all U.S. nonfarm jobs to 1.10%. Essentially this ratio shows that in December 2007, 110 of every 10,000 nonfarm jobs in the U.S. were Iowa jobs, down from 116 in 1996. With the recent downturn in the U.S. economy, the calculation has risen to 113. **Chart 6** shows the 12-month average of Iowa nonfarm employment as well as the ratio of Iowa employment to U.S. employment since 1973.



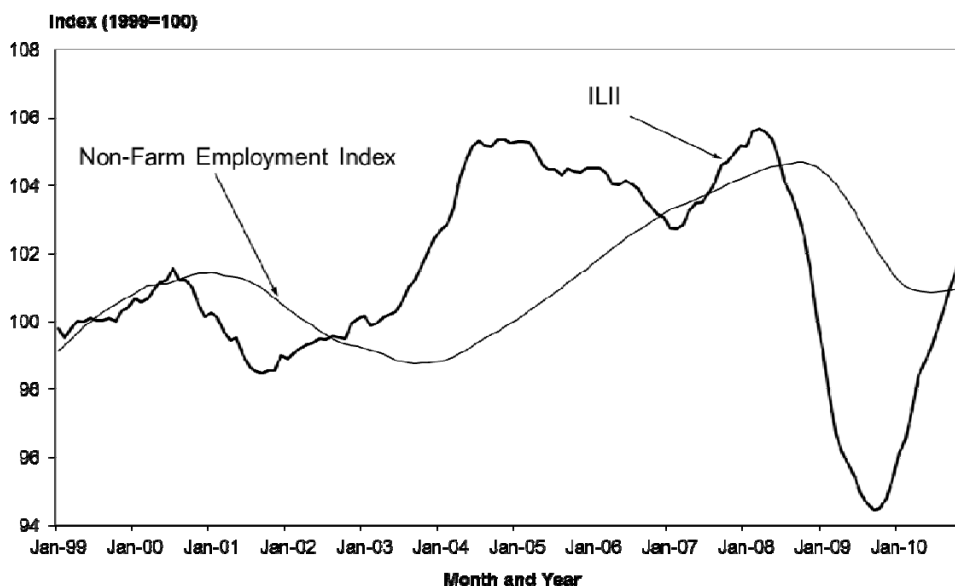
**Chart 7** depicts Iowa job losses around the early 1980s, the early 2000s, and the December 2007 recessions. The chart shows the recession of the early 1980s was equivalent to a 140,000 job loss recession today and the recession of the early 2000s was equivalent to a 40,000 job loss recession. The recent recession, at least in terms of Iowa job losses, is only 24 months old and is considerably more severe than the recession of the early 2000s, but less steep after two years than the early 1980s.



**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 Board<sup>1</sup> to construct the national leading indicators index. A movement in the ILII for only one month does not produce a clear signal; rather it is necessary to consider the direction of the index over several consecutive months. The Index indicates the Iowa economy reached a peak during March 2008 and then declined for the next 18 months, reaching a bottom in September 2009. Since that time the Index has recovered significantly, but remains more than four points below its pre-recession peak.

<sup>1</sup> 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/](http://www.conference-board.org/).

**Chart 8 - Iowa Leading Indicators Index and Iowa Non-Farm Employment Coincident Index: January 1999-November 2010**



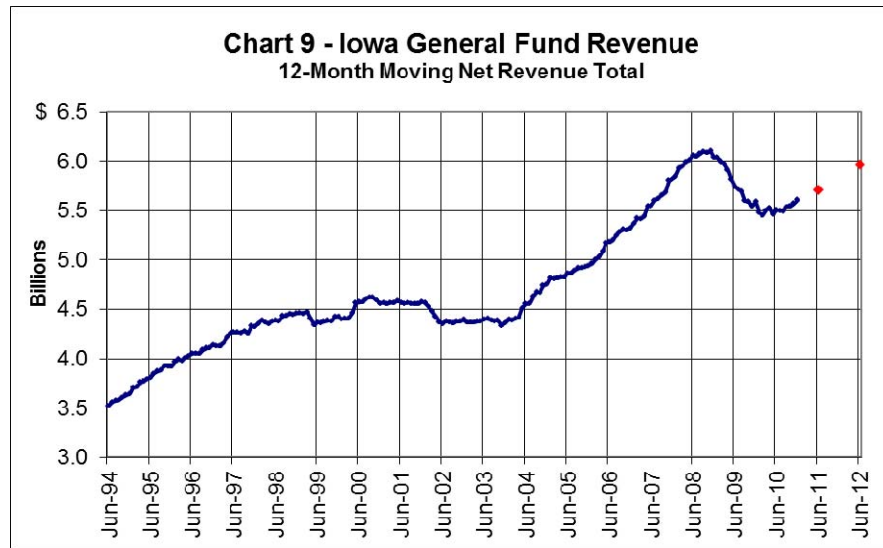
### Iowa General Fund Revenues

Iowa’s income, sales/use, and corporate taxes raise approximately 85.8% of the revenue deposited in the State General Fund each year (FY 2010 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 recession in December 2007, and Iowa economic activity peaked in the fall of 2008. The U.S. recession was the longest since World War II, ending after 18 months in June 2009. According to current employment data, Iowa has been slowly adding jobs for about seven months.

The most recent recession produced a significant drop in Iowa General Fund revenue, but the drop is now showing some signs of reversing. **Chart 9** provides the 12-month moving total of net General Fund revenue, excluding transfers. The chart also provides Revenue Estimating Conference (REC) estimates for FY 2011 and FY 2012 (red dots on the right).

The recession of the early 2000s officially started in March 2001, but Iowa net General Fund revenue reached a peak in October 2000 and did not start to show positive growth again until December 2003, 38 months later and well after the end of the recession. The current recession officially started in December 2007, but Iowa net General Fund revenue did not start to decline until October/November 2008. Modest growth returned in April 2010.



**Chart 9** includes the REC estimates for net General Fund revenue, with the FY 2011 and FY 2012 estimates marking the path revenue must travel over the next 18 months to achieve the estimates.

In December 2010, the REC established an FY 2011 net General Fund revenue growth rate of positive 3.9% (excluding transfers).

For FY 2012, the REC estimates growth will be positive 4.5%.

In dollar terms, net revenue is projected to increase \$216.8 million for FY 2011 and increase \$256.4 million for FY 2012.

Including transfer revenue, the FY 2011 projected growth is \$158.0 million (2.8%), while FY 2012 growth is projected at \$239.7 million (4.1%)

It is important to note that as of the December REC meeting, the U.S. Congress had not extended federal tax rates and credits due to expire December 31, 2010. The REC projection was based on State and federal law as it was known on the date the estimate was made. Subsequent to the December REC meeting, Congress significantly reduced federal income taxes by extending tax rates and tax credits set to expire. Due to the ability of Iowans to deduct federal taxes paid from their personal income taxes, Congressional action that reduces federal personal income taxes has the direct effect of increasing Iowa income tax revenue. The Department of Revenue estimates that the deductibility impact of the Congressional action will increase Iowa net revenue \$15.4 million for FY 2011 and \$119.3 million for FY 2012 compared to the December REC estimates for those fiscal years.

*The Governor is recommending a biennial budget. The recommendation includes the assumption of 4.0% revenue growth for FY 2013 and includes \$57.1 million in revenue adjustments.*

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## EARLY RETIREMENT PROGRAM

### STATE EARLY RETIREMENT INCENTIVE PROGRAM (SERIP)

#### BACKGROUND

[Senate File 2062](#) established a State Employee Retirement Incentive Program for eligible employees of the Executive Branch of the State. The Program was optional for the Legislative and Judicial Branches, and the Board of Regents institutions. Elected officials and employees eligible for an enhanced Sick Leave Conversion Program under Code Section 70A.23(4) (Sworn Peace Officers) are excluded from participating in the Program. The Program is to be administered by the Department of Administrative Services (DAS). The Act permits eligible employees that have completed an application for benefits under the Iowa Public Employees' Retirement System (IPERS) with an intended first month of entitlement no later than July 2010 to separate from service with the State and receive a benefit under the Program. To receive the incentive benefit, eligible employees were required to submit an application to participate in the Program by April 15, 2010, be accepted to participate in the Program by the DAS, separate from State employment by June 24, 2010, and acknowledge the employee's ineligibility to return to employment with the State.

The Act provided two incentives to eligible employees that participate in the Program:

- Employees with at least 10 years of State employment, were eligible to receive \$1,000 for each year of State employment up to 25 years. The payments are to be made in five equal installments each year during September beginning in 2010.
- Participants in the Program (or the surviving spouse) are to receive a health insurance contribution benefit to pay the premium cost for eligible State group health insurance for five years following termination from State employment. Participants are to receive the health insurance contribution benefit only when no longer eligible for, or they have exhausted, the available remaining value of sick leave used to pay the State share for the participant's continuation of State group health insurance coverage as provided in Code Section 70A.23(3).

The Act prohibits Executive Branch agencies, excluding the Board of Regents, from filling vacancies created by employees participating in the Program unless approved by the Department of Management (DOM). In addition, the Act prohibits early retirement participants under this Program from resuming State employment in any capacity.

The Department of Administrative Services, in collaboration with the DOM, submitted the required interim report in October 2010 summarizing the participation and operation of the Program. The DAS is also required to submit an annual update concerning the program by October 1 of each year for four years, commencing October 1, 2011.

There were 6,092 IPERS employees of participating agencies age 55 or older qualified to participate. Of those employees, 2,151 were eligible for full retirement benefits by meeting at least one of the following:

- Age and years of service equal at least 88.
- At least age 62 with 20 years of service.
- At least 65 years of age.

### PRIOR PROGRAMS

The General Assembly has previously enacted at least three early retirement programs, including:

- Senate File 551 (2<sup>nd</sup> Extraordinary 2001 Session) resulted in 4,289 eligible participants and 594 chose to participate (13.8%). The Act provided for two early termination programs, a Years of Service (YOS) Program and a Sick Leave Program. The YOS Program was optional at the discretion of the State and provided employees with at least 10 years of service the option to receive the lesser of the employee's annual salary or \$250 for each quarter year of service. The Sick Leave Program was offered to employees with a total age plus years of service of at least 75. The Program provided for the payment of the lesser of the employee's regular annual salary or the value of the employee's unused sick leave.
- House File 2625 (2<sup>nd</sup> Extraordinary 2002 Session) resulted in 4,564 eligible participants and 148 chose to participate (3.2%). The Act provided for the payment of one-fifth of the value of the employee's accumulated unused sick leave and vacation each year for five years. The sick leave portion was limited to one year's salary. Eligible employees were required to have a combined age and years of service of at least 75.
- House File 2497 (2004 Regular Session) resulted in 5,367 eligible participants and 273 chose to participate (5.1%). The Act provided an incentive to sever employment with the State by paying the employee the lesser of 75.0% of the employee's regular annual salary or an amount equal to 75.0% of the value of the employee's accumulated sick leave.

For the three programs listed above, of the 988 participants on Central Payroll, 397 participants (40.2%) were eliminated as of October 31, 2007.

Under current law, qualified employees that terminate are entitled to payment of up to \$2,000 of unused sick leave, contribution toward health insurance under the Sick Leave Incentive Plan (SLIP), and payment of unused vacation.

### CURRENT SITUATION

- A total of 2,067 of the 6,092 eligible employees participated in the current Program resulting in a participation rate of 33.9%.
- Approximately 61.4% of the vacancies created by the Program will be refilled based on the positions the Department of Management (DOM) authorized to be refilled and estimates for agencies not reported by the DOM. As of January 6, 2011, a total of 680 positions authorized to be refilled have been filled.
- The Board of Regents institutions continue to offer early termination incentives and did not participate in the Program. The Judicial Branch did not participate in the Program.
- Approximately \$87.6 million of savings will occur from all funds, for salary and benefits, during FY 2011 for the 2,067 impacted positions. The total over five years is approximately \$418.8 million. The five-year savings is reduced by the payment of approximately \$142.5 million in incentives provided in the legislation, for a net savings over five years of approximately \$276.3 million for all funds.

**BUDGET IMPACT**

**Table 1** reflects only the incentives added by the Program, including the payment for years of service and the additional contribution for health insurance. **Table 2** reflects all of the payments for the retirees including the Sick Leave Incentive Plan (SLIP) and vacation payout. The Program is expected to result in the following cost savings (reflected as positive numbers):

**Table 1 – Cost Savings Net of SERIP Incentives**

(Dollars in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
General Fund	\$ 35.7	\$ 30.6	\$ 26.0	\$ 21.7	\$ 18.2	\$ 132.2
Road Use Tax Fund	1.4	1.3	1.2	1.1	1.0	6.0
Primary Road Fund	10.3	9.8	9.2	8.2	7.2	44.7
Federal Funds	11.9	10.6	9.0	7.7	6.6	45.8
Other Funds	11.9	10.6	9.4	8.4	7.3	47.6
<b>Total</b>	<b>\$ 71.2</b>	<b>\$ 62.9</b>	<b>\$ 54.8</b>	<b>\$ 47.1</b>	<b>\$ 40.3</b>	<b>\$ 276.3</b>

**Table 2 – Cost Savings Net of SERIP and Other Retirement Costs**

(Dollars in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
General Fund	\$ 25.0	\$ 23.4	\$ 21.5	\$ 19.1	\$ 16.3	\$ 105.3
Road Use Tax Fund	1.3	1.2	1.1	1.0	0.9	5.5
Primary Road Fund	8.9	8.4	7.8	7.2	6.6	38.9
Federal Funds	8.4	8.0	7.5	6.8	6.0	36.7
Other Funds	9.1	8.5	7.8	7.1	6.3	38.8
<b>Total</b>	<b>\$ 52.7</b>	<b>\$ 49.5</b>	<b>\$ 45.7</b>	<b>\$ 41.2</b>	<b>\$ 36.1</b>	<b>\$ 225.2</b>

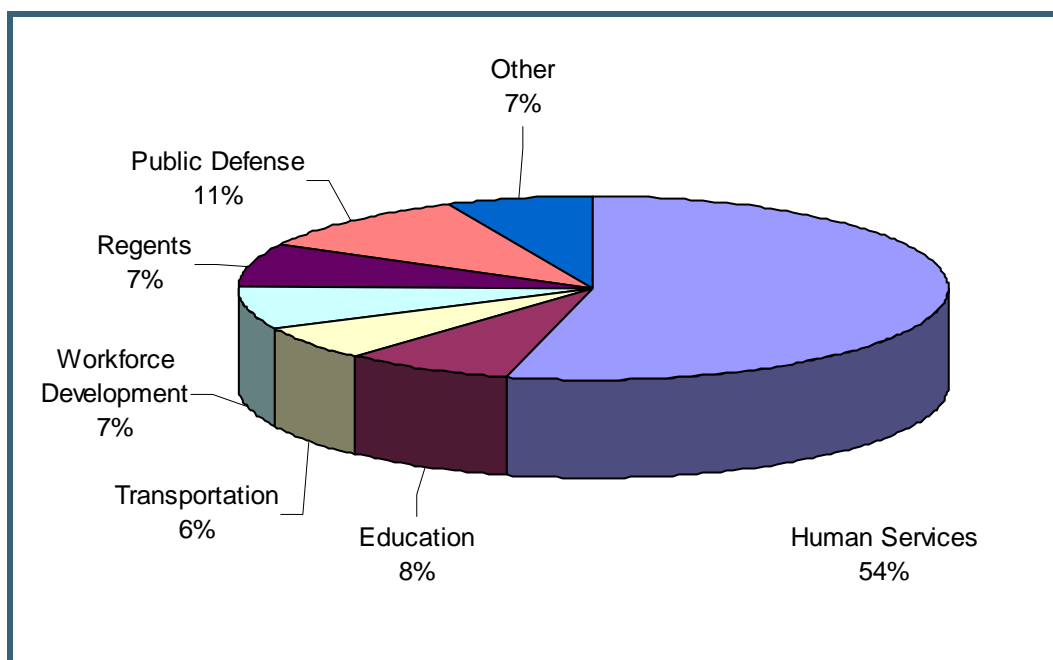
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## FEDERAL FUNDS

Federal funds make up a major portion of State government budgets. In Iowa, federal funding accounts for nearly 50.0% of all expenditures by the State. The greatest percentage of federal funding is received by the Department of Human Services (DHS), and the majority of the DHS federal funds go to the Medicaid Program where the federal government pays for 70.64% of most Medicaid expenditures in FY 2011. It is estimated that Iowa will receive \$6.48 billion in federal funding for FY 2011 through all Departments.

### Estimated Federal Funds Received by Iowa – FY 2011 (in millions)



Department	Estimated FY 2011	Percent of Total
Human Services	\$ 3,493.5	53.9%
Education	506.9	7.8%
Transportation	394.1	6.1%
Workforce Development	485.0	7.5%
Regents	479.2	7.4%
Public Defense	694.5	10.7%
Other	424.6	6.6%
Department Total	<u>\$ 6,477.8</u>	<u>100.0%</u>

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

## **American Recovery and Reinvestment Act (ARRA) Funding**

The American Recovery and Reinvestment Act (ARRA) was enacted by the U.S. Congress in February 2009 to provide a response to the economic crisis that had impacted the country. Goals specified by the Act included:

- Create new jobs and save existing ones
- Spur economic activity and invest in long-term growth
- Foster accountability and transparency in government spending

### **ARRA: Funds Used for State General Fund Purposes**

The ARRA funding allocated to Iowa totaled approximately \$386.4 million for Education Fiscal Stabilization and \$86.0 million for Government Services Fiscal Stabilization. Between FY 2009 and FY 2011, \$267.9 million (69.3%) of the ARRA Education Fiscal Stabilization funding was appropriated for School foundation aid. Approximately 73.7% (\$63.4 million) of the Government Services Fiscal Stabilization was appropriated between 26 State agencies for FY 2010 (see table below).

As part of the ARRA, the federal government provided an increased Federal Medical Assistance Percentage (FMAP) match for states for 27 months to help offset increased Medicaid costs. This provision was extended by Congress in August 2010, to cover the final six months of FY 2011, with a scheduled phase down of support. For FY 2011 it is estimated the enhanced FMAP rate will save the Medicaid Program \$214.0 million. In total over the 36 months, it is estimated the increased rate will save the State \$582.2 million. The savings are based on projected expenditures and are subject to change.

In addition to Medicaid, funding for Adoption and Foster Care also receive enhanced FMAP rates through the end of FY 2011, with the same scheduled phase down as Medicaid. It is estimated that with the enhanced FMAP rate, the two programs will receive \$4.3 million in savings for FY 2011 and \$12.1 million over 36 months.

Iowa also receives Emergency Temporary Assistance for Needy Families (TANF) funding as part of the ARRA that will expire at the end of FY 2011. States receive 80.0% federal funding for the costs of increased TANF and maintenance of effort (MOE) spending on basic assistance over the base year. In FY 2011 Iowa is estimated to receive \$17.7 million assistance and \$27.9 million in total over 36 months.

The ARRA provided \$18.1 million for the Iowa allocation for the Child Care Development Block Grant (CCDBG). Funds from the CCDBG are used to assist low-income parents so they may be employed or attend school. ARRA funding is available for use through FY 2011.

*See the table at the end of this Section for additional ARRA funding detail.*

### **Funds Received by Iowa**

Estimates from the Department of Management (DOM) and the Governor's Office, as reported on the Iowa Recovery website ([www.iowa.gov/recovery/](http://www.iowa.gov/recovery/)), indicate that Iowa has received more than \$3.197 billion in assistance from the ARRA. The majority of funding has been provided in the areas of

education, health care, infrastructure, and unemployment benefits. Funding recipients include State agencies, local governments, and individuals (through direct grants and tax benefits).

The estimate includes funds of three types (data as of January 26, 2011):

- Formula-based – Funding is allocated by an established federal formula to States and localities - \$1.620 billion (50.7% of the total).
- Demand-based funding – Funding responds directly to demand from eligible individuals. The dollar amount Iowa receives will vary according to the number of people that qualify and receive the funding - \$1.411 billion (44.1% of the total).
- Competitive – Funding is allocated through competitive solicitations federally. As the name suggests, any applications for projects submitted by a State agency directly or on behalf of Iowa go through a competitive selection process; therefore, these estimates are not guaranteed until selected - \$166.2 million (5.2% of the total).

Based on preliminary data provided to the DOM required for compliance reports (1512 Reports) to the Government Accounting Office (GAO) and Congress, for the quarter that ended September 30, 2010 (most current data available at this time), Iowa agencies had been awarded \$2,995.1 billion and expended \$2,409.6 million (80.4%) of total ARRA funds. The following table provides a summary of ARRA funds awarded, received, and expended by State agency. Additional detail regarding this information is available from the Legislative Services Agency (LSA) upon request.

**American Recovery and Reinvestment Act Funds:  
Awarded, Received, and Expended by State Agency**

State Agency	ARRA Funds Awarded	ARRA Funds Received	ARRA Funds Expended	Percentage of ARRA Funds Expended	Number of Awards
Dept of Correctional Services, CBC 3	\$ 46	\$ 46	\$ 46	100.0%	1
Dept of Correctional Services, CBC 4	2,534	2,534	2,534	100.0%	1
Dept of Correctional Services, CBC 6	2,219	2,219	2,219	100.0%	1
Governor's Office of Drug Control Policy	11,777,401	11,777,401	4,920,846	41.8%	1
Iowa Commission on Volunteer Services	1,482,831	1,329,735	1,329,735	89.7%	2
Iowa Communications Network	16,230,118	-	-	0.0%	1
Iowa Department for the Blind	1,513,083	711,263	710,807	47.0%	3
Iowa Department of Cultural Affairs	303,000	303,000	303,000	100.0%	1
Iowa Department of Economic Development	7,014,352	2,807,668	2,805,686	40.0%	1
Iowa Department of Education	684,118,923	597,150,564	597,235,945	87.3%	11
Iowa Department of Human Rights	91,655,809	39,883,936	39,889,225	43.5%	2
Iowa Department of Human Services	676,037,837	627,615,804	638,707,404	94.5%	12
Iowa Department of Justice	2,842,676	2,003,621	2,067,795	72.7%	3
Iowa Department of Management	869,802	-	-	0.0%	1
Iowa Department of Natural Resources	82,690,800	53,780,303	53,904,109	65.2%	6
Iowa Department of Public Health	16,242,318	943,841	964,473	5.9%	12
Iowa Department of Public Safety	574,077	229,467	230,472	40.1%	1
Iowa Department of Transportation	384,368,232	329,055,291	329,055,291	85.6%	239
Iowa Department on Aging	1,337,965	1,146,733	1,132,873	84.7%	3
Iowa Dept of Administrative Services-Central Payroll	458,726	458,726	458,726	100.0%	1
Iowa Finance Authority	118,122,449	83,234,053	83,234,053	70.5%	4
Iowa National Guard	3,328,000	3,328,000	3,324,388	99.9%	1
Iowa State University	26,059,750	4,989,001	5,931,987	22.8%	35
Iowa Utilities Board	826,530	64,800	55,151	6.7%	1
Iowa Veterans Home	15,568,604	601,020	1,161,300	7.5%	2
Iowa Vocational Rehabilitation Services	4,824,055	1,476,282	1,476,281	30.6%	2
Iowa Workforce Development	723,970,662	609,216,181	609,243,644	84.2%	20
Office of Energy Independence	53,495,993	13,159,323	4,659,323	8.7%	4
University of Iowa	67,757,063	22,399,752	26,031,585	38.4%	142
University of Northern Iowa	1,592,762	626,320	800,195	50.2%	5
<b>Total</b>	<b>\$ 2,995,068,617</b>	<b>\$ 2,408,296,886</b>	<b>\$ 2,409,639,094</b>	<b>80.5%</b>	<b>519</b>

Summary of All Iowa ARRA Funds (Preliminary - through September 30, 2010)



### **Iowa Accountability and Transparency Board**

On April 14, 2009, Governor Culver created the Iowa Accountability and Transparency Board by Executive Order #12. The Board was created to assist with oversight of ARRA funding and to ensure that the State meets all federal requirements related to the Act. The Board is also responsible for making sure information is reported to Iowans in a transparent manner. The Board is scheduled to meet on a quarterly basis. Their last meeting was held on September 10, 2010.

### **Federal Funds Tracking: Grants Enterprise Management System**

The Grants Enterprise Management System (GEM\$) is operated by the DOM. It is designed to be a resource to State agencies for researching federal grant opportunities, applying for them, and then tracking the award of funding if granted.

The DOM operates a website ([www.IowaGrants.gov](http://www.IowaGrants.gov)) and a database to track the grant process. Agencies are required to use the website to report all competitive and noncompetitive grants applied for in the database. The GEM\$ also enables State departments to collaborate on grants when possible.

The DOM is currently piloting a project called The Iowa Grants Network. This is intended to increase the capacity for State departments to use the GEM\$. The departments will be able to track their own internal grant process before they make their application public on the website ([www.IowaGrants.gov](http://www.IowaGrants.gov)). Ideally, this will create greater efficiencies within the departments since information and communication about a grant can be centrally located. There are currently five State agencies participating in this pilot project. The goal is to encourage all of the departments to utilize this system on or after June 30, 2012.

When the GEM\$ is fully implemented, information about federal funding coming into the State will be available for public review. Users will also be able to track how the funding is distributed.

The DOM received \$869,000 from the Pooled Technology Fund administered by the Department of Administrative Services to implement the Iowa Grants Network. The DOM also received an appropriation of \$175,000 and 1.00 FTE position in SF 2367 (FY 2011 Administration and Regulation Appropriations Act) to continue funding the GEM\$.

### **Related Websites**

Iowa Recovery website: [www.iowa.gov/recovery/](http://www.iowa.gov/recovery/)

GAO website: [www.gao.gov/](http://www.gao.gov/)

Federal Government website: [www.recovery.gov/Pages/home.aspx](http://www.recovery.gov/Pages/home.aspx)

GEM\$ website: [www.iagrants.com](http://www.iagrants.com)

*Note: Federal ARRA funds are also discussed in the Budget Overview, School Aid, and Medicaid sections of this document.*

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ARRA (Stimulus) Funding

Sub	Budget Unit	FY 2009				FY 2010					FY 2011				
		ARRA Medicaid	Other HHS	ARRA Education	Total	ARRA Medicaid	Other HHS	ARRA Education	ARRA Gov't Stabilization	Total	ARRA Medicaid	Other HHS	ARRA Education	ARRA Gov't Stabilization	Total
Ed	School Foundation Aid			\$ 40.0	\$ 40.0			\$ 202.5		\$ 202.5			\$ 25.3	\$ 22.6	\$ 47.9
Ed	Regents Institutions				-			80.3		80.3					-
Ed	Community Colleges				-			23.1	2.5	25.6					-
Ed	Teacher Prof. Development				-			2.0		2.0					-
Ed.	Instructional Support				-			13.1		13.1					-
Admin	Dept. of Administrative Services				-				0.1	0.1					-
Admin	Dept. of Inspections and Appeals				-				0.4	0.4					-
Admin	Dept. of Management				-				0.2	0.2					-
Admin	Legislative Services Agency				-				0.1	0.1					-
Just	Corr. - Ft. Madison				-				4.3	4.3					-
Just	Corr. - Anamosa				-				0.9	0.9					-
Just	Corr. - Oakdale				-				2.0	2.0					-
Just	Corr. - New ton				-				1.0	1.0					-
Just	Corr. - Mt. Pleasant				-				0.9	0.9					-
Just	Corr. - Rockw ell City				-				0.3	0.3					-
Just	Corr. - Clarinda				-				2.5	2.5					-
Just	Corr. - Mitchellville				-				0.7	0.7					-
Just	Corr. - Ft. Dodge				-				1.1	1.1					-
Just	Corr. - General Administration				-				0.2	0.2					-
Just	DPD - Military Division				-				0.2	0.2					-
Just	DPS - Public Safety				-				0.8	0.8					-
HHS	Medicaid	114.0			114.0	223.6			25.9	249.5	188.1				188.1
HHS	Mental Health State Cases				-				0.3	0.3					-
HHS	Volunteer Health Care				-				0.0	0.0					-
HHS	Risk Pool Property Tax				-				10.0	10.0					-
HHS	DHS - Health Insurance Pilot				-				0.4	0.4					-
HHS	DPH - Elderly Wellness				-				0.7	0.7					-
HHS	DPH - Community Capacity				-				0.5	0.5					-
HHS	DPH - Resource Management				-				1.8	1.8					-
HHS	DHS - low aCare ARRA	7.2			7.2	11.6				11.6	8.4				8.4
HHS	DHS - State Resource Centers	4.0			4.0	7.8				7.8	7.0				7.0
HHS	DHS - Emergency TANF				-		10.2			10.2		17.7			17.7
HHS	DHS - Child Care Assistance				-					-		18.1			18.1
HHS	DHS - Adoption Enhanced		2.3		2.3		3.3			3.3		3.1			3.1
HHS	DHS - Foster Care Enhanced		1.0		1.0		1.2			1.2		1.2			1.2
HHS	DHS - Hospital Assessment FMAP				-					-	5.3				5.3
HHS	Benefit Quality Assurance Trust Fund				-					-	3.2				3.2
Trans	Road Funds				-				5.6	5.6					-
	ARRA Funding Totals	\$ 125.2	\$ 3.4	\$ 40.0	\$ 168.6	\$ 243.0	\$ 14.7	\$ 321.0	\$ 63.4	\$ 642.1	\$ 211.9	\$ 40.1	\$ 25.3	\$ 22.6	\$ 300.0

NOTE: Some of the funding items listed on this table are not appropriated through session law , but are received directly by departments.

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# GOVERNMENT REORGANIZATION AND EFFICIENCY

## SENATE FILE 2088 GOVERNMENT REORGANIZATION AND EFFICIENCY ACT

During the 2010 Legislative Session, the General Assembly enacted SF 2088 (State Government Reorganization and Efficiency Act). This Act was approved in response to studies of government reorganization and efficiency the Executive and Legislative Branches completed during 2009. The General Assembly created a State Government Reorganization Commission that met during the 2009 Interim and the Governor contracted with a private company, Public Works LLC, to provide an efficiency report that was completed in December 2009.

Final action on SF 2088 resulted in the following estimated fiscal impact:

### FISCAL IMPACT TO THE GENERAL FUND:

- **APPROPRIATIONS:** The Act appropriated \$1.7 million from the General Fund for FY 2011 and authorized 23.0 new FTE positions. The bulk of these funds were appropriated to the Department of Revenue (\$325,000 and 5.0 FTE positions) to hire additional revenue examiners that would generate income tax collections, and to the Office of the State Public Defender (\$1.1 million and 16.0 FTE positions) to expand the Office to handle additional caseload for indigent defendants.
- **REVENUES:** The Act was expected to generate additional General Fund revenue estimated at \$21.9 million for FY 2011 and \$7.8 million for FY 2012.
- **EXPENDITURES:** The Act was expected to impact General Fund expenditures as follows:
  - **FY 2010** – an estimated decrease in expenditures of \$102,000.
  - **FY 2011** – an estimated decrease in expenditures of \$50.3 million.
  - **FY 2012** – an estimated decrease in expenditures of \$27.0 million.

**OVERALL IMPACT TO THE GENERAL FUND:** The overall appropriations, revenue increases, and expenditure changes when totaled, were expected to result in the following impact to the General Fund:

- **FY 2010** – an estimated savings to the General Fund of \$102,000.
- **FY 2011** – an estimated savings to the General Fund of \$70.5 million.
- **FY 2012** – an estimated savings to the General Fund of \$34.7 million.

**OVERALL IMPACT TO OTHER FUNDS:** The overall impact to other funds (including local government savings) was estimated as follows:

- **FY 2010** – an estimated savings of \$21,000.
- **FY 2011** – an estimated savings of \$55.7 million.
- **FY 2012** – an estimated savings of \$34.2 million.

**NOTE:** Other items related to reorganization were included in HF 2531 (FY 2011 Standings Appropriations Act) and SF 2062 (Early Retirement Incentive Act). House File 2531 appropriated \$2.3 million to the Department of Administrative Services (DAS) for technology procurement to result in a portion of the estimated savings in SF 2088. House File 2531 made a \$260,000 Cash Reserve Fund appropriation to replace the initial savings that were decreased from the DAS General Fund appropriation in SF 2367 (FY 2011 Administration and Regulation Appropriations Act).

**ADDITIONAL DETAIL:** For additional detail regarding SF 2088, see the Final Action NOBA (Notes on Bills and Amendments) at: [http://www3.legis.state.ia.us/noba/data/83\\_SF2088\\_Graybook.pdf](http://www3.legis.state.ia.us/noba/data/83_SF2088_Graybook.pdf)

**UPDATE.** The following table highlights the provisions of SF 2088 that were expected to result in significant savings or revenue. Actual fiscal results will remain unknown until the close of FY 2011 and FY 2012. The Department of Management (DOM) was required to file a report by December 1, 2010, outlining the application of appropriation reductions totaling \$83.8 million to department and agency budgets.<sup>1</sup> Many of these reductions include the savings for the major items shown in the table below, such as state budgeting and personnel (elimination of vacant FTE positions), span of control, and centralized purchasing. The appropriation reductions also include savings from SF 2062 (Early Retirement Act) and items included in Executive Order #20 issued by Governor Culver. The DOM submitted a report on January 3, 2011, outlining the allocation of the \$83.8 million of appropriation reductions and providing a transfer from the Cash Reserve Fund of \$5.0 million to backfill some of the reductions. Additional is provided in the Budget Overview Section and each of the appropriation subcommittee sections of this document.

**Significant Estimated Fiscal Impact Provisions – SF 2088**

EXPENDITURE CHANGES				
Description	Fiscal Impact - FY 2011		Fiscal Impact - FY 2012	
	General Fund	Other Funds	General Fund	Other Funds
DAS Digital Government	\$ -1,000,000	\$ 0	\$ -1,800,000	\$ 0
State Budgeting and Personnel	-14,500,000	-10,700,000	0	0
Span of Control	-15,500,000	-24,100,000	-1,900,000	-2,900,000
DAS Centralized Purchasing	-7,500,000	-7,500,000	-7,500,000	-7,500,000
Medicaid Chronic Disease Management	-2,700,000	0	-6,500,000	0
Medicaid HCBS Waiver Review	-1,900,000	-2,800,000	-2,200,000	-3,200,000
Corrections - Close Farm 1 and 3	-1,451,000	0	-1,451,000	0
Reduction in Indigent Defense	-3,753,000	0	-3,753,000	0
All Other	-2,014,500	-550,800	-1,861,500	-530,800
<b>Total Expenditure Savings</b>	<b>\$ -50,318,500</b>	<b>\$ -45,650,800</b>	<b>\$ -26,965,500</b>	<b>\$ -14,130,800</b>
REVENUE CHANGES				
Description	Fiscal Impact - FY 2011		Fiscal Impact - FY 2012	
	General Fund	Other Funds	General Fund	Other Funds
DAS Operations - Sale of Real Property	\$ 13,800,000	\$ 0	\$ 0	\$ 0
Lower Threshold for Gambling Setoffs	4,600,000	0	4,600,000	0
Hire Five New Revenue Examiners	2,700,000	0	2,700,000	0
Add an FTE to GEMS	0	10,000,000	0	20,000,000
All Other	778,000	90,500	457,500	90,500
<b>Total Revenues</b>	<b>\$ 21,878,000</b>	<b>\$ 10,090,500</b>	<b>\$ 7,757,500</b>	<b>\$ 20,090,500</b>

The following list outlines updated information that has been received regarding implementation or fiscal results of the significant items.

- **DAS Digital Government.** House File 2531 (FY 2011 Standings Appropriations Act) appropriated \$2.3 million to DAS for technology procurement to result in a portion of estimated savings. Server consolidations on the Capitol Complex are continuing. The DAS is in the process of consolidating email servers to the Enterprise Email Server in the Executive Branch. The Enterprise Email Server has

<sup>1</sup> SF 2531 (FY 2011 Standing Appropriations Act), Section 27

increased from 22.0% of Executive Branch mailboxes in December of 2009 to 45.0% through December 31, 2010. The Department anticipates all mailboxes of participating agencies to be consolidated by June 30, 2011. *Staff Contact: Joe Brandstatter (515-281-8223)*

- **State Budgeting and Personnel.** The savings estimate of \$14.5 million is expected to occur through elimination of vacant FTE positions. Additional information is expected once DOM files the report that was due December 1, 2010. *Staff Contact: Dave Reynolds (515-281-6934)*
- **Span of Control.** The reduction of supervisor positions resulting from the span of control requirements in SF 2088 were estimated to reduce personnel costs for FY 2011 by an estimated \$38.1 million compared to FY 2010. This includes \$17.0 million from the General Fund and \$21.1 million from other sources. For FY 2012, as agencies comply with the 1 to 15 span of control requirement, an additional reduction of \$6.3 million is estimated, including \$2.7 million from the General Fund and \$3.6 million from other sources. Additional information is expected once DOM files the report that was due December 1, 2010. *Staff Contact: Dave Reynolds (515-281-6934)*
- **DAS Centralized Purchasing.** This provision requires agencies to purchase goods and services pursuant to a master contract negotiated by the DAS, subject to certain specified exemptions, and was estimated to result in General Fund savings of \$7.5 million in FY 2011 and \$7.5 million in FY 2012. This provision was also estimated to result in other fund savings (Department of Transportation) of \$7.5 million in FY 2011 and \$7.5 million in FY 2012. Savings estimates were revised in the Executive Order 20 Semi-Annual Report issued in January 2011 by the DOM. New estimates indicate General Fund Savings of \$2.5 million for FY 2011 and \$0.5 million in savings for FY 2012. Other Fund savings are expected to be \$2.5 million for FY 2011 and \$0.5 million for FY 2012. The DAS has formed an agency workgroup to review contracting and determine what contracts could be consolidated into master contracts. *Staff Contact: Joe Brandstatter (515-281-8223)*
- **Medicaid Chronic Disease Management.** This provision required the DHS to design and implement a chronic disease management program for children. By implementing a chronic disease management program, Iowa can assure that providers are using best practices to treat patients. A number of other states have implemented similar programs and it has been shown to save significant amounts of money. The savings associated with this change were factored into the calculation of the amount appropriated for Medicaid for FY 2011. The DHS has not provided information regarding how this provision is being implemented. *Staff Contact: Jess Benson (515-281-4611)*
- **Medicaid Home and Community-Based Services (HCBS) Waiver Review.** This provision required the DHS to set a trigger for review of payments for services provided under the HCBS waivers. After the development of the trigger mechanism, the DHS must require advanced approval for services when the payment is projected to exceed the median. Payments for waiver services tend to vary greatly, with the median value of payments for the Intellectual Disability Waiver at \$16,953. By evaluating all of the costs above the median for each waiver, the State should be able to identify unnecessary services. The savings associated with this change were factored into the calculation of the amount appropriated for Medicaid for FY 2011. The DHS has not provided information regarding how this provision is being implemented. *Staff Contact: Jess Benson (515-281-4611)*
- **Department of Corrections (DOC) – Close Farms One and Three.** Senate File 2088 required the closure of Farm One by July 1, 2010, and Farm Three by January 1, 2011. The DOC decreased designed capacity by 180 beds to reflect the closure of Farms One and Three on July 20, 2010. The FY 2011 appropriation to the DOC for the Fort Madison Correctional Facility included a reduction of \$1,451,000 to reflect the closure of these Farms. *Staff Contact: Beth Lenstra (515-281-6301)*
- **Reduction in Indigent Defense.** Senate File 2088 appropriated \$1,140,000 and 16.0 FTE positions to expand local public defender offices. The projected savings in the Indigent Defense appropriation was anticipated to be \$3,753,000. The State Public Defender’s Office filled public defender positions

in Iowa City, Cedar Rapids, and Davenport (two per office). The Civil Commitment/Special Defense Unit added two public defenders, a secretary, and an investigator. A new office has been designated to open in Ottumwa and office space lease is being negotiated (expected to be finalized in December 2010). The six positions for the new Ottumwa office include a supervisor, three public defenders, a secretary, and an investigator. As of December 2010, all positions have been filled. Senate File 2366 (FY 2010 Supplemental Appropriations Act) provided a \$10,900,000 General Fund appropriation to Indigent Defense, with a provision that the ending balance could carry forward to FY 2011. The balance brought forward to FY 2011 was \$145,346. The FY 2011 General Fund appropriations for the State Public Defender's Office and the Indigent Defense Fund are \$13.5 million below the amount actually expended in FY 2010. The FY 2011 estimate for a supplemental appropriation is approximately \$16.0 million. The FY 2012 appropriation increase is anticipated to be an additional \$3.2 million. **Staff Contact:** *Beth Lenstra (515-281-6301)*

- **DAS Operations – Sale of Real Property.** The DAS was required by SF 2088 to conduct a survey of State-owned land and leases and provided a report to the General Assembly in December 2010. The report suggested not pursuing the sale and leaseback of State office buildings at this time. The report includes a summary of statewide lease renegotiations conducted by the DAS. The DHS identified two small parcels of less than five acres each that could be sold. These parcels are at Independence (old sewer plant) and Glenwood (approximately two acres). Easements would be required on at least one of the parcels. The DOC indicated it has no farm land available for sale. For additional information, see the LSA *Issue Review* titled "[Proposed Sale of State Farm Ground.](#)"  
**Staff Contact:** *Beth Lenstra (515-281-6301)*
- **Lower Threshold for Gambling Setoffs.** Through December 2010, \$1,347,288 has been collected for FY 2011. In comparison, during the same period for FY 2010, \$82,271 was collected. During the FY 2011 period, 58,995 wins were examined for collection and 1436 matches were found. During the same FY 2010 period, 785 wins were examined and 25 matches were found. The \$1,347,288 collected through December 2010 is obligated to multiple sources including the General Fund, Judicial Branch, local governments, and the Road Use Tax Fund. **Staff Contact:** *Joe Brandstatter (515-281-8223)*
- **Hire Five New Revenue Examiners.** The addition of five revenue examiners was estimated to result in \$2.7 million of new revenue for FY 2011 and subsequent fiscal years. The Department of Revenue hired the new positions in September and October of 2010. All have been placed, trained, and are working. The examiners are expected to meet the initial estimate of \$2.7 million in new revenue for FY 2011. **Staff Contact:** *Joe Brandstatter (515-281-8223)*
- **Add an FTE to GEM\$.** Adding an FTE position to the Office of Grants Enterprise Management (GEM\$) was expected to generate \$10.0 million in FY 2011 and \$20.0 million for FY 2012 of other funds revenue in the form of federal and other grants. The FTE position has not been added to the GEM\$ office and this may significantly reduce the expected revenue impact.  
**Staff Contact:** *Joe Brandstatter (515-281-8223)*

**Early Retirement:** Additional information regarding the State Early Retirement Incentive Program (SERIP) is provided in a separate section of this document.

**Continued Updates:** The Fiscal Services Division has provided periodic updates related to SF 2088 in the monthly *Fiscal Update* newsletter and will continue to monitor and provide updated information as it becomes available.

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# GOVERNOR'S TAX PROPOSALS

## GAMING TAX RATES AND REVENUES

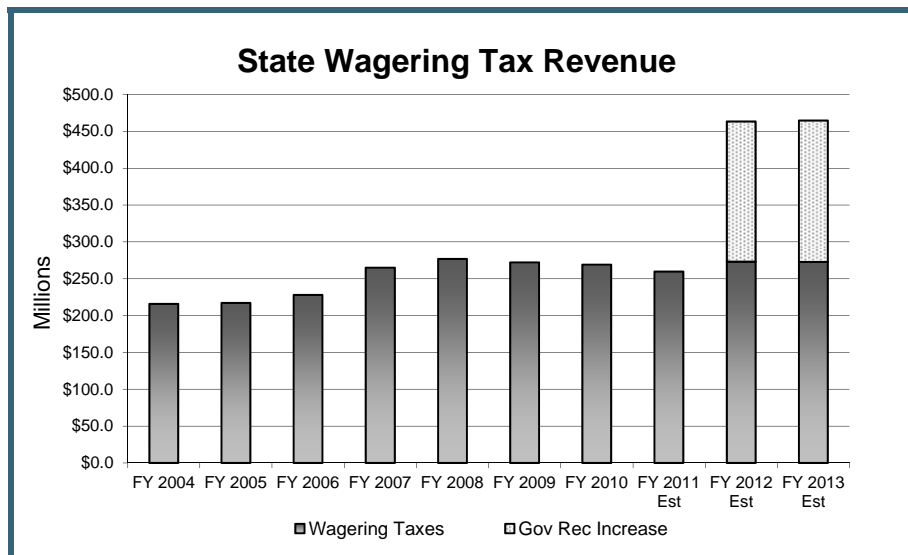
The Governor is recommending an increase to the tax rate on the adjusted gross receipts (AGR) of riverboat and racetrack casinos to 36.0%. Currently, all gambling establishments are taxed 22.0%, with the exception of Prairie Meadows in Altoona and Bluffs Run in Council Bluffs (taxed at 24.0%). The Governor estimates that the tax rate change will generate an additional \$190.0 million in revenue for FY 2012 and \$191.9 million in FY 2013. The Governor is recommending that the increased revenue be deposited in the General Fund.

The following chart shows the wagering tax revenues remitted to the State from FY 2004 through estimated FY 2013. From FY 2004 to FY 2008, revenues increased an average of 6.6% per year (\$15.2 million). The majority of the increase occurred in FY 2007 and FY 2008 due to the addition of four new riverboat casinos licensed in Iowa.

For FY 2009 and FY 2010, tax revenues decreased an average of 1.2% annually due to two factors: a decrease in the adjusted gross receipts earned by the casinos due to a decline in gambling activity; and a tax credit that racetrack casinos began to claim in FY 2009. The tax credit for the three racetrack casinos reduces State tax revenues by approximately \$4.0 million per year. The racetracks are eligible to receive the credit for a five year period (FY 2009 – FY 2013). The tax credit was enacted in HF 2302 (2004 Gambling Act).

State wagering tax revenues are estimated to decrease by \$9.5 million in FY 2011 compared to FY 2010 due to declining adjusted gross receipts and a tax credit that riverboat casinos will begin to claim in FY 2011. The Revenue Estimating Conference established the wagering tax estimate for FY 2011 and FY 2012 at the December 6, 2010, meeting. The tax credit for the riverboat casinos will reduce State tax revenues by approximately \$5.4 million per year. The tax credit for the riverboats was also enacted in HF 2302. The riverboats are eligible to receive the credit for a five year period (FY 2011 – FY2015).

Wagering tax revenues are estimated to increase in FY 2012 by an approximately 5.2% (\$13.6 million) compared to FY 2011, primarily due to the addition of a new riverboat casino located in Lyon County that will be fully operational in FY 2012. For FY 2013, the revenues are expected to remain relatively level with FY 2012. The Governor's recommended wagering tax rate change will increase the amount of wagering tax revenue to the State by 70.0%.





### **Background and Timeline:**

**May 1983:** The General Assembly approved the Pari-Mutuel Wagering Act allowing qualified sponsoring organizations to apply for a license to conduct wagering on horse and dog racing. The Governor signed the Act and appointed the first Racing Commission on July 1, 1983.

**July 1989:** The General Assembly enacted legislation allowing the Commission to issue licenses to qualified organizations to conduct gambling games on excursion gambling boats.

**March 1994:** The General Assembly enacted legislation to make numerous changes to gambling laws including:

- Removing day loss limits and maximum hand wagers.
- Increasing the age limit for wagering from 18 to 21.
- Allowing certain gambling games at racetrack enclosures already in existence (subject to local referendum).
- Eliminating the prohibition against gambling while dockside.
- Allowing licenses to conduct 24 hour a day gambling.

**June 2002:** The Iowa Supreme Court issued a ruling on June 12, 2002, stating that it was unconstitutional for the State to collect taxes at a higher rate for racetrack casinos than for riverboat casinos. The ruling reduced the tax rate at racetracks from 32.0% to 20.0%, effective immediately.

The ruling concluded that the wagering tax rate on racetracks is a violation of their equal protection clause under both the Federal Constitution and the Iowa Constitution. The case was appealed to the United States Supreme Court who in turn, overturned the Iowa Supreme Court's decision as is it related to the equal protection clause in the Federal Constitution.

The case was remanded back to the Iowa Supreme Court for a review of the ruling as is it relates to the equal protection clause in the State Constitution. The Iowa Supreme Court upheld its earlier decision to declare the tax invalid under the Iowa Constitution.

**May 2004:** The General Assembly enacted legislation revising the wagering tax structure by reducing the tax rate from 36.0% to 22.0% for racetracks and gambling in the State with the exception of Prairie Meadows in Altoona and Bluff's Run in Council Bluffs which are taxed at 24.0%.

**January 2011:** Currently, there are a total of seventeen excursion gambling boats and racetrack enclosures in Iowa. The Racing and Gaming commission approved a eighteenth gambling boat license to Lyon County Resort and Casino in May 2010.

### **Other Midwestern States**

Both Illinois and Indiana have graduated taxes on AGR while Missouri has a flat rate of 21.0%. Indiana taxes cruising excursion boats at a flat rate of 22.5% of AGR. Due to higher populations and admissions, Iowa has lower AGR than these States. Though Iowa has more casinos than Indiana and Missouri, the State has less total Gaming Square Footage.

<b>Midwest States Gaming Taxes</b>	
<b>Illinois has a graduated tax on Adjust Gross Receipts (AGR) as listed:</b>	
15.0% of AGR up to and including \$25 million.	
22.5% of AGR in excess of \$25 million but not exceeding \$50.0 million	
27.5% of AGR in excess of \$50 million but not exceeding \$75 million	
32.5% of AGR in excess of \$75 million but not exceeding \$100 million	
37.5% of AGR in excess of \$100 million but not exceeding \$250 million	
45.0% of AGR in excess of \$150 million but not exceeding \$200 million	
50.0% of AGR in excess of \$200 million	
<b>Indiana has a graduated tax on AGR as listed:</b>	
<i>Riverboat gambling—wagering tax for dockside boats:</i>	
15% of the first \$25 million of AGR.	
20.0% of AGR in excess of \$25 million but not exceeding \$50 million	
25.0% of AGR in excess of \$50 million but not exceeding \$75 million	
30.0% of AGR in excess of \$75 million but not exceeding \$150 million	
35.0% of all AGR in excess of \$150 million	
40.0% of AGR in excess of \$600 million	
<i>Riverboat gambling—wagering tax for cruising boats: 22.5% of AGR</i>	
<b>Missouri has a tax of 21.0% of AGR.</b>	

<b>FY 2010 Midwest State Comparison</b>			
State	AGR	Casinos	Sq. Ft.
Illinois	\$1.4 billion	9	322,000
Indiana	\$2.8 billion	13	847,000
Missouri	\$1.7 billion	13	865,000
<b>IOWA*</b>	<b>\$1.4 billion</b>	<b>17</b>	<b>617,000</b>
*data includes tracks and boats			

## COMMERCIAL PROPERTY TAX RECOMMENDATION

The Governor is recommending a reduction in commercial property taxable value from its current 100.0% of assessed (market) value to 60.0% over a five-year period, beginning with assessment year 2012. The recommendation includes:

- Taxing new commercial property at 60.0% of assessed value beginning with assessment year 2012.
- Reducing the percent of assessed value subject to property tax for existing commercial property by eight percentage points each year, until it reaches 60.0% after the fifth year (60.0% taxed starting assessment year 2016).

For State and local finances, assessment year 2012 equates to FY 2014 and assessment year 2016 equates to FY 2018. The fiscal impact of the proposal will depend on the rate of construction of new commercial property going forward as well as the rate of appreciation of existing commercial property over the next five years.

For reference purposes, had commercial property been taxed at 60.0% of assessed value in FY 2011 instead of 100.0%

- Without any rate response by taxing authorities, commercial property owners would have paid \$515.5 million less in property taxes to local governments.
- Taxable value statewide would have been \$13.4 billion lower, and this would have required \$72.2 million in additional State School Aid payments.
- If local governments did not increase their tax rates to make up for the lost revenue, local government property tax revenue would have been \$443.3 million lower (\$515.5 million tax reduction minus the \$72.2 million School Aid increase). That reduction would have been spread as follows:
  - Counties: \$78.8 million
  - Cities: \$152.2 million
  - Schools: \$114.2 million
  - Community Colleges: \$9.4 million
  - Other: \$18.5 million
- Tax Increment Financing Districts: \$70.2 million
  - If there was a rate response by local governments (faced with lower revenue they raise tax rates), the tax reductions and revenue losses would be lower. The local government revenue reductions would also be lower if the State reimbursed the property tax system for more than just the School Aid portion.

### **CORPORATE TAX RATE**

The Governor is recommending reduction of Iowa's current corporate income tax rate from a set of tiered rates ranging from 6.0% to 12.0% to a flat corporate tax rate of 6.0%. The Governor estimates that this will reduce General Fund revenue by:

- \$36.6 million in FY 2011
- \$136.2 million in FY 2012
- \$223.0 million in FY 2013

### **OTHER PROPOSALS RELATED TO TAXES**

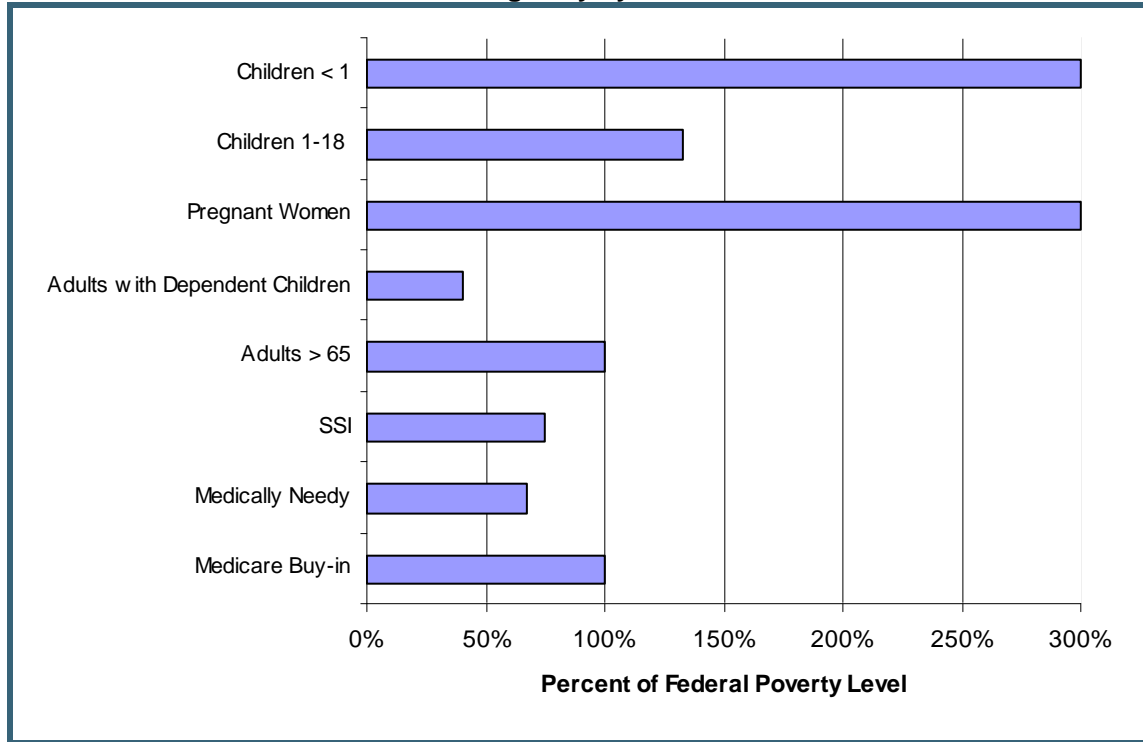
- The Governor is recommending that startup business not be subject to state income tax for the first three years of operation and exempt from state sales taxes for their first three years of \$50,000 in taxable purchases. A fiscal estimate for this state waiver proposal was not available and the LSA will provide more information once a bill draft is filed.
- The Governor is proposing a tuition tax credit for businesses that hire vocational technical education students directly out of community college. Iowa employers that commit to hiring a student during their first year at an Iowa community college and commit to paying all the student's tuition, will receive a tax credit equal to 50% of the tuition payment. The tuition payment cannot be used in lieu of salary, but the employer may place reasonable requirements on the student's college performance and define a minimum length of employment. A fiscal estimate for this tax credit proposal was not available and the LSA will provide more information once a bill draft is filed.

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## MEDICAL ASSISTANCE PROGRAM (MEDICAID)

Medicaid is funded jointly by State and federal funds to provide health care services to low-income persons that are elderly, blind, disabled, pregnant, under age 21, or members of families with dependent children. For State Fiscal Year 2011 the federal share of the Medicaid Program is 70.64%.

**Table 1  
Medicaid Eligibility by Income Level**



The Iowa Medicaid Program covers individuals at various levels of income as allowed under federal law. **Table 1** shows the maximum income level for children, pregnant women, adults with dependent children, recipients of Supplemental Security Income (SSI), the Medicare Buy-in Program, and the Medically Needy Program. The income levels are based on the percentage of the Federal Poverty Level (FPL) calculated annually by the federal government and vary by the size of the household. The FPL for a family of four is \$22,050 for 2010.

In December 2010, 379,291 Iowans were enrolled in Medicaid. Of this amount, 57.2% were children, 16.0% were adults with dependent children, 19.0% were disabled, and 7.9% were over age 65. Fiscal year 2010 State expenditures totaled \$719.2 million. Of the total expenditures, 18.0% was for children, 16.0% was for adults with dependent children, 48.0% was for the disabled, and 18.0% was for adults over age 65. While children account for approximately half of the enrollment, they consume less than 18.0% of Medicaid expenditures. Adults over age 65 and disabled individuals account for 27.1% of enrollment but utilize 66.0% of expenditures.

### American Recovery and Reinvestment Act (ARRA)

On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009. The Act provides a 6.2% increase in the Federal Medical Assistance Percentage (FMAP) match over 27 months, with nine of the months falling in State FY 2009. The Act also provided for additional FMAP

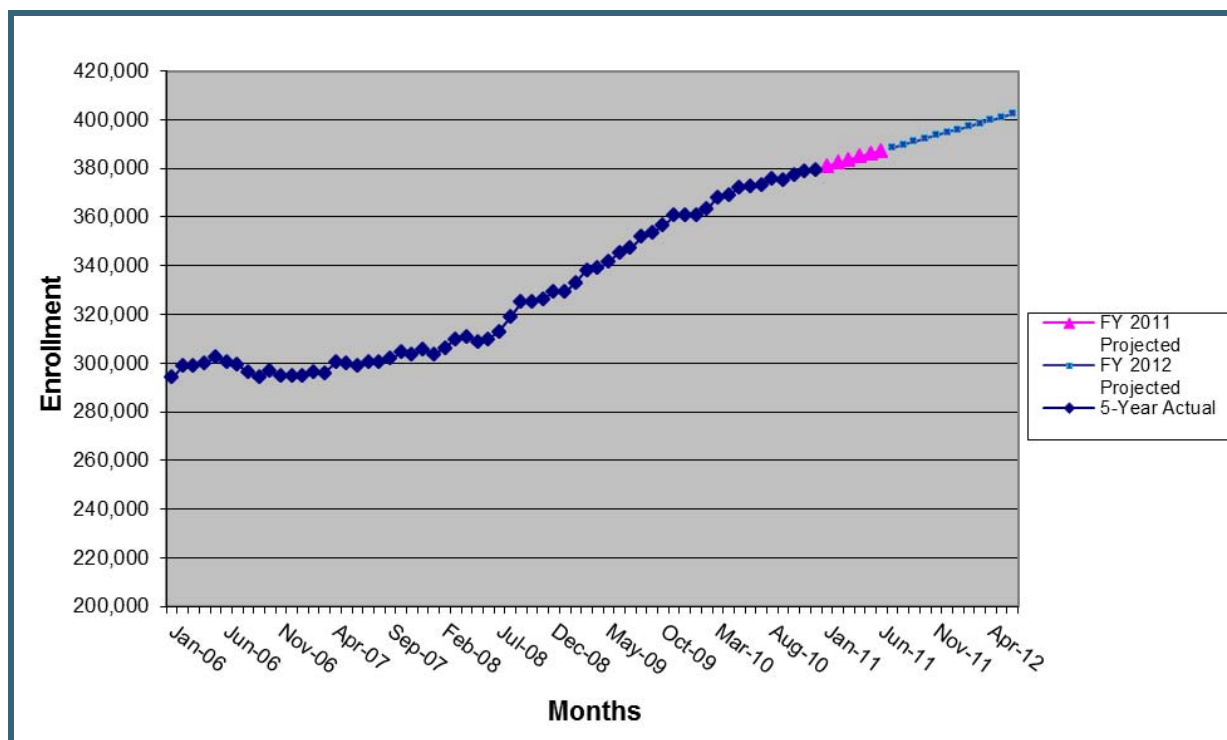
## Medical Assistance Program (Medicaid)

increases based on state unemployment rates. An increase in the FMAP formula offsets State dollars needed to fund the Medicaid Program. In August 2010, the United States Congress approved, and the President signed, legislation to extend the ARRA FMAP by six months, through the end of FY 2011. The extension reduces the enhanced FMAP rate from 6.2% to 3.1% for the period of January through March of 2011, with another reduction to 1.2% for the period of April through June of 2011. The FMAP extension is estimated to save the Medicaid budget \$86.0 million over the second half of FY 2011 for a total savings of \$188.1 million in FY 2011.

### Enrollment

**Table 2** shows the enrollment growth in Iowa over the past five years. Average enrollment increased by 3.4% in FY 2006. There was negligible growth in FY 2007 as a result of additional citizenship requirements at the federal level. In FY 2008 the Program increased by 2.9%. In FY 2009 and FY 2010 with the poor economy, the Program grew by 8.2% and 9.4%, respectively.

**Table 2**  
**Medicaid Enrollment**



With slow economic recovery, enrollment is projected to continue to increase steadily in FY 2011 and FY 2012, but at a slower rate than during the recession. The Fiscal Services Division of the Legislative Services Agency (LSA) estimates Medicaid enrollment will increase by 5.3% in FY 2011 and 4.0% in FY 2012. The Program added a total of 27,164 individuals in FY 2010, including 19,286 children. In the first six months of FY 2011, the Program added an additional 6,735 individuals for total enrollment of 379,291.

### Expenditures

**Table 3** shows actual expenditures for FY 2009 and FY 2010 compared to year-to-date FY 2011 expenditures.

**Table 3**  
**State Expenditures for FY 2009 and FY 2010 including FMAP Savings**

	<b>Actual FY 2009</b>	<b>Actual FY 2010</b>	<b>Year-to-Date FY 2011</b>
July	\$ 17,089,004	\$ 22,583,274	\$ 41,491,691
August	55,816,607	49,352,971	50,427,388
September	82,001,324	64,305,702	52,403,813
October	56,230,349	69,543,809	56,856,974
November	63,205,736	58,988,009	67,785,457
December	69,457,065	53,057,942	52,676,864
January	55,068,190	74,576,612	-
February	63,691,919	70,864,003	-
March	77,900,524	35,696,849	-
April	60,891,296	70,781,117	-
May	62,762,013	49,626,437	-
June	68,235,913	50,595,575	-
June +60	61,411,462	49,257,720	-
<b>Total Expenditures</b>	<b>\$ 793,761,403</b>	<b>\$ 719,230,020</b>	<b>\$ 321,642,188</b>

**Table 4** shows actual State expenditures for Medicaid for FY 2007 through FY 2010 and the projected need for FY 2011 and FY 2012. The appropriation for FY 2011 is \$850.0 million.

**Table 4**  
**State Medicaid Expenditures – All State Funds**  
(Dollars in Millions)

	<b>State Actual</b>	<b>FMAP Savings</b>	<b>Adjusted State Total</b>
FY 2008 Actual	\$ 849.0	-	\$ 849.0
FY 2009 Actual	907.7	-114.0	793.7
FY 2010 Actual	942.8	-223.6	719.2
FY 2011 Projected Need	1,034.9	-188.1	846.8
FY 2012 Projected Need	1,150.6	0.0	1150.6

**FY 2011 Estimate**

A forecasting group consisting of staff from the Department of Management, the DHS, and the Fiscal Services Division of the LSA meet monthly to discuss current enrollment and expenditure data in the Medicaid Program and set a range for projected FY 2011 and FY 2012 expenditures. The forecasting group last met on January 1, 2011. For FY 2011, the forecasting group agreed Medicaid will have a surplus of \$25.0 million to a supplemental need of \$5.0 million, with a midpoint of a \$10.0 million surplus. The range includes the 6.2% FMAP increase, including tier two of the FMAP unemployment increase through the first six months of FY 2011 and the phased out FMAP extension estimated at \$86.4 million, approved by Congress and signed by the President. In addition, the range takes into account a reduction of \$18.8 million for a lower State contribution for the Medicare Part D clawback payment to the federal government. The major shift in the range from last month is mainly due to a \$6.8 million Children’s Health Insurance Program performance bonus and a slower growth in enrollment.

## Medical Assistance Program (Medicaid)

### Governor's Recommendation FY 2012 and FY 2013

The Governor is recommending fully funding the Medicaid Program for FY 2012 and FY 2013. This includes a General Fund increase of \$527.6 million in FY 2012 and an additional \$79.9 million in FY 2013. In addition the Governor is recommending \$42.0 million in targeted reductions and savings for FY 2012 and FY 2013, a number of which will require Legislative approval. The LSA has requested information on the \$42.0 million in targeted reductions and savings. Please see Table 5 below for Medicaid funding details.

**Table 5  
Medicaid Balance Sheet**

	<i>Final FY 2010</i>	<i>Estimated FY 2011</i>	<i>Estimated FY 2012</i>	<i>Estimated FY 2013</i>
<b>Medicaid Funding</b>				
Carryforward from Previous Year	\$ 36,587,215	\$ 57,523,302	\$ 11,215,866	\$ 15,627,326
Veterans Transfer to Hospital Rebase	1,833,333	0	0	0
Other Transfers	-3,774,367	0	0	0
ARRA Funds to MHIs	25,874,211	0	0	0
Property Tax Relief Transfer	3,271,911	0	0	0
Behavioral Health Account Carryforward	2,136,721	2,082,504	0	0
Senior Living Trust Fund	17,366,939	40,296,301	0	0
Transfer from Decat Waiver Waiting List	0	1,925,000	0	0
Cash Reserve Fund	0	172,800,000	0	0
Health Care Trust Fund	100,650,740	106,916,532	106,046,400	106,346,400
Nursing Facility Quality Assurance Fund	2,300,000	34,311,825	35,662,400	35,662,400
Hospital Trust Fund	0	39,406,000	39,231,000	39,231,000
hawk-i Performance Bonus	0	6,760,901	8,489,062	7,860,256
<b>Total Non-General Fund for Medicaid</b>	<b>\$ 186,246,703</b>	<b>\$ 462,022,365</b>	<b>\$ 200,644,728</b>	<b>\$ 204,727,382</b>
General Fund Appropriation	\$ 590,459,096	\$ 393,683,227	\$ 921,302,419	\$ 1,001,190,811
Covering All Children	47,523	2,297,649	2,297,649	2,297,649
<b>Total All General Fund Sources</b>	<b>\$ 590,506,619</b>	<b>\$ 395,980,876</b>	<b>\$ 923,600,068</b>	<b>\$ 1,003,488,460</b>
<b>Total Medicaid Funding</b>	<b>\$ 776,753,322</b>	<b>\$ 858,003,241</b>	<b>\$ 1,124,244,796</b>	<b>\$ 1,208,215,842</b>
<b>Total Estimated State Medicaid Need</b>	<b>\$ 943,785,050</b>	<b>\$ 1,034,908,338</b>	<b>\$ 1,150,617,470</b>	<b>\$ 1,250,215,842</b>
Governor Recommended Targeted Savings	\$ 0	\$ 0	\$ -42,000,000	\$ -42,000,000
ARRA FMAP	-224,555,030	-99,912,848	0	0
ARRA Six-month Extension	0	-88,208,115	0	0
<b>Total Estimated Medicaid Need</b>	<b>\$ 719,230,020</b>	<b>\$ 846,787,375</b>	<b>\$ 1,108,617,470</b>	<b>\$ 1,208,215,842</b>
<b>Midpoint of Balance/(Under Funded)</b>	<b>\$ 57,523,302</b>	<b>\$ 11,215,866</b>	<b>\$ 15,627,326</b>	<b>\$ 0</b>

ARRA - American Recovery and Reinvestment Act

### Patient Protection and Affordable Care Act

The federal Patient Protection and Affordable Care Act of 2010 includes a number of provisions that will affect the Medicaid Program. The most notable change eliminates categorical eligibility and makes Medicaid available for everyone up to 133.0% of the federal poverty level. This provision goes into effect January 1, 2014. Legislators will have many decisions to make regarding the expansion, including the design of the Medicaid benefit for the new group, what to do with existing coverage groups over 133.0%, and building systems to meet the demand and new federal requirements. For more information on the Act please visit: <http://www.ncsl.org/Default.aspx?TabID=160&tabs=831,139,1156#1156>.

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## PUBLIC RETIREMENT SYSTEMS

### Retirement Systems

The public retirement systems in Iowa include:

- **Iowa Public Employees Retirement System – IPERS:** Membership includes employees and retirees of State, county, and city governments; other political subdivisions or agencies; and school districts and Area Education Agencies (AEAs). There are two Special Service groups within IPERS including:
  - Sheriffs and Deputy Sheriffs.
  - Protection Occupations - airport safety officers; conservation peace officers; city marshals, fire fighters, police officers, and fire prevention inspectors not under the Municipal Fire and Police Retirement System of Iowa (MFPRSI); correctional officers; Department of Transportation (DOT) peace officers; county jailers; military installation officers; emergency medical care providers; and county attorney special investigators.
- **Judicial Retirement System:** Membership includes active Judges, Senior Judges, retired Senior Judges, retired Judges, beneficiaries of deceased Judges, and inactive Judges with contributions remaining in the system.
- **Department of Public Safety Peace Officers’ Retirement, Accident, and Disability System – PORS:** Membership includes uniformed, sworn officers of the Department of Public Safety including the State Patrol, Division of Criminal Investigation (DCI) officers, drug enforcement officers, arson investigators, and fire prevention inspectors.
- **Municipal Fire and Police Retirement System of Iowa - MFPRSI or 411:** The membership includes active and retired police officers and firefighters in cities with a population of 8,000 or more in 1980 and other cities that voluntarily established a civil service commission.

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

Retirement System	Total Members	Retired Members	Percent
IPERS	325,000	94,000	28.92%
Judicial	371	176	* 47.44%
PORS	1,200	538	44.83%
MFPRSI	7,616	3,721	48.86%

\* Includes retired members, senior judges, and beneficiaries.

### Types of Plans

- The IPERS, Judicial Retirement, PORS, and MFPRSI are “defined benefit plans,” meaning the person’s retirement benefit is based on a benefit formula prescribed by contract or statute. With the exception of IPERS regular members and PORS, the contributions by employers and employees are adjusted based on actuarial valuations so funds will be available to pay retirees’ benefits. The General Assembly sets the rates for IPERS regular members and POR in statute through FY 2012 and FY 2017, respectively.

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



## Public Retirement Systems

rate for wages paid in 2010 is set by federal statute at 6.20% of gross compensation for both the employees and employers up to a limit of \$106,800. The Medicare portion of FICA is 1.45% of wages for both employee and employer with no limit. The total Social Security tax is 12.40% and the total Medicare tax is 2.90% of wages.

- **Teachers’ Insurance and Annuity Association - College Retirement Equities Fund - TIAA-CREF:** The membership includes approximately 27,000 active members that are university, Board of Regents, and some community college employees. The TIAA-CREF is a “defined contribution plan,” meaning moneys are contributed to an individual account for each participant, and the moneys contributed, plus any investment earnings, determine the retirement benefit made available to the participant upon retirement. Retirees of TIAA-CREF receive Social Security benefits.
- **Deferred Compensation Program (457/401a)** – This is a voluntary defined contribution retirement savings program for employees of the State of Iowa and other participating government employers. The program is designed to supplement pension and Social Security benefits at retirement. State of Iowa employees receive a dollar for dollar match on the first \$75 of monthly contributions. Contributions are made pretax through payroll deductions, and investment earnings are tax-deferred.
- **Tax Sheltered Annuity (403b)** – This is a voluntary retirement savings program for employees of educational and education-related institutions. This savings program is designed to supplement pension and Social Security benefits at retirement. Contributions are made pretax through salary reductions, and investment earnings are tax-deferred.

**FY 2012 Contribution Rates**

	<u>Employee Share</u>	<u>Employer Share</u>	<u>Total</u>
<b>IPERS</b>			
Regular	5.38%	8.07%	13.45%
Sheriffs and Deputies	9.83%	9.83%	19.66%
Protection Occupations	6.65%	9.97%	16.62%
<b>Judicial Retirement</b>	9.35%	30.60%	39.95%
<b>PORS</b>	9.85%	25.00%	34.85%
<b>MFPRSI/411s</b>	9.40%	24.76%	34.16%

### Public Retirement Systems Committee

The Public Retirement Systems Committee is a 10-member statutory legislative committee required to examine and make recommendations to the Iowa General Assembly concerning public retirement systems in Iowa. Iowa Code Section 97D.4(3) establishes the duties of the Committee. The General Assembly addresses retirement system issues during the second year of each biennium and as needed. Interested parties make recommendations for the General Assembly to consider.

### Highlights from the 2010 Legislative Session – HF 2518 (Public Retirement Systems Act)

#### Peace Officers’ Retirement, Accident, and Disability System (PORS)

- Increased the employee contribution rate by 0.5% each year for four years beginning July 1, 2011 (FY 2012).
- Increased the employer contribution rate by 2.0% each year for five additional years ending July 1, 2017, (FY 2018) to a total employer contribution rate of 35.0%.

- Allowed members of PORS to purchase permissive service credit for eligible qualified service based on the actuarial cost of the service minus a credit for contributions made to the 411 System when the person was a member of that System. A report must be filed by July 1, 2011.
- Beginning July 1, 2012 (FY 2013), a General Fund appropriation of \$5.0 million per year is made until the PORS Fund reaches an 85.0% funded ratio. *The Governor is recommending \$5.0 million in FY 2013 to the Department of Public Safety Peace Officers Retirement Fund.*
- Changed the escalation amount for PORS members from compounding each year to a set escalation amount in five-year increments.
- Required a comprehensive examination report of the System on or before October 15, 2011.

### **Iowa Public Employees' Retirement System (IPERS)**

#### *For Regular Membership:*

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

Note: The legislation included transitional provisions to protect benefits earned by vested members before June 30, 2010.

*For Special Service Groups:* Added a cancer and infectious disease presumption for members of the IPERS special services groups for in-service disability benefits.

*For Licensed Health Care Professionals:* Extended a one-month bona fide retirement exception for two years.

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

*For All IPERS Members:* Extended the current wage purchase credit rules relative to furloughs for IPERS members for an additional year and allows the rules to apply to union bumping rights with a retroactive effective date of January 1, 2009.

### **Municipal Fire and Police Retirement System of Iowa (411)**

- Phased out the State's contribution to the 411 System. *The Governor is recommending \$750,000 for FY 2012 and eliminating the contribution in FY 2013.*
- Required a comprehensive examination report of the System on or before January 10, 2011.

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## SCHOOL AID – FY 2011, FY 2012, AND FY 2013

### STATE SCHOOL AID AND PRESCHOOL FORMULA AID

#### Funding for FY 2011

##### **FY 2011 - Brief Background**

During the 2009 Legislative Session, the General Assembly established the FY 2011 allowable growth rate at 2.0% and increased the State cost per pupil by \$115 to \$5,883. Additionally, the General Assembly established the FY 2011 allowable growth rate at 2.0% for each of the State Categorical Supplements. Per pupil allowable growth increases for each of the Programs were:

- The teacher salary supplement cost per pupil increased \$9.94 for school districts and \$0.52 for Area Education Agencies (AEAs).
- The professional development supplement cost per pupil increased \$1.13 for school districts and \$0.06 for AEAs.
- The early intervention supplement cost per pupil increased \$1.23.

Total school aid funding for FY 2011 totaled \$2.499 billion. Of that amount, the regular school aid portion totaled \$2.292 billion, the State categorical supplements totaled \$314.9 million, and preschool formula funding totaled \$48.3 million. Additionally, funding adjustments were made to the FY 2011 State aid amount. These adjustments included:

- Allocating \$47.9 million of American Recovery and Reinvestment Act (ARRA) Education Fiscal Stabilization and Government Fiscal Stabilization funding to be used in lieu of State aid to school districts for FY 2011.
- Allocating \$5.1 million of Underground Storage Tank (UST) funds to be used in lieu of State aid to school districts for FY 2011.
- Capping the FY 2011 State school aid appropriation at \$2.499 billion which resulted in a State aid shortfall of \$156.1 million.

The school foundation property tax amount (total of the uniform levy and additional levy) totaled \$1,249.5 million and included an additional reduction of \$25.3 million due to remaining sales/use tax allocated to eligible school districts for property tax relief (funded from the Property Tax Equity and Relief Fund).

The table on the following page provides a breakdown of the FY 2011 school aid totals.

#### Funding for FY 2012

##### **FY 2012 – Current Law Estimates**

NOTE: Estimates for FY 2012 are preliminary (based on available data and assumptions as of January, 2011) and are subject to change. Variables that are currently estimated include taxable valuations and pupil weightings. Any variations in assumptions used to calculate these variables will impact the information provided below. The Legislative Services Agency (LSA) anticipates that data will be finalized by March 2011.

## School Aid

During the 2010 Legislative Session, the General Assembly enacted SF 2045 (FY 2012 Regular School Aid Allowable Growth Rate Act) and SF 2046 (FY 2012 State Categorical Supplement Allowable Growth Rate Act) that postponed the establishment of the FY 2012 regular school aid and State categorical supplement allowable rates until the 2011 Legislative Session. The following table has school aid funding information for FY 2011 and FY 2012 at different allowable growth rates. State aid estimates for FY 2012 include:

- At a 0.0% allowable growth rate for both regular school aid and the State categorical supplements, the total State aid amount is \$2.668.7 billion, an increase of \$215.9 million compared to the estimated FY 2011 General Fund amount for school aid.
- At a 2.0% allowable growth rate for both regular school aid and the State categorical supplements, the total State aid amount is \$2.733 billion, an increase of \$280.4 million compared to the estimated FY 2011 General Fund amount for school aid.
- At a 4.0% allowable growth rate for both regular school aid and the State categorical supplements, the total State aid amount is \$2.792 billion, an increase of \$345.8 million compared to the estimated FY 2011 General Fund amount for school aid.

<b>State School Aid Funding: Est. FY 2011 vs Est. FY 2012</b>							
Note: The allowable growth rate has not been set for FY 2012							
(Dollars in Millions)							
	FY 2011 - Final Action	FY 2012 - 0% Allowable Growth	Change from Est. FY 2011	FY 2012 - 2% Allowable Growth	Change from Est. FY 2011	FY 2012 - 4% Allowable Growth	Change from Est. FY 2011
<b>Total Regular School Aid</b>	\$ 2,292.1	\$ 2,276.3	\$ -15.9	\$ 2,335.3	\$ 43.1	\$ 2,393.7	\$ 101.6
<b>PTER Funding (Prop. Tax Relief)</b>	\$ 25.4	\$ 6.7		\$ 6.7		\$ 6.7	
<b>Preschool Aid</b>	\$ 48.3	\$ 69.9	\$ 21.6	\$ 71.3	\$ 23.0	\$ 72.7	\$ 24.4
Teacher Salary Supplement	256.0	256.8	0.8	260.1	4.1	264.6	8.6
Professional Development Supplement	29.0	29.1	0.1	29.5	0.5	30.0	1.0
Early Intervention Supplement	29.8	29.9	0.1	30.3	0.5	30.8	1.0
<b>Total State Categorical Supplement</b>	\$ 314.9	\$ 315.9	\$ 1.0	\$ 319.9	\$ 5.0	\$ 325.5	\$ 10.6
<b>Total School Aid Prior to Adjustments**</b>	\$ 2,680.7	\$ 2,668.7	\$ -11.9	\$ 2,733.2	\$ 52.5	\$ 2,798.6	\$ 117.9
State Aid Shortfall	-156.1	0.0	156.1	0.0	156.1	0.0	156.1
State Aid Change for ARRA Funding	-47.9	0.0	47.9	0.0	47.9	0.0	47.9
Underground Storage Tank (UST) Funding	-5.1	0.0	5.1	0.0	5.1	0.0	5.1
PTER Funding	-25.4	-6.7		-6.7		-6.7	
<b>Total State Aid Adjustments</b>	\$ -234.6	\$ -6.7	\$ 227.9	\$ -6.7	\$ 227.9	\$ -6.7	\$ 227.9
<b>Total State Aid from State General Fund</b>	\$ 2,446.1	\$ 2,662.0	\$ 215.9	\$ 2,726.5	\$ 280.4	\$ 2,791.9	\$ 345.8
<b>ARRA Education Stimulus</b>	\$ 47.9	\$ 0.0	\$ -47.9	\$ 0.0	\$ -47.9	\$ 0.0	\$ -47.9
<b>UST Funding</b>	\$ 5.1	\$ 0.0	\$ -5.1	\$ 0.0	\$ -5.1	\$ 0.0	\$ -5.1
<b>PTER Funding</b>	\$ 25.4	\$ 6.7	\$ -18.7	\$ 6.7	\$ 6.7	\$ 6.7	\$ 0.0
<b>Total School Aid - All Sources</b>	\$ 2,524.5	\$ 2,668.7	\$ 144.2	\$ 2,733.2	\$ 208.7	\$ 2,798.6	\$ 274.1
<b>Unfunded State School Aid</b>	\$ 156.1	\$ 0.0	\$ -156.1	\$ 0.0	\$ -156.1	\$ 0.0	\$ -156.1
Total Unadjusted Foundation Property Tax	\$ 1,298.9	\$ 1,350.2		\$ 1,331.3		\$ 1,331.8	
Property Tax Adjustment Aid (from GF)	-24.0	-24.0		-24.0		-24.0	
Property Tax Adjustment Aid (from PTER)	-25.4	-6.7		-6.7		-6.7	
<b>Total Foundation Property Tax</b>	\$ 1,249.5	\$ 1,319.5	\$ 70.0	\$ 1,300.5	\$ 51.1	\$ 1,301.1	\$ 51.6
<b>Combined District Cost</b>	\$ 3,881.8	\$ 3,918.4	\$ 36.6	\$ 3,962.5	\$ 80.7	\$ 4,027.0	\$ 145.2

NOTE: Some totals in this chart may not add due to rounding.

The increase in General Fund dollars to fund State school aid in FY 2012 is a result of actions that impacted FY 2011 State school aid funding totaling \$209.1 million. This included:

- Backfilling \$156.1 million due to capping the FY 2011 appropriation for State school aid.
- Replacing \$47.9 million of the ARRA Education Fiscal Stabilization and Government Services Fiscal Stabilization funds used in lieu of General Fund dollars.
- Replacing \$5.1 million of UST funds used in lieu of General Fund dollars.

Establishing the allowable growth rate for FY 2012 will also impact local property taxes and the overall school district budgets (represented by the combined district cost in the preceding table). Current FY 2012 estimates for school aid property taxes and combined district costs include:

- At a 0.0% allowable growth rate, foundation level property taxes are estimated to increase \$70.0 million compared to FY 2011. The regular program budget adjustment accounts for \$22.7 million of the overall increase and is estimated to total \$47.8 million. The combined district cost is estimated to increase \$36.6 million compared to FY 2011.
- At a 2.0% allowable growth rate, foundation level property taxes are estimated to increase \$51.1 million compared to FY 2011. The regular program budget adjustment is estimated to total \$17.8 million, a decrease of \$7.3 million compared to FY 2011. The combined district cost is estimated to increase \$80.7 million compared to FY 2011.
- At a 4.0% allowable growth rate, foundation level property taxes are estimated to increase \$51.6 million compared to FY 2011. The regular program budget adjustment is estimated to total \$6.8 million, a decrease of \$18.3 million compared to FY 2011. The combined district cost is estimated to increase \$145.2 million compared to FY 2011.

### **Funding for FY 2013**

During the 2011 Legislative Session, the General Assembly will be required to set the allowable growth rates for the FY 2013 regular school aid and the State categorical supplements. The allowed growth in the per pupil funding for FY 2013 will be impacted by the legislative action setting the allowable growth rates for FY 2012. The following table provides FY 2013 school aid estimates at various allowable growth rates for both FY 2012 and FY 2013. For example, the estimate for FY 2013 State school aid based on a 4.0% allowable growth rate for both FY 2012 and FY 2013 totals \$2.949 billion and is an increase of \$157.5 million compared to FY 2012 State school aid.

Legislative Services Agency:  
 FY 2013 School Aid Estimates Matrix – Various Allowable Growth Rates  
 (Dollars in Millions)

		FY 2012 Allowable Growth Rates*		4.0%		2.0%		1.0%		0.0%	
FY 2013 Regular School Aid Allowable Growth Rate		Change from Est. FY 2012		Change from Est. FY 2012		Change from Est. FY 2012		Change from Est. FY 2012		Change from Est. FY 2012	
		Total		Total		Total		Total		Total	
4.0%	Regular State School Aid	\$ 2,527.9	\$ 134.1	\$ 2,463.4	\$ 128.1	\$ 2,431.7	\$ 126.2	\$ 2,398.8	\$ 122.6		
	Preschool Formula State Aid	81.3	8.6	79.7	8.4	78.9	8.3	78.1	8.2		
	State Categorical Supplement	340.3	14.8	333.7	13.8	330.5	12.8	327.2	11.3		
	<b>Total State School Aid</b>	<b>\$ 2,949.4</b>	<b>\$ 157.5</b>	<b>\$ 2,876.8</b>	<b>\$ 150.3</b>	<b>\$ 2,841.1</b>	<b>\$ 147.3</b>	<b>\$ 2,804.2</b>	<b>\$ 142.1</b>		
	School Aid Property Tax	1,351.9	50.8	1,342.4	41.8	1,337.1	29.6	1,332.5	12.9		
	Budget Guarantee	9.0		9.0		9.0		9.0			
	State Categorical Budget Guarantee	0.7		0.7		0.7		0.7			
3.0%	Regular State School Aid	\$ 2,497.8	\$ 104.1	\$ 2,433.8	\$ 98.6	\$ 2,402.1	\$ 96.6	\$ 2,370.4	\$ 94.1		
	Preschool Formula State Aid	80.5	7.8	78.9	7.6	78.2	7.6	77.4	7.5		
	State Categorical Supplement	337.3	11.8	330.8	10.9	327.6	9.9	324.3	8.4		
	<b>Total State School Aid</b>	<b>\$ 2,915.6</b>	<b>\$ 123.7</b>	<b>\$ 2,843.6</b>	<b>\$ 117.1</b>	<b>\$ 2,807.8</b>	<b>\$ 114.1</b>	<b>\$ 2,772.1</b>	<b>\$ 110.1</b>		
	School Aid Property Tax	1,348.5	47.5	1,339.0	38.5	1,333.8	26.4	1,328.6	9.1		
	Budget Guarantee	12.5		12.5		12.4		12.4			
	State Categorical Budget Guarantee	0.7		0.7		1.0		1.0			
2.0%	Regular State School Aid	\$ 2,467.7	\$ 74.0	\$ 2,404.8	\$ 69.6	\$ 2,373.1	\$ 67.6	\$ 2,342.0	\$ 65.7		
	Preschool Formula State Aid	79.7	7.0	78.2	6.9	77.4	6.8	76.6	6.7		
	State Categorical Supplement	334.4	8.9	328.0	8.0	324.8	7.1	321.5	5.7		
	<b>Total State School Aid</b>	<b>\$ 2,881.8</b>	<b>\$ 89.9</b>	<b>\$ 2,811.0</b>	<b>\$ 84.5</b>	<b>\$ 2,775.3</b>	<b>\$ 81.6</b>	<b>\$ 2,740.2</b>	<b>\$ 78.1</b>		
	School Aid Property Tax	1,346.2	45.1	1,336.6	36.1	1,331.9	24.5	1,326.8	7.2		
	Budget Guarantee	17.6		17.3		17.2		17.1			
	State Categorical Budget Guarantee	0.7		1.4		1.3		1.3			
1.0%	Regular State School Aid	\$ 2,438.2	\$ 44.4	\$ 2,375.3	\$ 40.0	\$ 2,344.2	\$ 38.7	\$ 2,313.0	\$ 36.7		
	Preschool Formula State Aid	78.9	6.2	77.4	6.1	76.6	6.0	75.9	6.0		
	State Categorical Supplement	331.7	6.2	325.3	5.4	322.1	4.5	318.9	3.1		
	<b>Total State School Aid</b>	<b>\$ 2,848.8</b>	<b>\$ 56.9</b>	<b>\$ 2,778.0</b>	<b>\$ 51.5</b>	<b>\$ 2,742.9</b>	<b>\$ 49.2</b>	<b>\$ 2,707.8</b>	<b>\$ 45.8</b>		
	School Aid Property Tax	1,348.7	47.6	1,339.6	39.0	1,334.4	27.0	1,329.7	10.2		
	Budget Guarantee	27.3		26.9		26.8		26.5			
	State Categorical Budget Guarantee	0.7		1.9		1.9		1.9			
0.0%	Regular State School Aid	\$ 2,408.1	\$ 14.3	\$ 2,346.3	\$ 11.1	\$ 2,315.2	\$ 9.7	\$ 2,284.6	\$ 8.3		
	Preschool Formula State Aid	78.1	5.5	77.4	6.1	75.9	5.3	75.1	5.2		
	State Categorical Supplement	329.5	4.0	323.2	3.3	320.0	2.4	316.8	1.0		
	<b>Total State School Aid</b>	<b>\$ 2,815.7</b>	<b>\$ 23.8</b>	<b>\$ 2,746.9</b>	<b>\$ 20.4</b>	<b>\$ 2,711.1</b>	<b>\$ 17.4</b>	<b>\$ 2,676.6</b>	<b>\$ 14.5</b>		
	School Aid Property Tax	1,357.1	56.1	1,347.3	46.8	1,342.6	35.1	1,337.4	17.8		
	Budget Guarantee	42.4		41.7		41.3		41.0			
	State Categorical Budget Guarantee	0.7		3.0		2.9		2.9			
-1.0%	Regular State School Aid	\$ 2,378.5	\$ -15.2	\$ 2,316.8	\$ -18.5	\$ 2,286.8	\$ -18.7	\$ 2,255.6	\$ -20.7		
	Preschool Formula State Aid	77.4	4.7	75.9	4.6	75.1	4.5	74.4	4.5		
	State Categorical Supplement	328.0	2.5	321.6	1.7	318.5	0.9	315.3	-0.5		
	<b>Total State School Aid</b>	<b>\$ 2,783.8</b>	<b>\$ -8.1</b>	<b>\$ 2,714.3</b>	<b>\$ -12.2</b>	<b>\$ 2,680.4</b>	<b>\$ -13.3</b>	<b>\$ 2,645.3</b>	<b>\$ -16.7</b>		
	School Aid Property Tax	1,368.8	67.8	1,359.4	58.8	1,353.8	46.4	1,349.3	29.8		
	Budget Guarantee	60.9		59.9		59.2		58.9			
	State Categorical Budget Guarantee	0.7		4.6		4.6		4.6			
-2.0%	Regular State School Aid	\$ 2,349.0	\$ -44.7	\$ 2,287.8	\$ -47.5	\$ 2,257.2	\$ -48.3	\$ 2,226.6	\$ -49.6		
	Preschool Formula State Aid	76.6	3.9	75.1	3.8	74.4	3.8	73.6	3.7		
	State Categorical Supplement	326.8	1.3	320.5	0.6	317.4	-0.3	314.2	-1.7		
	<b>Total State School Aid</b>	<b>\$ 2,752.4</b>	<b>\$ -39.6</b>	<b>\$ 2,683.4</b>	<b>\$ -43.1</b>	<b>\$ 2,648.9</b>	<b>\$ -44.8</b>	<b>\$ 2,614.5</b>	<b>\$ -47.6</b>		
	School Aid Property Tax	1,384.2	83.1	1,374.5	73.9	1,369.5	62.1	1,364.7	45.2		
	Budget Guarantee	82.9		81.5		80.8		80.1			
	State Categorical Budget Guarantee	0.7		6.7		6.6		6.6			

Notes:

\*All FY 2013 estimates are based on FY 2012 estimates. The allowable growth rate noted for FY 2012 assumes the same allowable growth rate for regular school aid and the State categorical supplements.

FY 2012 and FY 2013 estimates based on other assumptions that are subject to change and are as of December 2010.

Program used: Schlaid\_V3.1\_FY11

Data as of: 12/28/2010.

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### **Governor's Recommendations for FY 2012 and FY 2013**

**FY 2012** – The Governor has proposed establishing the FY 2012 allowable growth rate at 0.0% for both regular school aid and the State categorical supplements. Additionally, the Governor is recommending:

- Removing the funding for the Statewide Voluntary Preschool Program formula funding (estimated to total \$69.9 million).
- Reducing Area Education Agency State funding by an additional \$20.0 million.

Based on the Governor's recommendation, the per pupil funding amounts in the school aid formula will remain at the FY 2011 levels. The LSA estimates that based on the Governor's proposal, the total General Fund amount for State school aid will total \$2.572 billion and will be an increase of \$126.0 million compared to the State General Fund portion of school aid for FY 2011.

**FY 2013** - The Governor is proposing establishing the FY 2013 allowable growth rate at 0.0% for both regular school aid and the State categorical supplements and maintaining the FY 2012 Area Education Agency State funding reduction of \$20.0 million. Based on the Governor's recommendation, the per pupil funding amounts in the school aid formula will remain at the FY 2012 levels (which is also equal to the FY 2011 levels). The LSA estimates that based on the Governor's proposal, the total General Fund amount for State school aid will total \$2.581 billion and will be an increase of \$9.3 million compared to the Governor's proposal for State General Fund school aid in FY 2012.

The following table provides additional detail of the Governor's FY 2012 and FY 2013 State school aid proposal.



## School Aid

<b>State School Aid Funding: Governor's Recommendation</b>					
Note: The allowable growth rate has not been set for FY 2012 (Dollars in Millions)					
	FY 2011 - Final Action	<b>Governor's Recommendation</b>			
		FY 2012 - 0% Allowable Growth	Change from Est. FY 2011	FY 2013 - 0% Allowable Growth	Change from Est. FY 2012
<b>Total Regular School Aid</b>	\$ 2,292.1	\$ 2,276.3	\$ -15.9	\$ 2,284.6	\$ 8.3
<b>PTER Funding (Prop. Tax Relief)</b>	\$ 25.4	\$ 6.7		\$ 6.7	
<b>Total Regular School Aid Funding - State Portion</b>	\$ 2,317.5	\$ 2,283.0	\$ -34.5	\$ 2,291.3	\$ 8.3
State Aid Shortfall	-156.1	0.0	156.1	0.0	0.0
State Aid Change for ARRA Funding	-47.9	0.0	47.9	0.0	0.0
Underground Storage Tank (UST) Funding	-5.1	0.0	5.1	0.0	0.0
PTER Funding	-25.4	-6.7		-6.7	0.0
<b>Total Regular School Aid From General Fund</b>	\$ 2,083.0	\$ 2,276.3	\$ 193.3	\$ 2,284.6	\$ 8.3
Teacher Salary Supplement	256.0	256.8	0.8	257.6	0.8
Professional Development Supplement	29.0	29.1	0.1	29.2	0.1
Early Intervention Supplement	29.8	29.9	0.1	30.0	0.1
<b>Total State Categorical Supplement</b>	\$ 314.9	\$ 315.9	\$ 1.0	\$ 316.8	\$ 1.0
<b>Total School Aid From General Fund</b>	\$ 2,397.9	\$ 2,592.1	\$ 194.3	\$ 2,601.4	\$ 9.3
<b>Preschool Aid</b>	\$ 48.3	\$ 0.0	\$ -48.3	\$ 0.0	\$ 0.0
<b>Additional AEA Reduction</b>	\$ 0.0	\$ -20.0	\$ -20.0	\$ -20.0	\$ 0.0
<b>Total General Fund Amount for School Programs</b>	\$ 2,446.1	\$ 2,572.1 *	\$ 126.0	\$ 2,581.4 *	\$ 9.3
Total Unadjusted Foundation Property Tax	\$ 1,298.9	\$ 1,350.2		\$ 1,368.1	
Property Tax Adjustment Aid (from GF)	-24.0	-24.0		-24.0	
Property Tax Adjustment Aid (from PTER)	-25.4	-6.7		-6.7	
<b>Total Foundation Property Tax</b>	\$ 1,249.5	\$ 1,319.5	\$ 70.0	\$ 1,337.4	\$ 17.8
<b>Combined District Cost</b>	\$ 3,881.8	\$ 3,898.4	\$ 16.6	\$ 3,925.5	\$ 27.1

Notes:  
 \*The LSA and Governor's State aid estimates differ by \$0.3 million in FY 2012 and \$0.7 million in FY 2013.  
 ARRA = American Recovery and Reinvestment Act  
 GF = General Fund  
 PTER = Property Tax Equity and Relief Fund  
 FY 2012 and FY 2013 estimates are as of January 26, 2011, and based on a variety of assumptions that are subject to change. For a complete list of assumptions, contact the LSA.  
 Combined district cost represents the total school foundation funding amount and is not impacted by a reduction in State school aid.  
 Totals may not sum due to rounding.

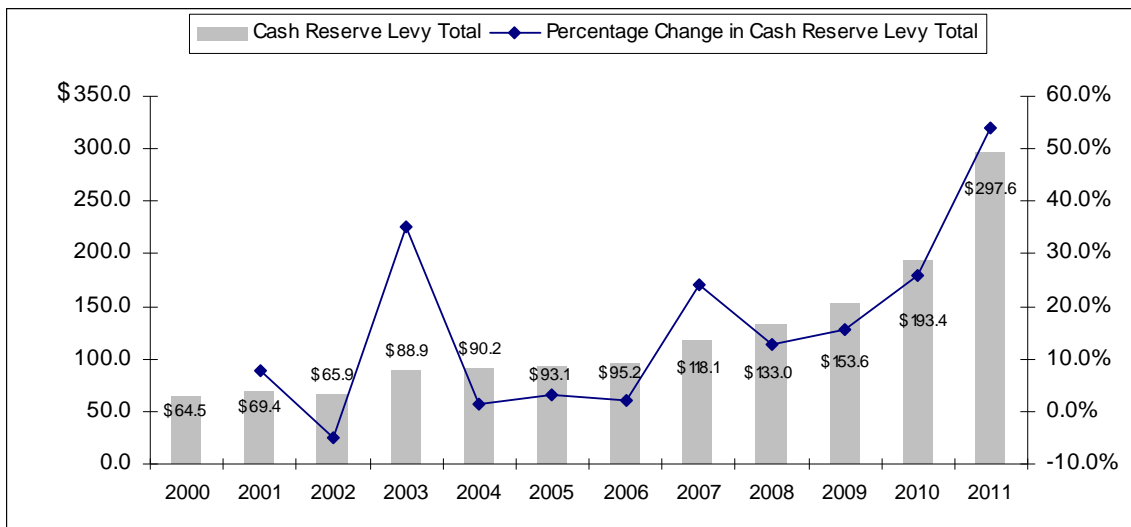
**Governor's Recommendation – Instructional Support Program:** The Governor is recommending no State funding for the Instructional Support Program for FY 2012 and FY 2013. The statutory requirement for the State aid portion of the Instructional Support program is \$14.8 million. In FY 2011, the instructional support program received a \$7.5 million appropriation from other funds that was used in lieu of a General Fund appropriation. Total funding for the Program in FY 2011 was \$190.1 million, of which, \$182.6 million was from local taxes.

### Other K-12 Funding Issues

Other K-12 funding issues may be addressed during the 2011 Legislative Session. Some of these issues include:

- State funding for the Instructional Support Program. Based on current law, the State funding for the Program for FY 2012 totals \$14.8 million. However, State funding for the Program in FY 2010 and FY 2011 was provided from other funds (\$13.1 million from ARRA Education Fiscal Stabilization funds in FY 2010 and \$7.5 million from school infrastructure funds in FY 2011). *The Governor is recommending no State funding for the Instructional Support Program for FY 2012 and FY 2013. See discussion on previous page.*
- Iowa received one-time funds from the Federal Education Jobs Program for FY 2011. An allocation of approximately \$96.3 million was provided to Iowa school districts to be used to supplement the school building staffing levels for the 2010-2011 school year. The LSA has estimated that the Education Jobs Program funding level is equivalent to approximately 1,698 full-time teaching positions. The funding provided may be a one-time allocation (depending on whether Congress reauthorizes) and without additional funding for the 2011-2012 school year (FY 2012), school district staffing levels may be impacted.
- Reductions in State aid due to across-the-board reductions and capping the State school aid appropriation without adjustments to school district spending authority between FY 2009 and FY 2011 has likely led to an increase in the overall cash reserves levied by school districts in FY 2010 and FY 2011. The following chart provides the school district cash reserve levy totals for FY 2000 through FY 2011. In FY 2011, the cash reserve levy increased to \$297.6 million, an increase of \$104.2 million (53.9%) compared to the FY 2010 amount. More information in the LSA *Issue Review* titled "[School District Cash Reserve Levy.](#)"

**School District Cash Reserve Levy Amounts: FY 2000 – FY 2010**  
(Dollars in Millions)



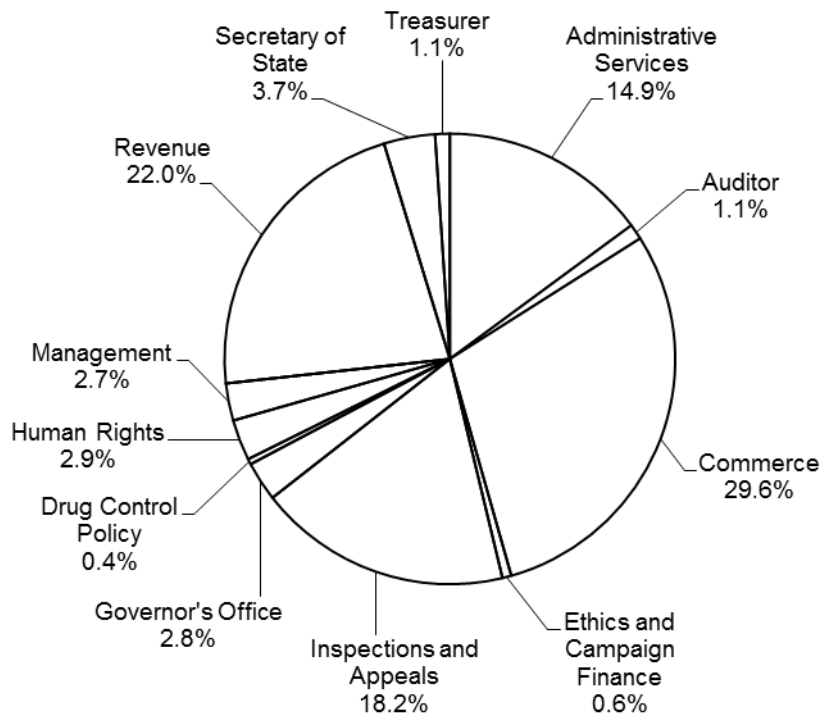
Additional information regarding K-12 funding is available on the LSA website at: <http://www.legis.iowa.gov/LSAReports/k12Education.aspx>

Staff Contact: Shawn Snyder (515-281-7799) ([shawn.snyder@legis.state.ia.us](mailto:shawn.snyder@legis.state.ia.us))

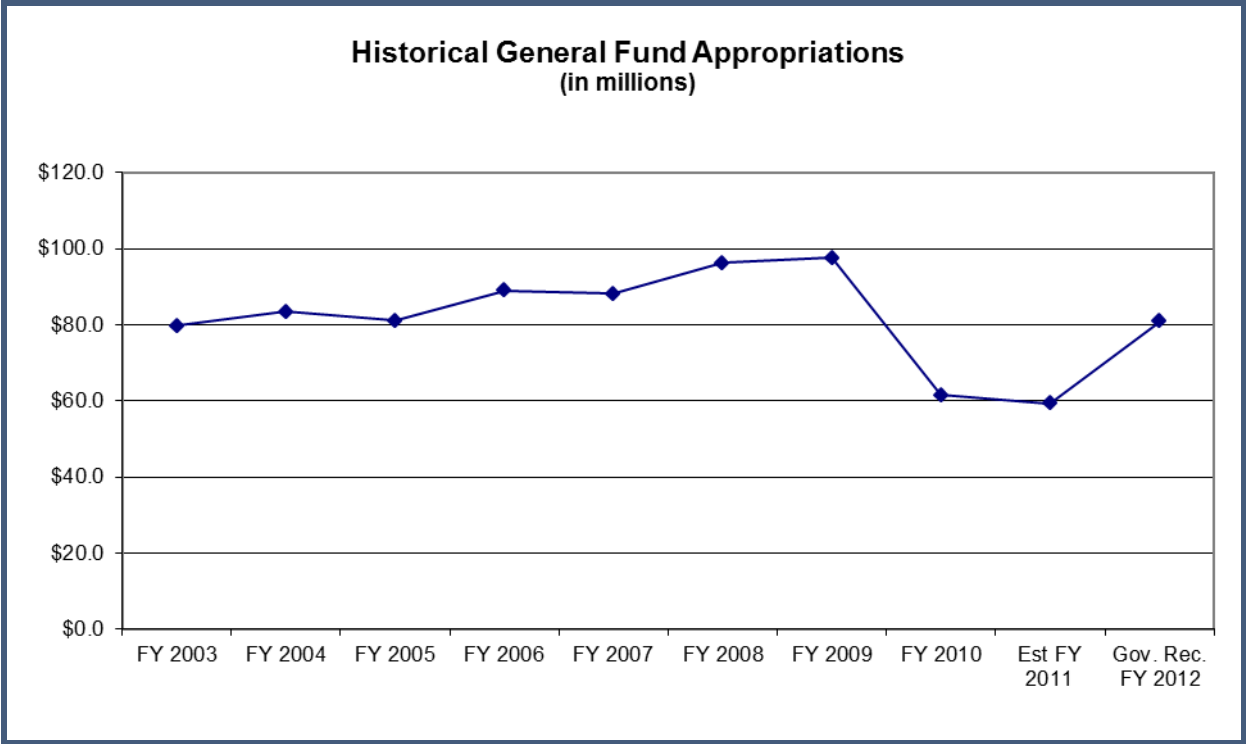
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# ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE

**FY 2012 General Fund Governor's Recommendations**



<b>FY 2012 General Fund Governor's Recommendations</b>		
Administrative Services	\$	12,051,878
Auditor		905,468
Commerce		23,936,674
Ethics and Campaign Finance		522,086
Inspections and Appeals		14,712,268
Governor's Office		2,288,025
Drug Control Policy		326,043
Human Rights		2,366,574
Management		2,163,998
Rebuild Iowa		0
Revenue		17,805,459
Secretary of State		2,970,585
Treasurer		854,289
<b>Total</b>	<b>\$</b>	<b>80,903,347</b>



## FY 2012 GOVERNOR'S RECOMMENDATIONS

### Department of Administrative Services

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$12.1 million. This is an increase of \$2.3 million (24.0%) compared to estimated FY 2011.

The Governor's recommendations include no FY 2012 other fund appropriations, a decrease of \$852,000 compared to estimated FY 2011.

#### General Fund Recommendations

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<b><u>Administrative Services, Dept. of</u></b>			
Administrative Services, Dept.	\$ 4,479,064	\$ 4,210,319	\$ -268,745
Utilities	3,127,085	2,939,460	-187,625
Terrace Hill Operations	0	405,914	405,914
Technology Procurement	2,113,169	0	-2,113,169
I3 Distribution	0	3,478,000	3,478,000
Iowa Building Operations	0	1,018,185	1,018,185
<b>Total Administrative Services, Dept. of</b>	<u>\$ 9,719,318</u>	<u>\$ 12,051,878</u>	<u>\$ 2,332,560</u>

Significant changes include:

- A general decrease of \$269,000 (6.0%) to DAS Operations.
- A general decrease of \$188,000 (6.0%) to DAS Utilities.
- A new appropriation of \$1.0 million for costs associated with operating the Iowa Building (formerly Mercy Capitol). The State took possession of the Iowa Building in December 2009 and received funding from the Rebuild Iowa Infrastructure Fund (RIIF) in FY 2011 and previous fiscal years.
- A new appropriation of \$3.5 million for I/3 Distribution (formerly titled DAS Distribution). In FY 2011 and previous fiscal years, DAS Distribution was funded from the RIIF. The funds are used for costs associated with operating the I/3 Financial System. State agencies use their share of the payment for bills associated with operating the I/3 Financial System.

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Administrative Services, Dept. of</u></b>			
Terrace Hill Operations - CRF	\$ 168,494	\$ 0	\$ -168,494
Autism Coverage - UST	140,000	0	-140,000
Medication Therapy Management - UST	543,000	0	-543,000
<b>Total Administrative Services, Dept. of</b>	<u>\$ 851,494</u>	<u>\$ 0</u>	<u>\$ -851,494</u>

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$522,000 resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Terrace Hill Operations** – House File 2531 (FY 2011 Standing Appropriations Act) transferred the Terrace Hill ground maintenance responsibilities from the Governor’s Office to the DAS. The Act provided two separate appropriations to DAS to cover the cost of 6.4 FTE positions and support costs. The appropriations included \$168,494 from the Cash Reserve Fund and \$263,329 from the General Fund for a total of \$431,823.

Due to an incorrect fiscal year citation in the Act, the General Fund appropriation to Terrace Hill Operations cannot be used to cover costs in FY 2011. *As a result, the Governor is recommending a supplemental appropriation of \$263,000 to Terrace Hill Operations for FY 2011.*

**Auditor of State**

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

The Governor is recommending FY 2012 General Fund appropriations of \$905,000. This represents no change compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Auditor of State</u></b>			
Auditor of State - General Office	\$ 905,468	\$ 905,468	\$ 0
<b>Total Auditor of State</b>	<u>\$ 905,468</u>	<u>\$ 905,468</u>	<u>\$ 0</u>

**Department of Commerce**

The Department of Commerce is comprised of six divisions, including the Alcoholic Beverages Division, the Division of Banking, the Credit Union Division, the Insurance Division, Professional Licensing and Regulation, and the Utilities Board. Each division is responsible for regulation of an

industry or group of industries. Each division's budget is prepared independently and then combined with the other divisions' budgets for submission to the Governor and General Assembly for consideration.

The Governor is recommending FY 2012 General Fund appropriations totaling \$23.9 million, which is an increase of \$21.8 million compared to estimated FY 2011.

The Governor is recommending other fund appropriations for FY 2012 totaling \$62,000, which is a decrease of \$23.9 million compared to estimated FY 2011.

This change effectively shifts the funding from a revolving (other) fund to the General Fund.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Commerce, Dept. of</b>			
<b>Alcoholic Beverages</b>			
Alcoholic Beverages Operations	\$ 1,457,863	\$ 1,370,391	\$ -87,472
<b>Banking Division</b>			
Banking Division	\$ 0	\$ 8,320,570	\$ 8,320,570
<b>Credit Union Division</b>			
Credit Union Division	\$ 0	\$ 1,624,315	\$ 1,624,315
<b>Insurance Division</b>			
Insurance Division	\$ 0	\$ 4,684,249	\$ 4,684,249
<b>Professional Licensing and Reg.</b>			
Professional Licensing Bureau	\$ 648,248	\$ 609,353	\$ -38,895
<b>Utilities Division</b>			
Utilities Division	\$ 0	\$ 7,327,796	\$ 7,327,796
<b>Total Commerce, Dept. of</b>	<u>\$ 2,106,111</u>	<u>\$ 23,936,674</u>	<u>\$ 21,830,563</u>

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Commerce, Dept. of</b>			
<b>Banking Division</b>			
Banking Division - CMRF	\$ 8,851,670	\$ 0	\$ -8,851,670
<b>Credit Union Division</b>			
Credit Union Division - CMRF	\$ 1,727,995	\$ 0	\$ -1,727,995
<b>Insurance Division</b>			
Insurance Division Operations - CMRF	\$ 55,000	\$ 0	\$ -55,000
Insurance Division - CMRF	4,928,244	0	-4,928,244
Insurance Information Exchange - UST	150,000	0	-150,000
<b>Total Insurance Division</b>	<u>\$ 5,133,244</u>	<u>\$ 0</u>	<u>\$ -5,133,244</u>



## Administration and Regulation Appropriations Subcommittee

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Commerce, Dept. of, cont.</u></b>			
<b>Professional Licensing and Reg.</b>			
Housing Improvement Fund Field Auditor	\$ 62,317	\$ 62,317	\$ 0
<b>Utilities Division</b>			
Utilities Division - CMRF	\$ 8,173,069	\$ 0	\$ -8,173,069
<b>Total Commerce, Dept. of</b>	<b>\$ 23,948,295</b>	<b>\$ 62,317</b>	<b>\$ -23,885,978</b>

Significant changes include:

- A general decrease of \$87,000 (6.0%) to the Alcoholic Beverages Division.
- A general decrease of \$39,000 (6.0%) to the Professional Licensing Bureau.
- A general decrease of \$531,000 (6.0%) to the Banking Division compared to the estimated FY 2011 appropriation from the Department of Commerce Revolving Fund.
- A general decrease of \$104,000 (6.0%) to the Credit Union Division compared to the estimated FY 2011 appropriation from the Department of Commerce Revolving Fund.
- A general decrease of \$244,000 (5.0%) to the Insurance Division compared to the estimated FY 2011 appropriation from the Department of Commerce Revolving Fund.
- A general decrease of \$845,000 (10.0%) to the Utilities Division compared to the estimated FY 2011 appropriation from the Department of Commerce Revolving Fund.

### Issues

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$491,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

- A reduction of \$329,000 to the Alcoholic Beverages Division.
- A reduction of \$162,000 to the Professional Licensing Bureau.

**Department of Commerce Revolving Fund** – *The Governor is not recommending continuation of the Department of Commerce Revolving Fund beyond FY 2011 and recommends funding the Banking Division, Credit Union Division, Insurance Division and Utilities Board from the General Fund. Since the divisions' appropriations are tied to fees charged to the regulated industry, any decrease in the appropriation levels will result in a decrease in revenues to the General Fund.* House File 809 (FY 2010 Administration and Regulation Appropriations Act) created the Department of Commerce Revolving Fund. Fees collected from industries regulated by these divisions are deposited in the Department of Commerce Revolving Fund with the State Treasurer. All operating costs are payable from the Revolving Fund. Each division is required to receive legislative authorization to use funds in the Revolving Fund. The Department of Commerce Revolving Fund is scheduled to sunset July 1, 2012.

**Ethics and Campaign Disclosure Board**

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

The Governor is recommending FY 2012 General Fund appropriations of \$522,000. This is an increase of \$150,000 compared to estimated FY 2011, to replace an FY 2011 Cash Reserve Fund transfer in that amount.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Ethics and Campaign Disclosure</u></b>			
Ethics & Campaign Disclosure Board	\$ 372,086	\$ 522,086	\$ 150,000
<b>Total Ethics and Campaign Disclosure</b>	<u>\$ 372,086</u>	<u>\$ 522,086</u>	<u>\$ 150,000</u>

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$165,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Ethics and Campaign Disclosure Board received \$150,000 from this transfer, resulting in a net mid-year reduction of \$15,000. Transfers are not reflected in the LSA’s appropriations tracking.

**Department of Inspections and Appeals**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$14.7 million. This is a decrease of \$872,000 (5.6%) compared to estimated FY 2011.

The Governor is recommending other fund appropriations totaling \$1.6 million for FY 2012. This is no change compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Inspections &amp; Appeals, Dept. of</u></b>			
Child Advocacy Board	\$ 2,680,290	\$ 2,519,473	\$ -160,817
Employment Appeal Board	44,910	42,215	-2,695
Administration Division	1,646,848	1,611,061	-35,787
Administrative Hearings Division	589,333	553,973	-35,360
Investigations Division	1,243,233	1,168,639	-74,594
Health Facilities Division	3,790,148	3,562,739	-227,409
<b>Total Inspections and Appeals, Dept. of</b>	<u>\$ 9,994,762</u>	<u>\$ 9,458,100</u>	<u>\$ -536,662</u>
<b><u>Racing Commission</u></b>			
Pari-Mutuel Regulation	\$ 2,511,440	\$ 2,360,754	\$ -150,686
Riverboat Regulation	3,078,100	2,893,414	-184,686
<b>Total Racing Commission</b>	<u>\$ 5,589,540</u>	<u>\$ 5,254,168</u>	<u>\$ -335,372</u>
<b>Total Inspections &amp; Appeals, Dept. of</b>	<u>\$ 15,584,302</u>	<u>\$ 14,712,268</u>	<u>\$ -872,034</u>

The Governor is recommending a general decrease of 6.0% for the Department of Inspections and Appeals compared to FY 2011 after the Cash Reserve Transfer.

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Inspections &amp; Appeals, Dept. of</u></b>			
DIA - RUTF	\$ 1,623,897	\$ 1,623,897	\$ 0
<b>Total Inspections &amp; Appeals, Dept. of</b>	<u>\$ 1,623,897</u>	<u>\$ 1,623,897</u>	<u>\$ 0</u>

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$1.2 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill a portion of the mid-year reductions. The Department of Inspections and Appeals received \$67,000 from this transfer, resulting in a net mid-year reduction of \$1.1 million. Transfers are not reflected in the LSA’s appropriations tracking.

**Office of Governor and Lieutenant Governor**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$2.3 million. This is a decrease of \$47,000 (2.0%) compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Governor</u></b>			
Governor/Lt. Governor's Office	\$ 1,972,752	\$ 1,933,307	\$ -39,445
Administrative Rules Coordinator	123,490	121,020	-2,470
Terrace Hill Quarters	127,075	124,533	-2,542
National Governor's Association	70,783	70,783	0
State-Federal Relations	40,832	38,382	-2,450
<b>Total Governor's Office</b>	<u>\$ 2,334,932</u>	<u>\$ 2,288,025</u>	<u>\$ -46,907</u>
<b><u>Governor Elect Expenses</u></b>			
Governor Elect Expenses	\$ 10,000	\$ 0	\$ -10,000
<b>Total Governor</b>	<u>\$ 2,344,932</u>	<u>\$ 2,288,025</u>	<u>\$ -56,907</u>

The Governor is recommending a general decrease of 2.0% for the Governor's Office compared to FY 2011, with the following exceptions:

- State-Federal Relations - a general decrease of 6.0% compared to FY 2011.
- The National Governor's Association - no change compared to FY 2011.

**Issues**

***Mid-Year Reduction*** – Estimated FY 2011 includes a mid-year reduction of \$100,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Governor's Office of Drug Control Policy**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$326,000. This is a decrease of \$21,000 (6.0%) compared to estimated FY 2011 to reflect a general decrease.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Governor's Office of Drug Control Policy</u></b>			
Drug Policy Coordinator	\$ 346,854	\$ 326,043	\$ -20,811
<b>Total Office of Drug Control Policy</b>	<u>\$ 346,854</u>	<u>\$ 326,043</u>	<u>\$ -20,811</u>

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$11,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Federal American Recovery and Reinvestment Act (ARRA) Funds** – The Office of Drug Control Policy received \$11.8 million in ARRA stimulus funding for the Edward Byrne Memorial Justice Grant (Byrne/Jag Grant) at the beginning of FY 2010. Through the first two competitive grant processes, the Department released \$10.3 million to various State agencies and local drug task forces. A final competitive grant application process is expected to begin by the end of February 2011. The final \$1.8 million from the award will be distributed to local drug control task forces by July 2011.

**Department of Human Rights**

The Iowa Department of Human Rights is comprised of three divisions: Human Rights Administration, Community Advocacy and Services, and Criminal and Juvenile Justice. The Community Advocacy and Services is comprised of seven divisions that promote self-sufficiency of their respective constituency population by providing training, developing partnerships, and advocating on their behalf.

The Governor is recommending FY 2012 General Fund appropriations totaling \$2.4 million. This is a decrease of \$106,000 (4.3%) compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Human Rights, Dept. of</u></b>			
Human Rights Administration	\$ 206,103	\$ 235,890	\$ 29,787
Community Advocacy and Services	1,124,247	1,056,792	-67,455
Criminal & Juvenile Justice	<u>1,142,438</u>	<u>1,073,892</u>	<u>-68,546</u>
<b>Total Human Rights, Dept. of</b>	<u>\$ 2,472,788</u>	<u>\$ 2,366,574</u>	<u>\$ -106,214</u>

The Governor is recommending a general 6.0% decrease compared to FY 2011 after the Cash Reserve Transfer.

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Human Rights, Dept. of</u></b>			
Public Safety Advisory Board - UST	\$ 140,000	\$ 0	\$ -140,000
<b>Total Human Rights, Dept. of</b>	<u>\$ 140,000</u>	<u>\$ 0</u>	<u>\$ -140,000</u>

The Governor is recommending no other fund appropriations. This results in decrease of \$140,000 compared to estimated FY 2011 to reflect a one-time appropriation from the Underground Storage Tax (UST) Fund.

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$335,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Department of Human Rights received \$45,000 from this transfer, resulting in a net mid-year reduction of \$290,000. Transfers are not reflected in the LSA’s appropriations tracking.

**Rebuild Iowa Office**

The Rebuild Iowa Office (RIO) is the operational component of the disaster recovery efforts. The mission of the RIO is to ensure that the State rebuilds safer, stronger, and smarter than before from the catastrophic flooding and severe storms of 2008.

The Governor is not recommending an FY 2012 appropriation for the office. The agency is scheduled to end operations effective June 30, 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Rebuild Iowa Office</u></b>			
Rebuild Iowa Office	\$ 623,576	\$ 0	\$ -623,576
<b>Total Rebuild Iowa Office</b>	<u>\$ 623,576</u>	<u>\$ 0</u>	<u>\$ -623,576</u>

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$23,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Rebuild Iowa Office Sunset Date** – The Rebuild Iowa Office is scheduled to sunset on July 1, 2011. House File 45 (Appropriation Adjustments Bill) proposes ending the RIO’s operations effective upon enactment. For each month prior to the end of FY 2011 RIO is not operational, savings of approximately \$54,000 each month is expected. *The Governor is recommending that the Homeland Security and Emergency Management Division of the Department of Public Defense assume the remaining tasks of the RIO.*

**Department of Management**

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

The Governor is recommending FY 2012 General Fund appropriations of \$2.2 million. This is no change compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Management, Dept. of</b>			
Department Operations	\$ 1,993,328	\$ 2,163,998	\$ 170,670
Grants Enterprise Management	<u>170,670</u>	<u>0</u>	<u>-170,670</u>
<b>Total Management, Dept. of</b>	<u>\$ 2,163,998</u>	<u>\$ 2,163,998</u>	<u>\$ 0</u>

The Governor recommends eliminating the Grants Enterprise Management appropriation and moving the funding to Department Operations.

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Management, Dept. of</b>			
DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 0
DOM Operations - CRF	<u>260,000</u>	<u>0</u>	<u>-260,000</u>
<b>Total Management, Dept. of</b>	<u>\$ 316,000</u>	<u>\$ 56,000</u>	<u>\$ -260,000</u>

The Governor is also recommending an FY 2012 other fund appropriation of \$56,000. This is no change compared to estimated FY 2011.

**Issues**

***Mid-Year Reduction*** – Estimated FY 2011 includes a mid-year reduction of \$248,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Department of Revenue**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$17.8 million. This is a decrease of \$1.1 million (6.0%) compared to estimated FY 2011. The Governor is also requesting an appropriation of \$1.3 million from the Motor Vehicle Fuel Tax for FY 2012. This is no change compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Revenue, Dept. of</b>			
Revenue, Department of	\$ 18,625,258	\$ 17,507,743	\$ -1,117,515
Revenue Examiners	<u>316,719</u>	<u>297,716</u>	<u>-19,003</u>
<b>Total Revenue, Dept. of</b>	<u>\$ 18,941,977</u>	<u>\$ 17,805,459</u>	<u>\$ -1,136,518</u>

The Governor is recommending a general decrease of 6.0% compared to FY 2011.

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Revenue, Dept. of</b>			
Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 0
<b>Total Revenue, Dept. of</b>	<u>\$ 1,305,775</u>	<u>\$ 1,305,775</u>	<u>\$ 0</u>

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$4.1 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Secretary of State**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$3.0 million. This is an increase of \$75,000 (2.6%) compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Secretary of State</b>			
Secretary of State - Operations	\$ 2,895,585	\$ 2,895,585	\$ 0
Redistricting	<u>0</u>	<u>75,000</u>	<u>75,000</u>
<b>Total Secretary of State</b>	<u>\$ 2,895,585</u>	<u>\$ 2,970,585</u>	<u>\$ 75,000</u>



## Administration and Regulation Appropriations Subcommittee

The Governor is recommending an appropriation of \$75,000 from the General Fund for FY 2012 to the Secretary of State for costs associated with redistricting.

### Treasurer of State

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

The Governor is recommending an FY 2012 General Fund appropriation of \$854,000 for operation of the Office. This is no change compared to estimated FY 2011. The Governor is also recommending a Road Use Tax Fund appropriation of \$93,000 for FY 2012 to fund I/3 budget system expenses. This is no change compared to estimated FY 2011.

#### General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Treasurer of State</u></b>			
Treasurer - General Office	\$ 854,289	\$ 854,289	\$ 0
<b>Total Treasurer of State</b>	<u>\$ 854,289</u>	<u>\$ 854,289</u>	<u>\$ 0</u>

#### Other Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Treasurer of State</u></b>			
I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 0
<b>Total Treasurer of State</b>	<u>\$ 93,148</u>	<u>\$ 93,148</u>	<u>\$ 0</u>

### Iowa Public Employees Retirement System

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

The Governor is recommending an appropriation of \$17.6 million from the IPERS Trust Fund for FY 2012 for administration of the Fund. This is no change compared to estimated FY 2011.

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>IPERS Administration</u></b>			
IPERS Administration	\$ 17,686,968	\$ 17,686,968	\$ 0
<b>Total IPERS Administration</b>	<u>\$ 17,686,968</u>	<u>\$ 17,686,968</u>	<u>\$ 0</u>

**LSA Publications**

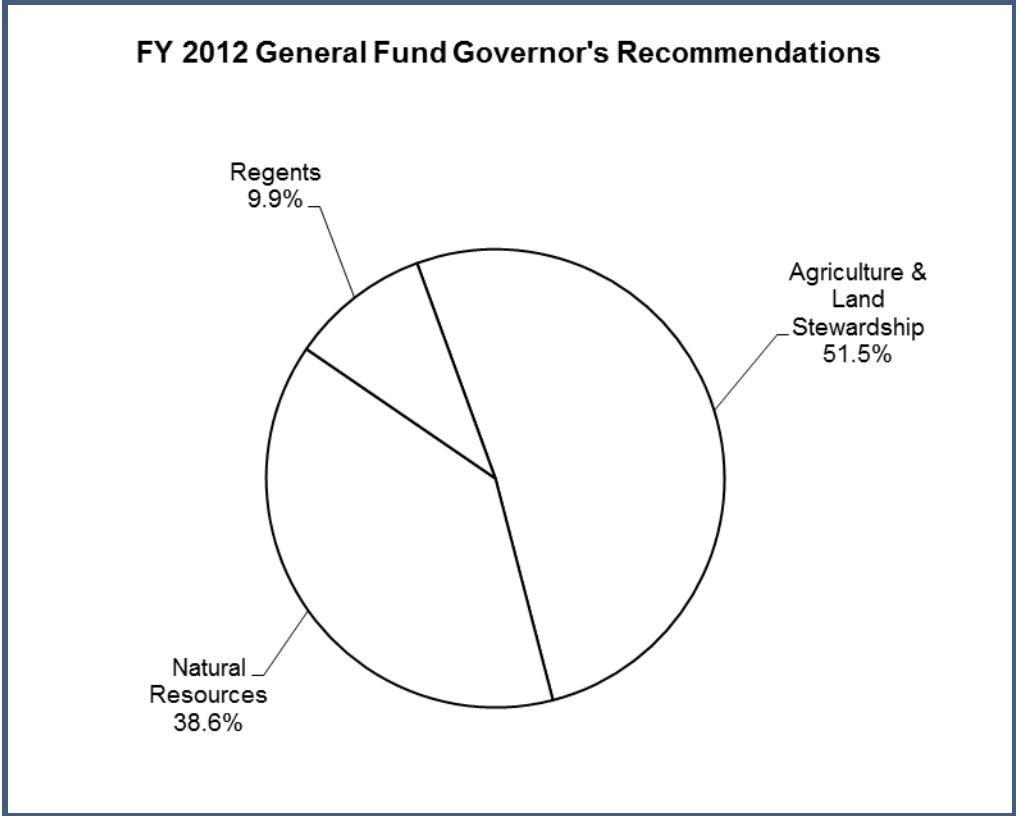
The following *Fiscal Topics* have been issued by the LSA that relate to the Administration and Regulation Appropriations Subcommittee:

- *Fiscal Topic:* [Budget Unit: Auditor of State](#)
- *Fiscal Topic:* [Budget Unit: Department of Administrative Services](#)
- *Fiscal Topic:* [Budget Unit: Rebuild Iowa Office](#)
- *Fiscal Topic:* [Budget Unit: Treasurer of State](#)
- *Fiscal Topic:* [State Appeals Board Appropriations](#)

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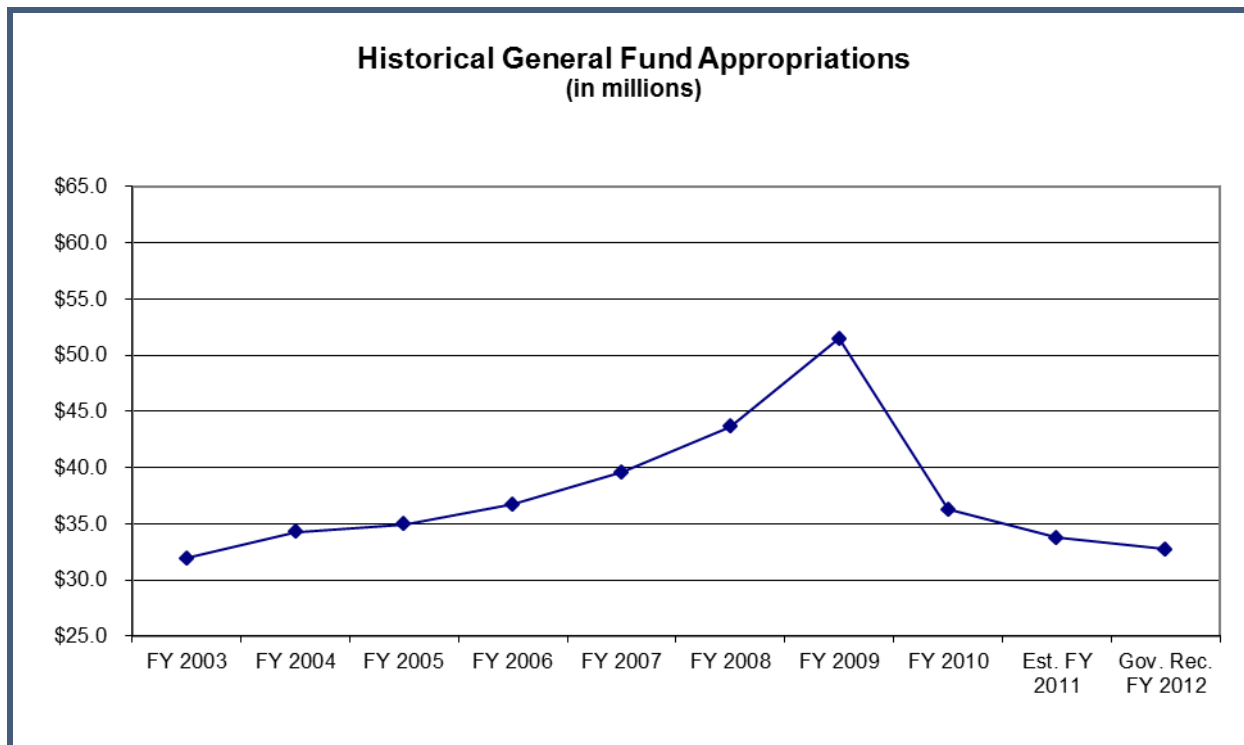
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**AGRICULTURE AND NATURAL RESOURCES  
APPROPRIATIONS SUBCOMMITTEE**



**FY 2012 General Fund Governor's Recommendations**

Agriculture & Land Stewardship	\$	16,872,308
Natural Resources		12,641,688
Regents		3,237,636
	\$	<u>32,751,632</u>



## FY 2012 GOVERNOR’S RECOMMENDATIONS

### Department of Agriculture and Land Stewardship

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$16.9 million. This is no change compared to estimated FY 2011. The Governor is also recommending FY 2012 other fund appropriations totaling \$14.3 million. This is an increase of \$3.6 million (33.6%) compared to estimated FY 2011.

#### General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Agriculture and Land Stewardship</u></b>			
Administrative Division	\$ 16,872,308	\$ 16,872,308	\$ 0
<b>Total Agriculture and Land Stewardship</b>	<u>\$ 16,872,308</u>	<u>\$ 16,872,308</u>	<u>\$ 0</u>

**Other Fund Recommendations**

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<b><u>Agriculture and Land Stewardship</u></b>			
So. Iowa Conservation & Dev - EFF	\$ 250,000	\$ 225,000	\$ -25,000
Agricultural Drainage Wells - EFF	1,250,000	875,000	-375,000
Watershed Protection Fund - EFF	1,500,000	900,000	-600,000
Farm Management Demo - EFF	750,000	725,000	-25,000
Cost Share - EFF	1,050,000	6,300,000	5,250,000
Conservation Reserve Prog - EFF	1,300,000	1,000,000	-300,000
Conservation Reserve Enhance - EFF	1,500,000	1,000,000	-500,000
Soil & Water Conservation - EFF	1,751,600	2,000,000	248,400
Fuel Inspection - UST	250,000	0	-250,000
Native Horse and Dog Program	305,516	305,516	0
Motor Fuel Inspection - RFIF	300,000	500,000	200,000
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 10,207,116</b>	<b>\$ 13,830,516</b>	<b>\$ 3,623,400</b>
<b><u>Loess Hills Dev. and Conservation</u></b>			
Loess Hills - EFF	\$ 500,000	\$ 475,000	\$ -25,000
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 10,707,116</b>	<b>\$ 14,305,516</b>	<b>\$ 3,598,400</b>

Changes include:

- An increase of \$200,000 for the Motor Fuel Inspection Program.
- An increase of \$5.3 million for the Soil Conservation Cost Share Fund.
- An increase of \$248,000 for the Soil and Water Conservation Fund.
- A decrease of \$500,000 for the Conservation Reserve Enhancement Protection Fund.
- A decrease of \$600,000 for the Watershed Protection Fund.
- A decrease of \$25,000 for the Farm Management Demonstration Program.
- A decrease of \$375,000 for the Agricultural Drainage Wells Program.
- A decrease of \$300,000 for the Conservation Reserve Program.
- A decrease of \$25,000 for the Southern Iowa Conservation and Development Authority.
- A decrease of \$25,000 for the Loess Hills Development and Conservation Authority.

**Issues**

***Soil and Water Conservation Cost Share*** – The Department works with Soil and Water Conservation Districts to identify problem watersheds to reduce soil erosion, protect water quality, provide flood reduction, and protect natural resources. The Soil Conservation Cost Share Fund provides funding to landowners for projects that address these issues. In addition, the landowner provides 50.0% of the funding for the project. The Governor is recommending funding of \$6.3 million from the Environment First Fund for FY 2012. This is an increase of \$5.3 million compared to estimated FY 2011. For FY 2011, funding of \$6.0 million was appropriated to the Department for this Program from the Revenue Bonds Capitals II Fund.

***Mississippi River Basin Healthy Watersheds Initiative*** – The Initiative was established by the federal Natural Resources Conservation Service (NRCS) to improve the health of the Mississippi River Basin by targeting watersheds and implementing conservation practices that avoid, control, and trap nutrient runoff while maintaining agricultural productivity. The 13 participating States are Arkansas, Kentucky, Illinois, Indiana, Iowa, Louisiana, Minnesota, Mississippi, Missouri, Ohio, South Dakota, Tennessee, and Wisconsin. In November, total funding of \$43.2 million was awarded, and Iowa will receive \$8.4 million in federal funds for 18 demonstration projects in 15 Iowa counties.

**Department of Natural Resources**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$12.6 million. This is a decrease of \$807,000 (6.0%) compared to estimated FY 2011 to reduce operations. The Governor is recommending other fund appropriations of \$42.7 million. This is a decrease of \$650,000 (1.5%) compared to estimated FY 2011. The Governor is also recommending \$19.5 million for capital projects. This is a decrease of \$3.4 million (14.8%) compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Natural Resources, Dept. of</u></b>			
Natural Resources Operations	\$ 13,448,604	\$ 12,641,688	\$ -806,916
<b>Total Natural Resources, Dept. of</b>	<u>\$ 13,448,604</u>	<u>\$ 12,641,688</u>	<u>\$ -806,916</u>

**Other Fund Recommendations**

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<b><u>Natural Resources, Dept. of</u></b>			
GWF - Storage Tanks Study	\$ 100,303	\$ 100,303	\$ 0
GWF - Household Hazardous Waste	447,324	447,324	0
GWF - Well Testing Admin 2%	62,461	62,461	0
GWF - Groundwater Monitoring	1,686,751	1,686,751	0
GWF - Landfill Alternatives	618,993	618,993	0
GWF - Waste Reduction and Assistance	192,500	192,500	0
GWF - Solid Waste Authorization	50,000	50,000	0
GWF - Geographic Information System	297,500	297,500	0
Fish & Game- DNR Admin Expenses	38,793,154	38,793,154	0
Snowmobile Registration Fees	100,000	100,000	0
Administration Match - UST	200,000	200,000	0
Database Modification - UST	100,000	0	-100,000
Technical Tank Review - UST	200,000	200,000	0
DNR Facility Rent-CRF	300,000	0	-300,000
State Parks Volunteer Activities - EFF	250,000	0	-250,000
<b>Total Natural Resources, Dept. of</b>	<b>\$ 43,398,986</b>	<b>\$ 42,748,986</b>	<b>\$ -650,000</b>
<b><u>Natural Resources Capital</u></b>			
GIS Information for Watershed	\$ 195,000	\$ 195,000	\$ 0
Water Quality Monitoring	2,955,000	2,955,000	0
Volunteers and Keepers of Land	100,000	100,000	0
Animal Feeding Operations	608,400	420,000	-188,400
Air Quality Monitoring - ambient	425,000	425,000	0
Water Quality Protection	500,000	500,000	0
REAP	15,000,000	11,500,000	-3,500,000
Water Quantity	495,000	495,000	0
Resource Conservation and Development	150,000	0	-150,000
Park Operations & Maintenance	2,470,000	2,910,000	440,000
<b>Total Natural Resources Capital</b>	<b>\$ 22,898,400</b>	<b>\$ 19,500,000</b>	<b>\$ -3,398,400</b>

Changes include:

- A decrease of \$3.5 million to the Resource Enhancement and Protection Fund (REAP).
- A decrease of \$250,000 for the State Park Volunteers Program.
- An increase of \$440,000 for State Park operations and maintenance.
- A decrease of \$150,000 for the Resource Conservation and Development Authority.
- A decrease of \$188,000 for regulation of animal feeding operations.
- A decrease of \$100,000 for the modification of the underground storage tank database.

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$2.1 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).



## Agriculture and Natural Resources Appropriations Subcommittee

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Department of Natural Resources received \$1.1 million, resulting in a net mid-year reduction of \$1.1 million. Transfers are not reflected in the LSA's appropriations tracking.

**Baiting and Feeding of Wildlife** – During the 2009-2010 hunting season, there were over 3,600 Iowa whitetail deer samples tested for the Chronic Wasting Disease (CWD) at the National Veterinary Services Lab in Ames, and none had any signs of the CWD. The Department will introduce legislation on the regulation of baiting and feeding of wildlife, as CWD is spread when animals are in close proximity.

**Fish and Wildlife Trust Fund** – The Agriculture and Natural Resources Appropriations Subcommittee directed the DNR to submit a report detailing revenues and expenditures of the Fish and Wildlife Trust Fund to the Governor and the General Assembly by November 15, 2010. The DNR submitted the report and held informational meetings around the State to provide more information about the Fund. The report is available at: [http://www.iowadnr.gov/files/legacy\\_report.pdf](http://www.iowadnr.gov/files/legacy_report.pdf).

**State Park Operations** – The DNR estimated there were over 14.0 million visitors and 715,000 campers at the 84 State Parks in FY 2009. Due to General Fund budget reductions, seasonal staff was reduced and resulted in a reduction of routine maintenance such as cutting the grass and trash removal. Although numerous volunteer organizations have assisted the DNR in performing these tasks, many parks are not being maintained as well as in previous years. *The Governor is recommending funding of \$2.9 million from the Environment First Fund for State Park maintenance and operations. This is an increase of \$440,000 compared to estimated FY 2010.*

### **Board of Regents**

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

The Governor is recommending a \$3.2 million appropriation for FY 2012 for the Veterinary Diagnostic Laboratory. This is a decrease of \$207,000 (6.0%) compared to estimated FY 2011.

### **General Fund Recommendations**

	<b>Estimated FY 2011</b>	<b>Gov Rec FY 2012</b>	<b>Gov Rec vs Est. FY 2011</b>
<b><u>Regents, Board of</u></b>			
ISU - Veterinary Diagnostic Laboratory	\$ 3,444,294	\$ 3,237,636	\$ -206,658
<b>Total Regents, Board of</b>	<b>\$ 3,444,294</b>	<b>\$ 3,237,636</b>	<b>\$ -206,658</b>

### **Environment First Fund**

The Environment First Fund was created by the 2000 General Assembly to provide funding for environmental programs. A standing appropriation of \$35.0 million was established in FY 2001 for the Fund from the Rebuild Iowa Infrastructure Fund (RIIF). The standing appropriation was increased to \$40.0 million for FY 2008 and \$42.0 million for FY 2009. The Agriculture and Natural Resources

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

The Governor is recommending funding of \$33.0 million from the Environment First Fund for the Department of Natural Resources. This is no change compared to estimated FY 2011. For the increase related to the Department of Agriculture and Land Stewardship see the discussion under Other Fund Recommendations for the Department included earlier in this Section of the document.

	<b>Estimated FY 2011</b>	<b>Gov Rec FY 2012</b>	<b>Gov Rec vs Est. FY 2011</b>
<b><u>Dept. of Agriculture and Land Stewardship</u></b>			
Conservation Reserve Enhancement	\$ 1,500,000	\$ 1,000,000	\$ -500,000
Watershed Protection Fund	1,500,000	900,000	-600,000
Farm Management Demonstration	750,000	725,000	-25,000
Agricultural Drainage Wells	1,250,000	875,000	-375,000
Cost Share	1,050,000	6,300,000	5,250,000
Soil and Water Conservation	1,751,600	2,000,000	248,400
Conservation Reserve Program	1,300,000	1,000,000	-300,000
So. Iowa Conservation & Dev. Authority	250,000	225,000	-25,000
Loess Hills Authority	500,000	475,000	-25,000
<b>Total Dept. Agriculture and Land Steward.</b>	<b>\$ 9,851,600</b>	<b>\$ 13,500,000</b>	<b>\$ 3,648,400</b>
<b><u>Dept. of Natural Resources</u></b>			
REAP	\$ 15,000,000	\$ 11,500,000	\$ -3,500,000
State Park Volunteers	250,000	0	-250,000
Volunteers and Keepers of Land	100,000	100,000	0
Park Operations & Maintenance	2,470,000	2,910,000	440,000
GIS Information for Watershed	195,000	195,000	0
Water Quality Monitoring	2,955,000	2,955,000	0
Water Quality Protection	500,000	500,000	0
Air Quality Monitoring	425,000	425,000	0
Animal Feeding Operations	608,400	420,000	-188,400
Water Quantity	495,000	495,000	0
Resource Conservation and Development	150,000	0	-150,000
<b>Total Dept. of Natural Resources</b>	<b>\$ 23,148,400</b>	<b>\$ 19,500,000</b>	<b>\$ -3,648,400</b>
<b>Total Environment First Fund</b>	<b>\$ 33,000,000</b>	<b>\$ 33,000,000</b>	<b>\$ 0</b>

## INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

### Levee and Drainage District Law Study Committee

The Levee and Drainage District Study Committee was assigned the charge to “Review Iowa law on levee and drainage districts and make recommendations for addressing recent court rulings interpreting the law.” The Committee met on December 15, 2010, and made the following recommendations:

- The General Assembly should amend Iowa’s drainage laws to require that any notice by the district’s governing board to any governmental entity (e.g., DNR) be delivered to the head of the entity by a process requiring confirmation of delivery including signature (e.g., a form of certified mail).

- The General Assembly should consider and enact legislation clarifying that a state-owned lake is to be classified and assessed to account for the burdens imposed on a drainage district when required to account for the lake's excess water.
- The Executive Council and the Attorney General's Office should reexamine their policies regarding the payment of assessments imposed on state-owned lakes located within a levee or drainage district and make all necessary payments to districts that have already submitted claims.
- The General Assembly should authorize the Office of Citizens' Aide/Ombudsman to provide mediation services to assist in settling the dispute involving the use of residential neighbors' land by the governing board of trustees in Drainage District 7 located in Muscatine County.
- The General Assembly should consider a program administered by the Department of Agriculture and Land Stewardship and consider enacting legislation that provides for the compilation and publication of information available on the Internet to allow the public to determine if land is subject to a drainage district easement.

### **Lake Delhi Task Force**

The dam at Lake Delhi (near Manchester in Delaware County) breached on July 24, 2010, after a massive rainfall occurred. Governor Culver created the Lake Delhi Task Force with Executive Order Number 25 on August 6, 2010. The Task Force was assigned to:

- Identify funding resources for recovery and rebuilding efforts.
- Establish principles and policies for public investment that result in improved local and regional economic development and public benefit.
- Take the lead in providing long-term regional and community planning efforts and identifying best practices for managing the Maquoketa River watershed, reducing future flooding damage, and maintaining or improving water quality.
- Identify federal and state legal issues that need to be addressed with regard to the reconstruction of the Lake Delhi dam and the possible use for hydroelectric generation.
- Ensuring transparency and accountability in the investment of public recovery and rebuilding efforts.

The Task Force met several times and appointed four subcommittees that included: Finance, Economic and Community Development, Environment, and Legal. The subcommittees included their findings in the final report that was discussed at the final meeting held on November 30, 2010. The final report is available at: <http://www.iowalifechanging.com/lakedelhi/>.

In addition, the dam breach was reviewed by an independent panel that investigated the area and included:

- William Fiedler, federal Department of the Interior, Bureau of Reclamation.
- Neil Schwanz, federal Army Corps of Engineers.
- Wayne King, Federal Energy Regulatory Commission (FERC).

A meeting was held on December 1, 2010, to discuss the findings of the panel. King reported that the two main reasons for the breach of the dam were due to internal erosion and excessive water flowing over the dam. The report issued by the independent panel included several recommendations and is available at: [http://www.iowadnr.gov/water/floodplain/files/delhi\\_report.pdf](http://www.iowadnr.gov/water/floodplain/files/delhi_report.pdf)

### **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 to mitigate floods. The first annual report to the Governor, the General Assembly, the Department of Agriculture and Land Stewardship, the Department of Natural Resources, and the Water Resources Coordinating Council was submitted in January 2011. For a copy of the report, refer to the following website: [http://www.legis.iowa.gov/DOCS/LSA/SC\\_Fisc/2011/SFDFK000.PDF](http://www.legis.iowa.gov/DOCS/LSA/SC_Fisc/2011/SFDFK000.PDF).

### **Watershed Improvement Review Board**

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

Funding for the Watershed Improvement Review Fund is appropriated to the State Treasurer each year. The Governor did not recommend funding for the Program. For more information on the Watershed Improvement Review Board, refer to the following website: <http://www.iowaagriculture.gov/IWIRB.asp>.

### **LSA Publications**

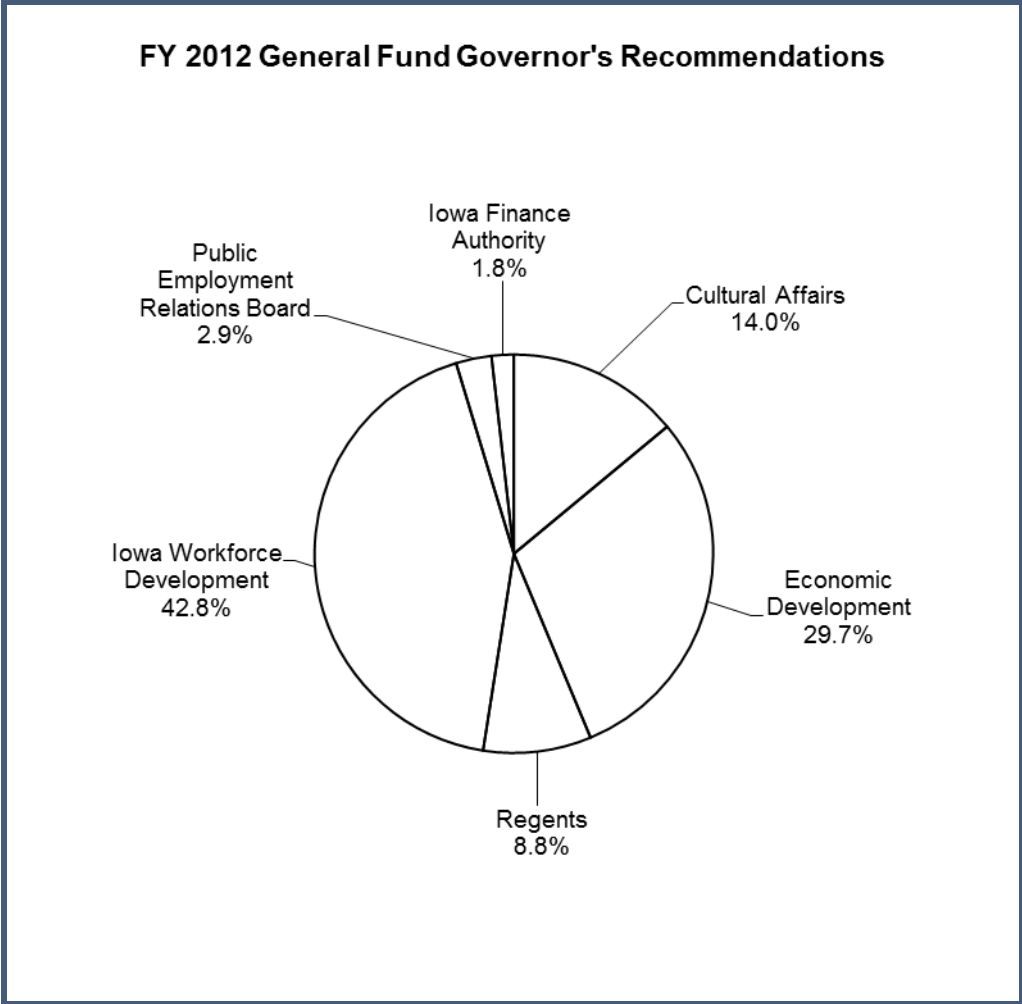
The following *Fiscal Topics* and *Issue Reviews* have been issued by the LSA that relate to the Agriculture and Natural Resources Appropriations Subcommittee:

- *Issue Review:* [Emerald Ash Borer](#)
- *Issue Review:* [Cedar Rock State Park](#)
- *Fiscal Topic:* [Air Contaminant Source Fund](#)

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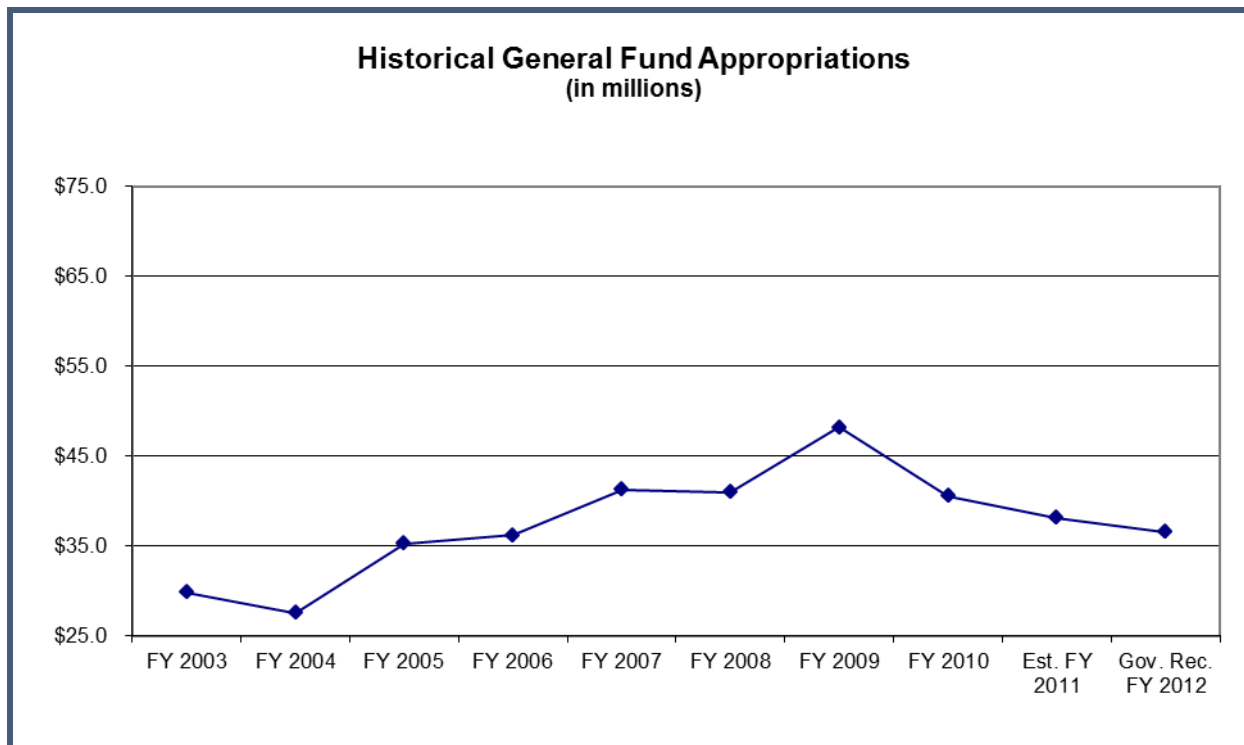
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**ECONOMIC DEVELOPMENT APPROPRIATIONS  
SUBCOMMITTEE**



**FY 2012 General Fund Governor's Recommendations**

Cultural Affairs	\$	5,113,765
Economic Development		10,881,190
Regents		3,204,488
Iowa Workforce Development		15,674,067
Public Employment Relations Board		1,057,827
Iowa Finance Authority		658,000
	\$	<u>36,589,337</u>



## FY 2012 GOVERNOR'S RECOMMENDATIONS

### Department of Cultural Affairs

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$5.1 million. This is a decrease of \$248,000 compared to estimated FY 2011.

#### General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Cultural Affairs, Dept. of</u></b>			
Administration Division	\$ 193,418	\$ 181,813	\$ -11,605
Community Cultural Grants	273,500	257,090	-16,410
Historical Division	2,944,363	2,767,701	-176,662
Historic Sites	453,615	426,398	-27,217
Arts Division	993,366	933,764	-59,602
Great Places	206,195	193,823	-12,372
Archiving Former Governor's Papers	70,142	65,933	-4,209
Records Center Rent	227,243	227,243	0
Battle Flag Stabilization	0	60,000	60,000
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 5,361,842</b>	<b>\$ 5,113,765</b>	<b>\$ -248,077</b>

Changes include:

- A general decrease of \$308,000 for all Department of Cultural Affairs General Fund appropriations with the exception of the appropriation for Records Center Rent.
- An increase of \$60,000 for Battle Flag Stabilization that was funded through an estimated \$176,000 Rebuild Iowa Infrastructure Fund (RIIF) appropriation for FY 2011.

### **Issues**

***Mid-Year Reduction*** – Estimated FY 2011 includes a mid-year reduction of \$348,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

***Iowa Cultural Trust*** – When the principal balance in the Iowa Cultural Trust Grant Account equals or exceeds \$3.0 million, the Board of Trustees of the Iowa Cultural Trust may use moneys for a statewide educational program to promote participation in, expanded support of, and local endowment building for Iowa nonprofit arts, history, and sciences and humanities organizations. The current balance in the Account, as of January 25, 2011, is \$3.5 million. Iowa Code Section 15G.111(7) allocates through FY 2015, \$1.0 million annually from the \$50.0 million Grow Iowa Values Fund (GIVF) appropriation to the Trust. The allocation for the Trust was adjusted to \$760,000 for FY 2011. The Governor has recommended a \$25.0 million appropriation from the Rebuild Iowa Infrastructure Fund (RIIF) for the GIVF. It is not clear how this will impact the allocation of the GIVF funding.

## **Department of Economic Development**

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

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$10.9 million. This is a decrease of \$972,000 compared to estimated FY 2011. The Governor is also recommending other fund appropriations totaling \$4.0 million for FY 2012. This is a decrease of \$5.4 million compared to estimated FY 2011.



**General Fund Recommendations**

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<b><u>Economic Development, Dept. of</u></b>			
Economic Dev. Administration	\$ 1,669,019	\$ 1,568,878	\$ -100,141
Business Development	4,779,918	4,493,123	-286,795
Community Development Division	4,478,966	4,210,228	-268,738
World Food Prize	650,000	350,000	-300,000
Historic Preservation Challenge Grants	165,775	155,828	-9,947
Iowa Comm. Volunteer Ser.-Promise	109,716	103,133	-6,583
<b>Total Economic Development, Dept. of</b>	<b><u>\$ 11,853,394</u></b>	<b><u>\$ 10,881,190</u></b>	<b><u>\$ -972,204</u></b>

Changes include:

- A general decrease of \$672,000 for all Department of Economic Development appropriations with the exception of the World Food Prize.
- A decrease of \$300,000 for the World Food Prize.

**Other Fund Recommendations**

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<b><u>Economic Development, Dept. of</u></b>			
Workforce Development Fund	\$ 4,000,000	\$ 4,000,000	\$ 0
Taiwan Trade Office - UST	100,000	0	-100,000
Site Development Consultations - SIF	175,000	0	-175,000
Small Bus Assistance Website - SIF	20,000	0	-20,000
Save Our Small Businesses Fund - SIF	5,000,000	0	-5,000,000
Endow Iowa Admin - County Endw Fund	70,000	0	-70,000
<b>Total Economic Development, Dept. of</b>	<b><u>\$ 9,365,000</u></b>	<b><u>\$ 4,000,000</u></b>	<b><u>\$ -5,365,000</u></b>

Changes include:

- A decrease of \$100,000 from the Underground Storage Tank (UST) Fund for the Taiwan Trade Office due to the inability to obtain matching funds for the project.
- A decrease of \$175,000 from the School Infrastructure Fund (SIF) for the Site Development Consultation Program due to a one-time appropriation.
- A decrease of \$20,000 from the School Infrastructure Fund (SIF) for the Small Business Assistance Website creation due to project completion.
- A decrease of \$5.0 million for a one-time appropriation from the School Infrastructure Fund (SIF) for the Save Our Small Businesses Fund.
- A decrease of \$70,000 from the County Endowment Fund for the Administration of the Endow Iowa Tax Credits. This is a standing appropriation in Iowa Code Section 15E.311(6) and is not reflected in the Governor's recommendation.

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$1.5 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Iowa Partnership for Economic Progress (IPEP)** – *The Governor is recommending altering the internal structure of the Department of Economic Development (DED) and replacing the DED with a public-private partnership. The proposed Iowa Partnership for Economic Progress (IPEP) would be governed by an independent board of directors and chaired by the Lieutenant Governor. The Governor also recommends that IPEP would administer the programs that have been administered by the Office of Energy Independence (OEI). The Governor is also recommending the creation of Initiate, Gaining, Negate, Involve, Target, Energize (IGNITE) Teams. The Teams would market the State and the IPEP would lead and staff the teams. The Iowa Network of Entrepreneurial Transplants (INET) would be developed by the IPEP to attract economic development opportunities through a network of former Iowans. Finally, the Governor is recommending the creation of the Expanded Trade Agency (ETA) as a component of the IPEP. The proposed ETA would be a public-private partnership with IPEP providing staff and support to expand international markets. The overall fiscal impact of moving from a state agency to a public-private partnership cannot be determined at this time.*

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

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

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

**The World Food Prize** – The Subcommittee may want to review the funding of the World Food Prize (WFP). Iowa Code Section 15.368 appropriates \$1.0 million from the General Fund to support the WFP. For fiscal years 2010 and 2011, the Subcommittee appropriated \$750,000 and \$650,000 respectively, from the General Fund. An additional \$100,000 was appropriated from the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2011. *For FY 2012 the Governor is recommending an appropriation of \$350,000.*

**Cash Flow Transfer Notice** – On December 15, 2010, the LSA received notice that \$7.5 million was being transferred under Iowa Codes Sections 8.56.1 and 8.57.6.b and other cash flow needs to the DED to establish an Iowans Helping Iowans Small Business Assistance Program as part of a larger transfer of \$15.0 million from the Department of Human Services Cash Reserve Fund Medicaid appropriation and \$5.0 million from the Grow Iowa Values Fund. The General Assembly may want to consider legislation to enact the Program and to appropriate funds enabling the return of the funds used for cash flow to their original programs.

**Board of Regents**

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

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$3.2 million. This is a decrease of \$205,000 compared to estimated FY 2011 for a 6.0% general decrease.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Regents, Board of</u></b>			
ISU - Economic Development	\$ 2,575,983	\$ 2,421,424	\$ -154,559
SUI - Economic Development	222,372	209,030	-13,342
UNI - Economic Development	610,674	574,034	-36,640
<b>Total Regents, Board of</b>	<b><u>\$ 3,409,029</u></b>	<b><u>\$ 3,204,488</u></b>	<b><u>\$ -204,541</u></b>

**Iowa Workforce Development**

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

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$15.7 million. This is a decrease of \$1.0 million compared to estimated FY 2011. The Governor is also recommending other fund appropriations totaling \$7.0 million for FY 2012. This is a decrease of \$360,000 compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Iowa Workforce Development</u></b>			
IWD - Labor Services Division	\$ 3,139,752	\$ 2,951,367	\$ -188,385
IWD - Workers' Comp Division	2,412,540	2,267,788	-144,752
IWD Operations - Field Offices	10,326,640	9,707,042	-619,598
Offender Reentry Program	302,621	284,464	-18,157
Security Employee Training Program	12,711	11,948	-763
Employee Misclassification	480,274	451,458	-28,816
<b>Total Iowa Workforce Development</b>	<b><u>\$ 16,674,538</u></b>	<b><u>\$ 15,674,067</u></b>	<b><u>\$ -1,000,471</u></b>

The Governor is recommending a general decrease of \$1.0 million for all Department of Workforce Development appropriations.

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Iowa Workforce Development</u></b>			
P & I Workforce Development Field Offices	\$ 360,000	\$ 0	\$ -360,000
Workers' Comp Div - Spec Cont Fund	471,000	471,000	0
IWD Field Offices (UI Reserve Interest)	6,500,000	6,500,000	0
<b>Total Iowa Workforce Development</b>	<b><u>\$ 7,331,000</u></b>	<b><u>\$ 6,971,000</u></b>	<b><u>\$ -360,000</u></b>

The Governor is recommending a general decrease of \$360,000 to reflect a one-time IWD Field Office appropriation from the Special Contingency Fund (Penalty and Interest Fund). The Department anticipates not expending the funds during the current fiscal year.

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$1.5 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Department of Workforce Development received \$55,000 from this transfer for the Labor Services Division, resulting in a net mid-year reduction of \$301,000 for that Division. Transfers are not reflected in the LSA’s appropriations tracking.

**Workforce Development Field Offices Funding** – The Subcommittee may want to review the funding streams for the Workforce Development Field Offices. The total estimated FY 2011 appropriation from all funds is \$17.3 million and the FY 2012 Governor’s recommendation is \$16.2 million, with \$6.5 million from interest on the Unemployment Compensation Reserve Fund and the remaining amounts appropriated from the General Fund. The Reserve Fund balance as of January 25, 2011, is approximately \$158.2 million. The anticipated available interest from the Reserve Fund during FY 2012 is estimated to

## Economic Development Appropriations Subcommittee

be less than \$3.0 million. The new interest collected during FY 2012 is estimated to be less than \$1.2 million.

### **Public Employment Relations Board**

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

The Governor is recommending an FY 2012 General Fund appropriation of \$1.1 million. This is an increase of \$200,000 compared to estimated FY 2011 to replace a one-time Cash Reserve Fund Transfer.

#### **General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Public Employment Relations Board</u></b>			
PER Board - General Office	\$ 857,827	\$ 1,057,827	\$ 200,000
<b>Total Public Employment Relations Board</b>	<u>\$ 857,827</u>	<u>\$ 1,057,827</u>	<u>\$ 200,000</u>

#### **Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$244,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The PERB received \$200,000 from this transfer, resulting in a net mid-year reduction of \$44,000 for the PERB. Transfers are not reflected in the LSA's appropriations tracking.

### **Iowa Finance Authority**

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

The Governor is recommending an FY 2012 General Fund appropriation of \$658,000. There were no General Funds appropriated to the IFA for FY 2011.

#### **General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Iowa Finance Authority</u></b>			
Rent Subsidy Program	\$ 0	\$ 658,000	\$ 658,000
<b>Total Iowa Finance Authority</b>	<u>\$ 0</u>	<u>\$ 658,000</u>	<u>\$ 658,000</u>

The Governor is recommending an increase of \$658,000 for the Rent Subsidy Program. The Program was funded with \$700,000 from the Senior Living Trust Fund for FY 2011.

### Issues

**Consolidation of Housing Programs** – The Public Works LLC recommended moving the housing programs located at the Department of Economic Development (DED) to the Iowa Finance Authority (IFA). Their report reflected a State funds savings of \$100,000. The programs do not involve the General Fund. Any savings would be for non-General Fund sources. Any administrative efficiency that may arise from the consolidation would benefit the federally funded programs. A required report on the programs has been submitted and is available from the LSA.

**Rent Subsidy Program** – The Governor is recommending that the Rent Subsidy Program be funded from the General Fund for FY 2012. The Program received a \$700,000 appropriation from the Senior Living Trust Fund for FY 2010 and 2011

**Cash Flow Transfer Notice** – On December 15, 2010, the LSA received notice that \$7.5 million was being transferred under Iowa Codes Sections 8.56.1 and 8.57.6.b, and other cash flow needs, to the IFA to establish an Iowans Helping Iowans Housing Assistance Program as part of a larger transfer of \$15.0 million from the Department of Human Services Cash Reserve Fund Medicaid appropriation and \$5.0 million from the Grow Iowa Values Fund. The General Assembly may want to consider legislation to enact the Program and to appropriate funds enabling the return of the funds used for cash flow to their original programs.

## INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

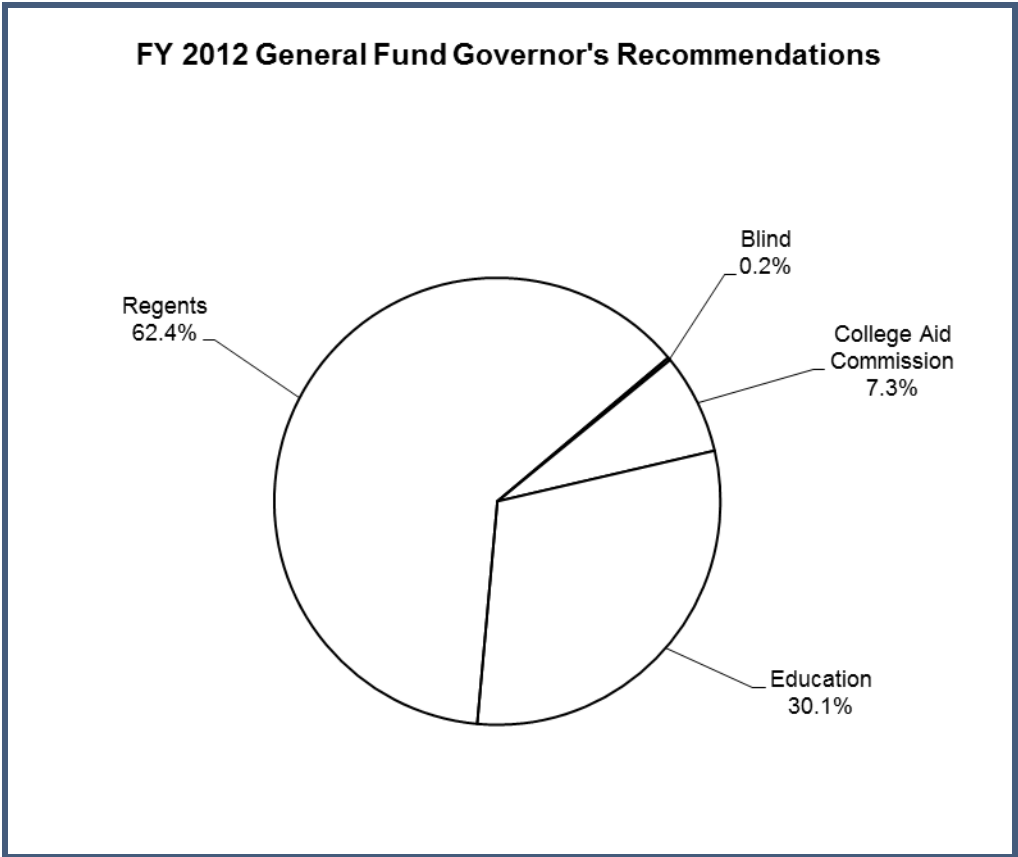
### **Publications**

- Fiscal Topic -- [Budget Unit: Archiving Papers of Former Governors](#)
- Fiscal Topic -- [Budget Unit: Public Employment Relations Board](#)
- Fiscal Topic -- [Budget Unit: The World Food Prize](#)
- Fiscal Topic -- [Workforce Development Training Programs](#)
- Fiscal Topic -- [Iowa's Gross State Product](#)

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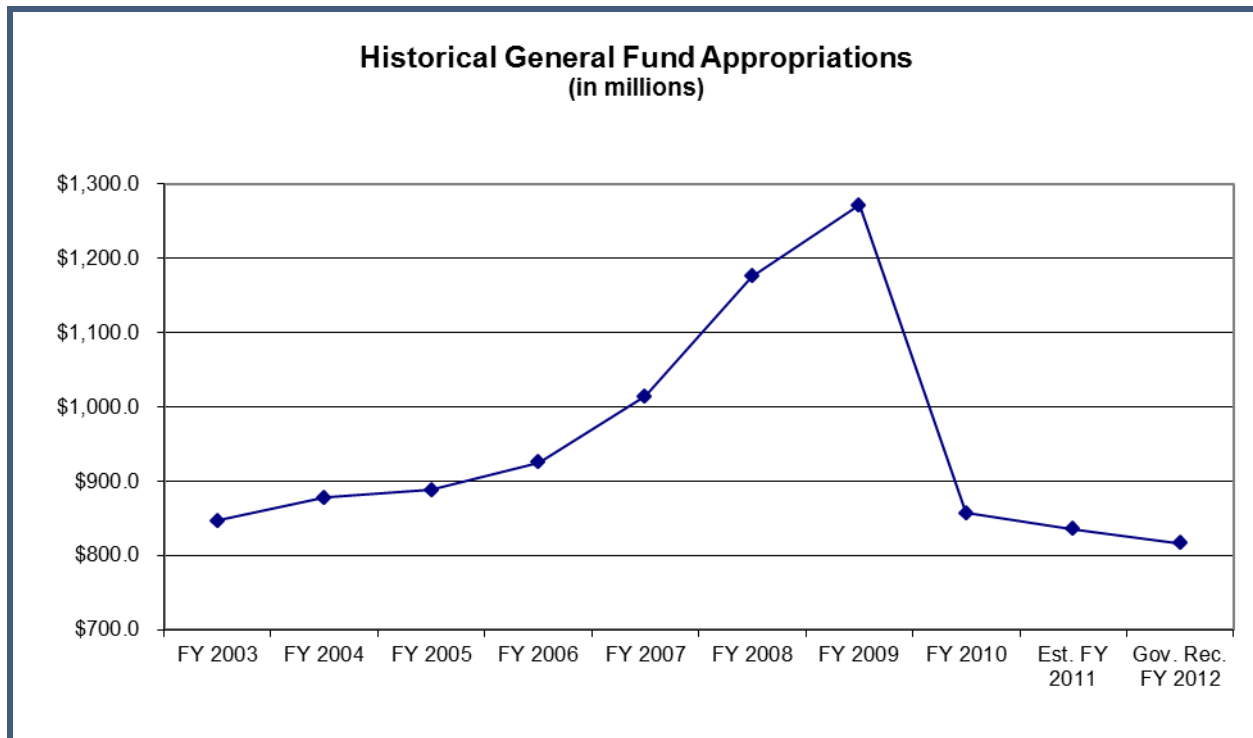
**EDUCATION APPROPRIATIONS SUBCOMMITTEE**



**FY 2012 General Fund Governor's Recommendations**

Blind	\$ 1,706,053
College Student Aid	59,243,200
Education	245,450,963
Regents	509,513,094
	<u>\$ 815,913,310</u>





## FY 2012 GOVERNOR'S RECOMMENDATIONS

### Department for the Blind

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

The Governor is recommending an FY 2012 General Fund appropriation of \$1.7 million, a decrease of \$109,000 compared to estimated FY 2011 for a general decrease of 6.0%.

#### General Fund Recommendation

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Blind, Dept. of the</u></b> Department for the Blind	\$ 1,814,950	\$ 1,706,053	\$ -108,897
<b>Total Blind, Dept. of the</b>	<u>\$ 1,814,950</u>	<u>\$ 1,706,053</u>	<u>\$ -108,897</u>

## Issues

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$137,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Department for the Blind received \$80,000 from this transfer, resulting in a net mid-year reduction of \$57,000. Transfers are not reflected in the LSA's appropriations tracking.

**Federal American Recovery and Reinvestment Act (ARRA) Funds** – The Department received \$1.1 million in federal stimulus funds to supplement the Basic Support Grant under Title I of the Vocational Rehabilitation Act. In addition, the Department received \$379,000 in federal stimulus funds for the Older Blind Program and \$49,000 for Independent Living. Approximately 80.0% of this funding has been expended.

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

The Department did not meet MOE requirements for the federal fiscal year ending September 30, 2010, and submitted a request for waiver of penalties in October 2010. If the waiver request is denied, a penalty of approximately \$250,000 may be assessed. This would reduce the Department's reserve funds (see below).

For the federal fiscal year ending September 30, 2011, the Department does not expect to fully match available funds. At this time, they anticipate being unable to draw down \$685,000. It is also likely that the Department will not meet MOE requirements for a second year. The subsequent penalty could be significantly greater.

*The Governor is recommending a reduction in State funding for the Department for State FY 2012 of \$109,000, a 6.0% decrease.*

**Reserve Funds** – The Department has approximately \$4.4 million in reserve funds that it has been using to maintain services during the economic downturn. These funds are accumulated from the Federal Stimulus Program and from federal formula grants for which the matching requirement has already been met or to grants that required no matching.

## **College Student Aid Commission**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$59.2 million, a decrease of \$15,000 compared to estimated FY 2011.

General Fund Recommendations

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<b><u>College Aid Commission</u></b>			
College Aid Commission	\$ 249,897	\$ 234,903	\$ -14,994
Iowa Grants	848,761	848,761	0
DSM University - Osteopathic Loans	79,251	79,251	0
DSM University - Physician Recruit.	270,448	270,448	0
National Guard Benefits Program	3,186,233	3,186,233	0
Teacher Shortage Forgivable Loan	421,016	421,016	0
All Iowa Opportunity Foster Care Grant Program	594,383	594,383	0
All Iowa Opportunity Scholarships	2,403,949	2,403,949	0
Nurse & Nurse Educator Loan Program	86,736	86,736	0
Barber & Cosmetology Tuition Grant Program	39,626	39,626	0
Tuition Grant Program - Standing	44,013,448	44,013,448	0
Tuition Grant - For-Profit	4,650,487	4,650,487	0
Vocational Technical Tuition Grant	2,413,959	2,413,959	0
<b>Total College Aid Commission</b>	<b>\$ 59,258,194</b>	<b>\$ 59,243,200</b>	<b>\$ -14,994</b>

The change is a general decrease of \$15,000 or 6.0% for College Student Aid Commission administration compared to estimated FY 2011. No change in funding is recommended for the student financial aid programs.

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$61,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Federal Funds** – The Commission met the maintenance of effort requirement to draw down federal funding through the Leveraging Educational Assistance Program (LEAP) but did not qualify for funding through the Supplemental Leveraging Educational Assistance Program (SLEAP). In FY 2010 following the across-the-board reduction, the Commission requested a waiver of the maintenance of effort requirements, but the request was denied. They were required to repay \$742,000 in federal funds. In anticipation of FY 2011 budget cuts and in consultation with the Department of Management, the Commission declined \$350,659 in LEAP funding for this year.

**Federal Family Education Loan Program (FFELP)** – The federal Health Care and Education Reconciliation Act of 2010 took effect on July 1, 2010, and eliminated the FFELP. Students are now being referred to the Direct Loan Program to borrow directly from the U.S. Department of Education (USDE) instead of borrowing through banks and private lenders. The Congressional Budget Office projects this change will save the federal government \$68.0 billion over the next 11 years.

In recent years, the Commission has received General Fund appropriations of \$250,000 to \$300,000 for administration and has been able to use revenues from the various fee revenues from the FFELP to pay the remainder of the \$2.1 million annual administrative costs for the 14 State grant and loan programs and four State-associated programs. The Subcommittee will need to address the shortfall in funding for administrative activities.

**Administrative Costs for Grant Programs** – Some of the student financial aid programs have high administrative costs relative to the amounts awarded to college students. For example, the Barber and

Cosmetology Tuition Grant received an FY 2011 appropriation of \$40,000 and is budgeted to spend an additional \$32,000 to administer the grant; the administration costs equal 80.5% of the cost of awards. Similarly, the Nurse and Nurse Educator Loan Program has administrative costs equal to 57.5% of the amounts to be awarded, and Des Moines University Osteopathic Loans have administrative costs equal to 50.3% of the amounts to be awarded. The Subcommittee may want to examine these programs to determine whether changes need to be made in statutory requirements, administrative procedures, eligibility, or other factors to reduce administrative costs.

***Need-Based Grant Awards for Public and Private College Students*** – The National Association of State Student Grant and Aid Programs 2008-2009 Academic Year Survey shows that Iowa dedicates 80.6% of its need-based grants to resident students attending private colleges and universities. This is the largest proportion in the nation and well above the 28.0% national average. Only three other states dedicate more than half of their need-based awards to private college and university students: Michigan (67.8%), South Carolina (66.7%), and Missouri (52.1%). Iowa also dedicates 9.5% of its need-based aid to students attending for-profit colleges and universities, almost twice the national average of 5.0%. Nationally, 65.0% of the need-based grants go to students attending public institutions. Iowa directs 9.9% of the need-based awards to students at public colleges and universities.

The Not-for-Profit Iowa Tuition Grant and the For-Profit Iowa Tuition Grant are funded by General Fund standing limited appropriations. Code Section 261.25(1) appropriates \$45,213,069 for eligible students attending private not-for-profit colleges and universities, and Code Section 261.25(2) appropriates \$4,988,561 for the students attending private for-profit institutions. The Education Appropriations Bill regularly adjusts the standing appropriation amount.

### **Department of Education**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$245.5 million. This is an increase of \$12.9 million compared to estimated FY 2011.

The Governor is recommending no other fund appropriations for FY 2012. This is a decrease of \$4.7 million compared to estimated FY 2011.

General Fund Recommendations

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b>Education, Dept. of</b>			
Administration	\$ 6,403,236	\$ 6,019,042	\$ -384,194
Vocational Education Administration	449,276	422,319	-26,957
Vocational Education Secondary	2,590,675	2,435,234	-155,441
Food Service	2,121,058	1,993,795	-127,263
State Library	1,297,658	1,219,799	-77,859
State Library - Enrich Iowa	1,796,081	1,688,316	-107,765
State Library - Library Service Areas	1,078,622	1,013,905	-64,717
ECl General Aid (SRG)	5,729,907	5,386,113	-343,794
ECl Family Support and Parent Ed (SRG)	13,153,653	12,364,434	-789,219
ECl Preschool Tuition Assistance (SRG)	7,583,912	3,128,877	-4,455,035
Special Ed. Services Birth to 3	1,721,400	1,618,116	-103,284
Statewide Voluntary Preschool	12,228,867	0	-12,228,867
Nonpublic Textbook Services	600,987	600,987	0
Administrator Mentoring	195,157	183,448	-11,709
Model Core Curriculum	1,901,556	0	-1,901,556
Student Achievement/Teacher Quality	6,817,433	6,408,387	-409,046
Jobs For America's Grads	0	540,000	540,000
Comm College - Northeast Iowa (I)	7,589,572	0	-7,589,572
Comm College - North Iowa Area (II)	8,121,839	0	-8,121,839
Comm College - Iowa Lakes (III)	7,478,622	0	-7,478,622
Comm College - Northwest (IV)	3,672,598	0	-3,672,598
Comm College - Iowa Central (V)	8,391,198	0	-8,391,198
Comm College - Iowa Valley (VI)	7,152,344	0	-7,152,344
Comm College - Hawkeye (VII)	10,650,184	0	-10,650,184
Comm College - Eastern Iowa (IX)	13,247,344	0	-13,247,344
Comm College - Kirkwood (X)	23,304,445	0	-23,304,445
Comm College - Des Moines Area (XI)	23,465,054	0	-23,465,054
Comm College - Western Iowa Tech (XII)	8,697,470	0	-8,697,470
Comm College - Iowa Western (XIII)	8,938,972	0	-8,938,972
Comm College - Southwestern (XIV)	3,728,128	0	-3,728,128
Comm College - Indian Hills (XV)	11,686,592	0	-11,686,592
Comm College - Southeastern (XVI)	6,701,549	0	-6,701,549
Community Colleges General Aid	0	144,412,677	144,412,677
Community College Salaries - Past Years	804,597	0	-804,597
New Preschool Program	0	43,600,000	43,600,000
<b>Total Education, Dept. of</b>	<b>\$ 219,299,986</b>	<b>\$ 233,035,449</b>	<b>\$ 13,735,463</b>
<b>Vocational Rehabilitation</b>			
Vocational Rehabilitation	\$ 4,763,168	\$ 4,477,378	\$ -285,790
Independent Living	41,976	39,457	-2,519
Entrepreneurs with Disabilities Program	156,128	146,760	-9,368
Independent Living Center Grant	43,227	40,633	-2,594
<b>Total Vocational Rehabilitation</b>	<b>\$ 5,004,499</b>	<b>\$ 4,704,228</b>	<b>\$ -300,271</b>
<b>Iowa Public Television</b>			
Iowa Public Television	\$ 7,138,316	\$ 6,710,017	\$ -428,299
Regional Telecom. Councils	1,065,180	1,001,269	-63,911
<b>Total Iowa Public Television</b>	<b>\$ 8,203,496</b>	<b>\$ 7,711,286</b>	<b>\$ -492,210</b>
<b>Total Education, Dept. of</b>	<b>\$ 232,507,981</b>	<b>\$ 245,450,963</b>	<b>\$ 12,942,982</b>

Changes include:

- A 6.0% general decrease compared to estimated FY 2011 for all appropriations except those noted below.
- A decrease of \$4.5 million or 58.7% for Early Childhood Iowa (ECI) Preschool Tuition Assistance. The Governor uses this as partial funding for a new preschool program proposal.
- A decrease of \$12.2 million for the Statewide Voluntary Preschool Program to eliminate the appropriation. This was the budget unit that provided first-year funding for school districts entering the Program over the past four years. The Program is now fully funded through the school aid funding formula and this appropriation is no longer needed.
- No change in funding for Nonpublic Textbook Services.
- A decrease of \$1.9 million for Model Core Curriculum to eliminate the appropriation.
- A new appropriation of \$540,000 for Jobs for America’s Graduates (IJAG). This program received an FY 2011 appropriation of \$540,000 from the Cash Reserve Fund. In FY 2010, IJAG received a General Fund appropriation of \$540,000.
- An overall decrease of 6.0% for Community College general aid and salaries. The Governor is recommending a single General Fund appropriation to include general aid and a salary supplement.
- A new appropriation of \$43.6 million for the Governor’s proposal for means-tested preschool tuition assistance. In addition to the \$4.5 million reduction for ECI Preschool Tuition Assistance, the Governor reduces the Child Development standing appropriation by \$4.6 million to eliminate funding for Shared Visions preschools for at-risk children. The Governor also eliminates school aid funding for the Statewide Voluntary Preschool Program to eliminate that Program.

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Education, Dept. of</b>			
Preschool Program - CRF	\$ 4,000,000	\$ 0	\$ -4,000,000
Jobs for Americas Grads - CRF	540,000	0	-540,000
Sac and Fox Education - UST	90,000	0	-90,000
<b>Total Education, Dept. of</b>	<u>\$ 4,630,000</u>	<u>\$ 0</u>	<u>\$ -4,630,000</u>
<b>Vocational Rehabilitation</b>			
Farmers with Disabilities - UST	\$ 97,000	\$ 0	\$ -97,000
<b>Total Education, Dept. of</b>	<u>\$ 4,727,000</u>	<u>\$ 0</u>	<u>\$ -4,727,000</u>

The Governor’s recommendations include no other fund appropriations for FY 2012.

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes mid-year reductions totaling \$8.6 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act). The reductions affected most, but not all, of the Department’s budget units. The actual reductions by budget unit are shown in the General Fund appropriations tracking section of this document.

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Department of Education received \$500,000 from this transfer, resulting in a net mid-year reduction of \$8.1 million. Transfers are not reflected in the LSA's appropriations tracking. The transfer partially backfilled the following appropriations:

- Vocational Rehabilitation - \$150,000, resulting in a net reduction of \$227,000
- Iowa Public Television - \$350,000, resulting in a net reduction of \$268,000

**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 \$12.1 million. *The Governor is recommending a 6.0% general decrease totaling \$182,000 for these two appropriations.*
- **School Food Service** – Based on past usage, the federal government determines how much funding the State is eligible for in the coming year and then determines the amount of State match required. The current match rate is 27.8%. Reductions in State funding for this appropriation may result in the need to lower meal reimbursement rates to schools. *The Governor is recommending a 6.0% general decrease of \$127,000 for this appropriation.*
- **Special Education Services Birth to Three** – This appropriation funds the State's early childhood special education services under the federal Individuals with Disabilities Education Act (IDEA). Any reduction in State funding for this Program results in the loss of all federal funds for this Program and currently includes \$3.9 million in basic funding and \$4.6 million in ARRA federal stimulus funds. *The Governor is recommending a 6.0% general decrease of \$103,000 for this appropriation.*

**Federal Funds – Iowa Vocational Rehabilitation Services** – For FFY 2010 (ended September 30, 2010), the IVRS had a shortage of non-federal match of \$1.8 million, which resulted in the loss of \$6.5 million in federal funds not earned. The Division also failed the MOE requirement by \$32,000; as a result, the federal funding available to the Division in the subsequent year is reduced by that amount.

- For FFY 2011, the IVRS anticipates a match shortage of \$1.7 million, which will mean the loss of \$6.2 million in federal funds not earned. The Division is also anticipating an MOE deficit of \$890,000.
- For FFY 2012, the IVRS estimates a match shortage of \$2.0 million and a subsequent loss of federal funds not earned of \$7.3 million.

*The Governor is recommending a reduction in State funding for IVRS for State FY 2012 of \$286,000, a 6.0% decrease.*

**Governor's New Preschool Proposal** – *The Governor is proposing eliminating the Statewide Voluntary Preschool Program as it currently exists and establishing a new funding stream to provide means-tested preschool funding to benefit economically disadvantaged four-year-olds. The proposal is funded in FY 2012 and FY 2013 with a General Fund appropriation of \$43.6 million and by:*

- *Eliminating the Statewide Voluntary Preschool Program formula funding (estimated to total \$69.9 million in FY 2012).*
- *Reducing the Child Development standing appropriation by \$4.6 million to eliminate funding for the Shared Visions Preschool Programs for at-risk children.*
- *Reducing the annual appropriation to Early Childhood Iowa for Preschool Tuition Assistance by \$4.5 million.*

**Regional Telecommunication Councils (RTCs)** – The Iowa Public Broadcasting Board is recommending that the annual funding for the RTCs be appropriated directly to the Iowa Communications Network (ICN), rather than to Iowa Public Television (IPTV). This would complete the transition, beginning in 1998, of ICN-related funding from IPTV to the ICN.

**Board of Regents**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$509.5 million. This is a decrease of \$32.5 million compared to estimated FY 2011.

The Governor is recommending continued funding of \$24.3 million for tuition replacement from the Rebuild Iowa Infrastructure Fund (RIIF), the same level as estimated FY 2011. The Governor is also recommending total funding of \$90.3 million for the University of Iowa Hospitals and Clinic from IowaCares funds, the same level as FY 2011. These other fund appropriations are under the purview of the Transportation, Infrastructure, and Capitals Appropriations Subcommittee and the Human Services Appropriations Subcommittee, respectively.

**General Fund Recommendations**

	<b>Estimated FY 2011</b>	<b>Gov Rec FY 2012</b>	<b>Gov Rec vs Est. FY 2011</b>
<b><u>Regents, Board of</u></b>			
Regent Board Office	\$ 1,105,123	\$ 1,038,816	\$ -66,307
GRA - SW Iowa Regents Resource Ctr	90,766	85,320	-5,446
GRA - Tri State Graduate Center	69,110	64,963	-4,147
GRA - Quad Cities Graduate Center	134,665	126,585	-8,080
IPR - Iowa Public Radio	406,318	381,939	-24,379
University of Iowa - General	217,638,034	204,579,752	-13,058,282



## Education Appropriations Subcommittee

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b>Regents, Board of, cont.</b>			
SUI - Oakdale Campus	2,268,925	2,132,789	-136,136
SUI - Hygienic Laboratory	3,669,943	3,449,746	-220,197
SUI - Family Practice Program	1,855,628	1,744,290	-111,338
SUI - Specialized Children Health Services	684,297	643,239	-41,058
SUI - Iowa Cancer Registry	154,666	145,386	-9,280
SUI - Substance Abuse Consortium	57,621	54,164	-3,457
SUI - Biocatalysis	750,990	705,931	-45,059
SUI - Primary Health Care	673,375	632,972	-40,403
SUI - Iowa Birth Defects Registry	39,730	37,346	-2,384
SUI - Iowa Nonprofit Resource Center	168,662	158,542	-10,120
Iowa State University - General	170,536,017	160,303,856	-10,232,161
ISU - Agricultural Experiment Station	29,170,840	27,420,590	-1,750,250
ISU - Cooperative Extension	18,612,391	17,495,648	-1,116,743
ISU - Leopold Center	412,388	387,645	-24,743
ISU - Livestock Disease Research	179,356	168,595	-10,761
University of Northern Iowa - General	77,549,809	72,896,820	-4,652,989
UNI - Recycling and Reuse Center	181,858	170,947	-10,911
UNI - Math and Science Collaborative	1,800,000	1,692,000	-108,000
UNI - Real Estate Education Program	130,022	122,221	-7,801
Iowa School for the Deaf	8,679,964	8,159,166	-520,798
Iowa Braille and Sight Saving School	4,917,362	4,622,320	-295,042
ISD/IBS - Tuition and Transportation	12,206	11,474	-732
ISD/IBS - Licensed Classroom Teachers	85,140	80,032	-5,108
<b>Total Regents, Board of</b>	<b>\$ 542,035,206</b>	<b>\$ 509,513,094</b>	<b>\$ -32,522,112</b>

Changes are a decrease of 6.0% for each of the line-item appropriations compared to estimated FY 2011.

*Within current resources, the Governor is recommending promotion of partnerships between universities, community colleges and private businesses for agriculture modernization and more commercialization of research discoveries at Iowa State University. The Governor is encouraging partnerships with the State, business leaders and innovators, community colleges, and universities to create a mentoring corps and to support an entrepreneurial business climate. The Governor is also embracing a goal of providing some financial assistance to encourage low-income adults to access post-secondary education to gain skills to better support their families.*

### Other Fund Recommendations

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b>Regents, Board of</b>			
SUI - UIHC IowaCares Physicians - ICA	\$ 14,000,000	\$ 14,000,000	\$ 0
University of Iowa - UST	4,086,492	0	-4,086,492
Iowa State University - UST	3,202,079	0	-3,202,079
University of Northern Iowa - UST	1,456,118	0	-1,456,118
Iowa Braille and Sight Saving School - UST	229,331	0	-229,331
Iowa School for the Deaf - UST	395,980	0	-395,980
<b>Total Regents, Board of</b>	<b>\$ 23,370,000</b>	<b>\$ 14,000,000</b>	<b>\$ -9,370,000</b>

The Governor is not recommending replacement of the FY 2011 Underground Storage Tank Fund appropriations for the Regents universities and special schools. This results in a decrease in funding of \$9.4 million.

## Issues

***Tuition and Student Debt*** – Tuition and fees at Iowa Regents universities have grown over the past decade. At the University of Iowa (U of I), tuition and fees have grown from \$3,038 in FY 2000 to \$6,824 in FY 2010, an increase of 124.6%. Iowa State University’s (ISU) tuition and fees have grown from \$3,004 to \$6,651, a 121.4% increase, and the University of Northern Iowa’s (UNI) tuition and fees have grown from \$2,988 to \$6,636 for an increase of 122.1%. In terms of affordability, it requires almost twice the percentage of the median Iowa household income to pay tuition and fees as a decade ago. In 1999, it required 7.3% of the median Iowa household income to pay tuition and fees at Iowa State University and the University of Northern Iowa and 7.4% at the University of Iowa. By 2008, it required 12.7% of the median household income to pay tuition and fees at Iowa State University and the University of Northern Iowa and 13.1% for the University of Iowa. These increases make a college education significantly less affordable.

For the class of 2009, Iowa’s average student debt at graduation has dropped to fourth place nationally behind the District of Columbia, New Hampshire, and Maine. Iowa has an average student debt of \$28,883 and 74.0% of its students graduate with debt. For more information see: <http://projectonstudentdebt.org/files/pub/classof2009.pdf>

Ignoring inflation, all three universities show growing educational budgets for the past decade. The increases for each are as follows: U of I – \$216.0 million (54.5%); ISU – \$165.8 million (55.5%); and UNI – \$47.4 million (37.9%). After adjusting for inflation using the Higher Education Price Index (HEPI) with 1999-2000 dollars as the base year, the U of I had an increase of \$24.0 million (6.1%); ISU increased by \$30.3 million (10.1%); and UNI decreased by \$6.7 million (-5.3%).

***Iowa Braille and Sight Saving School*** – House File 2531 (FY 2011 Standing Appropriations Act) directed the Board of Regents to study the residential component of the Statewide System for Vision Services for possible changes to the residential services and utilization of the Iowa Braille and Sight Saving School. The Board approved the recommendations of the study group to refocus the provision of services to blind and vision-impaired students. The changes would include:

- Providing educational services as near to the students’ homes as possible.
- Offering more intensive services in each region of the State by:
  - Employing more Teachers of the Visually Impaired, Orientation and Mobility Specialists, Special Education Consultants, and others, as appropriate.
  - Creating “magnet” opportunities in partnership with other providers to offer regional, intensive, expanded core curriculum short-term programs.
  - Building capacity for a Statewide System for Vision Services.
- Developing a process for determining and meeting the long-term residential needs of blind or visually-impaired students, including partnering with other providers of long-term residential services for students with additional needs.
- Operating the Vinton Campus for short-term direct service programs, as the center for consultation services and assistive technology, and for administration of the statewide system.

***Flood Recovery and Mitigation*** – The University of Iowa continues to recover from the 2008 flood with flood-related expenses reaching \$176.1 million by the end of November 2010. The recovery includes moving some buildings out of the flood plain and installing mitigations to protect other buildings. A system of bulkheads is being installed to prevent water from entering buildings through the steam tunnels.

In August 2010, Iowa State University was flooded by Squaw Creek and the Skunk River directly affecting 17 structures and sites on the campus, including Hilton Coliseum. An additional 42 structures received water damage from backed up storm sewers and high surface water flows on campus. Preliminary damage estimates were in the \$40.0 to \$50.0 million range.

## INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

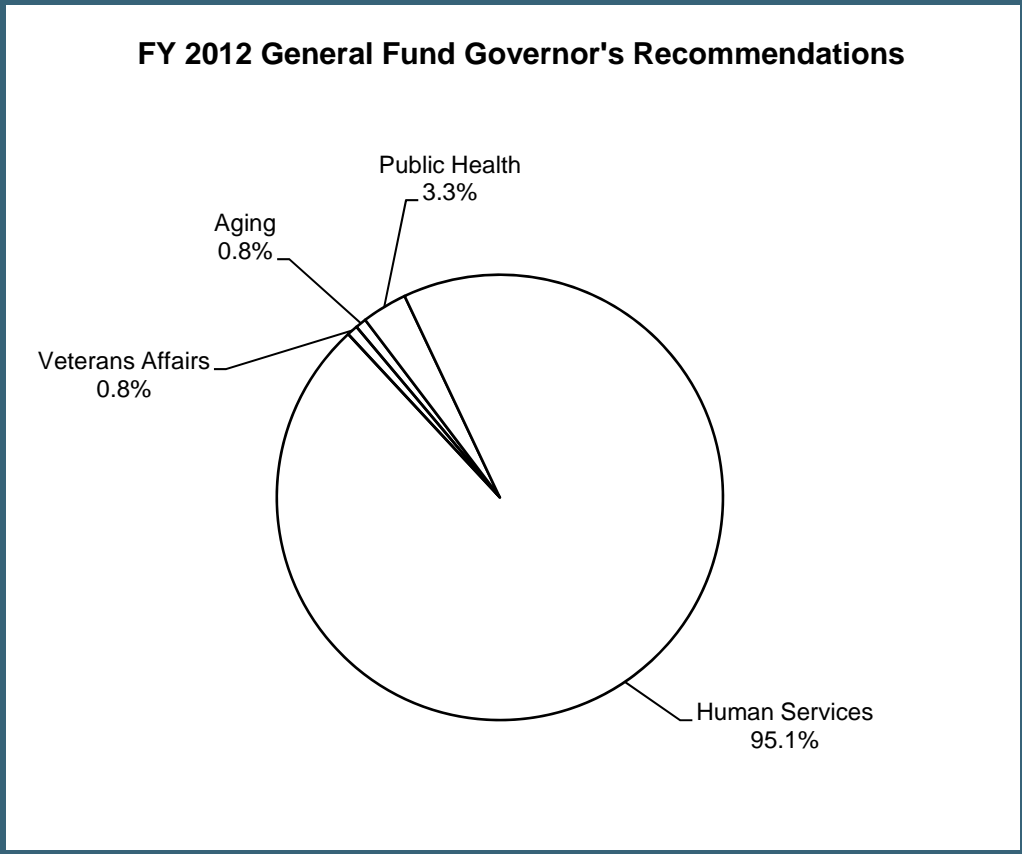
### **LSA Publications**

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

- *Fiscal Topic:* [Budget Unit: Community College General Aid](#)
- *Fiscal Topic:* [Community Colleges: State Funding](#)
- *Fiscal Topic:* [Budget Unit: Iowa Public Television](#)
- *Fiscal Topic:* [Budget Unit: Iowa Tuition Grant](#)
- *Fiscal Topic:* [Budget Unit: Regents Universities General Education](#)
- *Fiscal Topic:* [Budget Unit: Statewide Voluntary Preschool](#)
- *Fiscal Topic:* [K-12 Education Funding: Instructional Support Program](#)
- *Fiscal Topic:* [School Finance - School District Budget Guarantee Phase-out](#)
- *Issue Review:* [Projected Impact of Elimination of the Federal Family Education Loan Program](#)
- *Issue Review:* [State Funding for Libraries](#)
- *Issue Review:* [State Funding for Preschool](#)
- *Issue Review:* [Tuition at Iowa Regents Universities](#)
- *Issue Review:* [University Faculty Work Activities](#)
- *Issue Review:* [School District - Cash Reserve Levy](#)
- *Issue Review:* [School Aid Formula Funding - Supplementary Weightings](#)
- *Issue Review:* [Intercollegiate Athletics Funding at Iowa Regents Universities](#) (*forthcoming*)

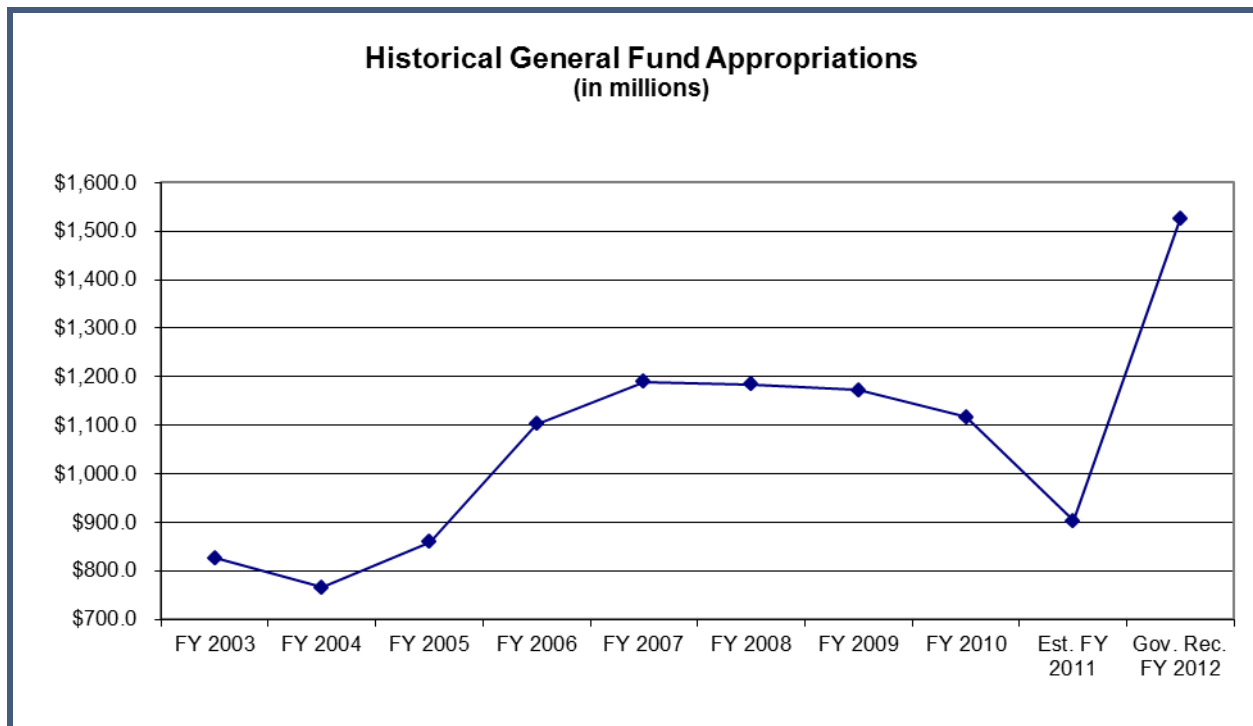
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**HEALTH AND HUMAN SERVICES  
APPROPRIATIONS SUBCOMMITTEE**



**FY 2012 General Fund Governor's Recommendations**

Aging	\$	12,109,091
Public Health		50,178,230
Human Services		1,450,047,785
Veterans Affairs		12,084,948
	\$	<u>1,524,420,054</u>



## FY 2012 GOVERNOR'S RECOMMENDATIONS

### Department on Aging

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

The Governor is recommending an FY 2012 General Fund appropriation of \$12.1 million. This is an increase of \$7.7 million compared to estimated FY 2011. The Governor is also recommending eliminating the appropriation from the Senior Living Trust Fund. This is a reduction of \$8.5 million compared to FY 2011.

### General Fund Recommendation

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Aging, Dept. on</u></b>			
Aging Programs	\$ 4,395,314	\$ 12,109,091	\$ 7,713,777
<b>Total Aging, Dept. on</b>	<u>\$ 4,395,314</u>	<u>\$ 12,109,091</u>	<u>\$ 7,713,777</u>

Significant changes for Aging Programs include:

- An increase of \$8.5 million to restore funding from the Senior Living Trust Fund. This is the same amount the Department received from the Senior Living Trust Fund in FY 2011.
- A decrease of \$773,000 for an additional reduction.

**Other Fund Recommendation**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Aging, Dept. on</u></b>			
Elder Affairs Operations - SLTF	\$ 8,486,698	\$ 0	\$ -8,486,698
<b>Total Aging, Dept. on</b>	<u>\$ 8,486,698</u>	<u>\$ 0</u>	<u>\$ -8,486,698</u>

The only change is a decrease of \$8.5 million from the Senior Living Trust Fund for Aging Programs. *The Governor is recommending this appropriation be funded with General Fund dollars.*

**Issues**

**Senior Living Trust Fund** – The Senior Living Trust Fund will be depleted at the end of FY 2011. *The Governor is recommending an \$8.5 million appropriation from the General Fund to replace that funding source.*

**Department of Public Health**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$50.2 million. This is a decrease of \$1.1 million compared to estimated FY 2011. The Governor is not recommending any other fund appropriations for FY 2012. This is a decrease of \$1.1 million compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Public Health, Dept. of</u></b>			
Addictive Disorders	\$ 26,715,157	\$ 26,217,590	\$ -497,567
Healthy Children and Families	2,540,218	2,451,905	-88,313
Chronic Conditions	3,324,548	3,139,175	-185,373
Community Capacity	5,045,832	5,097,708	51,876
Elderly Wellness	7,400,906	7,336,142	-64,764
Environmental Hazards	834,466	813,777	-20,689
Infectious Diseases	1,380,064	1,345,847	-34,217
Public Protection	3,145,247	2,956,532	-188,715
Resource Management	871,866	819,554	-52,312
<b>Total Public Health, Dept. of</b>	<u>\$ 51,258,304</u>	<u>\$ 50,178,230</u>	<u>\$ -1,080,074</u>

Significant changes include:

- **Addictive Disorders** – A net decrease of \$498,000 compared to estimated FY 2011. The changes are as follows:
    - A decrease of \$1.6 million for continuation of the FY 2011 efficiency savings.
    - An increase of \$500,000 to replace one-time funding from the Underground Storage Tank (UST) Fund.
    - An increase of \$675,000 to partially restore the FY 2011 mid-year reduction.
  - **Healthy Children and Families** – A net decrease of \$88,000 compared to estimated FY 2011. The changes are as follows:
    - A decrease of \$156,000 for a general reduction.
    - An increase of \$68,000 to partially restore the FY 2011 mid-year reduction.
  - **Chronic Conditions** – A net decrease of \$185,000 compared to estimated FY 2011. The changes are as follows:
    - A decrease of \$200,000 for a general reduction.
    - An increase of \$15,000 for the Child Health Specialty Clinics to replace one-time funding from the UST Fund.
  - **Community Capacity** – A net increase of \$52,000 compared to estimated FY 2011. The changes are as follows:
    - A decrease of \$325,000 for a general reduction.
    - An increase of \$364,000 for the State Health Information Exchange Program for federal matching funds.
    - An increase of \$13,000 to partially restore the FY 2011 mid-year reduction.
  - **Healthy Aging (formerly Elderly Wellness)** – A net decrease of \$65,000 compared to estimated FY 2011. The changes are as follows:
    - A decrease of \$468,000 for a general reduction.
    - An increase of \$403,000 to partially restore the FY 2011 mid-year reduction.
  - **Environmental Hazards** – A net decrease of \$21,000 compared to estimated FY 2011. The changes are as follows:
    - A decrease of \$52,000 for a general reduction.
    - An increase of \$31,000 to partially restore the FY 2011 mid-year reduction.
  - **Infectious Diseases** – A net decrease of \$34,000 compared to estimated FY 2011. The changes are as follows:
    - A decrease of \$86,000 for a general reduction.
    - An increase of \$52,000 to partially restore the FY 2011 mid-year reduction.
  - **Public Protection** – A decrease of \$189,000 compared to estimated FY 2011 for a general reduction.
  - **Resource Management** – A decrease of \$52,000 compared to estimated FY 2011 for a general reduction.
-

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Public Health, Dept. of</b>			
Public Health - USTF	\$ 785,000	\$ 0	\$ -785,000
<b>Total Public Health, Dept. of</b>	<u>\$ 785,000</u>	<u>\$ 0</u>	<u>\$ -785,000</u>

The decrease of \$785,000 is due to one-time funding from the UST Fund.

**Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$4.3 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act). The reduction affected all of the Department’s General Fund budget units. The actual reductions by budget unit are shown in the General Fund appropriations tracking section of this document.

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The DPH received approximately \$103,000 from this transfer, resulting in a net mid-year reduction of \$4.2 million. Transfers are not reflected in the LSA’s appropriations tracking. The transfer partially backfilled the reduction made to comprehensive treatment for substance abuse, resulting in a net reduction of \$90,000.

**One-Time Funding from FY 2011** – The Department of Public Health was permitted to carryforward up to \$500,000 of unexpended funding from FY 2010 to use for FY 2011 for tobacco use prevention and control initiatives. The Division of Tobacco Use Prevention and Control used \$414,000 in FY 2011 that will not be available in FY 2012.

The Department also received \$785,000 in one-time funding from the UST Fund for various budget units for FY 2011. For FY 2012, the Department has requested to continue to receive funding from the UST for substance abuse treatment and the child health specialty clinics of \$500,000 and \$15,000. *The Governor is recommending funding for these Programs from the General Fund instead of the UST for FY 2012.*

**Substance Abuse Prevention and Treatment (SAPT) Block Grant Maintenance of Effort (MOE)** – The SAPT Block Grant requires MOE from the State. To meet this requirement, the State must provide funding for substance abuse treatment and prevention activities at a level that is not less than the average level of such expenditures maintained by the State for the two-year period preceding the fiscal year for which the State is applying for the grant. The State is approximately \$1.2 million short of the State Fiscal Year (SFY) 2011 MOE requirement of \$20.3 million. To meet the requirement the Department would need \$1.2 million of supplemental funding for substance abuse programming or it may lose federal funding of \$1.2 million in SFY 2012. The State currently receives approximately \$14.0 million in SAPT funding annually. The MOE requirement for SFY 2012 is approximately \$18.3 million.

**Iowa e-Health Initiative** – In March of 2010, DPH received federal funding from the ARRA of \$8.4 million for a four-year State Health Information Exchange (HIE) Cooperative Agreement Program. In order to meeting the matching requirements related to this grant in SFY 2012, the Department will need an increase of \$364,000 above their annual appropriation of \$160,000 for a total General Fund appropriation of \$524,000. *The Governor is recommending this funding increase for FY 2012.*



**Supplemental Appropriations** – The Governor is recommending an FY 2011 supplemental appropriation of \$1.2 million to the DPH for partial restoration to various budget units, including the following:

- \$676,000 to addictive disorders.
- \$68,000 to health children and families.
- \$13,000 to community capacity.
- \$404,000 to healthy aging (formerly elderly wellness).
- \$52,000 to infectious diseases.

### Department of Human Services

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$1.450 billion. This is an increase of \$613.6 million compared to estimated FY 2011. The Governor is also recommending other fund appropriations totaling \$249.9 million for FY 2012. This is a decrease of \$213.9 million compared to estimated FY 2011.

#### General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Human Services, Dept. of</b>			
<b>General Administration</b>			
General Administration	\$ 14,646,745	\$ 14,646,745	\$ 0
<b>Field Operations</b>			
Field Operations	\$ 46,304,525	\$ 52,939,921	\$ 6,635,396
Child Support Recoveries	10,899,564	12,811,565	1,912,001
<b>Total Field Operations</b>	<u>\$ 57,204,089</u>	<u>\$ 65,751,486</u>	<u>\$ 8,547,397</u>
<b>Toledo Juvenile Home</b>			
Toledo Juvenile Home	\$ 7,041,917	\$ 7,977,599	\$ 935,682
Licensed Classroom Teachers	91,150	91,150	0
<b>Total Toledo Juvenile Home</b>	<u>\$ 7,133,067</u>	<u>\$ 8,068,749</u>	<u>\$ 935,682</u>
<b>Eldora Training School</b>			
Eldora Training School	\$ 9,915,196	\$ 10,315,196	\$ 400,000
<b>Cherokee CCUSO</b>			
Civil Commitment Unit for Sexual Offenders	\$ 6,425,131	\$ 7,225,131	\$ 800,000
<b>Cherokee</b>			
Cherokee MHI	\$ 2,802,494	\$ 5,321,979	\$ 2,519,485
<b>Clarinda</b>			
Clarinda MHI	\$ 5,393,175	\$ 6,239,698	\$ 846,523
<b>Independence</b>			
Independence MHI	\$ 7,196,279	\$ 9,843,497	\$ 2,647,218

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Human Services, Dept. of, cont.</u></b>			
<b>Mt Pleasant</b>			
Mt Pleasant MHI	\$ 647,029	\$ 697,029	\$ 50,000
<b>Glenwood</b>			
Glenwood Resource Center	\$ 13,747,086	\$ 18,557,993	\$ 4,810,907
<b>Woodward</b>			
Woodward Resource Center	\$ 8,538,466	\$ 12,905,384	\$ 4,366,918
<b>Assistance</b>			
Family Investment Program/JOBS	\$ 31,046,534	\$ 51,421,027	\$ 20,374,493
State Supplementary Assistance	18,259,235	16,850,747	-1,408,488
Medical Assistance	393,683,227	921,302,419	527,619,192
State Children's Health Insurance	23,637,040	25,394,269	1,757,229
Health Insurance Premium Payment	349,011	0	-349,011
Medical Contracts	8,961,805	10,773,844	1,812,039
MH/DD Growth Factor	48,697,893	48,697,893	0
MH/DD Community Services	14,211,100	14,211,100	0
Family Support Subsidy	1,167,998	1,167,998	0
Conners Training	33,622	33,622	0
Volunteers	84,660	84,660	0
Medicaid, Hawk-i, Hawk-i Expansion	10,049,532	10,049,532	0
Child Care Assistance	31,637,662	59,125,551	27,487,889
MI/MR/DD State Cases	11,295,207	12,169,482	874,275
State Mental Health Systems	0	275,189	275,189
Adoption Subsidy	31,856,896	36,697,591	4,840,695
Child and Family Services	77,865,550	82,219,974	4,354,424
<b>Total Assistance</b>	<u>\$ 702,836,972</u>	<u>\$ 1,290,474,898</u>	<u>\$ 587,637,926</u>
<b>Total Human Services, Dept. of</b>	<u>\$ 836,485,729</u>	<u>\$ 1,450,047,785</u>	<u>\$ 613,562,056</u>

Significant changes include:

- **Field Operations** – An increase of \$6.6 million to replace one-time funding in estimated FY 2011 that will no longer be available in FY 2012.
- **Child Support Recoveries** – An increase of \$1.9 million due to replacement of one-time ARRA and UST funds.
- **Toledo Juvenile Home** – An increase of \$936,000 compared to estimated FY 2011. The changes are as follows:
  - An increase of \$200,000 to replace one-time funding from the UST Fund.
  - An increase of \$736,000 to restore the FY 2011 mid-year reduction.
- **Eldora Training School** – An increase of \$400,000 compared to estimated FY 2011 to replace one-time funding from the UST Fund.
- **Cherokee Civil Commitment Unit for Sex Offender** – An increase of \$800,000 to replace one-time UST funds.
- **Cherokee Mental Health Institute** – An increase of \$2.5 million, including:

- An increase of \$2.4 million to backfill the efficiency savings so that no reduction in beds will be necessary.
- An increase of \$100,000 to replace one-time UST funds.
- **Clarinda Mental Health Institute** – An increase of \$847,000, including:
  - An increase of \$747,000 to backfill the efficiency savings so that no reduction in beds will be necessary.
  - An increase of \$100,000 to replace one-time UST funds.
- **Independence Mental Health Institute** – An increase of \$2.6 million, including:
  - An increase of \$2.4 million to backfill the efficiency savings so that no reduction in beds will be necessary.
  - An increase of \$229,000 to replace one-time UST funds.
  - An increase of \$23,000 due to a reduction in the federal FMAP rate.
- **Mt. Pleasant Mental Health Institute** – An increase of \$50,000 to replace one-time UST funds.
- **Glenwood Resource Center** – An increase of \$4.8 million, including:
  - An increase of \$3.7 million to replace one-time ARRA funds.
  - An increase of \$1.1 million due to a reduction in the federal FMAP rate.
- **Woodward Resource Center** – An increase of \$4.4 million, including:
  - An increase of \$3.5 million to replace one-time ARRA funds.
  - An increase of \$837,000 due to a reduction in the federal FMAP rate.
- **Family Investment Program** – A net increase of \$20.4 million, including:
  - An increase of \$25.5 million to restore ARRA funding from FY 2011.
  - A decrease of \$1.6 million due to a reduction in caseload growth.
  - A decrease of \$3.5 million due to available carryforward.
  - An increase of \$146,000 for the Promoting Stable Marriage Program.
  - An increase of \$84,000 due to increased costs for Food Assistance Electronic Benefit Transfers (EBTs).
  - A decrease of \$37,000 due to reductions in Promise Jobs administrative costs.
  - A decrease of \$202,000 due to recoveries of Promise Jobs allowances.
- **State Supplementary Assistance Program** – A decrease of \$1.4 million due available carryforward.
- **Medicaid** – A net increase of \$527.6 million, including:
  - An increase of \$404.9 million to replace one-time funding from the Cash Reserve Fund, Senior Living Trust Fund, and the federal ARRA.
  - An increase of \$57.0 million to replace the prior year’s carryforward.
  - An increase of \$65.2 million due to growth in utilization, enrollment, and changes in FMAP.

- **State Children’s Health Insurance Program (SCHIP)** – A net increase of \$1.8 million, including:
    - A decrease of \$2.9 million due to available carryforward.
    - An increase of \$4.7 million to fund additional children for both health and dental coverage.
  - **Health Insurance Premium Payment Program** – A decrease of \$349,000 to move the Program to Medicaid.
  - **Medical Contracts** – A net increase of \$1.8 million, including:
    - An increase of \$88,000 for contract and other inflation costs.
    - A decrease of \$13,000 due to savings related to a NevadaCare lawsuit.
    - A decrease of \$176,000 due to eliminating one-time contract transition costs.
    - An increase of \$191,000 to comply with a new federal Preadmission, Screening, and Resident Review (PASRR) program.
    - An increase of \$1.7 million to begin replacing the Medicaid Management Information System (MMIS).
  - **Child Care Assistance – An increase of \$27.5 million, including:**
    - An increase of \$15.8 million to replace one-time funding from the ARRA.
    - An increase of \$1.5 million for increased caseload growth and increases in per caseload cost.
    - An increase of \$9.6 million to replace one-time carryforward funding from FY 2011 that will not be available in FY 2012.
    - An increase of \$688,000 to restore the FY 2011 mid-year reduction.
  - **MI/MR/DD State Cases** – An increase of \$875,000 to replace one-time UST funds.
  - **Mental Health System** – An increase of \$275,000 for federal match for the Circle of Care Program.
  - **Adoption Subsidy** – An increase of \$4.8 million, including:
    - An increase of \$3.6 million to replace one-time funding from the ARRA and the UST Fund.
    - An increase of \$1.2 million for the annual adjustment to the federal FMAP rate.
    - An increase of \$20,000 for increased caseload growth.
  - **Child and Family Services** – A net increase of \$4.3 million, including:
    - An increase of \$3.2 million to replace one-time funding sources in FY 2011 that will no longer be available in FY 2012.
    - An increase of \$604,000 for the changes to the federal FMAP and Title IV-E rates due to ARRA.
    - An increase of \$100,000 for child welfare provider trainings.
    - A decrease of \$500,000 for one-time funding for shelter care from the Cash Reserve Fund that will not be replaced in FY 2012.
    - A decrease of \$25,000 for one-time funding for an autism grant from the UST Fund that will not be replaced in FY 2012.
    - A decrease of \$200,000 for one-time funding for an exceptional children grant from the UST Fund that will not be replaced in FY 2012.
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## Health and Human Services Appropriations Subcommittee

- A decrease of \$600,000 for one-time funding for the Juvenile Graduated Sanctions Program from the UST Fund that will not be replaced in FY 2012.
- A decrease of \$100,000 for one-time funding for the Child Protection Center in Waterloo from the UST Fund that will not be replaced in FY 2012.
- An increase of \$54,000 for the PAL Program for increased caseload growth.
- An increase of \$84,000 for the annual adjustment to the federal FMAP rate.
- An increase of \$1.7 million to partially restore in the FY 2011 mid-year reduction.

### Other Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Human Services, Dept. of</u></b>			
<b>Assistance</b>			
Broadlawns Hospital	\$ 51,000,000	\$ 51,000,000	\$ 0
Regional Provider Network - Iowa Care Fund (0500)	6,000,000	6,000,000	0
Medical Examinations-Expansion Population	556,800	556,800	0
Medical Information Hotline	100,000	100,000	0
Health Partnership Activities	600,000	600,000	0
Audits, Performance Evaluations, Studies	125,000	125,000	0
IowaCare Administrative Costs	1,132,412	1,132,412	0
Dental Home for Children	1,000,000	1,000,000	0
MH/DD Workforce Development - HCTA	50,000	50,000	0
Broadlawns Admin-HCTA	290,000	290,000	0
Medical Contracts-HCTA	1,300,000	1,300,000	0
Medical Contracts Supplement	4,027,613	4,027,613	0
Medical Assistance Supplemental-Quality Assurance	13,900,000	35,662,467	21,762,467
Medical Assistance Supplemental-Hospital Care Ac	39,406,000	39,231,000	-175,000
For Deposit In Nonparticipating Provider Reimb Func	594,000	769,000	175,000
Medical Assistance - HCTF	106,916,532	106,046,400	-870,132
Nonparticipating Providers - NPPR (006M)	2,000,000	2,000,000	0
SLT Medical Supplemental	39,080,435	0	-39,080,435
Medical Assistance - Cash Reserve	187,800,000	0	-187,800,000
Child and Family Services - Shelter Care Cash Rese	500,000	0	-500,000
Child and Family Services - ICPUSTF (0450)	925,000	0	-925,000
Child and Family Services - Restore Rate Reduction	1,000,000	0	-1,000,000
Family Support Subsidy -ICPUSTF (0450)	100,000	0	-100,000
Child Support Recovery - ICPUSTF (0450)	250,000	0	-250,000
Juvenile Institutions - ICPUSTF (0450)	600,000	0	-600,000
Mental Health Institutes - ICPUSTF (0450)	350,000	0	-350,000
MI/MR/DD State Cases ICPUSTF (0450)	1,000,000	0	-1,000,000
Sexually Violent Predators - ICPUSTF (0450)	800,000	0	-800,000
Field Operations - ICPUSTF (0450)	2,340,000	0	-2,340,000
<b>Total Human Services, Dept. of</b>	<b>\$ 463,743,792</b>	<b>\$ 249,890,692</b>	<b>\$ -213,853,100</b>

Significant changes include:

- An increase of \$21.8 million from the Quality Assurance Trust Fund to Medicaid. This was an oversight and the funds should have been appropriated in FY 2010 as well.
- A decrease of \$175,000 from the Hospital Health Care Access Trust Fund to Medicaid.

- An increase of \$175,000 from the Hospital Health Care Access Trust Fund to the Hospital Nonparticipating Provider Account. This will continue the Program at a \$2.0 million dollar level with federal match.
- A decrease of \$870,000 from the Health Care Trust Fund to Medicaid. This is due to one-time interest in the account.
- A decrease of \$39.1 million from the Senior Living Trust Fund to Medicaid. The fund will be depleted at the end of FY 2011. *The Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$187.8 million from the Cash Reserve Fund to Medicaid. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$500,000 from the Cash Reserve Fund to Shelter Care. *This was a one-time funding source and the Governor is not recommending replacing this funding.*
- A decrease of \$925,000 to Child and Family Services from the UST Fund. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$1.0 million to Child and Family Services from the UST Fund. This funding was to partially restore rate reductions in Adoption Subsidy, Family Foster Care, Supervised Apartment Living, and Group Care. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$100,000 to the Family Support Subsidy from the UST Fund. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$250,000 to the Child Support Recovery Unit from the UST Fund. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$600,000 to the Juvenile Institutions from the UST Fund. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$350,000 to the Mental Health Institutes from the UST Fund. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$1.0 million to the Mental Health State Cases Program from the UST Fund. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$800,000 to the Civil Commitment Unit for Sex Offenders from the UST Fund. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*
- A decrease of \$2.3 million to Field Operations from the UST Fund. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*

### Issues

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$27.3 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act). The reduction affected most, but not all, of the Department's General Fund budget units. The actual reductions by budget unit are shown in the General Fund appropriations tracking section of this document.

**Field Operations** – Field Operations funds a significant amount of the cost of DHS employees in local communities. The mid-year reduction to field operations for FY 2011 was \$9.9 million. As of December 23, 2010, the actual FTE count for field operations for the Department was 1,702 compared to 1,994 at the end of FY 2008. During that same time period caseloads for Income Maintenance workers has increased from 448 to 691. *The Governor is not recommending funding any additional field staff for FY 2011-FY 2013.* The General Assembly may wish to look at this issue as this may cause gaps in the service delivery system.

**Child Care Assistance (CCA)** – The CCA Program is facing a significant funding gap in FY 2012 of \$24.0 million to \$30.0 million, with a midpoint of a need of \$27.0 million. This is in addition to the \$32.3 million base appropriation for FY 2011. The following are factors involved:

- Caseloads continue to grow in FY 2011 although the rate of growth is slower than originally projected. Based on this information, it is projected that caseloads will continue to grow slightly in FY 2012.
- One-time ARRA funding of \$15.8 million will not be available for FY 2012.
- One-time funding of \$9.6 million carried forward from FY 2010 to FY 2011 will not be available in FY 2012.

*For FY 2012, the Governor is recommending a funding increase to the CCA Program of \$27.5 million for a total General Fund appropriation of \$59.0 million.*

**Adoption and Foster Care Assistance** – Congress passed and President Obama signed the Federal Aviation Administration (FAA) Air Transportation Modernization and Safety Improvement Act in July of 2010 that included an extension of the ARRA FMAP increase. A provision in the legislation will reduce the FMAP increase from 6.2% to 3.2% in the third quarter and 1.2% in the fourth quarter of FY 2011. The funding available in FY 2011 due to the ARRA FMAP provisions will need to be replaced by State funding in FY 2012 to avoid shortfalls in the Adoption Subsidy Program and the Foster Care programming in the DHS.

It is estimated that the Adoption Subsidy Program will have a funding gap in FY 2012 of \$1.1 million to \$4.4 million, with a midpoint need of \$2.6 million. Caseload growth and the loss of the ARRA FMAP provisions are the leading reasons for the need in FY 2012. *For FY 2012, the Governor is recommending a funding increase of \$4.8 million to the Adoption Subsidy Program for a total General Fund appropriation of \$36.7 million.*

It is estimated that the Family Foster Care Program will need to replace approximately \$1.2 million due to the loss of the ARRA FMAP provisions in FY 2012. *For FY 2012, the Governor is recommending restoration of the ARRA FMAP funding loss for the Family Foster Care Program.*

**Medicaid** – *The Governor is recommending fully funding the Medicaid Program for FY 2012 and FY 2013. This includes a General Fund increase of \$527.6 million in FY 2012 and an additional \$79.9 million in FY 2013. In addition, the Governor is recommending \$42.0 million in targeted reductions and savings for FY 2012 and FY 2013 and a number of these will require Legislative approval. For more information see the Medicaid Section in this document.*

**Senior Living Trust Fund** – The Senior Living Trust Fund (SLTF) will be depleted at the end of FY 2011. The Governor is recommending replacing all funds appropriated from the SLTF with General Fund appropriations for FY 2012. Funding to be replaced includes \$39.1 million for Medicaid, \$8.5 million to the Department on Aging for Home and Community-Based Services, and \$700,000 to the Iowa Finance Authority Rent Subsidy Program.

**One-Time Funding** – House File 2526 (FY 2011 Health and Human Services Appropriations Act) appropriated \$478.3 million in one-time funding from the Cash Reserve Fund, UST Fund, SLTF, and ARRA funds. The Governor is recommending replacing all one-time funding with General Fund appropriations for FY 2012.

**Supplemental Appropriations** – The Governor is recommending an FY 2011 supplemental appropriation of \$2.6 million to the Department of Human Services Mental Health Institutes. The supplemental will allow the Department to keep the number of mental health beds at the current level.

### **Department of Veterans Affairs**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$12.1 million. This is an increase of \$1, 290,773 (12.0%) compared to estimated FY 2011. The Governor is also recommending other fund appropriations totaling \$1.0 million for FY 2011 from the Transportation, Infrastructure, and Capitals Appropriations Subcommittee budget. This is no change compared to estimated FY 2011 for the Veterans Home Ownership Assistance Program administered by the Iowa Finance Authority. The other funds comparison is included in the Transportation, Infrastructure, and Capitals Appropriations Subcommittee section of this document.

#### **General Fund Recommendations**

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b><u>Veterans Affairs, Dept. of</u></b>			
General Administration	\$ 929,608	\$ 873,832	\$ -55,776
War Orphans Educational Assistance	12,416	12,416	0
Veterans County Grants	900,000	990,000	90,000
<b>Total Veterans Affairs, Department of</b>	<b>\$ 1,842,024</b>	<b>\$ 1,876,248</b>	<b>\$ 34,224</b>
<b><u>Veterans Affairs, Dept. of</u></b>			
Iowa Veterans Home	\$ 8,952,151	\$ 10,208,700	\$ 1,256,549
<b>Total Veterans Affairs, Dept. of</b>	<b>\$ 10,794,175</b>	<b>\$ 12,084,948</b>	<b>\$ 1,290,773</b>

Significant changes include:

- **Department of Veterans Affairs Administration** – A decrease of \$56,000 for a general decrease.



## Health and Human Services Appropriations Subcommittee

- **War Orphans Educational Assistance Program** – No change. With various carryforwards of previous years' funding and various historical reductions, there is \$104,000 available for this Program in addition to the \$12,000 FY 2012 appropriation recommended.
- **Veterans County Grants Program** – An increase of \$90,000 to replace FY 2011 one-time funding. This would continue to permit each county to receive the \$10,000.
- **Iowa Veterans Home** – An increase of \$1.3 million and 22.2 additional FTE positions for opening the Fox Building (the 60-bed/four wing/15 beds per wing) portion of Phase 1 of the Master Plan construction. This represents opening the Building July 1, 2011. For FY 2013, the Governor recommends an increase of \$1.3 million compared to the recommended FY 2012 appropriation for staff costs related to opening the 120-bed Ulery Building (part of Phase 1 of the Master Plan) that would open July 1, 2012 for occupants.

### Other Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Veterans Affairs, Dept. of</u></b>			
County Veterans Grant Assist - MMBF	\$ 90,000	\$ 0	\$ -90,000
<b>Total Veterans Affairs, Dept. of</b>	<u>\$ 90,000</u>	<u>\$ 0</u>	<u>\$ -90,000</u>

The only change is a decrease of \$90,000 to the County Grant Program from the Merchant Marine Bonus Fund. *This was a one-time funding source and the Governor is recommending replacing this funding with a General Fund appropriation.*

### Issues

#### Department of Veterans Affairs:

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$31,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**FY 2010 Appropriation Transfers** – The Department of Veterans Affairs received an FY 2010 transfer of \$86,000 as a result of the Governor Culver transferring funds made available from other Departments through furlough salary savings. *Governor Branstad does not recommend replacing this \$85,609 in FY 2011.*

**Vietnam Veteran Bonus** – The 2008 General Assembly extended the dates eligible for a Vietnam Veteran Bonus and provided a \$500,000 one-time appropriation. The extended eligibility dates are repealed under current law on June 30, 2011. Since enactment, just over 1,000 veterans have received an estimated average bonus of \$250. As of January 25, 2011, \$253,000 of the original appropriation remains. The approved applications have decreased each year since the initiation, with the first six months of FY 2011 resulting in 48 bonuses for a total amount of \$9,000 expended.

**Injured Veterans Grant Program** – The 2008 General Assembly created an Injured Veterans Grant Program to provide assistance to families of servicemen and servicewomen evacuated from Iraq or Afghanistan and needing medical treatment. Changed over time, the Program now mostly provides up to \$10,000 for those servicemen and servicewomen evacuated and needing medical treatment, with \$2,500 available for each month for a maximum of four months. The original appropriation was \$3.0 million.

After various across-the-board reductions taken from carryforward funding and providing 256 veterans with \$2.3 million, there is \$700,000 remaining for this purpose from the original appropriation.

**Iowa Veterans Home:**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$679,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Impact of Net Budgeting** – With the Veterans Home net budgeted, the impact of the across-the-board reduction is less than other Departments. For FY 2011, the State appropriation is 12.8% of the overall \$75.4 million budget. There may be concern as to future changes in funding from the federal Veterans Administration.

**Iowa Veterans Home Carryforward Funding** – Historically, the Iowa Veterans Home has had funds available for carryforward to the next fiscal year. In FY 2011, a portion of the FY 2010 carryforward funds were used by the General Assembly and Governor to fund a different program. In previous fiscal years, the funds were used to decrease the next fiscal year’s appropriation need for the Iowa Veterans Home. Prior to those years, the Iowa Veterans Home was allowed to retain the funds that were used for the State match of Phase 1 of the Master Plan.

**Construction Funds at the Iowa Veterans Home** – The Subcommittee may want to receive an update regarding the Iowa Veterans Home Master Plan. The original amount needed for the State match for all four Phases has been provided by the Iowa General Assembly. All four Phases have been approved by the federal Veterans Administration. Phase 2 bids received in January 2011 exceeded the project budget. The Iowa Veterans Home plans to consult with the Department of Administrative Services and the Governor’s Office regarding resubmittal of Phase 2 before April 15, 2011, to the federal Veterans Administration for reconsideration in the 2012 federal veterans construction funding cycle. Phase 3 bids have been let and are expected to be returned in early March 2011. Phase 3 can proceed before Phase 2 without additional construction issues. The State commitment may need additional funds depending on the future costs of the projects.

**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 \$76.3 million for FY 2012. This is no change compared to estimated FY 2011.

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Regents, Board of</u></b>			
SUI - UIHC IowaCares Program	\$ 27,284,584	\$ 27,284,584	\$ 0
SUI - UIHC IowaCares Expansion Population	49,020,131	49,020,131	0
<b>Total Regents, Board of</b>	<u>\$ 76,304,715</u>	<u>\$ 76,304,715</u>	<u>\$ 0</u>

**Iowa Finance Authority**

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

The Senior Living Trust Fund will be depleted at the end of FY 2011. *The Governor is recommending replacing this funding with General Fund dollars.*

**Other Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Iowa Finance Authority</u></b>			
Rent Subsidy Program - SLTF	\$ 700,000	\$ 0	\$ -700,000
<b>Total Iowa Finance Authority</b>	<u>\$ 700,000</u>	<u>\$ 0</u>	<u>\$ -700,000</u>

**INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS**

**Legislative Health Care Coverage Commission**

The Legislative Health Care Coverage Commission was created in SF 389 (2009 Health Care Omnibus II) and charged to develop an Iowa health care reform strategic plan which includes but is not limited to a review and analysis of and recommendations and prioritization of recommendations for various options for health care coverage of Iowa’s children, adults, and families. Four Workgroups for the Commission were established to work on issues as follows:

- Health Care Coverage for Adults
- Use/Creation of a State Pool
- Administration of Health Reform in Iowa
- Prevention and Wellness

The Commission and Workgroups have met several times in Des Moines over the past eighteen months. The members have compiled recommendations and submitted those recommendations in their annual progress report and quarterly reports to the General Assembly. The Commission is currently working on their final report to the General Assembly. They have completed their legislative charge and the Commission dissolved on December 31, 2010. For more information about the Commission and to review their publications and materials, please visit:

[http://www.legis.state.ia.us/scripts/docmgr/docmgr\\_comdocs.dll/showtypeinterim?id=true&type=ih&com=484](http://www.legis.state.ia.us/scripts/docmgr/docmgr_comdocs.dll/showtypeinterim?id=true&type=ih&com=484)

### **LSA Publications**

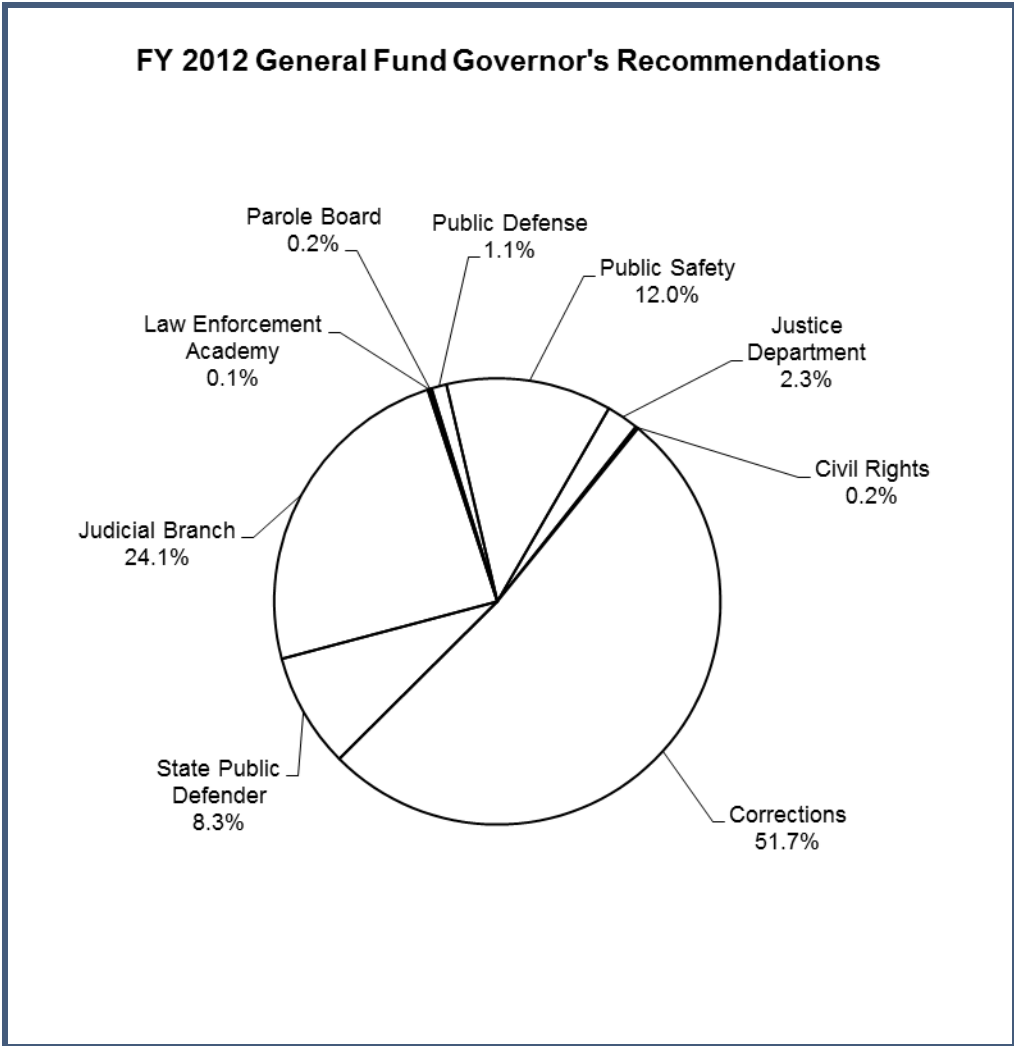
The following publications have been published by the LSA that relate to the Health and Human Services Appropriations Subcommittee:

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

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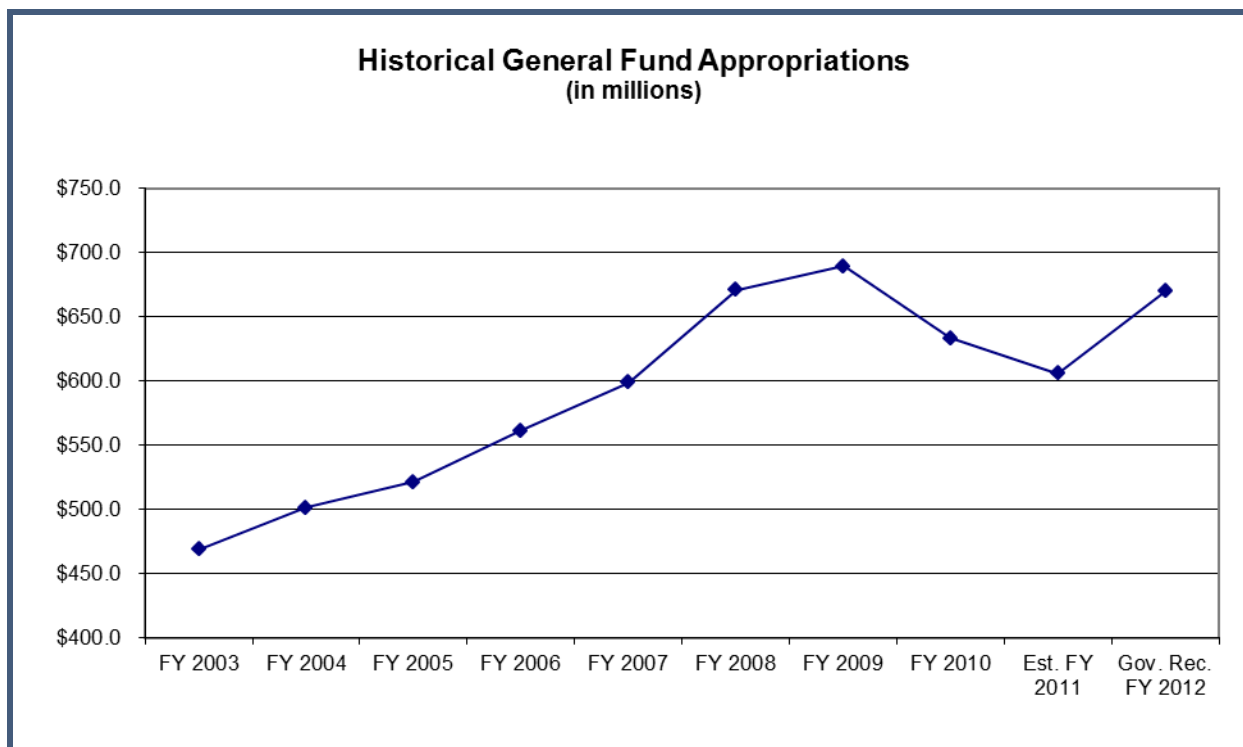
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**JUSTICE SYSTEM  
APPROPRIATIONS SUBCOMMITTEE**



**FY 2012 General Fund Governor's Recommendations**

Justice Department	\$ 15,620,324
Civil Rights	1,297,069
Corrections	346,327,477
State Public Defender	55,764,111
Judicial Branch	161,400,609
Law Enforcement Academy	868,698
Parole Board	1,053,835
Public Defense	7,363,919
Public Safety	80,439,254
	<u>\$ 670,135,296</u>



## FY 2012 GOVERNOR’S RECOMMENDATIONS

### Department of Justice

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$15.6 million. This is an increase of \$2.8 million (22.2%) compared to estimated FY 2011. The increase is due to funding the Office of the Consumer advocate from the General Fund in FY 2012; the Consumer Advocate’s Office was funded from the Department of Commerce Revolving Fund in FY 2011.

## General Fund Recommendations

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b>Justice, Department of</b>			
General Office A.G.	\$ 7,792,930	\$ 7,792,930	\$ 0
Victim Assistance Grants	3,060,000	2,876,400	-183,600
Legal Services Poverty Grants	1,930,671	1,814,831	-115,840
<b>Total Justice, Dept. of</b>	<b>\$ 12,783,601</b>	<b>\$ 12,484,161</b>	<b>\$ -299,440</b>
<b>Consumer Advocate</b>			
Consumer Advocate	\$ 0	\$ 3,136,163	\$ 3,136,163
<b>Total Justice, Department of</b>	<b>\$ 12,783,601</b>	<b>\$ 15,620,324</b>	<b>\$ 2,836,723</b>

## Other Fund Recommendations

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b>Justice, Department of</b>			
<b>Consumer Advocate</b>			
Consumer Advocate - CMRF	\$ 3,336,344	\$ 0	\$ -3,336,344
<b>Total Justice, Department of</b>	<b>\$ 3,336,344</b>	<b>\$ 0</b>	<b>\$ -3,336,344</b>

## Issues

***Public Safety Enforcement Fund*** – The Public Safety Enforcement Fund (PSEF) was created in SF 2378 (FY 2011 Justice System Appropriations Act). The Act increased certain traffic fines and is expected to generate an additional \$9.1 million in court receipts, \$1.0 million for local governments, and \$441,000 for the Crime Victim Compensation Fund. The Act directed \$9.1 million in court receipts and \$235,000 in Crime Victim Compensation Fund receipts to the PSEF in FY 2011. The Fund is repealed at the end of FY 2011 under current law.

The Treasurer's Office transferred \$9.3 million in court receipts to the Fund in November 2010. The Judicial and Executive Branches have received the amounts allocated in SF 2378 as follows:

- Judicial Branch - \$5.3 million
- Office of the Attorney General - \$150,000
- Civil Rights Commission - \$100,000
- Department of Public Safety - \$450,000
- Department of Corrections - \$3.3 million

The Office of the Attorney General is using the \$150,000 appropriation to help fund its Area Prosecutions Division which assists county attorneys in prosecuting serious felonies. *With the repeal of the PSEF at the*



end of FY 2011, the Governor is not recommending an FY 2012 General Fund appropriation to replace the \$150,000 allocation to the Office. The Office will receive reduced State funds, when comparing FY 2011 to FY 2012.

**Office of the Consumer Advocate** – The Office is funded from the Department of Commerce Revolving Fund at \$3.3 million in FY 2011. The Office bills the utility industry for expenses, and the utility industry makes payments to the Department of Commerce Revolving Fund. *The Governor is recommending the repeal of the Department of Commerce Revolving Fund, and making a General Fund appropriation to the Office of \$3.1 million in FY 2012.* This is a decrease of \$200,000 (6.0%) compared to FY 2011 State funding.

**False Claims Act** – Senate File 2088 (Government Reorganization and Efficiency Act) created a new Iowa Code Chapter, False Claims Act, that is an attempt to secure a larger recovery for the State (10.0%) under Medicaid fraud actions. The language is broader than Medicaid fraud. The Act provides a procedure for the State and private individuals to bring an action for fraud against a person that may result in financial loss to the government. The State statute must be reviewed by the federal Department of Health and Human Services before it can be implemented. Iowa currently operates under the federal False Claims Act. Senate File 2088 required the Attorney General's Office to file a report annually with the Judiciary Committee, caucus staff, and LSA regarding implementation of the False Claims Act. The Office received a General Fund appropriation of \$60,000 and 1.00 FTE position for enforcement of non-Medicaid related claims made under the provisions of the False Claims Act.

The False Claims Act language is currently being reviewed by the U.S. Department of Health and Human Services. The required report has been received. As of December 2010, there have been no cases filed by the Attorney General, no cases have been filed by qui tam plaintiffs, and no amounts have been recovered by the State. A paralegal was hired by the Office of the Attorney General, anticipating that a portion of her work would involve false claims matters, as the false claims caseload develops.

**Victim Compensation Fund** – The Crime Victim Assistance Division administers the Fund. The Fund supports the Crime Victim Compensation Program, Sexual Abuse Examination Program, Victims Assistance Grants, the IowaVINE system, victim service advocate training, and operational and administrative costs of the Division. The Fund was created by the General Assembly in Chapter 915. Please refer to the *Fiscal Topic* [Crime Victim Assistance Division](#) for more information.

Funds available in the Victim Compensation Fund in FY 2011 are \$13.3 million, a decrease of \$394,000 (2.9%) compared to FY 2010. The majority of this decrease is primarily due to delayed receipt of the FY 2009 VOCA Compensation grant. The FY 2009 award was received in October 2009 after the close of the fiscal year, so it was deposited into the Fund in FY 2010, thereby overstating FY 2010 receipts. Expenditures from the Fund in FY 2011 are expected to decrease by \$372,000 (3.7%).

The year-end balance carries forward to the next fiscal year. The FY 2010 year-end balance of \$3.3 million provides a cash flow mechanism for the Fund. Fund revenue is based on criminal fines and penalties and is difficult to project from year to year. Also, payments for the Crime Victim Compensation Program are the largest expense from the Fund. Both dollar value and number of claims vary annually. The Victim Compensation Fund experienced cash flow problems in FY 2010, as expenses exceeded revenue. In late FY 2010, the cash flow problem was primarily due to delayed receipts from the U.S. Department of Justice for the VOCA Compensation Program. Payments to victims were delayed due to these cash flow issues.

The Department expects approximately \$540,000 annually to be expensed against the Fund for the IowaVINE System. Approximately \$190,000 from an FY 2008 grant award remains available for FY 2011, but cannot be used for operating costs. It may only be used to enhance the IowaVINE system. As more enhancements are made to the IowaVINE system, the more likely it is that operating costs will increase.

Please refer to the *Fiscal Topic* [Iowa's Victim Information and Notification Everyday System](#) for additional information.

Senate File 2378 caps the number of FTE positions expensed against the Victim Compensation Fund at 22.0 FTE positions. The Crime Victim Assistance Division utilized 20.83 FTE positions, or 94.7% of the authorized FTE positions. One FTE position was left vacant for the last six months of FY 2010.

**Victim Assistance Grants** – The Crime Victim Assistance Division provides federal and state funding to service providers for victims of domestic abuse, sexual assaults, and other violent crimes. The Division also provides grants to specialized law enforcement programs and prosecutors to address violence against women. A State General Fund appropriation, combined with federal grants and the Victim Compensation Fund, are used for community domestic abuse and sexual abuse victim service programs. This combination of funding results in approximately \$10.7 million in FY 2011 being distributed to 28 domestic abuse programs, 28 sexual abuse programs, the Iowa Domestic Abuse Hotline, the Sexual Abuse Hotline, four homicide victim survivor programs, and 20 county prosecutor-based victim service coordinators. This is a decrease of \$705,000 (6.2%) compared to FY 2010. Most of the decrease is primarily due to receipt of one-time ARRA funds in FY 2010. *The Governor is recommending \$2,876,400 for Victim Assistance Grants from the General Fund in FY 2012. This is a decrease of \$184,000 (6.0%) compared to estimated FY 2011.*

The Crime Victim Assistance Division received a new victim assistance grant in FY 2010, the Sexual Assault Services Program. This award is from the U.S. Department of Justice, Violence Against Women Office. The funds are required to be used for the provision of direct intervention and related assistance for victims of sexual assault. The Division received \$228,000 in FY 2010 and \$170,000 for FY 2011.

For more information, see the *Fiscal Topic* "[Budget Unit: Office of the Attorney General.](#)"

### **Civil Rights Commission**

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

The Governor is recommending an FY 2012 General Fund appropriation of \$1.3 million. This is a decrease of \$38,000 (2.9%) compared to estimated FY 2011.

#### **General Fund Recommendations**

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b>Civil Rights Commission</b>			
Civil Rights Commission	\$ 1,335,282	\$ 1,297,069	\$ -38,213
<b>Total Civil Rights Commission</b>	\$ 1,335,282	\$ 1,297,069	\$ -38,213

#### **Issues**

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$45,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Civil Rights Commission received \$45,000 from this transfer, resulting in no mid-year reduction. Transfers are not reflected in the LSA’s appropriations tracking.

**Public Safety Enforcement Fund** – The Civil Rights Commission was allocated \$100,000 and applied it to salaries to maintain current staff in FY 2011. *With the repeal of the PSEF at the end of FY 2011, the Governor is not recommending an FY 2012 General Fund appropriation to replace \$100,000 allocation to the Commission.* The Commission will receive reduced State funds, when comparing FY 2011 to FY 2012.

**Supreme Court Case** – The Supreme Court filed an opinion on June 4, 2010, regarding the case of *Melissa Lee Renda vs. the Iowa Civil Rights Commission*. Ms. Renda was an inmate at the Mount Pleasant Correctional Facility and filed a complaint with the Civil Rights Commission alleging sexual harassment and retaliation in her employment and housing. The Supreme Court affirmed the Civil Rights Commission’s decision that it did not have jurisdiction to hear Ms. Renda’s claim for civil rights violations regarding housing.

The Supreme Court ruled that an inmate may be considered an employee for purposes of the Civil Rights Act. The Office of the Attorney General’s request for a rehearing was denied. The ruling may have a significant fiscal impact due to increased workload on the Civil Rights Commission, the Department of Corrections, and local jails. Agencies may seek a legislative solution.

**Statistics** – The Commission closed 1,953 cases in FY 2010, an increase of 116 (6.3%) compared to FY 2009. Additionally, the average number of days to process a case decreased by 47.63 days (16.0%) during the same period. The increase in case closures and decrease in processing time was primarily due to expanded capacity by partnering with retired attorneys, Iowa Legal Aid, Drake and University of Iowa law school students, and community-based civil rights groups to assist in case intake, mediation, testing, screening, and investigation of cases.

For additional information, see the *Fiscal Topic* “[Budget Unit: Iowa Civil Rights Commission.](#)”

### **Department of Corrections**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$346.3 million. This is an increase of \$25.7 million (8.0%) compared to estimated FY 2011. This is an increase of \$11.5 million (3.4%) compared to FY 2011 when the Governor’s recommended supplemental appropriation is included.

## General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Corrections, Dept. of</u></b>			
<b>CBC District 1</b>			
CBC District I	\$ 11,526,745	\$ 12,020,098	\$ 493,353
<b>CBC District 2</b>			
CBC District II	\$ 9,976,036	\$ 10,336,948	\$ 360,912
<b>CBC District 3</b>			
CBC District III	\$ 5,280,086	\$ 5,599,765	\$ 319,679
<b>CBC District 4</b>			
CBC District IV	\$ 5,222,288	\$ 5,391,355	\$ 169,067
<b>CBC District 5</b>			
CBC District V	\$ 17,683,492	\$ 18,742,129	\$ 1,058,637
<b>CBC District 6</b>			
CBC District VI	\$ 12,249,424	\$ 13,112,563	\$ 863,139
<b>CBC District 7</b>			
CBC District VII	\$ 6,227,383	\$ 6,492,814	\$ 265,431
<b>CBC District 8</b>			
CBC District VIII	\$ 6,553,064	\$ 6,731,055	\$ 177,991
<b>Central Office</b>			
Corrections Administration	\$ 4,126,852	\$ 4,835,542	\$ 708,690
Iowa Corrections Offender Network	424,364	424,364	0
County Confinement	775,092	775,092	0
Federal Prisoners/Contractual	239,411	239,411	0
Corrections Education	1,558,109	2,308,109	750,000
Hepatitis Treatment And Education	167,881	167,881	0
Mental Health/Substance Abuse	22,319	22,319	0
<b>Total Central Office</b>	<u>\$ 7,314,028</u>	<u>\$ 8,772,718</u>	<u>\$ 1,458,690</u>
<b>Fort Madison</b>			
Ft. Madison Institution	\$ 36,533,518	\$ 41,031,283	\$ 4,497,765
<b>Anamosa</b>			
Anamosa Institution	\$ 28,270,794	\$ 31,985,974	\$ 3,715,180
<b>Oakdale</b>			
Oakdale Institution	\$ 52,614,899	\$ 55,600,610	\$ 2,985,711
<b>Newton</b>			
Newton Institution	\$ 24,599,293	\$ 25,958,757	\$ 1,359,464
<b>Mt Pleasant</b>			
Mt. Pleasant Inst.	\$ 24,191,645	\$ 25,917,815	\$ 1,726,170
<b>Rockwell City</b>			
Rockwell City Institution	\$ 8,666,658	\$ 9,316,466	\$ 649,808

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b><u>Corrections, Dept. of, cont.</u></b>			
<b>Clarinda</b>			
Clarinda Institution	\$ 21,835,677	\$ 24,639,518	\$ 2,803,841
<b>Mitchellville</b>			
Mitchellville Institution	\$ 14,779,174	\$ 15,615,374	\$ 836,200
<b>Fort Dodge</b>			
Ft. Dodge Institution	\$ 27,148,125	\$ 29,062,235	\$ 1,914,110
<b>Total Corrections, Dept. of</b>	<b>\$ 320,672,329</b>	<b>\$ 346,327,477</b>	<b>\$ 25,655,148</b>

Significant changes include:

- A transfer of \$120,000 and 2.0 FTE positions to transfer a secretary and administrative assistant from Central Office to the Iowa Medical and Classification Center at Oakdale. This recommendation is revenue neutral.
- \$14.2 million to annualize the recommended FY 2011 supplemental appropriation. This recommendation partially restores the DOC's portion (\$23.3 million) of the mid-year reduction.
- \$3.3 million to replace the FY 2011 PSEF appropriation with a General Fund appropriation in FY 2012.
- \$5.0 million to fund currently filled positions across the corrections system. There is no increase in FTE positions because the positions are authorized and filled.
- \$976,000 to fund items previously funded from the Telephone Rebate Fund. *The Governor is recommending \$750,000 for offender education, as well as \$150,000 for legal counsel and \$76,000 for coordination of religious counseling.*
- \$2.1 million for 40 correctional officers. This includes \$1.05 million and 20.0 FTE positions each for Anamosa and Clarinda.
- A reduction of 135.0 FTE positions to reflect positions eliminated through the SERIP.

## Issues

**Mid-Year Reduction** – Estimated FY 2011 includes mid-year reductions totaling \$23.3 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act). The reductions affected most, but not all, of the Department's budget units. The actual reductions by budget unit are shown in the General Fund appropriations tracking section of this document.

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Department of Corrections (DOC) received \$1.1 million from this transfer, resulting in a net mid-year reduction of \$22.3 million. Transfers are not reflected in the LSA's appropriations tracking. The transfer partially backfilled the following appropriations:

- First CBC District Department - \$30,000, resulting in a net reduction of \$8967,000
- Second CBC District Department - \$27,000, resulting in a net reduction of \$768,000

- Third CBC District Department - \$16,000, resulting in a net decrease of \$419,000
- Fourth CBC District Department - \$13,000, resulting in a net decrease of \$287,000
- Fifth CBC District Department - \$53,000, resulting in a net decrease of \$1.2 million
- Sixth CBC District Department - \$34,000, resulting in a net decrease of \$747,000
- Seventh CBC District Department - \$19,000, resulting in a net decrease of \$600,000
- Eighth CBC District Department - \$14,000, resulting in a net decrease of \$368,000
- Central Office - \$8,800, resulting in a decrease of \$118,000
- Fort Madison – \$135,000, resulting in a decrease of \$3.3 million
- Anamosa - \$93,000, resulting in a decrease of \$2.1 million
- Oakdale - \$171,000, resulting in a decrease of \$3.0 million
- Newton - \$79,000, resulting in a decrease of \$1.8 million
- Mount Pleasant - \$95,000, resulting in a decrease of \$2.0 million
- Rockwell City - \$29,000, resulting in a decrease of \$629,000
- Clarinda –\$83,000, resulting in a decrease of \$1.7 million
- Mitchellville - \$38,000, resulting in a decrease of \$669,000
- Fort Dodge - \$84,000, resulting in a decrease of \$1.8 million

**FY 2011 Supplemental Appropriation** – *The Governor is recommending an FY 2011 General Fund supplemental appropriation of \$14.2 million for the nine prisons, eight CBC District Departments, and Central Office. The recommendation partially offsets the mid-year reduction of \$23.3 million. The remainder of the mid-year reduction will be met through State Employee Retirement Incentive Program (SERIP) savings. However, there is a remaining FY 2011 budget gap of \$5.0 million to fund currently filled positions within the corrections system. There are 83.3 FTE positions in the areas of security, treatment, medical, and support (food services, maintenance, and administration) that are filled but not funded. The one-time allocation of \$1.1 million from the Cash Reserve Fund will be applied towards this budget gap.*

**Public Safety Enforcement Fund** – The DOC and CBC District Departments received an FY 2011 allocation of \$3.3 million and used it to maintain 42.0 FTE positions. *The Governor is recommending the replacement of the FY 2011 PSEF with an FY 2012 General Fund appropriation of \$3.3 million as follows:*

- First CBC District Department – \$100,000 and 1.0 FTE position for a polygrapher for the Sex Offender Treatment Program.
- Fifth CBC District Department – \$335,000 and 3.0 FTE positions for one Secretary and two Probation/Parole Officer III’s for Drug Court. The funding is split \$209,024 for salaries and \$125,976 for support costs.
- Sixth CBC District Department – \$403,000 and 3.0 FTE positions for Probation/Parole Officer II positions. The funding is split \$155,000 for Drug Court contracts and \$247,810 for three positions.
- Iowa State Penitentiary at Fort Madison – \$1.5 million and 21.0 FTE positions for the general operating budget.

- Anamosa State Penitentiary - \$1.0 million. Of this amount, \$837,000 and 10.0 FTE positions supplement the operating costs of the Luster Heights Prison Camp and \$210,000 fund four correctional officers at the Anamosa State Penitentiary.

**Luster Heights Prison Camp** – Senate File 2378 (FY 2011 Justice System Appropriations Act) required the Camp to have two part-time registered nurses and seek volunteer licensed medical personnel to serve at the facility. The Camp is required to have one full-time substance abuse counselor for a certified substance abuse treatment program, and to operate the facility at its 88-bed capacity. The DOC is required to place offenders at the Luster Heights Prison Camp that have been approved by the Board of Parole for work release and are on a waiting list for a CBC bed, as long as the placement does not prevent another offender from receiving substance abuse treatment.

The Camp does not currently have two part-time registered nurses at Luster Heights. The Camp utilizes nurses from the Anamosa State Penitentiary, which meets medical needs for the offender population. The Luster Heights Prison Camp has three staff members that are certified substance abuse counselors. They conduct substance abuse classes in addition to other group counseling sessions and maintain a caseload. The substance abuse treatment program at Luster Heights is certified. The Camp has been operating at or near capacity since the start of FY 2011. Work release offenders have been going to Luster Heights to await transfer to a halfway house. The current budget for the Luster Heights Prison Camp is \$1.5 million and 17.0 FTE positions. Funding includes \$654,000 from the General Fund and \$846,000 from the PSEF in FY 2011. *With the repeal of the PSEF at the end of FY 2011, the Governor is recommending the replacement of the FY 2011 PSEF allocation with an FY 2012 General Fund appropriation.*

**Inmate Education** – The General Fund appropriation for inmate education peaked in FY 2001 at \$3.3 million. The FY 2011 General Fund appropriation is \$1.6 million, a decrease of \$1.7 million (52.7%) 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. Senate File 2378 (FY 2011 Justice System Appropriations Act) requires the DOC to transfer at least \$300,000 from the Canteen Funds to the Corrections Education Account. However, the Telephone Rebate Fund may not be able to maintain the \$750,000 allocation for education due to declining receipts. Literacy is a significant problem that limits employment for the inmate population, and the DOC has focused educational resources on literacy for the past several years. Research suggests that inmate education increases employability of released inmates and reduces recidivism. Vocational education is provided primarily in conjunction with Prison Industries. *The Governor is recommending the replacement of the FY 2011 Telephone Rebate Fund allocation with an FY 2012 General Fund appropriation of \$750,000.*

**Telephone Rebate Fund** – The DOC has been relying on the Telephone Rebate Fund to supplement the inmate education budget (\$750,000), fund a legal services contract with the State Public Defender's Office (\$150,000), and provide a religious coordinator for the corrections system (\$76,000). Receipts to the Fund have been declining. The Board of Corrections approved \$750,000 for inmate education in FY 2011. The other expenditures are being allocated to the Institutions. *The Governor is recommending the replacement of the FY 2011 Telephone Rebate Fund allocation with an FY 2012 General Fund appropriation of \$226,000 for legal services and coordination of religious services.*

**Prison Staffing** – *The Governor is recommending \$2.1 million and 40.0 FTE positions to fund and fill 20 correctional officers at Anamosa and 20 correctional officers at Clarinda. As of January 26, 2011, Anamosa was operating at 127.6% of design capacity, while Clarinda was operating at 116.1% of design capacity.*

**Expiration of Federal Grants** – The CBC District Departments are projecting that \$1.5 million and 15.3 FTE positions will be eliminated due to the expiration of federal grants. Programs impacted include Drug Courts, offender re-entry, Intensive Supervision, Youthful Offender Program, Weed and Seed, Project Safe Neighborhoods, CHoOSE Program, and job development. *The Governor is not recommending any funds for these items.*

**Operating Costs for New Beds** – It is estimated \$6.3 million and 83.9 FTE positions are needed for staffing new facilities in the CBC District Departments. In addition, \$1.9 million and 32.0 FTE positions are indicated for transitional planning at Fort Madison and Mitchellville. It is likely construction will be completed on the CBC beds in FY 2013. *The Governor is not recommending any funds for these facilities in either FY 2012 or FY 2013.*

**Forensic Psychiatric Hospital** – The DOC indicates \$1.1 million and 20.0 FTE positions would address staffing issues of the Forensic Psychiatric Hospital at Oakdale. While patient count fluctuates daily, the trend is to use the beds for civilians rather than convicted offenders. *The Governor is not recommending any funds for the hospital.*

**Reduce Board of Corrections Meetings** – Senate File 2088 (Government Reorganization and Efficiency Act) permitted the Board of Corrections to meet quarterly. The Board continues to meet monthly and may consider realignment of future meetings.

**Close Farms One and Three at Fort Madison** – SF 2088 required the closure of Farm One by July 1, 2010, and Farm Three by January 1, 2011. The DOC decreased its designed capacity by 180 beds to reflect the closures of Farms 1 and 3 on July 20, 2010. The FY 2011 appropriation to the DOC for the Fort Madison Correctional Facility included a reduction of \$1,451,000 to reflect the closure of the Farms.

**Sale of Assets** – The Department of Administrative Services (DAS) was required by SF 2088 to conduct a survey of State-owned land and leases and provide a report to the General Assembly by January 15, 2011. The DAS completed the land inventory as required. The Department of Human Services identified two small parcels of less than five acres each that could be sold. These parcels are at Independence (old sewer plant) and Glenwood (approximately two acres). Easements would be required on at least one of the parcels. The DOC indicated it has no farm land available for sale. For additional information, see the LSA *Issue Review* titled "[Proposed Sale of State Farm Ground.](#)"

**New Disciplinary Fee** – Senate File 2088 (Government Reorganization and Efficiency Act) permitted the DOC to impose a fee for the filing of a major disciplinary report when an inmate is found guilty. Receipts from the fee are deposited in the General Fund. The DOC does not intend to implement the fee. The proposed fee was estimated to generate \$6,000 for the General Fund. The receipts will not be realized.

**Pharmacy** – SF 2088 required the DHS and other agencies to review and develop strategies for pharmaceutical improvements. A report is not required. There has not been any meeting held between the DOC and any other state Agency as of December 2010. The agencies have different funding streams and guidelines from other state and Federal areas that affect the way they handle their funding. The DOC is more likely to have success in the near future with efficiencies in other related areas—Community-Based Corrections, county jails, and other similar programs. The DOC continues to implement the Central Pharmacy project.

The DOC costs for drugs and biologicals include both prescription and over-the-counter medications. The DOC costs have increased 67.1% from FY 2005 to FY 2010. However, costs for drugs and biologicals have decreased in FY 2009 (\$113,000) and FY 2010 (\$1.2 million) primarily due to creating and adhering to a formulary (list of medication choices available to physicians). Approximately 54.5% of the cost of the drugs and biological line item were for mental health medications.



**CBC Administration** – Senate File 2088 (Government Reorganization and Efficiency Act), as amended by SF 2378, requires CBC District Departments to report their financial data using the State budget system. The Department of Management (DOM) and the DOC worked with the LSA to consider various options for reporting CBC data. Iowa Code Chapter 905 requires the CBC District Departments to provide minutes of their board meetings and quarterly and year-end financial statements to the LSA. That Chapter also requires CBC District Departments to use the State budget system. Please refer to the *Fiscal Topic* “[Community Based Corrections](#)” for more information regarding the administrative structure of Iowa’s CBC system.

**Prison Population** – The Criminal and Juvenile Justice Planning Division (CJJPD) of the Department of Human Rights recently issued its 10-year prison population forecast. If policies and practices remain the same, the prison population is projected to reach approximately 10,409 inmates by June 30, 2020, an increase of 21.0% over the next ten years.

By FY 2020 and without any additional prison beds, overcrowding is expected to reach 135.8% of design capacity. This figure is based on the assumption that the additional beds authorized during the 2008 Legislative Session for Fort Madison and Mitchellville will be operating by FY 2020. If the population reaches 10,409 inmates, two additional 800-bed prisons will need to be built, in addition to the expansions authorized at Fort Madison and Mitchellville. If two additional prisons are built over the next decade, projected design capacity will be 9,266 beds with a projected population of 10,409 offenders; the prison system would be operating at 112.3% of capacity. The cost of one 800-bed prison with a mix of medium and minimum custody levels is approximately \$85.0 million in construction costs; construction of two such prisons would be approximately \$170.0 million. Operating costs are estimated to be at least \$30.0 million annually per prison.

Refer to the CJJPD’s full report “[Iowa Prison Population Forecast FY 2010 – 2020](#)” for additional information. For additional information regarding corrections capacity, see the LSA *Issue Review* titled “[Corrections Construction and Capacity](#)”.

**Supreme Court Case** – The Supreme Court filed an opinion on June 11, 2010, regarding the case of *John Dykstra vs. the Iowa District Court for Jones County, 783 N.W.2d 473 (Iowa 2010)*. Mr. Dykstra was an inmate at the Mount Pleasant Correctional Facility, and the DOC required him to participate in the Sex Offender Treatment Program (SOTP). He refused, and consequently the DOC determined he was no longer eligible to accrue earned time sentence credits under Iowa Code Section 903A.2(1)(a). The offender filed a post-conviction relief action challenging the DOC’s lack of procedural due process before denying him the earned time sentence credits and thereby lengthened his term of incarceration. The Supreme Court found that Mr. Dykstra’s due process rights were violated because he was not afforded sufficient procedural due process protections. As a result, the DOC made several policy changes to the SOTP, including the use of ALJs for administrative hearings for implementation of earned time sentence credits. The potential fiscal impact due to increased workload on treatment staff and administrative law judges may be significant.

### **Department of Inspections and Appeals – State Public Defender**

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

defendants and juveniles (indigent defense) were transferred to the State as part of court reorganization. Before FY 1988, these costs were paid by the counties.

The Governor is recommending FY 2012 General Fund appropriations totaling \$55.8 million for the State Public Defender and Indigent Defense. This is an increase of \$18.6 million (49.9%) compared to current law. This is no change compared to FY 2011 when the Governor's recommended supplemental appropriation is included.

### General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Inspections &amp; Appeals, Dept. of</u></b>			
<b>Public Defender</b>			
Indigent Defense Appropriation	\$ 15,680,929	\$ 31,680,929	\$ 16,000,000
Public Defender	21,531,682	24,083,182	2,551,500
<b>Total Inspections &amp; Appeals, Dept. of</b>	<b><u>\$ 37,212,611</u></b>	<b><u>\$ 55,764,111</u></b>	<b><u>\$ 18,551,500</u></b>

Significant changes include:

- State Public Defender's Office – \$2.6 million to annualize the recommended FY 2011 supplemental appropriation.
- Indigent Defense – \$16.0 million to annualize the recommended FY 2011 supplemental appropriation.

### Issues

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$1.4 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**FY 2011 Supplemental Appropriation** – The FY 2011 General Fund appropriations for the State Public Defender's Office and the Indigent Defense Fund are \$14.3 million below the amount actually expended from the General Fund in FY 2010. The Governor's recommendation for an FY 2011 supplemental appropriation of \$18.6 million addresses the deficit and provides funds based on historic growth in the indigent defense budget. The Governor is not recommending any further increases in FY 2012 or FY 2013. The LSA estimates the need is at least an additional \$600,000 in FY 2012. This creates a budget gap that may result in transfers from other agencies or may be paid through the State Appeals Board.

**Expansion of Existing Local Public Defender Offices and New Office in Southeast Iowa** – Senate File 2088 appropriated \$1.1 million and 16.0 FTE positions to expand local public defender offices. The projected savings in the Indigent Defense appropriation was anticipated to be \$3.8 million. The State Public Defender's Office filled public defender positions in Iowa City, Cedar Rapids and Davenport (two per office). The Civil Commitment/Special Defense Unit added two public defenders, a secretary, and an investigator. The new office is in Ottumwa. The six positions for that office include a supervisor, three public defenders, a secretary, and an investigator. As of December 2010, all new positions had been filled.

**Indigent Defense Advisory Council** – Senate File 2088 repealed the Indigent Defense Advisory Council. The Council has been abolished. It was meeting every three years and was scheduled to meet in FY 2012. There is no fiscal impact associated with repealing the Council.

**Supreme Court Case** – The Iowa Supreme Court issued an opinion on November 24, 2010, regarding the case of *Kent A. Simmons vs. the Iowa State Public Defender*. The Supreme Court case involved fee limits and attorney contracts in relation to private attorneys appealing adult criminal indigent defense cases. There is no impact at the trial level or on juvenile cases.

The State Public Defender’s Office presented rules to the Administrative Rules Committee effective December 7, 2010, that brought the rules into compliance with the Supreme Court decision. The rules clarified definitions and procedures to address concerns raised by the Supreme Court while maintaining current practice.

As of January 2011, the fiscal impact of the Supreme Court case is expected to be minimal because:

- The ruling applies to a limited number of criminal cases (no more than 10.0%) heard at the appellate level by private attorneys.
- The administrative rules were revised to maintain current practice.

### Judicial Branch

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

For the Judicial Branch, the Governor passed through the FY 2012 General Fund appropriation request totaling \$161.4 million. This includes a request of \$157.7 million for the operating budget and \$3.7 million for the Jury and Witness Fee Revolving Fund. This is an increase of \$11.1 million compared to estimated FY 2011.

#### General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Judicial Branch</b>			
Judicial Branch	\$ 148,811,822	\$ 157,700,609	\$ 8,888,787
Jury & Witness (GF) to Revolving Fund	1,500,000	3,700,000	2,200,000
<b>Total Judicial Branch</b>	<u>\$ 150,311,822</u>	<u>\$ 161,400,609</u>	<u>\$ 11,088,787</u>

The Governor is recommending the following Judicial Branch requests for FY 2012:

- Restoration of \$5.3 million from the Public Safety Enforcement Fund to maintain 68 employees.
- An appropriation of \$2.8 million to restore 60 of the 180 positions that were eliminated due to the 7.1% across the board reduction of \$11.4 million in FY 2010.

- An appropriation of \$388,000 for six additional Information Technology staff to implement the Electronic Document Management System (EDMS) allowing the Judicial Branch to switch from a paper-based environment to an electronic-based environment.
- An appropriation of \$430,000 for replacement furniture and equipment for Linn, Black Hawk, Polk, Warren, and Wapello Counties.
- An appropriation of \$1.2 million to pay for mileage reimbursement to jurors, witnesses, and interpreters due to the change in the deposit of the two-year-old court debt.
- An appropriation of \$1.0 million for reimbursement for interpreters for both civil and criminal trials.

**Law Enforcement Academy**

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

The Governor is recommending an FY 2012 General Fund appropriation of \$869,000. This is an increase of \$20,000 compared to estimated FY 2011.

**General Fund Recommendations**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b><u>Law Enforcement Academy</u></b>			
Law Enforcement Academy	\$ 849,147	\$ 868,698	\$ 19,551
<b>Total Law Enforcement Academy</b>	<u>\$ 849,147</u>	<u>\$ 868,698</u>	<u>\$ 19,551</u>

**Issues**

**FY 2012 Governor’s Recommendation** – *The Governor is recommending an additional \$20,000 in FY 2012 for Law Enforcement Academy operations.*

**Law Enforcement Academy Billings** – In FY 2011, language was included in SF 2088 (Government Reorganization and Efficiency Act) that allowed the ILEA to bill two-thirds of the total cost to attend the Law Enforcement Academy to the law enforcement agency. The agency can require the officer to pay one-third of the total costs; however, it will be up to the agency to decide and to collect the money from the officer. The total cost to attend the Basic Academy in FY 2011 is \$6,909 per person and the Academy will bill two-thirds (\$4,606) to the law enforcement agency. The rate for FY 2012 will be set at the February 2011 Academy Council meeting. The Departments of Transportation and Natural Resources are billed the full amount (\$6,909) to attend. At the August 5, 2010, Academy meeting, the Council approved extending the ILEA Academy an additional week. This change has begun with the January Basic classes.

### Board of Parole

The Board’s mission is to reintegrate offenders into the community. There are offenders that the Board has determined can be released from prison without detriment to the public or themselves. The Board performs risk evaluations for inmates, reviews eligible parole cases, holds parole hearings for eligible inmates, and selects inmates for conditional release on parole and work release. The Board revokes conditional releases and returns to prison those offenders that have failed. The Board also notifies victims of relevant information before a parole hearing, and advises the Governor on matters of executive clemency. For more information regarding the duties and workload, see the *Fiscal Topic*, “[Board of Parole](#).”

The Governor is recommending an FY 2012 General Fund appropriation of \$1.1 million. This is an increase of \$85,000 (8.8%) compared to estimated FY 2011. The change includes:

- \$76,000 to restore the FY 2011 mid-year reduction.
- \$8,600 for extra help regarding file work.

#### General Fund Recommendations

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b>Parole, Board of</b> Parole Board	\$ 969,043	\$ 1,053,835	\$ 84,792
<b>Total Parole, Board of</b>	\$ 969,043	\$ 1,053,835	\$ 84,792

#### Issues

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$76,000, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Board of Parole received \$50,000 from this transfer, resulting in a net mid-year reduction of \$26,000. Transfers are not reflected in the LSA’s appropriations tracking.

### Department of Public Defense

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$7.4 million. This is a decrease of \$470,000 (6.0%) compared to estimated FY 2011.

## General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<b>Public Defense, Dept. of</b>			
Public Defense, Department of	\$ 5,879,832	\$ 5,527,042	\$ -352,790
<b>Emergency Management Division</b>			
Homeland Security & Emer. Mgmt.	<u>\$ 1,954,125</u>	<u>\$ 1,836,877</u>	<u>\$ -117,248</u>
<b>Total Public Defense, Dept. of</b>	<u>\$ 7,833,957</u>	<u>\$ 7,363,919</u>	<u>\$ -470,038</u>

## Issues

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$369,000 for the Department of Public Defense, Military Division, and a reduction of \$84,000 for the Homeland Security and Emergency Management Division. The Military Division would have used the \$369,000 to match federal funds at several rates (25/75, 15/85, and 50/50). The federal funds will not be lost but rather shifted to projects that qualify for 100.0% federal funding resulting in some facilities being maintained better than other facilities on Camp Dodge. For the Homeland Security and Emergency Management Division, the \$84,000 reduction would have been used to match \$84,000 in federal funds.

**Governor's FY 2012 Recommendation** – The Governor is recommending an additional reduction of \$353,000 for the Military Division and an additional reduction of \$117,000 for the Homeland Security and Emergency Management Division.

**FTE Positions** – Due to projected federal funding increases, the fire fighters authorized under the Military Cooperative Agreement have been increased from 52 to 64. This increase of 12.0 FTE positions (six at the Des Moines Air Base and six at the Sioux City Air Base) is for permanent full-time fire fighters funded with 100.0% federal funds.

### **Department of Public Safety**

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

The Governor is recommending FY 2012 General Fund appropriations totaling \$80.4 million. This is an increase of \$6.2 million (8.3%) compared to estimated FY 2011. The Governor is also recommending \$9.8 million for the Department of Public Safety Gaming Enforcement Fund. This is no change compared to estimated FY 2011.

## General Fund Recommendations

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<b><u>Public Safety, Department of</u></b>			
POR Permissive Service Credit	\$ 135,000	\$ 0	\$ -135,000
Public Safety Administration	3,732,075	4,007,075	275,000
Public Safety DCI	12,208,931	12,533,931	325,000
DCI - Crime Lab Equipment/Training	302,345	302,345	0
Public Safety Undercover Funds	109,042	109,042	0
Narcotics Enforcement	6,204,884	6,429,884	225,000
DPS Fire Marshal	4,168,707	4,298,707	130,000
Iowa State Patrol	46,505,764	51,903,233	5,397,469
DPS/SPOC Sick Leave Payout	279,517	279,517	0
Fire Fighter Training	612,255	575,520	-36,735
<b>Total Public Safety, Department of</b>	<b>\$ 74,258,520</b>	<b>\$ 80,439,254</b>	<b>\$ 6,180,734</b>

## Other Fund Recommendations

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<b><u>Public Safety, Department of</u></b>			
DPS Gaming Enforcement	\$ 9,836,306	\$ 9,836,306	\$ 0
<b>Total Public Safety, Department of</b>	<b>\$ 9,836,306</b>	<b>\$ 9,836,306</b>	<b>\$ 0</b>

## Issues

**Mid-Year Reduction** – Estimated FY 2011 includes a mid-year reduction of \$4.0 million for the following appropriations in the Department of Public Safety:

- Administration - \$402,000
- Division of Criminal Investigation - \$653,000
- Narcotics Enforcement - \$302,000
- Fire Marshal - \$175,000
- Iowa State Patrol - \$2.5 million

**Cash Reserve Fund Transfer** – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Department of Public Safety (DPS) received \$180,000 from this transfer, resulting in a net mid-year reduction of \$3.8 million. Transfers are not reflected in the LSA's appropriations tracking. The transfer partially backfilled the following appropriations:

- Administration - \$17,000
- Division of Criminal Investigation - \$20,000
- Narcotics Enforcement - \$14,000

- Fire Marshal - \$8,000
- Iowa State Patrol - \$122,000

**Governor's Recommended FY 2011 Supplemental to the Department of Public Safety** – The Governor is recommending an FY 2011 supplemental appropriation of \$3.0 million to partially offset the mid-year reduction of \$4.0 million to the Department of Public Safety.

- Administration - \$275,000
- Division of Criminal Investigation - \$325,000
- Narcotics Enforcement - \$225,000
- Fire Marshal - \$130,000
- Iowa State Patrol - \$2,000,000

**Iowa State Patrol** – The Governor is recommending an appropriation of \$3.1 million for the conversion of one-time National Highway Traffic Safety Administration (NHTSA) funding and 45.0 FTE positions funded from the General Fund. Also, the Governor recommended an appropriation of \$300,000 to replace the one-time appropriation from the Public Safety Enforcement Fund with General Fund money.

**Firefighter Training** – The Governor is not recommending the restoration of the one-time \$150,000 Public Safety Enforcement Fund money and is recommending an additional reduction of \$37,000 for a total reduction of \$187,000.

**Gaming Enforcement Fund** – Senate File 2378 (FY 2011 Justice System Appropriations Act) created the Gaming Enforcement Revolving Fund under the control of the Department of Public Safety (DPS) for the collection of fees for direct and indirect costs paid by licensees for the regulation of boats and racetracks by the Division of Criminal Investigation. The Fund supports 120.0 FTE positions at an estimated cost of \$9,836,306. Any future direct and indirect cost increases such as supplies, equipment, fuel, and costs associated with support personnel will need to be adjusted in legislation in order to allow DPS the ability to bill the gaming industry and retain the receipts. The Division of Criminal investigation (DCI) no longer receives a General Fund appropriation but instead will receive funding from the Gaming Enforcement Revolving Fund. The Fund is capped at \$9.8 million and 120.0 FTE positions. These figures will need to be reviewed by the Justice System Appropriations Subcommittee on an annual basis. The Governor is recommending status quo funding totaling \$9.8 million and 120.0 FTE positions for the Gaming Enforcement Fund.

**Division of Criminal Investigation, Cold Case Investigation Unit** – Federal funding totaling \$285,000 from the National Institute of Justice is expiring. This money currently funds one Criminalist and two Special Agents. Since inception of the program in FY 2010, the unit has analyzed over 1,000 DNA samples in 51 violent criminal cold cases. The Governor is not recommending the replacement of expiring federal funds.

**Peace Officers Retirement Fund \$5.0 Million Appropriation for FY 2013** – Language was enacted in HF 2518 (Public Retirement Systems Act) creating a standing appropriation beginning July 1, 2012 (FY 2013) of \$5.0 million per year until the PORS Fund reaches an 85.0% funded ratio. The Governor is recommending a \$5.0 million General Fund standing appropriation for the Department of Public Safety, Peace Officer's Retirement Fund.

**Peace Officers Retirement Fund 2.0% Contribution Rate Increase** – The State contribution rate for the Peace Officer's Retirement Fund will increase from 23.0% to 25.0% for FY 2012. These increases are funded through the Salary Adjustment Act. In years when there is no salary adjustment, the Department has to absorb the cost increase within the operating budget. The increase is approximately \$808,000 compared to estimated FY 2011. The following is the increase by Division:



- Division of Criminal Investigation - \$73,000
- Narcotics Enforcement - \$68,000
- Fire Marshal's Office - \$39,000
- Iowa State Patrol - \$507,000
- Gaming Enforcement Fund Special Agents - \$121,000

## INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

### **Public Safety Advisory Board**

The Public Safety Advisory Board was created in HF 2531 (FY 2011 Standing Appropriations Act). The Act defined the duties of the Board and appropriated \$140,000 and 2.0 FTE positions from the Underground Storage Tank Fund to the Criminal and Juvenile Justice Planning Division (CJJPD) of the Department of Human Rights. As of January 2011, both positions were filled. *The Governor is not recommending the replacement of the FY 2011 Underground Storage Tank Fund with an FY 2012 General Fund appropriation of \$140,000.*

The Criminal and Juvenile Justice Advisory Council met July 21, 2010, and determined that its full membership would serve as members of the Public Safety Advisory Board. Staff from the CJJPD created an electronic survey to gather information on justice system improvements to focus efforts of the Public Safety Advisory Board.

The Public Safety Advisory Board met September 8 and created four Subcommittees – Sentencing Structure, Correctional Policy, Efficiency, and Specific Crimes. The Committee referred the issue of sex offenses to the Sex Offender Research Council and juvenile issues to the Juvenile Justice Advisory Council.

The Sex Offender Research Council met September 22, 2010, and discussed specific issues regarding juvenile sex offenders and Iowa's sex offender laws.

The Juvenile Justice Advisory Council met October 18, 2010, and discussed juveniles serving life sentences and juvenile waivers to adult court.

The Correctional Policy Subcommittee met October 25, 2010, and focused on presentence investigations, risk assessments, and information provided to judges by corrections agencies.

The Sentencing Structure Subcommittee met October 25, 2010, and discussed mandatory minimum terms for drug offenses and life without parole for non-homicide juvenile offenders.

The Efficiency Subcommittee met October 26, 2010. The primary topic was the process of writing and transmitting sentencing orders from judges to the corrections system.

The Specific Crimes Subcommittee met October 28, 2010, and discussed sentencing disparity between crack and powder cocaine.

The Public Safety Advisory Board met December 1, 2010, and received reports from the four Subcommittees, the Sex Offender Research Council, and the Juvenile Justice Advisory Council. The Board approved a draft of the required report to the Iowa General Assembly, as mandated in HF 2531.

Additional information is available on the [CJJP website](#). The CJJPD issued its [Report to the General Assembly](#) in December 2010.

### **LSA Publications**

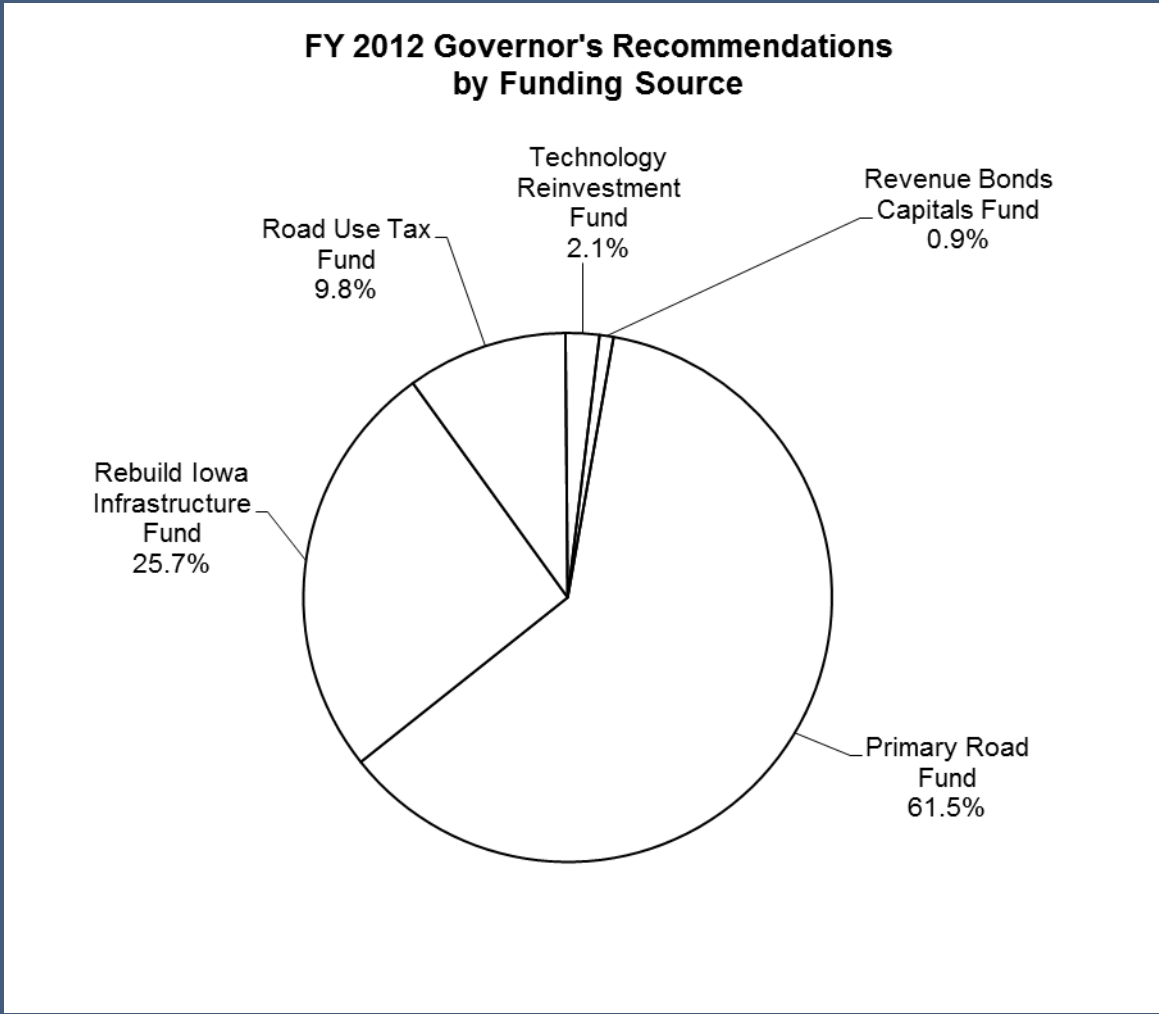
The following documents have been published by the LSA that relate to the Justice System Appropriations Subcommittee:

- *Issue Review:* [State Prison System Budget](#)
- *Issue Review:* [Proposed Sale of State Farm Ground](#)
- *Issue Review:* [Electronic Document Management System \(EDMS\)](#)
- *Issue Review:* [FY 2011 Judicial Branch Budget Impact](#)
- *Issue Review:* [Narrowband Mandate and State Agency Communications Systems](#)
- *Issue Review:* [Corrections Construction and Capacity](#)
- *Issue Review:* [Electrical Examining Board](#)
- *Fiscal Topic:* [Board of Parole](#)
- *Fiscal Topic:* [Criminal Justice Information System \(CJIS\)](#)
- *Fiscal Topic:* [Legal Representation for Indigent Defendants](#)
- *Fiscal Topic:* [Budget Unit: Iowa Civil Rights Commission](#)
- *Fiscal Topic:* [Iowa's Victim and Notification Everyday \(VINE\) System](#)
- *Fiscal Topic:* [Budget Unit: Board of Parole](#)
- *Fiscal Topic:* [Budget Unit: Office of the Attorney General](#)
- *Fiscal Topic:* [Budget Unit: Division of Criminal Investigation](#)
- *Fiscal Topic:* [Budget Unit: Iowa Law Enforcement Academy](#)
- *Fiscal Topic:* [Budget Unit: Iowa State Patrol](#)

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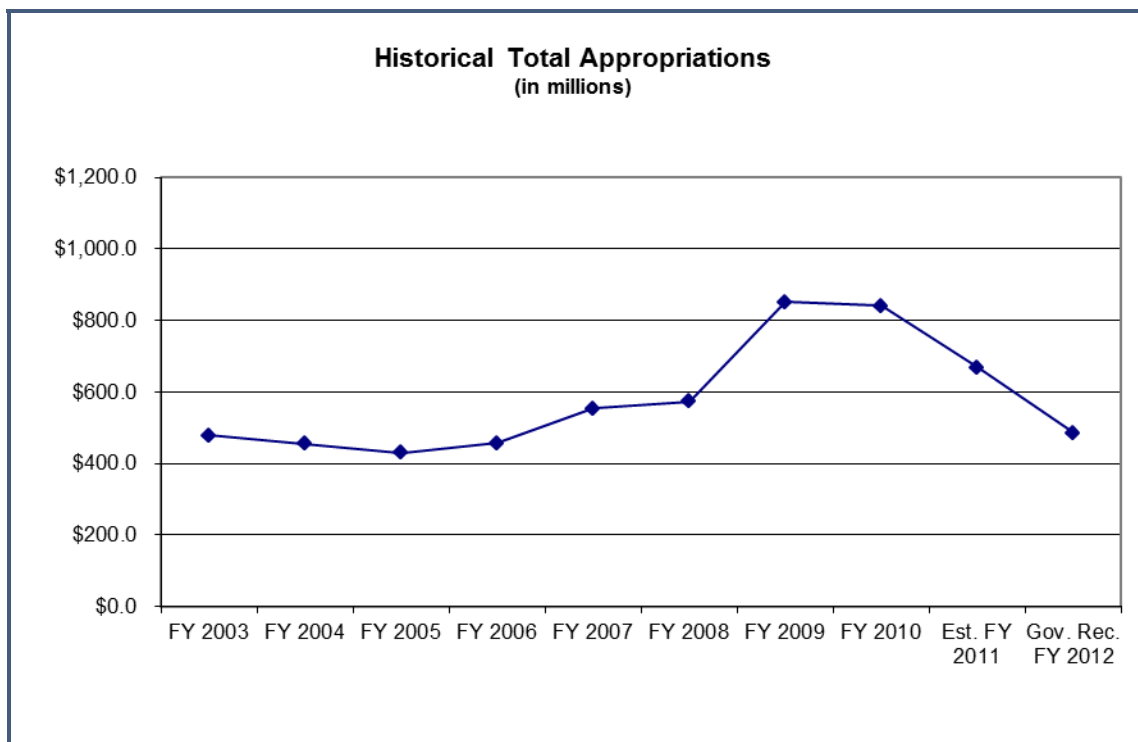
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**TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE**



**FY 2012 Governor's Recommendations by Funding Source**

Primary Road Fund	\$ 298,348,337
Rebuild Iowa Infrastructure Fund	124,703,269
Road Use Tax Fund	47,617,319
Technology Reinvestment Fund	10,002,684
Revenue Bonds Capitals Fund	4,130,952
<b>Total</b>	<b>\$ 484,802,561</b>



## FY 2012 GOVERNOR'S RECOMMENDATIONS

### Department of Transportation

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

The Governor is recommending FY 2012 appropriations totaling \$346.0 million. This is a decrease of \$4.8 million compared to estimated FY 2011. The total recommendation includes \$47.6 million from the Road Use Tax Fund and \$298.4 million from the Primary Road Fund. For FY 2013, the Governor is recommending an increase of \$4.9 million for a total recommendation of \$350.9 million.

**Road Use Tax Fund and Primary Road Fund Recommendations**

	<b>Estimated FY 2011</b>	<b>Gov Rec FY 2012</b>	<b>Gov Rec vs. Est. FY 2011</b>
<b><u>Transportation, Department of</u></b>			
<b>Road Use Tax Fund</b>			
Motor Vehicle	\$ 35,604,012	\$ 33,921,000	\$ -1,683,012
Operations	6,654,962	6,570,000	-84,962
Drivers' Licenses	3,876,000	3,876,000	0
County Treasurers Support	1,406,000	1,406,000	0
Scale Replacement	0	550,000	550,000
Planning & Programming	506,127	458,000	-48,127
Department of Administrative Services	225,000	225,000	0
Scale/MVD Facilities Maintenance	200,000	200,000	0
Workers' Compensation	137,000	119,000	-18,000
Road/Weather Conditions Info	100,000	100,000	0
Indirect Cost Recoveries	78,000	78,000	0
Auditor Reimbursement	67,319	67,319	0
Mississippi River Parkway Commission	40,000	40,000	0
Unemployment Compensation	7,000	7,000	0
N. America Super Corridor Coalition	50,000	0	-50,000
<b>Subtotal - Road Use Tax Fund</b>	<b>\$ 48,951,420</b>	<b>\$ 47,617,319</b>	<b>\$ -1,334,101</b>
<b>Primary Road Fund</b>			
Highway	\$ 237,565,726	\$ 230,913,992	\$ -6,651,734
Operations	40,951,274	40,356,529	-594,745
Planning & Programming	9,610,960	8,697,095	-913,865
Inventory & Equipment	2,250,000	5,366,000	3,116,000
Workers' Compensation	3,278,000	2,846,000	-432,000
Swea City Garage	0	2,100,000	2,100,000
Motor Vehicle	1,555,005	1,413,540	-141,465
Department of Administrative Services	1,382,000	1,388,000	6,000
Wastewater Treatment	1,000,000	1,000,000	0
Field Facility Deferred Maintenance	1,000,000	1,000,000	0
Garage Fuel & Waste Management	800,000	800,000	0
Indirect Cost Recoveries	572,000	572,000	0
Auditor Reimbursement	415,181	415,181	0
Utility Improvements	400,000	400,000	0
HVAC Improvements	200,000	400,000	200,000
Transportation Maps	242,000	242,000	0
Garage Roofing Projects	200,000	200,000	0
Unemployment Compensation	138,000	138,000	0
Ames Elevator Upgrade	100,000	100,000	0
ADA Improvements	120,000	0	-120,000
<b>Subtotal - Primary Road Fund</b>	<b>\$ 301,780,146</b>	<b>\$ 298,348,337</b>	<b>\$ -3,431,809</b>
<b>Total Department of Transportation</b>	<b>\$ 350,731,566</b>	<b>\$ 345,965,656</b>	<b>\$ -4,765,910</b>

Significant recommendations for the Highway budget unit include:

- An overall net decrease of \$6.7 million that reflects:
  - A decrease of \$8.7 million for staffing costs due to the decrease in Highway FTEs after the early retirement package effective in June 2010.
  - An increase of \$1.2 million for road salt costs.
  - An increase of \$334,000 for support to maintain additional lane miles added to the State system.
  - An increase of \$330,000 for traffic line marking paint.
  - An increase of \$203,000 for equipment depreciation.

Significant recommendations for Motor Vehicle budget include:

- A decrease of \$1.8 million for staffing costs due to the decrease in Motor Vehicle FTEs after the early retirement package effective in June 2010.

Significant special purpose recommendations include:

- Equipment Replacement – An increase of \$3.1 million for inventory and equipment replacement. This item is discussed under *Issues*.
- Worker's Compensation – A decrease of \$450,000 for Worker's Compensation costs.

Significant DOT capitals recommendations include:

- Garages – For FY 2012, a new recommendation of \$2.1 million from the Primary Road Fund for costs associated with a new maintenance garage in Swea City. For FY 2013, a new recommendation of \$5.4 million for costs associated with a new maintenance garage and administrative building in New Hampton. The DOT typically receives an appropriation for garages, but for FY 2011 no funding was provided for a garage. The Swea City garage was delayed until FY 2012.
- Scale Replacements – An increase of \$550,000 to begin to replace five interstate highway scales. The cost of a scale is typically \$275,000. The recommendation will replace scales in Jasper and Dallas Counties along I-80. For FY 2013, the recommendation includes \$550,000 that will replace two scales near Brandon on northbound and southbound of I-380.

### Issues

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

According to the National Conference of State Legislatures (NCSL), all 56 U.S. jurisdictions have received an extension. The federal government extended the dates for the extensions, so the most recent deadline was for the State to show it was in "material compliance" with 18 benchmarks established by the U.S. Department of Homeland Security by December 31, 2009. The deadline for full compliance is May 11, 2011. The State successfully achieved proof of material compliance within the deadline.

Absent a change in federal law or rule as of December 1, 2014, any individual born after December 1, 1964, that flies commercially and uses a driver's license or nonoperator identification card, must have a REAL ID-compliant document. By December 1, 2017, all individuals, regardless of age, must have the credential. (Other forms of identification will be accepted, including passports.)

To fully comply with the REAL ID Act, states must follow a number of procedural and security requirements designed to verify lawful status and identity and protect against fraud in the issuance process and misuse or theft of the materials used to produce drivers' licenses and/or identification cards. In the past year, the DOT implemented central issuance with additional credential security features that enhanced overall credential security. The Department is conducting a gap analysis of its security and progressed with implementing photo-first procedures that will enhance security by capturing a digital image of all applicants, whether issued or not. The DOT is implementing and participating in other activities to improve security. For example, the Department implemented scanning and retaining all source documents presented at the time of application and generally reviewed and revised its rules and procedures to comply with requirements. The DOT anticipates making REAL ID credentials marked as being in substantial compliance available to the public on or about May 1, 2011, the current compliance deadline. According to the DOT, however, recent discussions with U.S. Department of Homeland Security (US-DHS) staff suggest that the federal government will ask the State to hold on those plans pending additional guidance from them that will extend the compliance deadline and make other implementation rule changes.

No additional funding has been requested for implementation of REAL-ID because the DOT is working with existing staff and systems.

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

The additional FY 2012 funding will purchase six medium duty trucks (total cost \$726,000), 10 heavy duty trucks (total cost \$1.5 million), one snow blower (\$500,000), and two medium duty loaders (total cost \$360,000). The last purchase of a snow blower was twenty years ago, and parts are no longer available from the manufacturer. The Department advises that funding for inventory and equipment will need to remain at the higher level of \$5.4 million for a few years in order to get through the backlog of equipment needs.

*The Governor is recommending \$5.4 million for inventory and equipment replacement for FY 2012 and FY 2013.*

**Underground Storage Tank Fund – Unused Funding** – The Statutory Allocations Fund, that receives its revenue from driver's license fees, trailer registration fees, title and salvage title fees, title surcharge fees, use tax, and car rental tax, provides an annual allocation of \$17.0 million for the Underground Storage Tank Fund and Program. This allocation replaced the equal amount that previously was transferred from the Motor Vehicle Use Tax when SF 2420 (TIME-21 Act) restructured the way road revenues were deposited and allocated. A portion of the allocation had been used to pay the debt service on the Underground Storage Tank bonds that were issued through the Iowa Finance Authority to provide funds for the cleanup of underground fuel storage tanks. In accordance with HF 2651 (Highway Motor Vehicle



## Transportation, Infrastructure, and Capitals Appropriations Subcommittee

Policy Act), the bonds were defeased in June 2008. Currently, the \$17.0 million allocation is used for administration of the Program and ongoing cleanup costs. Typically the allocation exceeds the expenditures. The Underground Storage Tank (UST) Fund has maintained and accumulated a balance, and occasionally the General Assembly has appropriated from the Fund for a variety of purposes. For example in the 2010 Session, approximately \$26.4 million was appropriated from the UST Fund. The General Assembly may want to adjust the language in the UST Fund so that anything unencumbered from the \$17.0 million allocation at the end of the fiscal year transfers to one of the road funds, such as the Road Use Tax Fund or the TIME-21 Fund or for another specified purpose.

### **Infrastructure and Capital Recommendations**

The Governor is recommending a total of \$138.8 million for infrastructure-related projects and programs for FY 2012. This is a decrease of \$179.6 million compared to estimated FY 2011. Primary infrastructure funding sources for FY 2012 include the Rebuild Iowa Infrastructure Fund (RIIF), Technology Reinvestment Fund, and one appropriation from the Revenue Bonds Capitals Fund (RBC).

Of the \$138.8 million in recommendations, \$124.7 million is being recommended from the RIIF, \$10.0 million from the Technology Reinvestment Fund, and \$4.1 million from the RBC.

### **Rebuild Iowa Infrastructure Fund Recommendations**

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs.</u> <u>Est. FY 2011</u>
<b><u>Administrative Services</u></b>			
Capitol Shuttle	\$ 200,000	\$ 0	\$ -200,000
Iowa Building Operations	1,083,175	0	-1,083,175
DAS Distribution Account	3,700,000	0	-3,700,000
Major Maintenance	0	4,500,000	4,500,000
<b>Total Administrative Services</b>	<b>\$ 4,983,175</b>	<b>\$ 4,500,000</b>	<b>\$ -483,175</b>
<b><u>Agriculture and Land Stewardship</u></b>			
Watershed Improvement Review Board Admin	50,000	0	-50,000
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 50,000</b>	<b>\$ 0</b>	<b>\$ -50,000</b>
<b><u>Blind, Department for the</u></b>			
Replace Air Handlers	\$ 0	\$ 1,065,674	\$ 1,065,674
Newsline Service	20,000	0	-20,000
<b>Total Department for the Blind</b>	<b>\$ 20,000</b>	<b>\$ 1,065,674</b>	<b>\$ 1,045,674</b>
<b><u>Corrections</u></b>			
Fort Madison Initial One Time Costs	0	6,155,077	6,155,077
Mitchellville Initial One Time Costs	0	4,661,556	4,661,556
ICIW Mitchellville Construction	0	12,900,000	12,900,000
Fort Madison Construction	0	1,000,000	1,000,000
Construction Project Management	0	4,500,000	4,500,000
<b>Total Corrections</b>	<b>\$ 0</b>	<b>\$ 29,216,633</b>	<b>\$ 29,216,633</b>

**Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs. Est. FY 2011</u>
<b><u>Economic Development</u></b>			
Workforce Training and Economic Dev	\$ 2,000,000	\$ 0	\$ -2,000,000
Regional Sports Authorities	500,000	0	-500,000
Grow Iowa Values Fund	38,000,000	25,000,000	-13,000,000
6th Avenue Corridor - Main Streets	100,000	0	-100,000
Port Authority-Economic Dev SE Iowa	50,000	0	-50,000
World Food Prize Borlaug/Ruan Scholar Prog	100,000	0	-100,000
Blank Park Zoo Expansion	500,000	0	-500,000
<b>Total Economic Development</b>	<b>\$ 41,250,000</b>	<b>\$ 25,000,000</b>	<b>\$ -16,250,000</b>
<b><u>Education</u></b>			
Enrich Iowa	\$ 500,000	\$ 0	\$ -500,000
IPTV Building Purchase	0	1,255,550	1,255,550
<b>Total Education</b>	<b>\$ 500,000</b>	<b>\$ 1,255,550</b>	<b>\$ 755,550</b>
<b><u>Iowa Finance Authority</u></b>			
State Housing Trust Fund	\$ 1,000,000	\$ 0	\$ -1,000,000
I-JOBS Administration	200,000	0	-200,000
Facilities Multiple-Handicapped - Polk County	250,000	0	-250,000
<b>Total Iowa Finance Authority</b>	<b>\$ 1,450,000</b>	<b>\$ 0</b>	<b>\$ -1,450,000</b>
<b><u>Natural Resources</u></b>			
Floodplain Management & Dam Safety	\$ 2,000,000	\$ 2,000,000	\$ 0
Honey Creek Asset Manager	100,000	0	-100,000
State Park Infrastructure	0	5,000,000	5,000,000
Lakes Restoration & Water Quality	0	8,600,000	8,600,000
Rock Creek Permanent Shelter	40,000	0	-40,000
<b>Total Natural Resources</b>	<b>\$ 2,140,000</b>	<b>\$ 15,600,000</b>	<b>\$ 13,460,000</b>
<b><u>Public Defense</u></b>			
Facility/Armory Maintenance	\$ 1,500,000	\$ 2,000,000	\$ 500,000
Muscatine Readiness Center	0	100,000	100,000
Statewide Modernization Readiness Ctrs	1,800,000	1,800,000	0
Camp Dodge Infrastructure Upgrades	0	1,000,000	1,000,000
Middletown AF Readiness Center	100,000	0	-100,000
Iowa Falls Readiness Center	500,000	0	-500,000
Cedar Rapids AF Readiness Center	200,000	0	-200,000
<b>Total Public Defense</b>	<b>\$ 4,100,000</b>	<b>\$ 4,900,000</b>	<b>\$ 800,000</b>
<b><u>Public Health</u></b>			
Vision Screening	\$ 100,000	\$ 0	\$ -100,000
<b>Total Public Health</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ -100,000</b>
<b><u>Public Safety</u></b>			
DPS Radio Conversion	\$ 0	\$ 2,500,000	\$ 2,500,000
<b>Total Public Safety</b>	<b>\$ 0</b>	<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>

## Transportation, Infrastructure, and Capitals Appropriations Subcommittee

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs.</u> <u>Est. FY 2011</u>
<b><u>Regents, Board of</u></b>			
SUI - Iowa Flood Center	\$ 1,300,000	\$ 1,300,000	\$ 0
Regents Tuition Replacement	24,305,412	24,305,412	0
ISU - Vet Equipment Modernize Blank Park Zoo	400,000	0	-400,000
Fire Safety and Deferred Maint - All Institutions	0	4,000,000	4,000,000
<b>Total Regents</b>	<b>\$ 26,005,412</b>	<b>\$ 29,605,412</b>	<b>\$ 3,600,000</b>
<b><u>Transportation</u></b>			
Public Transit Infrastructure	\$ 0	\$ 2,000,000	\$ 2,000,000
Commercial Air Service	0	1,500,000	1,500,000
General Aviation Grants	750,000	750,000	0
Recreational Trails	0	2,000,000	2,000,000
Rail Revolving Loan & Grant Fund	2,000,000	2,000,000	0
Local Roads 50/50 Split	24,700,000	0	-24,700,000
<b>Total Transportation</b>	<b>\$ 27,450,000</b>	<b>\$ 8,250,000</b>	<b>\$ -19,200,000</b>
<b><u>Treasurer of State</u></b>			
<b>Treasurer of State</b>			
County Fair Improvements	\$ 1,060,000	\$ 1,060,000	\$ 0
<b>Total Treasurer of State</b>	<b>\$ 1,060,000</b>	<b>\$ 1,060,000</b>	<b>\$ 0</b>
<b><u>Veterans Affairs</u></b>			
<b>Veterans Affairs, Department of</b>			
Veterans Home Ownership Assistance	\$ 1,000,000	\$ 1,000,000	\$ 0
Iowa Veterans Home Capitals Request	0	750,000	750,000
<b>Total Veterans Affairs</b>	<b>\$ 1,000,000</b>	<b>\$ 1,750,000</b>	<b>\$ 750,000</b>
<b>Total Rebuild Iowa Infrastructure Fund</b>	<b>\$ 110,208,587</b>	<b>\$ 124,703,269</b>	<b>\$ 14,494,682</b>

### *Changes to Current Law RIIF Appropriations:*

The Governor is recommending the deappropriation of \$43.7 million from FY 2012 Rebuild Iowa Infrastructure Fund (RIIF) appropriations. Under current law, there is \$99.9 million in previously enacted and standing appropriations from the RIIF for FY 2012. In addition, under current law there is \$85.0 million in previously enacted and standing appropriations from the RIIF for FY 2013. The Governor is recommending the deappropriation of \$37.2 million from these FY 2013 appropriations.

Significant changes to current law FY 2012 RIIF appropriations are as follows:

- Eliminating \$10.0 million from the RIIF that deposits into the Secure an Advanced Vision for Education (SAVE) Fund. For FY 2011, this appropriation was eliminated as well. This item is discussed under *Issues*.
- Reducing the standing appropriation for the Environment First Fund from \$42.0 million to \$33.0 million.
- Eliminating the \$5.0 million for the Community Attraction and Tourism (CAT) grants and \$10.0 million for the River Enhancement Community Attraction and Tourism (RECAT) grants. The CAT funding was slated to resume at \$5.0 million from the RIIF and \$7.0 million from the

General Fund through FY 2013 and RECAT was slated to receive \$10.0 million annually through FY 2013.

- Eliminating the \$3.0 million standing appropriation to the State Housing Trust Fund. For FY 2011, the standing appropriation was reduced to \$1.0 million.
- Eliminating the \$6.5 million for Passenger Rail Service.
- Eliminating the \$200,000 that goes to the Iowa Finance Authority for administration of the I-JOBS Program.

Significant RIIF recommendations include:

- Department of Corrections – For FY 2012, \$7.2 million and \$5.9 million for Fort Madison and Mitchellville, respectively, for prison construction additional and one-time costs. The Mitchellville recommendation is in addition to the \$11.7 million that is previously enacted for the project from RIIF for FY 2012 and to the \$4.1 million recommended from the RBC for FY 2012. For FY 2013, the Governor is recommending \$16.3 million and \$2.9 million from the RIIF for Fort Madison and Mitchellville for additional and one-time costs, respectively. This is in addition to the \$8.8 million that was previously enacted for Mitchellville for FY 2013. The Department of Management advises that both projects will need some final additional funding in FY 2014, approximately \$3.0 million for Fort Madison and \$26.4 million for Mitchellville.
- Department of Economic Development – \$25.0 million for the Grow Iowa Values Fund (GIVF). Code Section 15G.111 provides a limited standing appropriation to the GIVF of \$50.0 million from the General Fund that sunsets at the end of FY 2015. For FY 2009 through FY 2011, the GIVF has been funded from the RIIF rather than the General Fund, at a reduced amount. The recommendations provide funding the GIVF at the level of \$25.0 million for both FY 2012 and FY 2013.
- Department of Natural Resources – \$8.6 million for lake restoration and water quality improvement program, including dredging projects, and \$2.0 million for the Floodplain Management program. In addition, the \$5.0 million appropriation for State park infrastructure that was previously enacted is not changed.
- Board of Regents – \$24.3 million for tuition replacement, the subsidy that pays most of the debt service for the Board’s academic revenue bonds that have been issued. Also, \$1.3 million for operations of the Iowa Flood Center at the University of Iowa and \$4.0 million for fire safety and deferred maintenance projects.
- Department of Administrative Services (DAS) – \$4.5 million for major maintenance for State buildings maintained by DAS. Two appropriations that had been funded from the RIIF, operating funds for the former Mercy Capitol Hospital building and the DAS Distribution Account for I/3 services, moved to the General Fund and to the Administration and Regulation Appropriations Subcommittee.
- Department of Public Defense (Iowa National Guard) – A total of \$4.9 million for various construction projects at the Guard’s readiness centers.
- Department of Transportation – A total of \$8.3 million for several multimodal programs, including the Commercial Air Service Infrastructure Grants, General Aviation Infrastructure Grants, Public Transit Infrastructure Grants, recreational trails, and the Rail Revolving Loan and Grant program (freight rail).

## Transportation, Infrastructure, and Capitals Appropriations Subcommittee

Note: The amount of \$124.7 million recommended from the RIIF does not reflect the \$33.0 million for Environment First Fund or the \$10.0 million to the Technology Reinvestment Fund (in order to avoid double counting). Total appropriations recommended from the RIIF as reflected on the RIIF balance sheet (attached to this document) equal \$167.7 million.

### Technology Reinvestment Fund (TRF) Recommendations

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs. Est. FY 2011
<b><u>Administrative Services</u></b>			
ITE Pooled Technology	\$ 3,793,654	\$ 1,637,724	\$ -2,155,930
<b>Total Administrative Services</b>	<b>\$ 3,793,654</b>	<b>\$ 1,637,724</b>	<b>\$ -2,155,930</b>
<b><u>Corrections</u></b>			
Iowa Corrections Offender Network	\$ 500,000	\$ 500,000	\$ 0
<b>Total Corrections</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 0</b>
<b><u>Education</u></b>			
Statewide Education Data Warehouse	\$ 600,000	\$ 600,000	\$ 0
ICN Part III Leases & Maintenance Network	2,727,000	2,727,000	0
<b>Total Education</b>	<b>\$ 3,327,000</b>	<b>\$ 3,327,000</b>	<b>\$ 0</b>
<b><u>Human Rights</u></b>			
Infrastructure for Integrating Justice Data Systems	\$ 0	\$ 1,689,307	\$ 1,689,307
<b>Total Human Rights</b>	<b>\$ 0</b>	<b>\$ 1,689,307</b>	<b>\$ 1,689,307</b>
<b><u>Iowa Tele. &amp; Tech. Commission</u></b>			
ICN Equipment Replacement	\$ 2,244,956	\$ 2,248,653	\$ 3,697
<b>Total Iowa Tele. &amp; Tech. Commission</b>	<b>\$ 2,244,956</b>	<b>\$ 2,248,653</b>	<b>\$ 3,697</b>
<b><u>Management, Dept. of</u></b>			
Transparency Project	\$ 0	\$ 600,000	\$ 600,000
<b>Total Management, Dept. of</b>	<b>\$ 0</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>
<b><u>Public Health</u></b>			
Community Mental Health Center Database	\$ 250,000	\$ 0	\$ -250,000
<b>Total Public Health</b>	<b>\$ 250,000</b>	<b>\$ 0</b>	<b>\$ -250,000</b>
<b>Total Technology Reinvestment Fund</b>	<b>\$ 10,115,610</b>	<b>\$ 10,002,684</b>	<b>\$ -112,926</b>

Significant TRF recommendations include:

- A decrease of \$2.2 million for Information Technology Enterprise pooled technology for the DAS.
- A new appropriation of \$1.7 million for infrastructure for the Criminal Justice Information Systems Integration (CJIS). The project last received funding in FY 2009.
- Maintaining status quo funding of \$2.7 million for the Department of Education for leases and maintenance associated with the build-out of Part III of the Iowa Communications Network (ICN).
- Maintaining status quo funding of \$600,000 for the Department of Education to operate the Statewide Education Data Warehouse and e-transcript system.

- A new appropriation of \$600,000 to the Department of Management for the transparency project to provide a searchable online budget database.

### **Additional Recommendation**

Approximately \$4.1 million remains in the Revenue Bonds Capitals Fund (RBC), and the Governor is recommending the entire \$4.1 million to go to the Department of Corrections for constructions costs for the Mitchellville prison. This recommendation is in addition to funding for Mitchellville from the RIIF.

### **Issues**

**School Infrastructure Fund Wagering Tax Allocation** – In FY 2002, the State issued \$48.6 million in bonds to fund the School Infrastructure Program. This Program was created to provide State financial assistance to local school districts for the construction and renovation of school buildings. A wagering tax allocation of \$5.0 million is provided per Code Section 8.57 that deposits in the School Infrastructure Fund in order to pay the debt service on the bonds. The debt service is \$3.5 million annually. The last bond payment is scheduled to be made by the end of FY 2021. The School Infrastructure Fund has been receiving the \$5.0 million allocation since the bonds were issued and has accumulated a balance. In the 2010 Session, the General Assembly appropriated from the extra monies in the School Infrastructure Fund for various purposes. The General Assembly may want to consider changing the language in the Fund so that any monies from the wagering tax allocation that are not needed for debt service are transferred back to the RIIF. This is similar to how the wagering tax allocation for payment on the 2009 and 2010 revenue bonds is structured. The transfer back would provide an additional \$1.5 million of wagering taxes to the RIIF annually until the end of the bond payments, when the allocation to the School Infrastructure Fund ceases and the entire \$5.0 million would deposit into the RIIF. *The Governor is recommending making this change to the School Infrastructure Fund beginning in FY 2011 in order to capture the unused portion of the wagering tax allocation and return it to the RIIF.*

**Secure an Advanced Vision for Education (SAVE) Fund** – The RIIF provides an annual appropriation of \$10.0 million to the SAVE Fund that is established in Code Section 423F.2. The SAVE Fund consists of State sales and use tax for school infrastructure and is allocated by formula under Code Section 423E.4. After the SAVE Fund distribution, any excess is provided as property tax relief through the School Aid Formula. The purpose of the SAVE appropriation from the RIIF is to provide supplemental school infrastructure funding to school districts that receive less than the state guaranteed amount per student for school infrastructure. By FY 2014, per pupil funding will be equal. The appropriation from the RIIF to the SAVE Fund has been in place since the 2003 Session and is scheduled to sunset at the end of FY 2014. The General Assembly may want to consider eliminating the remaining years of the RIIF appropriation to the SAVE Fund. For FY 2012, it is estimated that school districts in 75 counties would lose a maximum of \$55.0 per pupil if the RIIF appropriation is eliminated. *The Governor is recommending eliminating the RIIF appropriation to the SAVE Fund for FY 2012 and FY 2013.*

**Narrowband Mandate and State Agency Communications Systems** – The Federal Communications Commission mandated that all non-federal public safety license holders on frequencies ranging from 150-512 MHz reduce their operating bandwidth from 25 kHz to 12.5 kHz narrowband channels and update their operating licenses by January 1, 2013. Failure to do so will result in the loss of communication capabilities and fines. By January 1, 2017, the federal government is mandating that public safety agencies using 700 MHz systems must be operating with 6.25 kHz emissions/equivalency. Currently, most State public safety radio systems use 25.0 kHz channels. Narrowbanding to 12.5 kHz will affect radio and pager coverage. Agencies that narrowband in analog will have further reductions of coverage. The Legislative Services Agency published an [Issue Review](#) in October 2010 discussing the impact of the

federal mandate in more detail. The Department of Public Safety requested \$8.0 million for FY 2012 in order to upgrade their radio equipment and begin digital conversion of the towers. The Department of Corrections requested \$1.8 million for their radio upgrades. Other State agencies, such as the Department of Natural Resources, also require radio upgrades to be in compliance with the mandate. *The Governor is recommending \$2.5 million from the RIIF to the Department of Public Safety for FY 2012 and FY 2013 for purposes of complying with the mandate.*

**Bond Defeasance** – The State has several revenue bond issuances outstanding and pays for the debt service on those bonds primarily from designated revenue streams from the wagering taxes that casinos pay on their adjusted gross revenues and judicial fines and fees. As of October 31, 2010, remaining net debt service (principal and interest) on the bonds is \$175.4 million on Vision Iowa bonds, \$38.2 million on School Infrastructure bonds, \$42.8 million on 2002 prison construction bonds, \$195.9 million on 2010 prison construction bonds, \$937.0 million on the 2009 revenue bonds, and \$291.4 million on the 2010 revenue bonds. Of the State issued bonds, the Vision Iowa bonds and 2002 prison construction bonds are not subject to redemption prior to maturity. The other bonds are redeemable as follows: School Infrastructure bonds in 2012, the 2009 revenue bonds in 2019, and the 2010 revenue and prison construction bonds in 2020. In addition, the Honey Creek Authority resort bonds have a net debt service of \$59.6 million remaining and are callable in 2016.

If the bonds are defeased before the redeemable date, the State must set up a defeasance escrow to pay debt service on the bonds until the call date. The amount that needs to be put in escrow will depend on market rates, and estimates will vary because of that. Defeasing the bonds with the later call dates would not likely be cost effective due to the amount that would be needed for escrow on those bonds. Some of the bonds with earlier dates, such as the School Infrastructure bonds in 2012 and Honey Creek in 2016, could potentially be defeased if the General Assembly wants to put aside the funds for escrow. A market estimate by the Treasurer of State in December 2010 noted that, in order to defease the School Infrastructure bonds, the State would need to provide approximately \$26.0 million in escrow; in order to defease the Honey Creek bonds, the State would need to provide \$35.4 million in escrow. This estimate is likely to change as market rates vary.

Also, the Board of Regents academic revenue bonds, that are secured by student tuition but the debt service is paid for mostly by a subsidy from the State in the form of an appropriation, have an estimated remaining net debt service of \$513.6 million on bonds that have been issued. Not all of the academic revenue bonds authorized by the General Assembly have been issued yet. The Board approves the bond issuance schedule and refunding plans. The Board regularly does advance refundings when rates are favorable, so most of the bonds are not callable or have later callable dates. Defeasance of these bonds (issued on several different dates) is not likely to provide much savings to the State.

### **LSA Publications**

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

- *Fiscal Topic:* [Revitalize Iowa's Sound Economy \(RISE\) Program](#)
- *Fiscal Topic:* [Rebuild Iowa Infrastructure Fund \(RIIF\)](#) (as of October 2010)
- *Fiscal Topic:* [State Recreational Trails Program](#)
- *Budget Unit Fiscal Topic:* [Department of Transportation Motor Vehicle Division](#)
- *Budget Unit Fiscal Topic:* [Department of Transportation Highway Division](#)

Documents that will be published later in 2011 are:

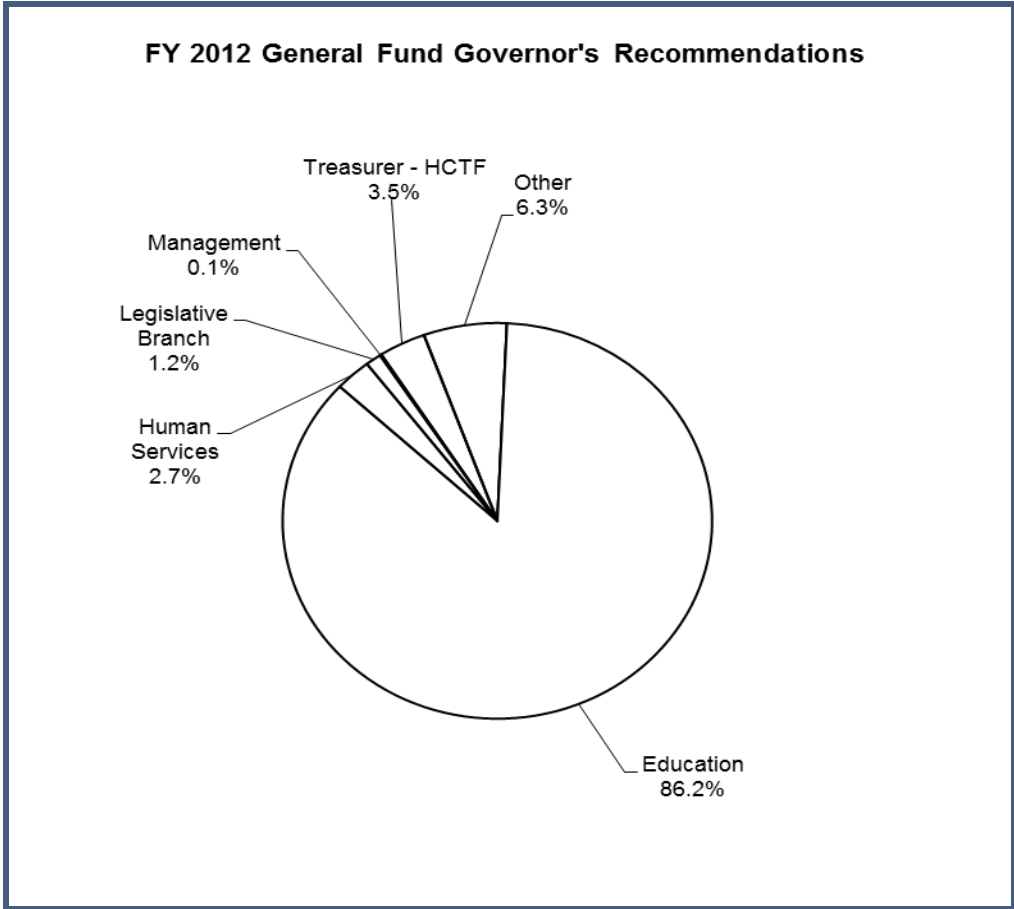
- *Issue Review: History and Status of the Rebuild Iowa Infrastructure Fund*
- *Issue Review: Overview of Multimodal Transportation Funding*
- *Debt Report: Status of Outstanding Obligations on Selected State Obligations*
- *Annual Infrastructure Status Reports: Submitted from agencies that received infrastructure funding and compiled by the LSA.*

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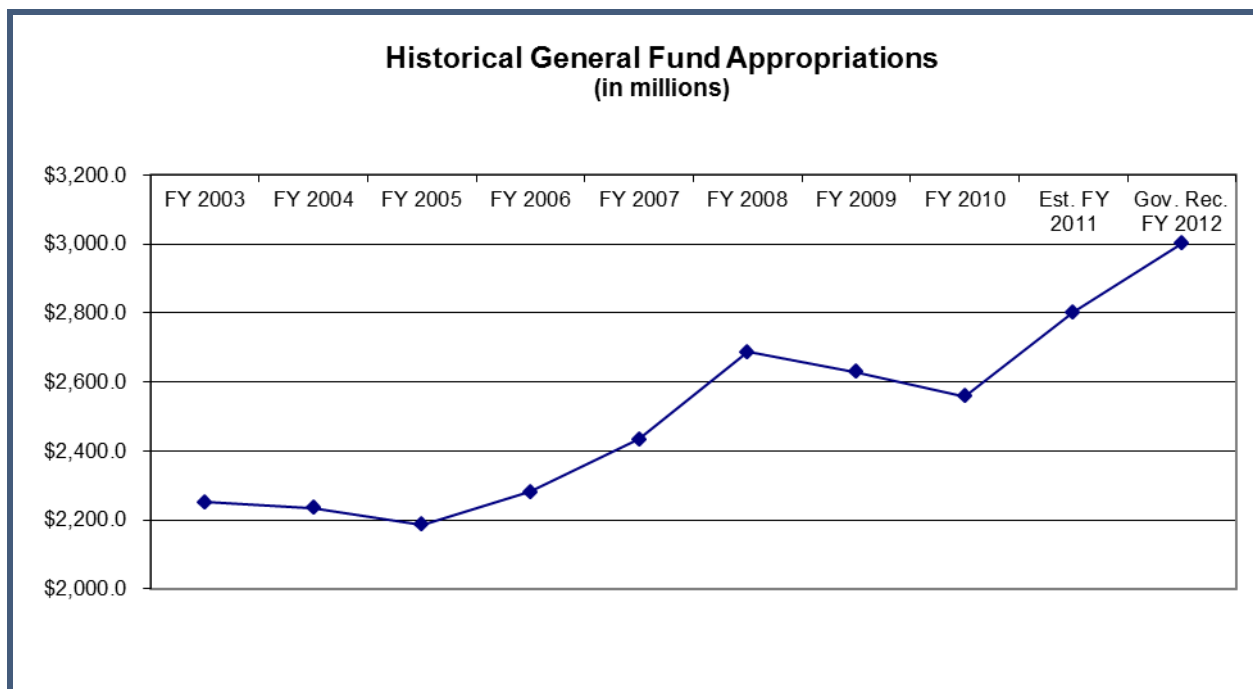
# UNASSIGNED STANDING APPROPRIATIONS



**FY 2012 General Fund Governor's Recommendations**

Administrative Services	\$ 1,546,958
Corrections	59,733
Cultural Affairs	416,702
Economic Development	810,306
Education	2,585,685,137
Executive Council	38,831,952
Legislative Branch	35,750,001
Governor	3,032
Public Health	171,121
Human Services	81,561,946
Management	3,636,307
Public Defense	344,644
Revenue	146,083,586
Treasurer - HCTF	106,016,400
	\$ 3,000,917,825

## Unassigned Standing Appropriations



## FY 2012 UNASSIGNED STANDING APPROPRIATIONS

### Unassigned Standing Appropriations

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

- Standing Limited Appropriations – These are appropriations of a specific dollar amount. An example is the appropriation to the Iowa Power Fund in Iowa Code 469.1(1) that states, “There is appropriated from the general fund of the state to the office of energy independence for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, 2011, the sum of twenty-five million dollars to be used for awarding grants and making loans from the Iowa power fund, and for all other purposes specified in and consistent with this subchapter.”
- 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, 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 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b><u>Administrative Services, Dept. of</u></b>			
Federal Cash Management - Standing	\$ 356,587	\$ 356,587	\$ 0
Unemployment Compensation - Standing	440,371	440,371	0
Municipal Fire & Police Retirement	1,500,000	750,000	-750,000
<b>Total Administrative Services, Dept. of</b>	<b>\$ 2,296,958</b>	<b>\$ 1,546,958</b>	<b>\$ -750,000</b>
<b><u>Corrections, Dept. of</u></b>			
State Cases Court Costs	\$ 59,733	\$ 59,733	\$ 0
<b>Total Corrections, Dept. of</b>	<b>\$ 59,733</b>	<b>\$ 59,733</b>	<b>\$ 0</b>
<b><u>Cultural Affairs, Dept. of</u></b>			
County Endowment Funding - DCA Grants	\$ 443,300	\$ 416,702	\$ -26,598
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 443,300</b>	<b>\$ 416,702</b>	<b>\$ -26,598</b>
<b><u>Economic Development, Dept. of</u></b>			
Tourism marketing - Adjusted Gross Receipts	\$ 862,028	\$ 810,306	\$ -51,722
<b>Total Economic Development, Dept. of</b>	<b>\$ 862,028</b>	<b>\$ 810,306</b>	<b>\$ -51,722</b>
<b><u>Education, Dept. of</u></b>			
Child Development	\$ 11,493,891	\$ 6,204,258	\$ -5,289,633
State Foundation School Aid	2,446,109,988	2,572,419,948	126,309,960
Transportation Of Nonpublic Pu	7,060,931	7,060,931	0
<b>Total Education, Dept. of</b>	<b>\$ 2,464,664,810</b>	<b>\$ 2,585,685,137</b>	<b>\$ 121,020,327</b>
<b><u>Energy Independence</u></b>			
Iowa Power Fund	\$ 19,583,025	\$ 0	\$ -19,583,025
<b>Total Energy Independence</b>	<b>\$ 19,583,025</b>	<b>\$ 0</b>	<b>\$ -19,583,025</b>
<b><u>Executive Council</u></b>			
Court Costs	\$ 59,772	\$ 59,772	\$ 0
Public Improvements	39,848	39,848	0
Performance Of Duty	1,800,000	38,712,105	36,912,105
Drainage Assessment	20,227	20,227	0
<b>Total Executive Council</b>	<b>\$ 1,919,847</b>	<b>\$ 38,831,952</b>	<b>\$ 36,912,105</b>
<b><u>Legislative Branch</u></b>			
Legislative Branch	\$ 30,080,037	\$ 35,750,000	\$ 5,669,963
<b>Total Legislative Branch</b>	<b>\$ 30,080,037</b>	<b>\$ 35,750,000</b>	<b>\$ 5,669,963</b>
<b><u>Governor</u></b>			
Interstate Extradition	\$ 3,032	\$ 3,032	\$ 0
<b>Total Governor</b>	<b>\$ 3,032</b>	<b>\$ 3,032</b>	<b>\$ 0</b>

## Unassigned Standing Appropriations

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<b>Public Health, Dept. of</b>			
Iowa Registry for Congenital & Inherited Disorders	\$ 182,044	\$ 171,121	\$ -10,923
<b>Total Public Health, Dept. of</b>	<b>\$ 182,044</b>	<b>\$ 171,121</b>	<b>\$ -10,923</b>
<b>Human Services, Dept. of</b>			
Commission of Inquiry	\$ 1,394	\$ 1,394	\$ 0
Non Resident Transfers	67	67	0
Non Resident Commitment Mental Illness	142,802	142,802	0
MH Property Tax Relief	81,199,911	81,199,911	0
Child Abuse Prevention	217,772	217,772	0
<b>Total Human Services, Dept. of</b>	<b>\$ 81,561,946</b>	<b>\$ 81,561,946</b>	<b>\$ 0</b>
<b>Management, Dept. of</b>			
Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 0
Appeal Board Claims	3,586,307	3,586,307	0
Property Tax Credit Fund	91,256,037	0	-91,256,037
<b>Total Management, Dept. of</b>	<b>\$ 94,892,344</b>	<b>\$ 3,636,307</b>	<b>\$ -91,256,037</b>
<b>Public Defense, Dept. of</b>			
Compensation and Expense	\$ 344,644	\$ 344,644	\$ 0
<b>Total Public Defense, Dept. of</b>	<b>\$ 344,644</b>	<b>\$ 344,644</b>	<b>\$ 0</b>
<b>Revenue, Dept. of</b>			
Ag Land Tax Credit - GF	\$ 0	\$ 32,395,131	\$ 32,395,131
Homestead Tax Credit Aid - GF	0	87,745,387	87,745,387
Elderly & Disabled Tax Credit - GF	0	23,400,000	23,400,000
Printing Cigarette Stamps	124,652	124,652	0
Tobacco Reporting Requirements	19,591	18,416	-1,175
Military Service Tax Refunds	0	2,400,000	2,400,000
<b>Total Revenue, Dept. of</b>	<b>\$ 144,243</b>	<b>\$ 146,083,586</b>	<b>\$ 145,939,343</b>
<b>Treasurer of State</b>			
Health Care Trust Fund Transfer	\$ 106,016,400	\$ 106,016,400	\$ 0
<b>Total Treasurer of State</b>	<b>\$ 106,016,400</b>	<b>\$ 106,016,400</b>	<b>\$ 0</b>
<b>Total Unassigned Standings</b>	<b>\$ 2,803,054,391</b>	<b>\$ 3,000,917,824</b>	<b>\$ 197,863,433</b>

The comments below discuss the General Fund standing appropriations for FY 2011 and proposed for FY 2012. These are the amounts specified in statute for the limited appropriations and the estimated need for the unlimited appropriations. The Governor is recommending and estimating \$3.0 billion for unassigned General Fund standings for FY 2012, an increase of \$197.9 million (7.1%) compared to estimated FY 2011. Major changes include:

- Municipal Fire and Police Retirement (Department of Administrative Services). The Governor is recommending a decrease of \$750,000 (50.0%) in State support for the local police and firefighter retirement system.
- State School Foundation Aid (Department of Education). The Governor is recommending an increase of \$126.3 million (5.2%) compared to the estimated FY 2011 appropriation. Additional

detail about this increase is included in a separate overall section in this document titled “School Foundation Aid.”

- Child Development (Department of Education). The Governor is recommending a decrease of \$5.3 million (46.0%) compared to the estimated FY 2011 appropriation to eliminate funding for the Shared Visions Preschool Program for at-risk children.
- Iowa Power Fund (Office of Energy Independence). The Governor is recommending elimination of the funding for FY 2012 (\$19.6 million).
- Performance of Duty (Executive Council). The Governor is estimating the expenditures for the standing unlimited Performance of Duty appropriation will increase by \$36.9 million (2,050.7%) in FY 2012. In recent years, this appropriation has been used mostly to pay the costs of natural disasters.
- Legislative Branch. This appropriation reflects an increase of \$5.7 million (18.8%) compared to the estimated FY 2011 appropriation. The Governor’s FY 2011 budget did not include an increase to the Legislative Branch standing appropriation reflecting an increase of session days from 80 to 110. The Legislature submitted a revised FY 2011 budget estimate of \$35.7 million.
- Registry for Inherited and Congenital Disorders (Birth Defects Registry – Department of Public Health). The Governor is recommending a decrease of \$11,000 compared to the estimated FY 2011 appropriation. This increase reflects the standard 6.0% reduction recommended for most line-item appropriations.
- Property Tax Credits (Department of Revenue and Department of Management). The Governor is recommending an increase of \$145.9 million to fund the four property tax credits in the Department of Revenue from the State General Fund rather than the Property Tax Credit Fund (PTCF). The recommendation also eliminates the \$91.3 million General Fund appropriation to the PTCF. The net change is a General Fund increase of \$54.6 million. Additional detail is provided below in the section discussing Property Tax Credits.

## Unassigned Standing Appropriations

### Other Fund Recommendations

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<b><u>Education, Dept. of</u></b>			
State Foundation Aid - ARRA	\$ 47,947,887	\$ 0	\$ -47,947,887
Instructional Support - SIF	7,500,000	0	-7,500,000
School Foundation Aid - UST	5,100,000	0	-5,100,000
<b>Total Education, Dept. of</b>	<b>\$ 60,547,887</b>	<b>\$ 0</b>	<b>\$ -60,547,887</b>
<b><u>Executive Council</u></b>			
Cash Reserve Fund Appropriation	\$ 10,583,628	\$ 0	\$ -10,583,628
<b>Total Executive Council</b>	<b>\$ 10,583,628</b>	<b>\$ 0</b>	<b>\$ -10,583,628</b>
<b><u>Management, Dept. of</u></b>			
Technology Reinvestment Fund Approp - RIIF	\$ 10,000,000	\$ 10,000,000	\$ 0
Environment First Fund Appropriation	33,000,000	33,000,000	0
Property Tax Credit Fund	54,684,481	0	-54,684,481
Appropriation Contingencies - CRF	5,000,000	0	-5,000,000
<b>Total Management, Dept. of</b>	<b>\$ 102,684,481</b>	<b>\$ 43,000,000</b>	<b>\$ -59,684,481</b>
<b><u>Revenue, Dept. of</u></b>			
Homestead Property Tax Credit - PTCF	\$ 87,757,913	\$ 0	\$ -87,757,913
Agric Land and Family Farm Tax Credits - PTCF	32,395,131	0	-32,395,131
Military Service Tax Credit - PTCF	2,400,000	0	-2,400,000
Elderly/Disabled Tax Credit and Reimburse. - PTCF	23,400,000	0	-23,400,000
<b>Total Revenue, Dept. of</b>	<b>\$ 145,953,044</b>	<b>\$ 0</b>	<b>\$ -145,953,044</b>
<b><u>Transportation, Dept. of</u></b>			
RUTF-Personal Delivery of Services	\$ 225,000	\$ 225,000	\$ 0
RUTF-County Treasurer Equipment Standing	650,000	650,000	0
<b>Total Transportation, Dept. of</b>	<b>\$ 875,000</b>	<b>\$ 875,000</b>	<b>\$ 0</b>
<b>Total Unassigned Standings</b>	<b>\$ 320,644,040</b>	<b>\$ 43,875,000</b>	<b>\$ -276,769,040</b>

The Governor is recommending and estimating \$43.9 million for unassigned other fund standing appropriations for FY 2012, a decrease of \$276.8 million (86.3%) compared to estimated FY 2011. Major changes include:

- State School Foundation Aid (Department of Education). The Governor is recommending a decrease of \$47.9 million in FY 2012 other funds due to one-time FY 2011 funding from the federal American Recovery and Reinvestment Act (ARRA) of 2009. The Governor is also recommending a decrease of \$5.1 million for one-time FY 2011 funding from the Underground Storage Tank (UST) Fund. Additional detail about this decrease is included in a separate overall section in this document titled "School Foundation Aid."
- Instructional Support (Department of Education). The Governor is recommending eliminating the State funding (\$7.5 million) for Instructional Support. The Instructional Support Program received a one-time other fund appropriation in FY 2011. The appropriation was used in lieu of State General Fund dollars and was below the statutory amount of \$14.8 million.
- Cash Reserve Fund (Executive Council). The Governor is not recommending expenditures from the Cash Reserve Fund by the Executive Council in FY 2012. This is a decrease of \$10.6 million.

- Property Tax Credits (Department of Revenue and Department of Management). The Governor is recommending a decrease of \$54.7 million to eliminate the Cash Reserve Fund appropriation to the Property Tax Credit Fund and a decrease of \$145.9 million to eliminate the Property Tax Credit Fund which funded the four property tax credits. The changes are part of the shift of funding for property tax credits to the State General Fund. Additional detail is provided below in the section discussing Property Tax Credits.

### Property Tax Credits for FY 2011 and FY 2012

The Homestead Property Tax Credit, the Agricultural Land and Family Farm Tax Credit, the Military Service Tax Credit, and the Elderly and Disabled Tax Credit and Rent Reimbursement were funded from the Property Tax Credit Fund (PTCF) in FY 2011. The PTCF received funding from the General Fund (\$91.3 million), the Cash Reserve Fund (\$54.7 million), and carryforward from the FY 2010 Property Tax Credit Fund (\$13,000). The Governor is recommending funding property tax credits entirely from the General Fund in FY 2012 at essentially the same funding level as in FY 2011. The amounts are:

- \$87.7 million for the Homestead Property Tax Credit, a General Fund increase of \$32.9 million and a carry-forward decrease of \$13,000. This appropriation falls short of the projected demand for the Homestead Property Tax Credit by \$48.8 million.
- \$32.4 million for the Agriculture Land and Family Farm Tax Credit, a General Fund increase of \$12.1 million. This appropriation falls short of the statutory standing amount by \$6.7 million.
- \$2.4 million for the Military Service Tax Credit, a General Fund increase of \$899,000 and meets the projected demand.
- \$23.4 million for the Elderly and Disabled Tax Credit, a General Fund increase of \$8.8 million and meets the projected demand.

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## APPROPRIATIONS TRACKING

### COMMON ACRONYMS USED IN THE APPROPRIATIONS TABLES

CPB =	Corporation for Public Broadcasting
CSG =	Community Service Grant
DE =	Department of Education
EFF =	Environment First Fund
ENDW =	Endowment for Iowa Health Account (Tobacco Settlement Trust Fund)
ESCF =	Employment Security Contingency Fund
ESEA =	Elementary and Secondary Education Act
FES =	Federal Economic Stimulus Fund
GIVF =	Grow Iowa Values Fund
GTF =	Gamblers Treatment Fund
GWF =	Ground Water Fund
HCTA =	Health Care Transformation Account
HCTF =	Health Care Trust Fund
HITT =	Healthy Iowans Tobacco Trust Fund
ICA =	IowaCare Account
ISU =	Iowa State University
LSTA =	Library Service and Technology Act
MVFT =	Motor Vehicle Fuel Tax
MHI =	Mental Health Institute

## Appendix A – Appropriations Tracking

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NAEP =	National Assessment of Educational Progress
NCES =	National Center for Education Statistics
NTIA =	National Telecommunications and Information Administration
PRF =	Primary Road Fund
PTRF =	Property Tax Relief Fund
PTCF =	Property Tax Credit Fund
RCF =	Restricted Capital Fund (Tobacco Settlement Trust Fund)
RC2 =	Endowment for Iowa Health Restricted Capitals Fund
RC3 =	FY 2009 Tax-Exempt Restricted Capital Fund
RFIF =	Renewable Fuels Infrastructure Fund
RIIF =	Rebuild Iowa Infrastructure Fund
RUTF =	Road Use Tax Fund
SAF =	State Aviation Fund
SLTF =	Senior Living Trust Fund
SUI =	University of Iowa
TANF =	Temporary Assistance for Needy Families
TRF =	Technology Reinvestment Fund
TSB =	Targeted Small Business
UNI =	University of Northern Iowa
UIHC =	University of Iowa Hospitals and Clinics
UST =	Underground Storage Tank Fund
VIF =	Vertical Infrastructure Fund
VTF =	Veterans Trust Fund

## Summary Data General Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Gov Rec FY 2012 <u>(3)</u>	Gov Rec FY12 vs FY 2011 <u>(4)</u>	Gov Rec FY 2013 <u>(5)</u>	Gov Rec FY13 vs Gov Rec FY12 <u>(6)</u>
Administration and Regulation	\$ 61,479,242	\$ 59,331,284	\$ 80,903,347	\$ 21,572,063	\$ 80,903,347	\$ 0
Agriculture and Natural Resources	36,258,092	33,765,206	32,751,632	-1,013,574	32,751,632	0
Economic Development	40,616,635	38,156,630	36,589,337	-1,567,293	36,589,337	0
Education	856,729,678	835,616,331	815,913,310	-19,703,021	815,913,310	0
Health and Human Services	1,116,486,384	902,933,522	1,524,420,054	621,486,532	1,624,358,347	99,938,293
Justice System	633,749,023	606,226,312	670,135,296	63,908,984	675,135,296	5,000,000
Transportation, Infrastructure, and Capitals	1,350,000	0	0	0	0	0
Unassigned Standings	<u>2,557,998,168</u>	<u>2,803,054,391</u>	<u>3,000,917,824</u>	<u>197,863,433</u>	<u>3,008,884,576</u>	<u>7,966,752</u>
<b>Grand Total</b>	<u>\$ 5,304,667,222</u>	<u>\$ 5,279,083,676</u>	<u>\$ 6,161,630,800</u>	<u>\$ 882,547,124</u>	<u>\$ 6,274,535,845</u>	<u>\$ 112,905,045</u>

## Administration and Regulation General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Administrative Services, Dept. of</u></b>						
<b>Administrative Services</b>						
Administrative Services, Dept.	\$ 4,814,309	\$ 4,479,064	\$ 4,210,319	\$ -268,745	\$ 4,210,319	\$ 0
Utilities	3,127,085	3,127,085	2,939,460	-187,625	2,939,460	0
Terrace Hill Operations	0	0	405,914	405,914	405,914	0
Technology Procurement	0	2,113,169	0	-2,113,169	0	0
I3 Distribution	0	0	3,478,000	3,478,000	3,478,000	0
Iowa Building Operations	0	0	1,018,185	1,018,185	1,018,185	0
<b>Total Administrative Services, Dept. of</b>	<b>\$ 7,941,394</b>	<b>\$ 9,719,318</b>	<b>\$ 12,051,878</b>	<b>\$ 2,332,560</b>	<b>\$ 12,051,878</b>	<b>\$ 0</b>
<b><u>Auditor of State</u></b>						
<b>Auditor Of State</b>						
Auditor of State - General Office	\$ 814,921	\$ 905,468	\$ 905,468	\$ 0	\$ 905,468	\$ 0
<b>Total Auditor of State</b>	<b>\$ 814,921</b>	<b>\$ 905,468</b>	<b>\$ 905,468</b>	<b>\$ 0</b>	<b>\$ 905,468</b>	<b>\$ 0</b>
<b><u>Ethics and Campaign Disclosure</u></b>						
<b>Campaign Finance Disclosure</b>						
Ethics & Campaign Disclosure Board	\$ 470,700	\$ 372,086	\$ 522,086	\$ 150,000	\$ 522,086	\$ 0
<b>Total Ethics and Campaign Disclosure</b>	<b>\$ 470,700</b>	<b>\$ 372,086</b>	<b>\$ 522,086</b>	<b>\$ 150,000</b>	<b>\$ 522,086</b>	<b>\$ 0</b>
<b><u>Commerce, Dept. of</u></b>						
<b>Alcoholic Beverages</b>						
Alcoholic Beverages Operations	\$ 1,806,444	\$ 1,457,863	\$ 1,370,391	\$ -87,472	\$ 1,370,391	\$ 0
<b>Banking Division</b>						
Banking Division	\$ 0	\$ 0	\$ 8,320,570	\$ 8,320,570	\$ 8,320,570	\$ 0
<b>Credit Union Division</b>						
Credit Union Division	\$ 0	\$ 0	\$ 1,624,315	\$ 1,624,315	\$ 1,624,315	\$ 0
<b>Insurance Division</b>						
Senior Health Insurance Information Program	\$ 47,028	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Division	0	0	4,684,249	4,684,249	4,684,249	0
<b>Total Insurance Division</b>	<b>\$ 47,028</b>	<b>\$ 0</b>	<b>\$ 4,684,249</b>	<b>\$ 4,684,249</b>	<b>\$ 4,684,249</b>	<b>\$ 0</b>

## Administration and Regulation

### General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b>Professional Licensing and Reg.</b>						
Professional Licensing Bureau	\$ 810,498	\$ 648,248	\$ 609,353	\$ -38,895	\$ 609,353	\$ 0
<b>Utilities Division</b>						
Utilities Division	\$ 0	\$ 0	\$ 7,327,796	\$ 7,327,796	\$ 7,327,796	\$ 0
<b>Total Commerce, Dept. of</b>	<b>\$ 2,663,970</b>	<b>\$ 2,106,111</b>	<b>\$ 23,936,674</b>	<b>\$ 21,830,563</b>	<b>\$ 23,936,674</b>	<b>\$ 0</b>
<b><u>Governor</u></b>						
<b>Governor's Office</b>						
Governor/Lt. Governor's Office	\$ 2,064,471	\$ 1,972,752	\$ 1,933,307	\$ -39,445	\$ 1,933,307	\$ 0
Administrative Rules Coordinator	127,167	123,490	121,020	-2,470	121,020	0
Terrace Hill Quarters	394,291	127,075	124,533	-2,542	124,533	0
National Governor's Association	70,783	70,783	70,783	0	70,783	0
State-Federal Relations	41,958	40,832	38,382	-2,450	38,382	0
<b>Total Governor's Office</b>	<b>\$ 2,698,670</b>	<b>\$ 2,334,932</b>	<b>\$ 2,288,025</b>	<b>\$ -46,907</b>	<b>\$ 2,288,025</b>	<b>\$ 0</b>
<b>Governor Elect Expenses</b>						
Governor Elect Expenses	\$ 0	\$ 10,000	\$ 0	\$ -10,000	\$ 0	\$ 0
<b>Total Governor</b>	<b>\$ 2,698,670</b>	<b>\$ 2,344,932</b>	<b>\$ 2,288,025</b>	<b>\$ -56,907</b>	<b>\$ 2,288,025</b>	<b>\$ 0</b>
<b><u>Governor's Office of Drug Control Policy</u></b>						
<b>Office of Drug Control Policy</b>						
Drug Policy Coordinator	\$ 313,531	\$ 346,854	\$ 326,043	\$ -20,811	\$ 326,043	\$ 0
<b>Total Governor's Office of Drug Control Policy</b>	<b>\$ 313,531</b>	<b>\$ 346,854</b>	<b>\$ 326,043</b>	<b>\$ -20,811</b>	<b>\$ 326,043</b>	<b>\$ 0</b>

## Administration and Regulation

### General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Human Rights, Dept. of</u></b>						
<b>Human Rights, Department of</b>						
Human Rights Administration	\$ 274,773	\$ 206,103	\$ 235,890	\$ 29,787	\$ 235,890	\$ 0
Community Advocacy and Services	0	1,124,247	1,056,792	-67,455	1,056,792	0
Asian and Pacific Islanders	120,087	0	0	0	0	0
Deaf Services	340,913	0	0	0	0	0
Persons with Disabilities	187,408	0	0	0	0	0
Latino Affairs	160,290	0	0	0	0	0
Status of Women	284,295	0	0	0	0	0
Status of African Americans	150,116	0	0	0	0	0
Criminal & Juvenile Justice	1,284,725	1,142,438	1,073,892	-68,546	1,073,892	0
Status of Native Americans	4,817	0	0	0	0	0
<b>Total Human Rights, Dept. of</b>	<b>\$ 2,807,424</b>	<b>\$ 2,472,788</b>	<b>\$ 2,366,574</b>	<b>\$ -106,214</b>	<b>\$ 2,366,574</b>	<b>\$ 0</b>
<b><u>Inspections &amp; Appeals, Dept. of</u></b>						
<b>Inspections and Appeals, Dept. of</b>						
Child Advocacy Board	\$ 2,628,330	\$ 2,680,290	\$ 2,519,473	\$ -160,817	\$ 2,519,473	\$ 0
Employment Appeal Board	46,318	44,910	42,215	-2,695	42,215	0
Administration Division	1,804,510	1,646,848	1,611,061	-35,787	1,611,061	0
Administrative Hearings Division	609,585	589,333	553,973	-35,360	553,973	0
Investigations Division	1,307,666	1,243,233	1,168,639	-74,594	1,168,639	0
Health Facilities Division	2,011,845	3,790,148	3,562,739	-227,409	3,562,739	0
<b>Total Inspections and Appeals, Dept. of</b>	<b>\$ 8,408,254</b>	<b>\$ 9,994,762</b>	<b>\$ 9,458,100</b>	<b>\$ -536,662</b>	<b>\$ 9,458,100</b>	<b>\$ 0</b>
<b>Racing Commission</b>						
Pari-Mutuel Regulation	\$ 2,637,614	\$ 2,511,440	\$ 2,360,754	\$ -150,686	\$ 2,360,754	\$ 0
Riverboat Regulation	3,034,862	3,078,100	2,893,414	-184,686	2,893,414	0
<b>Total Racing Commission</b>	<b>\$ 5,672,476</b>	<b>\$ 5,589,540</b>	<b>\$ 5,254,168</b>	<b>\$ -335,372</b>	<b>\$ 5,254,168</b>	<b>\$ 0</b>
<b>Total Inspections &amp; Appeals, Dept. of</b>	<b>\$ 14,080,730</b>	<b>\$ 15,584,302</b>	<b>\$ 14,712,268</b>	<b>\$ -872,034</b>	<b>\$ 14,712,268</b>	<b>\$ 0</b>
<b><u>Management, Dept. of</u></b>						
<b>Management, Dept. of</b>						
Department Operations	\$ 2,730,360	\$ 1,993,328	\$ 2,163,998	\$ 170,670	\$ 2,163,998	\$ 0
Grants Enterprise Management	0	170,670	0	-170,670	0	0
<b>Total Management, Dept. of</b>	<b>\$ 2,730,360</b>	<b>\$ 2,163,998</b>	<b>\$ 2,163,998</b>	<b>\$ 0</b>	<b>\$ 2,163,998</b>	<b>\$ 0</b>

## Administration and Regulation

### General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Rebuild Iowa Office</u></b>						
Rebuild Iowa Office						
Rebuild Iowa Office	\$ 178,449	\$ 623,576	\$ 0	\$ -623,576	\$ 0	\$ 0
<b>Total Rebuild Iowa Office</b>	<b>\$ 178,449</b>	<b>\$ 623,576</b>	<b>\$ 0</b>	<b>\$ -623,576</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Revenue, Dept. of</u></b>						
Revenue, Dept. of						
Revenue, Department of	\$ 22,729,219	\$ 18,625,258	\$ 17,507,743	\$ -1,117,515	\$ 17,507,743	\$ 0
Revenue Examiners	0	316,719	297,716	-19,003	297,716	0
State Debt Coordinator	300,000	0	0	0	0	0
<b>Total Revenue, Dept. of</b>	<b>\$ 23,029,219</b>	<b>\$ 18,941,977</b>	<b>\$ 17,805,459</b>	<b>\$ -1,136,518</b>	<b>\$ 17,805,459</b>	<b>\$ 0</b>
<b><u>Secretary of State</u></b>						
Secretary of State						
Secretary of State - Operations	\$ 2,895,585	\$ 2,895,585	\$ 2,895,585	\$ 0	\$ 2,895,585	\$ 0
Redistricting	0	0	75,000	75,000	75,000	0
<b>Total Secretary of State</b>	<b>\$ 2,895,585</b>	<b>\$ 2,895,585</b>	<b>\$ 2,970,585</b>	<b>\$ 75,000</b>	<b>\$ 2,970,585</b>	<b>\$ 0</b>
<b><u>Treasurer of State</u></b>						
Treasurer of State						
Treasurer - General Office	\$ 854,289	\$ 854,289	\$ 854,289	\$ 0	\$ 854,289	\$ 0
<b>Total Treasurer of State</b>	<b>\$ 854,289</b>	<b>\$ 854,289</b>	<b>\$ 854,289</b>	<b>\$ 0</b>	<b>\$ 854,289</b>	<b>\$ 0</b>
<b>Total Administration and Regulation</b>	<b>\$ 61,479,242</b>	<b>\$ 59,331,284</b>	<b>\$ 80,903,347</b>	<b>\$ 21,572,063</b>	<b>\$ 80,903,347</b>	<b>\$ 0</b>



## Agriculture and Natural Resources General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Agriculture and Land Stewardship</u></b>						
<b>Agriculture and Land Stewardship</b>						
Administrative Division	\$ 16,872,308	\$ 16,872,308	\$ 16,872,308	\$ 0	\$ 16,872,308	\$ 0
Avian Influenza	-18,077	0	0	0	0	0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 16,854,231</b>	<b>\$ 16,872,308</b>	<b>\$ 16,872,308</b>	<b>\$ 0</b>	<b>\$ 16,872,308</b>	<b>\$ 0</b>
<b><u>Natural Resources, Dept. of</u></b>						
<b>Natural Resources</b>						
Natural Resources Operations	\$ 15,968,410	\$ 13,448,604	\$ 12,641,688	\$ -806,916	\$ 12,641,688	\$ 0
Redemption Center	-8,843	0	0	0	0	0
<b>Total Natural Resources, Dept. of</b>	<b>\$ 15,959,567</b>	<b>\$ 13,448,604</b>	<b>\$ 12,641,688</b>	<b>\$ -806,916</b>	<b>\$ 12,641,688</b>	<b>\$ 0</b>
<b><u>Regents, Board of</u></b>						
<b>Regents, Board of</b>						
ISU - Veterinary Diagnostic Laboratory	\$ 3,444,294	\$ 3,444,294	\$ 3,237,636	\$ -206,658	\$ 3,237,636	\$ 0
<b>Total Regents, Board of</b>	<b>\$ 3,444,294</b>	<b>\$ 3,444,294</b>	<b>\$ 3,237,636</b>	<b>\$ -206,658</b>	<b>\$ 3,237,636</b>	<b>\$ 0</b>
<b>Total Agriculture and Natural Resources</b>	<b>\$ 36,258,092</b>	<b>\$ 33,765,206</b>	<b>\$ 32,751,632</b>	<b>\$ -1,013,574</b>	<b>\$ 32,751,632</b>	<b>\$ 0</b>

## Economic Development General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Cultural Affairs, Dept. of</u></b>						
<b>Cultural Affairs, Dept. of</b>						
Administration Division	\$ 212,069	\$ 193,418	\$ 181,813	\$ -11,605	\$ 181,813	\$ 0
Community Cultural Grants	273,500	273,500	257,090	-16,410	257,090	0
Historical Division	3,195,107	2,944,363	2,767,701	-176,662	2,767,701	0
Historic Sites	493,060	453,615	426,398	-27,217	426,398	0
Arts Division	1,023,712	993,366	933,764	-59,602	933,764	0
Great Places	214,869	206,195	193,823	-12,372	193,823	0
Archiving Former Governor's Papers	70,142	70,142	65,933	-4,209	65,933	0
Records Center Rent	199,816	227,243	227,243	0	227,243	0
Battle Flag Stabilization	0	0	60,000	60,000	60,000	0
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 5,682,275</b>	<b>\$ 5,361,842</b>	<b>\$ 5,113,765</b>	<b>\$ -248,077</b>	<b>\$ 5,113,765</b>	<b>\$ 0</b>
<b><u>Economic Development, Dept. of</u></b>						
<b>Economic Development, Dept. of</b>						
Economic Dev. Administration	\$ 1,826,046	\$ 1,669,019	\$ 1,568,878	\$ -100,141	\$ 1,568,878	\$ 0
Business Development	5,346,536	4,779,918	4,493,123	-286,795	4,493,123	0
Community Development Division	5,063,917	4,478,966	4,210,228	-268,738	4,210,228	0
World Food Prize	750,000	650,000	350,000	-300,000	350,000	0
Historic Preservation Challenge Grants	165,775	165,775	155,828	-9,947	155,828	0
Iowa Comm. Volunteer Ser.-Promise	112,500	109,716	103,133	-6,583	103,133	0
TSB Marketing and Compliance	-9,457	0	0	0	0	0
TSB Process Improvement & Admin.	-20,358	0	0	0	0	0
TSB Advocacy Centers	-79,308	0	0	0	0	0
<b>Total Economic Development, Dept. of</b>	<b>\$ 13,155,651</b>	<b>\$ 11,853,394</b>	<b>\$ 10,881,190</b>	<b>\$ -972,204</b>	<b>\$ 10,881,190</b>	<b>\$ 0</b>
<b><u>Regents, Board of</u></b>						
<b>Regents, Board of</b>						
ISU - Economic Development	\$ 2,475,983	\$ 2,575,983	\$ 2,421,424	\$ -154,559	\$ 2,421,424	\$ 0
SUI - Economic Development	222,372	222,372	209,030	-13,342	209,030	0
UNI - Economic Development	485,674	610,674	574,034	-36,640	574,034	0
<b>Total Regents, Board of</b>	<b>\$ 3,184,029</b>	<b>\$ 3,409,029</b>	<b>\$ 3,204,488</b>	<b>\$ -204,541</b>	<b>\$ 3,204,488</b>	<b>\$ 0</b>

## Economic Development General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Iowa Workforce Development</u></b>						
<b>Iowa Workforce Development</b>						
IWD - Labor Services Division	\$ 3,395,440	\$ 3,139,752	\$ 2,951,367	\$ -188,385	\$ 2,951,367	\$ 0
IWD - Workers' Comp Division	2,595,768	2,412,540	2,267,788	-144,752	2,267,788	0
IWD Operations - Field Offices	10,795,474	10,326,640	9,707,042	-619,598	9,707,042	0
Offender Reentry Program	322,261	302,621	284,464	-18,157	284,464	0
Security Employee Training Program	13,033	12,711	11,948	-763	11,948	0
Employee Misclassification	450,000	480,274	451,458	-28,816	451,458	0
Statewide Standard Skills Assessment	-33,699	0	0	0	0	0
<b>Total Iowa Workforce Development</b>	<b>\$ 17,538,277</b>	<b>\$ 16,674,538</b>	<b>\$ 15,674,067</b>	<b>\$ -1,000,471</b>	<b>\$ 15,674,067</b>	<b>\$ 0</b>
<b><u>Public Employment Relations Board</u></b>						
<b>Public Employment Relations</b>						
PER Board - General Office	\$ 1,051,903	\$ 857,827	\$ 1,057,827	\$ 200,000	\$ 1,057,827	\$ 0
<b>Total Public Employment Relations Board</b>	<b>\$ 1,051,903</b>	<b>\$ 857,827</b>	<b>\$ 1,057,827</b>	<b>\$ 200,000</b>	<b>\$ 1,057,827</b>	<b>\$ 0</b>
<b><u>Iowa Finance Authority</u></b>						
<b>Iowa Finance Authority</b>						
Rent Subsidy Program	\$ 0	\$ 0	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
Council on Homelessness	4,500	0	0	0	0	0
<b>Total Iowa Finance Authority</b>	<b>\$ 4,500</b>	<b>\$ 0</b>	<b>\$ 658,000</b>	<b>\$ 658,000</b>	<b>\$ 658,000</b>	<b>\$ 0</b>
<b>Total Economic Development</b>	<b>\$ 40,616,635</b>	<b>\$ 38,156,630</b>	<b>\$ 36,589,337</b>	<b>\$ -1,567,293</b>	<b>\$ 36,589,337</b>	<b>\$ 0</b>

## Education General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Blind, Dept. of the</u></b>						
Blind, Dept. for the						
Department for the Blind	\$ 2,032,265	\$ 1,814,950	\$ 1,706,053	\$ -108,897	\$ 1,706,053	\$ 0
<b>Total Blind, Dept. of the</b>	<b>\$ 2,032,265</b>	<b>\$ 1,814,950</b>	<b>\$ 1,706,053</b>	<b>\$ -108,897</b>	<b>\$ 1,706,053</b>	<b>\$ 0</b>
<b><u>College Aid Commission</u></b>						
<b>College Student Aid Comm.</b>						
College Aid Commission	\$ 314,443	\$ 249,897	\$ 234,903	\$ -14,994	\$ 234,903	\$ 0
Iowa Grants	981,743	848,761	848,761	0	848,761	0
DSM University - Osteopathic Loans	91,668	79,251	79,251	0	79,251	0
DSM University - Physician Recruit.	281,539	270,448	270,448	0	270,448	0
National Guard Benefits Program	3,075,783	3,186,233	3,186,233	0	3,186,233	0
Teacher Shortage Forgivable Loan	394,454	421,016	421,016	0	421,016	0
All Iowa Opportunity Foster Care Grant Program	618,759	594,383	594,383	0	594,383	0
All Iowa Opportunity Scholarships	2,252,283	2,403,949	2,403,949	0	2,403,949	0
Nurse & Nurse Educator Loan Program	81,264	86,736	86,736	0	86,736	0
Barber & Cosmetology Tuition Grant Program	45,834	39,626	39,626	0	39,626	0
Tuition Grant Program - Standing	42,491,762	44,013,448	44,013,448	0	44,013,448	0
Tuition Grant - For-Profit	4,489,705	4,650,487	4,650,487	0	4,650,487	0
Vocational Technical Tuition Grant	2,261,662	2,413,959	2,413,959	0	2,413,959	0
<b>Total College Aid Commission</b>	<b>\$ 57,380,899</b>	<b>\$ 59,258,194</b>	<b>\$ 59,243,200</b>	<b>\$ -14,994</b>	<b>\$ 59,243,200</b>	<b>\$ 0</b>

## Education General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b>Education, Dept. of</b>						
<b>Education, Dept. of</b>						
Administration	\$ 7,266,578	\$ 6,403,236	\$ 6,019,042	\$ -384,194	\$ 6,019,042	\$ 0
Vocational Education Administration	524,479	449,276	422,319	-26,957	422,319	0
Vocational Education Secondary	2,427,229	2,590,675	2,435,234	-155,441	2,435,234	0
Food Service	2,039,462	2,121,058	1,993,795	-127,263	1,993,795	0
State Library	1,573,650	1,297,658	1,219,799	-77,859	1,219,799	0
State Library - Enrich Iowa	1,796,081	1,796,081	1,688,316	-107,765	1,688,316	0
State Library - Library Service Areas	1,405,989	1,078,622	1,013,905	-64,717	1,013,905	0
Empowerment Board - School Ready	6,729,907	5,729,907	5,386,113	-343,794	5,386,113	0
Family Support and Parent Education	13,693,096	13,153,653	12,364,434	-789,219	12,364,434	0
Empowerment Preschool Tuition Assistance	8,772,150	7,583,912	3,128,877	-4,455,035	3,128,877	0
Empowerment - Early Care, Health, Ed	-54,595	0	0	0	0	0
Special Ed. Services Birth to 3	1,398,874	1,721,400	1,618,116	-103,284	1,618,116	0
Statewide Voluntary Preschool	11,538,863	12,228,867	0	-12,228,867	0	0
Nonpublic Textbook Services	625,634	600,987	600,987	0	600,987	0
Administrator Mentoring	203,160	195,157	183,448	-11,709	183,448	0
Model Core Curriculum	1,979,540	1,901,556	0	-1,901,556	0	0
Student Achievement/Teacher Quality	7,614,750	6,817,433	6,408,387	-409,046	6,408,387	0
Jobs For America's Grads	540,000	0	540,000	540,000	540,000	0
Educational Expenses for American Indians	90,000	0	0	0	0	0
K-12 Management Information System	230,000	0	0	0	0	0
Senior Year Plus	-10	0	0	0	0	0
Comm College - Northeast Iowa (I)	0	7,589,572	0	-7,589,572	0	0
Comm College - North Iowa Area (II)	0	8,121,839	0	-8,121,839	0	0
Comm College - Iowa Lakes (III)	0	7,478,622	0	-7,478,622	0	0
Comm College - Northwest (IV)	0	3,672,598	0	-3,672,598	0	0
Comm College - Iowa Central (V)	0	8,391,198	0	-8,391,198	0	0
Comm College - Iowa Valley (VI)	0	7,152,344	0	-7,152,344	0	0
Comm College - Hawkeye (VII)	0	10,650,184	0	-10,650,184	0	0
Comm College - Eastern Iowa (IX)	0	13,247,344	0	-13,247,344	0	0
Comm College - Kirkwood (X)	0	23,304,445	0	-23,304,445	0	0
Comm College - Des Moines Area (XI)	0	23,465,054	0	-23,465,054	0	0
Comm College - Western Iowa Tech (XII)	0	8,697,470	0	-8,697,470	0	0
Comm College - Iowa Western (XIII)	0	8,938,972	0	-8,938,972	0	0
Comm College - Southwestern (XIV)	0	3,728,128	0	-3,728,128	0	0
Comm College - Indian Hills (XV)	0	11,686,592	0	-11,686,592	0	0
Comm College - Southeastern (XVI)	0	6,701,549	0	-6,701,549	0	0
Community Colleges General Aid	148,754,232	0	144,412,677	144,412,677	144,412,677	0
Community College Salaries - Past Years	825,012	804,597	0	-804,597	0	0
Comm College Interpreters for Deaf	180,000	0	0	0	0	0
Preschool Program	0	0	43,600,000	43,600,000	43,600,000	0
<b>Total Education, Dept. of</b>	<b>\$ 220,154,081</b>	<b>\$ 219,299,986</b>	<b>\$ 233,035,449</b>	<b>\$ 13,735,463</b>	<b>\$ 233,035,449</b>	<b>\$ 0</b>
<b>Vocational Rehabilitation</b>						

## Education General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
Vocational Rehabilitation	\$ 4,639,957	\$ 4,763,168	\$ 4,477,378	\$ -285,790	\$ 4,477,378	\$ 0
Independent Living	45,967	41,976	39,457	-2,519	39,457	0
Farmers with Disabilities	97,200	0	0	0	0	0
Entrepreneurs with Disabilities Program	162,531	156,128	146,760	-9,368	146,760	0
Independent Living Center Grant	45,000	43,227	40,633	-2,594	40,633	0
<b>Total Vocational Rehabilitation</b>	<b>\$ 4,990,655</b>	<b>\$ 5,004,499</b>	<b>\$ 4,704,228</b>	<b>\$ -300,271</b>	<b>\$ 4,704,228</b>	<b>\$ 0</b>
<b>Iowa Public Television</b>						
Iowa Public Television	\$ 8,074,514	\$ 7,138,316	\$ 6,710,017	\$ -428,299	\$ 6,710,017	\$ 0
Regional Telecom. Councils	1,108,864	1,065,180	1,001,269	-63,911	1,001,269	0
<b>Total Iowa Public Television</b>	<b>\$ 9,183,378</b>	<b>\$ 8,203,496</b>	<b>\$ 7,711,286</b>	<b>\$ -492,210</b>	<b>\$ 7,711,286</b>	<b>\$ 0</b>
<b>Total Education, Dept. of</b>	<b>\$ 234,328,114</b>	<b>\$ 232,507,981</b>	<b>\$ 245,450,963</b>	<b>\$ 12,942,982</b>	<b>\$ 245,450,963</b>	<b>\$ 0</b>

## Education General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b>Regents, Board of</b>						
<b>Regents, Board of</b>						
Regent Board Office	\$ 1,105,123	\$ 1,105,123	\$ 1,038,816	\$ -66,307	\$ 1,038,816	\$ 0
GRA - SW Iowa Regents Resource Ctr	90,766	90,766	85,320	-5,446	85,320	0
GRA - Tri State Graduate Center	69,110	69,110	64,963	-4,147	64,963	0
GRA - Quad Cities Graduate Center	134,665	134,665	126,585	-8,080	126,585	0
IPR - Iowa Public Radio	406,318	406,318	381,939	-24,379	381,939	0
University of Iowa - General	226,306,403	217,638,034	204,579,752	-13,058,282	204,579,752	0
SUI - Oakdale Campus	2,268,925	2,268,925	2,132,789	-136,136	2,132,789	0
SUI - Hygienic Laboratory	3,669,943	3,669,943	3,449,746	-220,197	3,449,746	0
SUI - Family Practice Program	1,855,628	1,855,628	1,744,290	-111,338	1,744,290	0
SUI - Specialized Children Health Services	684,297	684,297	643,239	-41,058	643,239	0
SUI - Iowa Cancer Registry	154,666	154,666	145,386	-9,280	145,386	0
SUI - Substance Abuse Consortium	57,621	57,621	54,164	-3,457	54,164	0
SUI - Biocatalysis	750,990	750,990	705,931	-45,059	705,931	0
SUI - Primary Health Care	673,375	673,375	632,972	-40,403	632,972	0
SUI - Iowa Birth Defects Registry	39,730	39,730	37,346	-2,384	37,346	0
SUI - Iowa Nonprofit Resource Center	168,662	168,662	158,542	-10,120	158,542	0
Iowa State University - General	177,328,346	170,536,017	160,303,856	-10,232,161	160,303,856	0
ISU - Agricultural Experiment Station	29,170,840	29,170,840	27,420,590	-1,750,250	27,420,590	0
ISU - Cooperative Extension	18,612,391	18,612,391	17,495,648	-1,116,743	17,495,648	0
ISU - Leopold Center	412,388	412,388	387,645	-24,743	387,645	0
ISU - Livestock Disease Research	179,356	179,356	168,595	-10,761	168,595	0
University of Northern Iowa - General	80,638,563	77,549,809	72,896,820	-4,652,989	72,896,820	0
UNI - Recycling and Reuse Center	181,858	181,858	170,947	-10,911	170,947	0
UNI - Math and Science Collaborative	3,250,549	1,800,000	1,692,000	-108,000	1,692,000	0
UNI - Real Estate Education Program	130,022	130,022	122,221	-7,801	122,221	0
UNI - Research Dev. School Infra. Study	31,500	0	0	0	0	0
Iowa School for the Deaf	9,263,866	8,679,964	8,159,166	-520,798	8,159,166	0
Iowa Braille and Sight Saving School	5,255,153	4,917,362	4,622,320	-295,042	4,622,320	0
ISD/IBS - Tuition and Transportation	12,206	12,206	11,474	-732	11,474	0
ISD/IBS - Licensed Classroom Teachers	85,140	85,140	80,032	-5,108	80,032	0
<b>Total Regents, Board of</b>	<b>\$ 562,988,400</b>	<b>\$ 542,035,206</b>	<b>\$ 509,513,094</b>	<b>\$ -32,522,112</b>	<b>\$ 509,513,094</b>	<b>\$ 0</b>
<b>Total Education</b>	<b>\$ 856,729,678</b>	<b>\$ 835,616,331</b>	<b>\$ 815,913,310</b>	<b>\$ -19,703,021</b>	<b>\$ 815,913,310</b>	<b>\$ 0</b>

## Health and Human Services General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Aging, Dept. on</u></b>						
Aging, Dept. on						
Aging Programs	\$ 4,462,407	\$ 4,395,314	\$ 12,109,091	\$ 7,713,777	\$ 12,109,091	\$ 0
<b>Total Aging, Dept. on</b>	<b>\$ 4,462,407</b>	<b>\$ 4,395,314</b>	<b>\$ 12,109,091</b>	<b>\$ 7,713,777</b>	<b>\$ 12,109,091</b>	<b>\$ 0</b>
<b><u>Public Health, Dept. of</u></b>						
Public Health, Dept. of						
Addictive Disorders	\$ 28,414,782	\$ 26,715,157	\$ 26,217,590	\$ -497,567	\$ 26,217,590	\$ 0
Healthy Children and Families	2,353,517	2,540,218	2,451,905	-88,313	2,451,905	0
Chronic Conditions	2,802,255	3,324,548	3,139,175	-185,373	3,139,175	0
Community Capacity	3,728,162	5,045,832	5,097,708	51,876	5,097,708	0
Healthy Aging	8,345,779	7,400,906	7,336,142	-64,764	7,336,142	0
Environmental Hazards	965,950	834,466	813,777	-20,689	813,777	0
Infectious Diseases	1,605,967	1,380,064	1,345,847	-34,217	1,345,847	0
Public Protection	3,236,235	3,145,247	2,956,532	-188,715	2,956,532	0
Resource Management	956,265	871,866	819,554	-52,312	819,554	0
<b>Total Public Health, Dept. of</b>	<b>\$ 52,408,912</b>	<b>\$ 51,258,304</b>	<b>\$ 50,178,230</b>	<b>\$ -1,080,074</b>	<b>\$ 50,178,230</b>	<b>\$ 0</b>
<b><u>Human Services, Dept. of</u></b>						
General Administration						
General Administration	\$ 13,727,271	\$ 14,646,745	\$ 14,646,745	\$ 0	\$ 14,646,745	\$ 0
Field Operations						
Field Operations	\$ 57,410,144	\$ 46,304,525	\$ 52,939,921	\$ 6,635,396	\$ 52,939,921	\$ 0
Child Support Recoveries	12,078,414	10,899,564	12,811,565	1,912,001	12,811,565	0
<b>Total Field Operations</b>	<b>\$ 69,488,558</b>	<b>\$ 57,204,089</b>	<b>\$ 65,751,486</b>	<b>\$ 8,547,397</b>	<b>\$ 65,751,486</b>	<b>\$ 0</b>
Toledo Juvenile Home						
Toledo Juvenile Home	\$ 6,079,283	\$ 7,041,917	\$ 7,977,599	\$ 935,682	\$ 7,977,599	\$ 0
Licensed Classroom Teachers	103,950	91,150	91,150	0	91,150	0
<b>Total Toledo Juvenile Home</b>	<b>\$ 6,183,233</b>	<b>\$ 7,133,067</b>	<b>\$ 8,068,749</b>	<b>\$ 935,682</b>	<b>\$ 8,068,749</b>	<b>\$ 0</b>
Eldora Training School						
Eldora Training School	\$ 9,646,008	\$ 9,915,196	\$ 10,315,196	\$ 400,000	\$ 10,315,196	\$ 0
Cherokee CCUSO						
Civil Commitment Unit for Sexual Offenders	\$ 6,174,184	\$ 6,425,131	\$ 7,225,131	\$ 800,000	\$ 7,225,131	\$ 0



## Health and Human Services General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b>Cherokee</b>						
Cherokee MHI	\$ 4,892,468	\$ 2,802,494	\$ 5,321,979	\$ 2,519,485	\$ 5,321,979	\$ 0
<b>Clarinda</b>						
Clarinda MHI	\$ 5,604,601	\$ 5,393,175	\$ 6,239,698	\$ 846,523	\$ 6,239,698	\$ 0
<b>Independence</b>						
Independence MHI	\$ 8,553,210	\$ 7,196,279	\$ 9,843,497	\$ 2,647,218	\$ 9,843,497	\$ 0
<b>Mt Pleasant</b>						
Mt Pleasant MHI	\$ 1,614,663	\$ 647,029	\$ 697,029	\$ 50,000	\$ 697,029	\$ 0
<b>Glenwood</b>						
Glenwood Resource Center	\$ 15,808,438	\$ 13,747,086	\$ 18,557,993	\$ 4,810,907	\$ 18,557,993	\$ 0
<b>Woodward</b>						
Woodward Resource Center	\$ 9,786,280	\$ 8,538,466	\$ 12,905,384	\$ 4,366,918	\$ 12,905,384	\$ 0
<b>Assistance</b>						
Family Investment Program/JOBS	\$ 31,133,430	\$ 31,046,534	\$ 51,421,027	\$ 20,374,493	\$ 54,466,729	\$ 3,045,702
State Supplementary Assistance	16,457,833	18,259,235	16,850,747	-1,408,488	18,259,235	1,408,488
Medical Assistance	590,459,096	393,683,227	921,302,419	527,619,192	1,001,190,811	79,888,392
State Children's Health Insurance	13,166,847	23,637,040	25,394,269	1,757,229	34,169,694	8,775,425
Health Insurance Premium Payment	457,210	349,011	0	-349,011	0	0
Medical Contracts	12,286,353	8,961,805	10,773,844	1,812,039	11,051,981	278,137
MH/DD Growth Factor	48,697,893	48,697,893	48,697,893	0	48,697,893	0
MH/DD Community Services	14,211,100	14,211,100	14,211,100	0	14,211,100	0
Family Support Subsidy	1,522,998	1,167,998	1,167,998	0	1,167,998	0
Connors Training	33,622	33,622	33,622	0	33,622	0
Volunteers	84,660	84,660	84,660	0	84,660	0
Medical Assistance, Hawk-i, Hawk-i Expansion	10,049,532	10,049,532	10,049,532	0	10,049,532	0
Family Planning	-45,654	0	0	0	0	0
Pregnancy Counseling	71,688	0	0	0	0	0
Child Care Assistance	32,547,464	31,637,662	59,125,551	27,487,889	63,895,164	4,769,613
MI/MR/DD State Cases	10,108,581	11,295,207	12,169,482	874,275	12,169,482	0
State Mental Health Systems	0	0	275,189	275,189	275,189	0
Adoption Subsidy	31,395,307	31,856,896	36,697,591	4,840,695	37,168,999	471,408
Child and Family Services	84,032,306	77,865,550	82,219,974	4,354,424	82,219,974	0
<b>Total Assistance</b>	<b>\$ 896,670,266</b>	<b>\$ 702,836,972</b>	<b>\$ 1,290,474,898</b>	<b>\$ 587,637,926</b>	<b>\$ 1,389,112,063</b>	<b>\$ 98,637,165</b>
<b>Total Human Services, Dept. of</b>	<b>\$ 1,048,149,180</b>	<b>\$ 836,485,729</b>	<b>\$ 1,450,047,785</b>	<b>\$ 613,562,056</b>	<b>\$ 1,548,684,950</b>	<b>\$ 98,637,165</b>

## Health and Human Services General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Veterans Affairs, Dept. of</u></b>						
Veterans Affairs, Department of						
General Administration	\$ 960,453	\$ 929,608	\$ 873,832	\$ -55,776	\$ 873,832	\$ 0
War Orphans Educational Assistance	12,731	12,416	12,416	0	12,416	0
Injured Veterans Grant Program	-128,145	0	0	0	0	0
Veterans County Grants	990,000	900,000	990,000	90,000	990,000	0
<b>Total Veterans Affairs, Department of</b>	<b>\$ 1,835,039</b>	<b>\$ 1,842,024</b>	<b>\$ 1,876,248</b>	<b>\$ 34,224</b>	<b>\$ 1,876,248</b>	<b>\$ 0</b>
Veterans Affairs, Dept. of						
Iowa Veterans Home	\$ 9,630,846	\$ 8,952,151	\$ 10,208,700	\$ 1,256,549	\$ 11,509,828	\$ 1,301,128
<b>Total Veterans Affairs, Dept. of</b>	<b>\$ 11,465,885</b>	<b>\$ 10,794,175</b>	<b>\$ 12,084,948</b>	<b>\$ 1,290,773</b>	<b>\$ 13,386,076</b>	<b>\$ 1,301,128</b>
<b>Total Health and Human Services</b>	<b>\$ 1,116,486,384</b>	<b>\$ 902,933,522</b>	<b>\$ 1,524,420,054</b>	<b>\$ 621,486,532</b>	<b>\$ 1,624,358,347</b>	<b>\$ 99,938,293</b>

## Justice System General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Justice, Department of</u></b>						
<b>Justice, Dept. of</b>						
General Office A.G.	\$ 7,732,930	\$ 7,792,930	\$ 7,792,930	\$ 0	\$ 7,792,930	\$ 0
Victim Assistance Grants	3,060,000	3,060,000	2,876,400	-183,600	2,876,400	0
Legal Services Poverty Grants	1,759,171	1,930,671	1,814,831	-115,840	1,814,831	0
<b>Total Justice, Dept. of</b>	<b>\$ 12,552,101</b>	<b>\$ 12,783,601</b>	<b>\$ 12,484,161</b>	<b>\$ -299,440</b>	<b>\$ 12,484,161</b>	<b>\$ 0</b>
<b>Consumer Advocate</b>						
Consumer Advocate	\$ 0	\$ 0	\$ 3,136,163	\$ 3,136,163	\$ 3,136,163	\$ 0
<b>Total Justice, Department of</b>	<b>\$ 12,552,101</b>	<b>\$ 12,783,601</b>	<b>\$ 15,620,324</b>	<b>\$ 2,836,723</b>	<b>\$ 15,620,324</b>	<b>\$ 0</b>
<b><u>Civil Rights Commission</u></b>						
<b>Civil Rights Commission</b>						
Civil Rights Commission	\$ 1,379,861	\$ 1,335,282	\$ 1,297,069	\$ -38,213	\$ 1,297,069	\$ 0
<b>Total Civil Rights Commission</b>	<b>\$ 1,379,861</b>	<b>\$ 1,335,282</b>	<b>\$ 1,297,069</b>	<b>\$ -38,213</b>	<b>\$ 1,297,069</b>	<b>\$ 0</b>
<b><u>Corrections, Dept. of</u></b>						
<b>CBC District 1</b>						
CBC District I	\$ 12,028,965	\$ 11,526,745	\$ 12,020,098	\$ 493,353	\$ 12,020,098	\$ 0
<b>CBC District 2</b>						
CBC District II	\$ 10,294,859	\$ 9,976,036	\$ 10,336,948	\$ 360,912	\$ 10,336,948	\$ 0
<b>CBC District 3</b>						
CBC District III	\$ 5,363,652	\$ 5,280,086	\$ 5,599,765	\$ 319,679	\$ 5,599,765	\$ 0
<b>CBC District 4</b>						
CBC District IV	\$ 5,255,617	\$ 5,222,288	\$ 5,391,355	\$ 169,067	\$ 5,391,355	\$ 0
<b>CBC District 5</b>						
CBC District V	\$ 18,140,442	\$ 17,683,492	\$ 18,742,129	\$ 1,058,637	\$ 18,742,129	\$ 0
<b>CBC District 6</b>						
CBC District VI	\$ 12,711,127	\$ 12,249,424	\$ 13,112,563	\$ 863,139	\$ 13,112,563	\$ 0
<b>CBC District 7</b>						
CBC District VII	\$ 6,461,918	\$ 6,227,383	\$ 6,492,814	\$ 265,431	\$ 6,492,814	\$ 0

## Justice System General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b>CBC District 8</b>						
CBC District VIII	\$ 6,792,677	\$ 6,553,064	\$ 6,731,055	\$ 177,991	\$ 6,731,055	\$ 0
<b>Central Office</b>						
Corrections Administration	\$ 4,329,043	\$ 4,126,852	\$ 4,835,542	\$ 708,690	\$ 4,835,542	\$ 0
Iowa Corrections Offender Network	381,928	424,364	424,364	0	424,364	0
County Confinement	775,092	775,092	775,092	0	775,092	0
Federal Prisoners/Contractual	215,470	239,411	239,411	0	239,411	0
Corrections Education	1,363,707	1,558,109	2,308,109	750,000	2,308,109	0
Hepatitis Treatment And Education	167,881	167,881	167,881	0	167,881	0
Mental Health/Substance Abuse	22,319	22,319	22,319	0	22,319	0
<b>Total Central Office</b>	<u>\$ 7,255,440</u>	<u>\$ 7,314,028</u>	<u>\$ 8,772,718</u>	<u>\$ 1,458,690</u>	<u>\$ 8,772,718</u>	<u>\$ 0</u>
<b>Fort Madison</b>						
Ft. Madison Institution	\$ 37,767,271	\$ 36,533,518	\$ 41,031,283	\$ 4,497,765	\$ 41,031,283	\$ 0
<b>Anamosa</b>						
Anamosa Institution	\$ 28,815,684	\$ 28,270,794	\$ 31,985,974	\$ 3,715,180	\$ 31,985,974	\$ 0
<b>Oakdale</b>						
Oakdale Institution	\$ 55,432,247	\$ 52,614,899	\$ 55,600,610	\$ 2,985,711	\$ 55,600,610	\$ 0
<b>Newton</b>						
Newton Institution	\$ 25,756,235	\$ 24,599,293	\$ 25,958,757	\$ 1,359,464	\$ 25,958,757	\$ 0
<b>Mt Pleasant</b>						
Mt. Pleasant Inst.	\$ 24,910,544	\$ 24,191,645	\$ 25,917,815	\$ 1,726,170	\$ 25,917,815	\$ 0
<b>Rockwell City</b>						
Rockwell City Institution	\$ 8,561,800	\$ 8,666,658	\$ 9,316,466	\$ 649,808	\$ 9,316,466	\$ 0
<b>Clarinda</b>						
Clarinda Institution	\$ 21,530,698	\$ 21,835,677	\$ 24,639,518	\$ 2,803,841	\$ 24,639,518	\$ 0
<b>Mitchellville</b>						
Mitchellville Institution	\$ 14,422,531	\$ 14,779,174	\$ 15,615,374	\$ 836,200	\$ 15,615,374	\$ 0
<b>Fort Dodge</b>						
Ft. Dodge Institution	\$ 27,199,132	\$ 27,148,125	\$ 29,062,235	\$ 1,914,110	\$ 29,062,235	\$ 0
<b>Total Corrections, Dept. of</b>	<u>\$ 328,700,839</u>	<u>\$ 320,672,329</u>	<u>\$ 346,327,477</u>	<u>\$ 25,655,148</u>	<u>\$ 346,327,477</u>	<u>\$ 0</u>

## Justice System General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Inspections &amp; Appeals, Dept. of</u></b>						
<b>Public Defender</b>						
Indigent Defense Appropriation	\$ 32,508,247	\$ 15,680,929	\$ 31,680,929	\$ 16,000,000	\$ 31,680,929	\$ 0
Public Defender	19,568,864	21,531,682	24,083,182	2,551,500	24,083,182	0
<b>Total Inspections &amp; Appeals, Dept. of</b>	<b>\$ 52,077,111</b>	<b>\$ 37,212,611</b>	<b>\$ 55,764,111</b>	<b>\$ 18,551,500</b>	<b>\$ 55,764,111</b>	<b>\$ 0</b>
<b><u>Judicial Branch</u></b>						
<b>Judicial Branch</b>						
Judicial Branch	\$ 148,811,822	\$ 148,811,822	\$ 157,700,609	\$ 8,888,787	\$ 157,700,609	\$ 0
Jury & Witness (GF) to Revolving Fund (0043)	0	1,500,000	3,700,000	2,200,000	3,700,000	0
<b>Total Judicial Branch</b>	<b>\$ 148,811,822</b>	<b>\$ 150,311,822</b>	<b>\$ 161,400,609</b>	<b>\$ 11,088,787</b>	<b>\$ 161,400,609</b>	<b>\$ 0</b>
<b><u>Law Enforcement Academy</u></b>						
<b>Law Enforcement Academy</b>						
Law Enforcement Academy	\$ 1,049,430	\$ 849,147	\$ 868,698	\$ 19,551	\$ 868,698	\$ 0
<b>Total Law Enforcement Academy</b>	<b>\$ 1,049,430</b>	<b>\$ 849,147</b>	<b>\$ 868,698</b>	<b>\$ 19,551</b>	<b>\$ 868,698</b>	<b>\$ 0</b>
<b><u>Parole, Board of</u></b>						
<b>Parole Board</b>						
Parole Board	\$ 1,045,259	\$ 969,043	\$ 1,053,835	\$ 84,792	\$ 1,053,835	\$ 0
<b>Total Parole, Board of</b>	<b>\$ 1,045,259</b>	<b>\$ 969,043</b>	<b>\$ 1,053,835</b>	<b>\$ 84,792</b>	<b>\$ 1,053,835</b>	<b>\$ 0</b>
<b><u>Public Defense, Dept. of</u></b>						
<b>Public Defense, Dept. of</b>						
Public Defense, Department of	\$ 6,150,483	\$ 5,879,832	\$ 5,527,042	\$ -352,790	\$ 5,527,042	\$ 0
<b>Emergency Management Division</b>						
Homeland Security & Emer. Mgmt.	\$ 1,895,921	\$ 1,954,125	\$ 1,836,877	\$ -117,248	\$ 1,836,877	\$ 0
<b>Total Public Defense, Dept. of</b>	<b>\$ 8,046,404</b>	<b>\$ 7,833,957</b>	<b>\$ 7,363,919</b>	<b>\$ -470,038</b>	<b>\$ 7,363,919</b>	<b>\$ 0</b>

## Justice System General Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Gov Rec FY 2012 <u>(3)</u>	Gov Rec FY12 vs FY 2011 <u>(4)</u>	Gov Rec FY 2013 <u>(5)</u>	Gov Rec FY13 vs Gov Rec FY12 <u>(6)</u>
<b><u>Public Safety, Department of</u></b>						
<b>Public Safety, Dept. of</b>						
DPS-POR Unfunded Liabilities Until 85 Percent	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000,000	\$ 5,000,000
POR Permissive Service Credit	0	135,000	0	-135,000	0	0
Public Safety - Department Wide Duties	1,419,288	0	0	0	0	0
Public Safety Administration	3,952,071	3,732,075	4,007,075	275,000	4,007,075	0
Public Safety DCI	19,012,743	12,208,931	12,533,931	325,000	12,533,931	0
DCI - Crime Lab Equipment/Training	302,345	302,345	302,345	0	302,345	0
Public Safety Undercover Funds	109,042	109,042	109,042	0	109,042	0
Narcotics Enforcement	5,747,647	6,204,884	6,429,884	225,000	6,429,884	0
DPS Fire Marshal	3,590,003	4,168,707	4,298,707	130,000	4,298,707	0
Iowa State Patrol	45,061,285	46,505,764	51,903,233	5,397,469	51,903,233	0
DPS/SPOC Sick Leave Payout	279,517	279,517	279,517	0	279,517	0
Fire Fighter Training	612,255	612,255	575,520	-36,735	575,520	0
<b>Total Public Safety, Department of</b>	<b>\$ 80,086,196</b>	<b>\$ 74,258,520</b>	<b>\$ 80,439,254</b>	<b>\$ 6,180,734</b>	<b>\$ 85,439,254</b>	<b>\$ 5,000,000</b>
<b>Total Justice System</b>	<b>\$ 633,749,023</b>	<b>\$ 606,226,312</b>	<b>\$ 670,135,296</b>	<b>\$ 63,908,984</b>	<b>\$ 675,135,296</b>	<b>\$ 5,000,000</b>

## Transportation, Infrastructure, and Capitals General Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Gov Rec FY 2012 <u>(3)</u>	Gov Rec FY12 vs FY 2011 <u>(4)</u>	Gov Rec FY 2013 <u>(5)</u>	Gov Rec FY13 vs Gov Rec FY12 <u>(6)</u>
<u>Transportation, Dept. of</u>						
Transportation, Dept. of						
Commercial Service Airports	\$ 1,350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Transportation, Dept. of</b>	<b>\$ 1,350,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Transportation, Infrastructure, and Capitals</b>	<b>\$ 1,350,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

## Unassigned Standings

### General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Administrative Services, Dept. of</u></b>						
<b>Administrative Services</b>						
Volunteer EMS Provider Death Benefit	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>State Accounting Trust Accounts</b>						
Federal Cash Management - Standing	\$ 15,725	\$ 356,587	\$ 356,587	\$ 0	\$ 356,587	\$ 0
Unemployment Compensation - Standing	1,886,595	440,371	440,371	0	440,371	0
Municipal Fire & Police Retirement	2,253,158	1,500,000	750,000	-750,000	0	-750,000
<b>Total State Accounting Trust Accounts</b>	<b>\$ 4,155,479</b>	<b>\$ 2,296,958</b>	<b>\$ 1,546,958</b>	<b>\$ -750,000</b>	<b>\$ 796,958</b>	<b>\$ -750,000</b>
<b>Total Administrative Services, Dept. of</b>	<b>\$ 4,255,479</b>	<b>\$ 2,296,958</b>	<b>\$ 1,546,958</b>	<b>\$ -750,000</b>	<b>\$ 796,958</b>	<b>\$ -750,000</b>
<b><u>Corrections, Dept. of</u></b>						
<b>Central Office</b>						
State Cases Court Costs	\$ 0	\$ 59,733	\$ 59,733	\$ 0	\$ 59,733	\$ 0
<b>Total Corrections, Dept. of</b>	<b>\$ 0</b>	<b>\$ 59,733</b>	<b>\$ 59,733</b>	<b>\$ 0</b>	<b>\$ 59,733</b>	<b>\$ 0</b>
<b><u>Cultural Affairs, Dept. of</u></b>						
<b>Cultural Affairs, Dept. of</b>						
County Endowment Funding - DCA Grants	\$ 443,300	\$ 443,300	\$ 416,702	\$ -26,598	\$ 416,702	\$ 0
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 443,300</b>	<b>\$ 443,300</b>	<b>\$ 416,702</b>	<b>\$ -26,598</b>	<b>\$ 416,702</b>	<b>\$ 0</b>
<b><u>Economic Development, Dept. of</u></b>						
<b>Economic Development, Dept. of</b>						
Tourism marketing - Adjusted Gross Receipts	\$ 862,028	\$ 862,028	\$ 810,306	\$ -51,722	\$ 810,306	\$ 0
<b>Total Economic Development, Dept. of</b>	<b>\$ 862,028</b>	<b>\$ 862,028</b>	<b>\$ 810,306</b>	<b>\$ -51,722</b>	<b>\$ 810,306</b>	<b>\$ 0</b>
<b><u>Education, Dept. of</u></b>						
<b>Education, Dept. of</b>						
Child Development	\$ 11,493,891	\$ 11,493,891	\$ 6,204,258	\$ -5,289,633	\$ 6,204,258	\$ 0
State Foundation School Aid	2,143,149,162	2,446,109,988	2,572,419,948	126,309,960	2,580,719,948	8,300,000
Transportation Of Nonpublic Pu	7,060,931	7,060,931	7,060,931	0	7,060,931	0
<b>Total Education, Dept. of</b>	<b>\$ 2,161,703,984</b>	<b>\$ 2,464,664,810</b>	<b>\$ 2,585,685,137</b>	<b>\$ 121,020,327</b>	<b>\$ 2,593,985,137</b>	<b>\$ 8,300,000</b>
<b><u>Energy Independence</u></b>						
<b>Office of Energy Independence</b>						
Iowa Power Fund	\$ 21,600,000	\$ 19,583,025	\$ 0	\$ -19,583,025	\$ 0	\$ 0
<b>Total Energy Independence</b>	<b>\$ 21,600,000</b>	<b>\$ 19,583,025</b>	<b>\$ 0</b>	<b>\$ -19,583,025</b>	<b>\$ 0</b>	<b>\$ 0</b>



## Unassigned Standings

### General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Executive Council</u></b>						
<b>Executive Council</b>						
Court Costs	\$ 82,212	\$ 59,772	\$ 59,772	\$ 0	\$ 59,772	\$ 0
Public Improvements	35,756	39,848	39,848	0	39,848	0
Performance Of Duty	-182,771	1,800,000	38,712,105	36,912,105	39,128,857	416,752
Drainage Assessment	65,867	20,227	20,227	0	20,227	0
<b>Total Executive Council</b>	<b>\$ 1,064</b>	<b>\$ 1,919,847</b>	<b>\$ 38,831,952</b>	<b>\$ 36,912,105</b>	<b>\$ 39,248,704</b>	<b>\$ 416,752</b>
<b><u>Legislative Branch</u></b>						
<b>Legislative Branch</b>						
Legislative Branch	\$ 31,508,677	\$ 30,080,037	\$ 35,750,000	\$ 5,669,963	\$ 35,750,000	\$ 0
<b>Total Legislative Branch</b>	<b>\$ 31,508,677</b>	<b>\$ 30,080,037</b>	<b>\$ 35,750,000</b>	<b>\$ 5,669,963</b>	<b>\$ 35,750,000</b>	<b>\$ 0</b>
<b><u>Governor</u></b>						
<b>Governor's Office</b>						
Interstate Extradition	\$ 0	\$ 3,032	\$ 3,032	\$ 0	\$ 3,032	\$ 0
<b>Total Governor</b>	<b>\$ 0</b>	<b>\$ 3,032</b>	<b>\$ 3,032</b>	<b>\$ 0</b>	<b>\$ 3,032</b>	<b>\$ 0</b>
<b><u>Public Health, Dept. of</u></b>						
<b>Public Health, Dept. of</b>						
Iowa Registry for Congenital & Inherited Disorders	\$ 182,044	\$ 182,044	\$ 171,121	\$ -10,923	\$ 171,121	\$ 0
<b>Total Public Health, Dept. of</b>	<b>\$ 182,044</b>	<b>\$ 182,044</b>	<b>\$ 171,121</b>	<b>\$ -10,923</b>	<b>\$ 171,121</b>	<b>\$ 0</b>
<b><u>Human Services, Dept. of</u></b>						
<b>General Administration</b>						
Commission of Inquiry	\$ 1,394	\$ 1,394	\$ 1,394	\$ 0	\$ 1,394	\$ 0
Non Resident Transfers	67	67	67	0	67	0
Non Resident Commitment Mental Illness	142,802	142,802	142,802	0	142,802	0
<b>Total General Administration</b>	<b>\$ 144,263</b>	<b>\$ 144,263</b>	<b>\$ 144,263</b>	<b>\$ 0</b>	<b>\$ 144,263</b>	<b>\$ 0</b>
<b>Assistance</b>						
MH Property Tax Relief	\$ 83,879,911	\$ 81,199,911	\$ 81,199,911	\$ 0	\$ 81,199,911	\$ 0
Child Abuse Prevention	174,076	217,772	217,772	0	217,772	0
<b>Total Assistance</b>	<b>\$ 84,053,987</b>	<b>\$ 81,417,683</b>	<b>\$ 81,417,683</b>	<b>\$ 0</b>	<b>\$ 81,417,683</b>	<b>\$ 0</b>
<b>Total Human Services, Dept. of</b>	<b>\$ 84,198,250</b>	<b>\$ 81,561,946</b>	<b>\$ 81,561,946</b>	<b>\$ 0</b>	<b>\$ 81,561,946</b>	<b>\$ 0</b>

## Unassigned Standings

### General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Management, Dept. of</u></b>						
<b>Management, Dept. of</b>						
Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Appeal Board Claims	8,713,944	3,586,307	3,586,307	0	3,586,307	0
Economic Emergency Fund Appropriation	45,327,400	0	0	0	0	0
Property Tax Credit Fund	91,256,037	91,256,037	0	-91,256,037	0	0
<b>Total Management, Dept. of</b>	<b>\$ 145,347,381</b>	<b>\$ 94,892,344</b>	<b>\$ 3,636,307</b>	<b>\$ -91,256,037</b>	<b>\$ 3,636,307</b>	<b>\$ 0</b>
<b><u>Public Defense, Dept. of</u></b>						
<b>Public Defense, Dept. of</b>						
Compensation and Expense	\$ 326,441	\$ 344,644	\$ 344,644	\$ 0	\$ 344,644	\$ 0
<b>Total Public Defense, Dept. of</b>	<b>\$ 326,441</b>	<b>\$ 344,644</b>	<b>\$ 344,644</b>	<b>\$ 0</b>	<b>\$ 344,644</b>	<b>\$ 0</b>
<b><u>Revenue, Dept. of</u></b>						
<b>Revenue, Dept. of</b>						
Ag Land Tax Credit - GF	\$ 0	\$ 0	\$ 32,395,131	\$ 32,395,131	\$ 32,395,131	\$ 0
Homestead Tax Credit Aid - GF	0	0	87,745,387	87,745,387	87,745,387	0
Elderly & Disabled Tax Credit - GF	0	0	23,400,000	23,400,000	23,400,000	0
Elderly and Disabled Tax Credit	1,426,000	0	0	0	0	0
Printing Cigarette Stamps	107,529	124,652	124,652	0	124,652	0
Tobacco Reporting Requirements	19,591	19,591	18,416	-1,175	18,416	0
Refund Income Corp & Franchise Sale	0	0	0	0	0	0
Military Service Tax Refunds	0	0	2,400,000	2,400,000	2,400,000	0
<b>Total Revenue, Dept. of</b>	<b>\$ 1,553,120</b>	<b>\$ 144,243</b>	<b>\$ 146,083,586</b>	<b>\$ 145,939,343</b>	<b>\$ 146,083,586</b>	<b>\$ 0</b>
<b><u>Treasurer of State</u></b>						
<b>Treasurer of State</b>						
Health Care Trust Fund Transfer	\$ 106,016,400	\$ 106,016,400	\$ 106,016,400	\$ 0	\$ 106,016,400	\$ 0
<b>Total Treasurer of State</b>	<b>\$ 106,016,400</b>	<b>\$ 106,016,400</b>	<b>\$ 106,016,400</b>	<b>\$ 0</b>	<b>\$ 106,016,400</b>	<b>\$ 0</b>
<b>Total Unassigned Standings</b>	<b>\$ 2,557,998,168</b>	<b>\$ 2,803,054,391</b>	<b>\$ 3,000,917,824</b>	<b>\$ 197,863,433</b>	<b>\$ 3,008,884,576</b>	<b>\$ 7,966,752</b>

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## Summary Data

### Other Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Gov Rec FY 2012 <u>(3)</u>	Gov Rec FY12 vs FY 2011 <u>(4)</u>	Gov Rec FY 2013 <u>(5)</u>	Gov Rec FY13 vs Gov Rec FY12 <u>(6)</u>
Administration and Regulation	\$ 46,710,679	\$ 45,965,577	\$ 20,828,105	\$ -25,137,472	\$ 20,828,105	\$ 0
Agriculture and Natural Resources	85,154,502	77,004,502	76,554,502	-450,000	76,554,502	0
Economic Development	11,545,000	18,696,000	10,971,000	-7,725,000	10,971,000	0
Education	105,880,000	28,097,000	14,000,000	-14,097,000	14,000,000	0
Health and Human Services	342,308,992	550,110,205	326,195,407	-223,914,798	326,495,407	300,000
Justice System	18,068,888	13,172,650	9,836,306	-3,336,344	9,836,306	0
Transportation, Infrastructure, and Capitals	840,927,488	669,197,311	484,802,561	-184,394,750	475,583,254	-9,219,307
Unassigned Standings	<u>508,803,992</u>	<u>320,644,040</u>	<u>43,875,000</u>	<u>-276,769,040</u>	<u>43,875,000</u>	<u>0</u>
<b>Grand Total</b>	<u>\$ 1,959,399,541</u>	<u>\$ 1,722,887,285</u>	<u>\$ 987,062,881</u>	<u>\$ -735,824,404</u>	<u>\$ 978,143,574</u>	<u>\$ -8,919,307</u>

# Administration and Regulation

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Administrative Services, Dept. of</u></b>						
<b>Administrative Services</b>						
DAS Operations - FRRF	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Terrace Hill Operations - CRF	0	168,494	0	-168,494	0	0
Autism Coverage - UST	0	140,000	0	-140,000	0	0
Medication Therapy Management - UST	0	543,000	0	-543,000	0	0
<b>Total Administrative Services, Dept. of</b>	<b>\$ 100,000</b>	<b>\$ 851,494</b>	<b>\$ 0</b>	<b>\$ -851,494</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Commerce, Dept. of</u></b>						
<b>Banking Division</b>						
Banking Division - CMRF	\$ 8,662,670	\$ 8,851,670	\$ 0	\$ -8,851,670	\$ 0	\$ 0
<b>Credit Union Division</b>						
Credit Union Division - CMRF	\$ 1,727,995	\$ 1,727,995	\$ 0	\$ -1,727,995	\$ 0	\$ 0
<b>Insurance Division</b>						
Insurance Division Operations - CMRF	\$ 0	\$ 55,000	\$ 0	\$ -55,000	\$ 0	\$ 0
Insurance Division - CMRF	4,881,216	4,928,244	0	-4,928,244	0	0
Insurance Information Exchange - UST	0	150,000	0	-150,000	0	0
<b>Total Insurance Division</b>	<b>\$ 4,881,216</b>	<b>\$ 5,133,244</b>	<b>\$ 0</b>	<b>\$ -5,133,244</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Professional Licensing and Reg.</b>						
Housing Improvement Fund Field Auditor	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0	\$ 62,317	\$ 0
<b>Utilities Division</b>						
Utilities Division - CMRF	\$ 8,256,654	\$ 8,173,069	\$ 0	\$ -8,173,069	\$ 0	\$ 0
<b>Total Commerce, Dept. of</b>	<b>\$ 23,590,852</b>	<b>\$ 23,948,295</b>	<b>\$ 62,317</b>	<b>\$ -23,885,978</b>	<b>\$ 62,317</b>	<b>\$ 0</b>
<b><u>Human Rights, Dept. of</u></b>						
<b>Human Rights, Department of</b>						
Public Safety Advisory Board - UST	\$ 0	\$ 140,000	\$ 0	\$ -140,000	\$ 0	\$ 0
<b>Total Human Rights, Dept. of</b>	<b>\$ 0</b>	<b>\$ 140,000</b>	<b>\$ 0</b>	<b>\$ -140,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Administration and Regulation

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Inspections &amp; Appeals, Dept. of</u></b>						
Inspections and Appeals, Dept. of						
DIA Health Facility - FRRF	\$ 400,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DIA - RUTF	1,623,897	1,623,897	1,623,897	0	1,623,897	0
DIA Asst Living/Adult Day Care - SLTF	1,339,527	0	0	0	0	0
<b>Total Inspections &amp; Appeals, Dept. of</b>	<b>\$ 3,363,424</b>	<b>\$ 1,623,897</b>	<b>\$ 1,623,897</b>	<b>\$ 0</b>	<b>\$ 1,623,897</b>	<b>\$ 0</b>
<b><u>Management, Dept. of</u></b>						
Management, Dept. of						
DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	\$ 56,000	\$ 0
DOM Operations - FRRF	200,000	0	0	0	0	0
DOM Operations - CRF	0	260,000	0	-260,000	0	0
<b>Total Management, Dept. of</b>	<b>\$ 256,000</b>	<b>\$ 316,000</b>	<b>\$ 56,000</b>	<b>\$ -260,000</b>	<b>\$ 56,000</b>	<b>\$ 0</b>
<b><u>IPERS Administration</u></b>						
IPERS Administration						
IPERS Administration	\$ 18,001,480	\$ 17,686,968	\$ 17,686,968	\$ 0	\$ 17,686,968	\$ 0
<b>Total IPERS Administration</b>	<b>\$ 18,001,480</b>	<b>\$ 17,686,968</b>	<b>\$ 17,686,968</b>	<b>\$ 0</b>	<b>\$ 17,686,968</b>	<b>\$ 0</b>
<b><u>Revenue, Dept. of</u></b>						
Revenue, Dept. of						
Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0	\$ 1,305,775	\$ 0
<b>Total Revenue, Dept. of</b>	<b>\$ 1,305,775</b>	<b>\$ 1,305,775</b>	<b>\$ 1,305,775</b>	<b>\$ 0</b>	<b>\$ 1,305,775</b>	<b>\$ 0</b>
<b><u>Treasurer of State</u></b>						
Treasurer of State						
I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0	\$ 93,148	\$ 0
<b>Total Treasurer of State</b>	<b>\$ 93,148</b>	<b>\$ 93,148</b>	<b>\$ 93,148</b>	<b>\$ 0</b>	<b>\$ 93,148</b>	<b>\$ 0</b>
<b>Total Administration and Regulation</b>	<b>\$ 46,710,679</b>	<b>\$ 45,965,577</b>	<b>\$ 20,828,105</b>	<b>\$ -25,137,472</b>	<b>\$ 20,828,105</b>	<b>\$ 0</b>

# Agriculture and Natural Resources

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Agriculture and Land Stewardship</u></b>						
<b>Agriculture and Land Stewardship</b>						
So. Iowa Conservation & Dev - EFF	\$ 300,000	\$ 250,000	\$ 225,000	\$ -25,000	\$ 225,000	\$ 0
Agricultural Drainage Wells - EFF	1,500,000	1,250,000	875,000	-375,000	875,000	0
Watershed Protection Fund - EFF	2,550,000	1,500,000	900,000	-600,000	900,000	0
Farm Management Demo - EFF	800,000	750,000	725,000	-25,000	725,000	0
Cost Share - EFF	7,000,000	1,050,000	6,300,000	5,250,000	6,300,000	0
Conservation Reserve Prog - EFF	1,500,000	1,300,000	1,000,000	-300,000	1,000,000	0
Conservation Reserve Enhance - EFF	1,500,000	1,500,000	1,000,000	-500,000	1,000,000	0
Soil & Water Conservation - EFF	0	1,751,600	2,000,000	248,400	2,000,000	0
Fuel Inspection - UST	0	250,000	0	-250,000	0	0
Native Horse and Dog Program	305,516	305,516	305,516	0	305,516	0
Motor Fuel Inspection - RFIF	300,000	300,000	500,000	200,000	500,000	0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 15,755,516</b>	<b>\$ 10,207,116</b>	<b>\$ 13,830,516</b>	<b>\$ 3,623,400</b>	<b>\$ 13,830,516</b>	<b>\$ 0</b>
<b>Loess Hills Dev. and Conservation</b>						
Loess Hills - EFF	\$ 600,000	\$ 500,000	\$ 475,000	\$ -25,000	\$ 475,000	\$ 0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 16,355,516</b>	<b>\$ 10,707,116</b>	<b>\$ 14,305,516</b>	<b>\$ 3,598,400</b>	<b>\$ 14,305,516</b>	<b>\$ 0</b>
<b><u>Economic Development, Dept. of</u></b>						
<b>Economic Development, Dept. of</b>						
DED Brownfields - EFF	\$ 500,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Economic Development, Dept. of</b>	<b>\$ 500,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Agriculture and Natural Resources

## Other Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Gov Rec FY 2012 <u>(3)</u>	Gov Rec FY12 vs FY 2011 <u>(4)</u>	Gov Rec FY 2013 <u>(5)</u>	Gov Rec FY13 vs Gov Rec FY12 <u>(6)</u>
<b><u>Natural Resources, Dept. of</u></b>						
<b>Natural Resources</b>						
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
Fish & Game- DNR Admin Expenses	38,793,154	38,793,154	38,793,154	0	38,793,154	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
Database Modification - UST	0	100,000	0	-100,000	0	0
Technical Tank Review - UST	0	200,000	200,000	0	200,000	0
DNR Facility Rent-CRF	0	300,000	0	-300,000	0	0
State Parks Volunteer Activities - EFF	0	250,000	0	-250,000	0	0
<b>Total Natural Resources, Dept. of</b>	<b>\$ 42,548,986</b>	<b>\$ 43,398,986</b>	<b>\$ 42,748,986</b>	<b>\$ -650,000</b>	<b>\$ 42,748,986</b>	<b>\$ 0</b>
<b><u>Natural Resources Capital</u></b>						
<b>Natural Resources Capital</b>						
GIS Information for Watershed	\$ 195,000	\$ 195,000	\$ 195,000	\$ 0	\$ 195,000	\$ 0
Water Quality Monitoring	2,955,000	2,955,000	2,955,000	0	2,955,000	0
Volunteers and Keepers of Land	100,000	100,000	100,000	0	100,000	0
Animal Feeding Operations	360,000	608,400	420,000	-188,400	420,000	0
Air Quality Monitoring - ambient	425,000	425,000	425,000	0	425,000	0
Water Quality Protection	500,000	500,000	500,000	0	500,000	0
REAP	18,000,000	15,000,000	11,500,000	-3,500,000	11,500,000	0
Water Quantity	495,000	495,000	495,000	0	495,000	0
Resource Conservation and Development	250,000	150,000	0	-150,000	0	0
Park Operations & Maintenance	2,470,000	2,470,000	2,910,000	440,000	2,910,000	0
<b>Total Natural Resources Capital</b>	<b>\$ 25,750,000</b>	<b>\$ 22,898,400</b>	<b>\$ 19,500,000</b>	<b>\$ -3,398,400</b>	<b>\$ 19,500,000</b>	<b>\$ 0</b>
<b>Total Agriculture and Natural Resources</b>	<b>\$ 85,154,502</b>	<b>\$ 77,004,502</b>	<b>\$ 76,554,502</b>	<b>\$ -450,000</b>	<b>\$ 76,554,502</b>	<b>\$ 0</b>



## Economic Development Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Economic Development, Dept. of</u></b>						
<b>Economic Development, Dept. of</b>						
Workforce Development Fund	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 0
Taiwan Trade Office - UST	0	100,000	0	-100,000	0	0
Site Development Consultations - SIF	0	175,000	0	-175,000	0	0
Small Bus Assistance Website - SIF	0	20,000	0	-20,000	0	0
Save Our Small Businesses Fund - SIF	0	5,000,000	0	-5,000,000	0	0
Endow Iowa Admin - County Endw Fund	70,000	70,000	0	-70,000	0	0
Council of Governments - FES	144,000	0	0	0	0	0
<b>Total Economic Development, Dept. of</b>	<b>\$ 4,214,000</b>	<b>\$ 9,365,000</b>	<b>\$ 4,000,000</b>	<b>\$ -5,365,000</b>	<b>\$ 4,000,000</b>	<b>\$ 0</b>
<b><u>Iowa Workforce Development</u></b>						
<b>Iowa Workforce Development</b>						
P & I Workforce Development Field Offices	\$ 360,000	\$ 360,000	\$ 0	\$ -360,000	\$ 0	\$ 0
Workers' Comp Div - Spec Cont Fund	471,000	471,000	471,000	0	471,000	0
IWD Field Offices (UI Reserve Interest)	6,500,000	6,500,000	6,500,000	0	6,500,000	0
<b>Total Iowa Workforce Development</b>	<b>\$ 7,331,000</b>	<b>\$ 7,331,000</b>	<b>\$ 6,971,000</b>	<b>\$ -360,000</b>	<b>\$ 6,971,000</b>	<b>\$ 0</b>
<b><u>Energy Independence</u></b>						
<b>Office of Energy Independence</b>						
Iowa Power Fund	\$ 0	\$ 2,000,000	\$ 0	\$ -2,000,000	\$ 0	\$ 0
<b>Total Energy Independence</b>	<b>\$ 0</b>	<b>\$ 2,000,000</b>	<b>\$ 0</b>	<b>\$ -2,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Economic Development</b>	<b>\$ 11,545,000</b>	<b>\$ 18,696,000</b>	<b>\$ 10,971,000</b>	<b>\$ -7,725,000</b>	<b>\$ 10,971,000</b>	<b>\$ 0</b>

## Education Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Education, Dept. of</u></b>						
<b>Education, Dept. of</b>						
Community Colleges - FRRF	\$ 25,600,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Preschool Program - CRF	0	4,000,000	0	-4,000,000	0	0
Jobs for Americas Grads - CRF	0	540,000	0	-540,000	0	0
Sac and Fox Education - UST	0	90,000	0	-90,000	0	0
<b>Total Education, Dept. of</b>	<b>\$ 25,600,000</b>	<b>\$ 4,630,000</b>	<b>\$ 0</b>	<b>\$ -4,630,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Vocational Rehabilitation</b>						
Farmers with Disabilities - UST	\$ 0	\$ 97,000	\$ 0	\$ -97,000	\$ 0	\$ 0
<b>Total Education, Dept. of</b>	<b>\$ 25,600,000</b>	<b>\$ 4,727,000</b>	<b>\$ 0</b>	<b>\$ -4,727,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Regents, Board of</u></b>						
<b>Regents, Board of</b>						
BOR ARRA - FRRF	\$ 80,280,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SUI - UIHC IowaCares Physicians - ICA	0	14,000,000	14,000,000	0	14,000,000	0
University of Iowa - UST	0	4,086,492	0	-4,086,492	0	0
Iowa State University - UST	0	3,202,079	0	-3,202,079	0	0
University of Northern Iowa - UST	0	1,456,118	0	-1,456,118	0	0
Iowa Braille and Sight Saving School - UST	0	229,331	0	-229,331	0	0
Iowa School for the Deaf - UST	0	395,980	0	-395,980	0	0
<b>Total Regents, Board of</b>	<b>\$ 80,280,000</b>	<b>\$ 23,370,000</b>	<b>\$ 14,000,000</b>	<b>\$ -9,370,000</b>	<b>\$ 14,000,000</b>	<b>\$ 0</b>
<b>Total Education</b>	<b>\$ 105,880,000</b>	<b>\$ 28,097,000</b>	<b>\$ 14,000,000</b>	<b>\$ -14,097,000</b>	<b>\$ 14,000,000</b>	<b>\$ 0</b>

## Health and Human Services Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Iowa Finance Authority</u></b>						
<b>Iowa Finance Authority</b>						
Rent Subsidy Program - SLTF	\$ 700,000	\$ 700,000	\$ 0	\$ -700,000	\$ 0	\$ 0
<b>Total Iowa Finance Authority</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>	<b>\$ 0</b>	<b>\$ -700,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Aging, Dept. on</u></b>						
<b>Aging, Dept. on</b>						
Elder Affairs Operations - SLTF	\$ 8,486,698	\$ 8,486,698	\$ 0	\$ -8,486,698	\$ 0	\$ 0
Seamless Computer System - HCTA	200,000	0	0	0	0	0
<b>Total Aging, Dept. on</b>	<b>\$ 8,686,698</b>	<b>\$ 8,486,698</b>	<b>\$ 0</b>	<b>\$ -8,486,698</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Public Health, Dept. of</u></b>						
<b>Public Health, Dept. of</b>						
Community Capacity-FRRF	\$ 500,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Health - USTF	0	785,000	0	-785,000	0	0
Healthy Aging-FRRF	700,000	0	0	0	0	0
Resource Management-FRRF	1,800,000	0	0	0	0	0
Addictive Disorders (HCTF)	2,473,823	0	0	0	0	0
Healthy Children and Families (HCTF)	444,217	0	0	0	0	0
Chronic Conditions (HCTF)	899,297	0	0	0	0	0
Community Capacity (HCTF)	2,448,456	0	0	0	0	0
<b>Total Public Health, Dept. of</b>	<b>\$ 9,265,793</b>	<b>\$ 785,000</b>	<b>\$ 0</b>	<b>\$ -785,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Human Services, Dept. of</u></b>						
<b>General Administration</b>						
General Administration - DHSRF	\$ 1,500,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Field Operations</b>						
Field Operations-DHSRF	\$ 8,386,761	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Toledo Juvenile Home</b>						
Toledo-DHSRF	\$ 836,515	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Eldora Training School</b>						
Eldora-DHSRF	\$ 1,327,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

# Health and Human Services

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b>Cherokee CCUSO</b>						
CCUSO-DHSRF	\$ 503,554	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Cherokee</b>						
Cherokee MHI-DHSRF	\$ 673,209	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Clarinda</b>						
Clarinda MHI-DHSRF	\$ 804,256	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Independence</b>						
Independence MHI-DHSRF	\$ 1,177,799	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Mt Pleasant</b>						
Mt Pleasant MHI - DHSRF	\$ 222,694	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Assistance</b>						
Broadlawns Hospital	\$ 46,000,000	\$ 51,000,000	\$ 51,000,000	\$ 0	\$ 51,000,000	\$ 0
Broadlawns Hospital Supplemental	2,500,000	0	0	0	0	0
Regional Provider Network - Iowa Care Fund (0500)	0	6,000,000	6,000,000	0	6,000,000	0
Medical Examinations-Expansion Population	556,800	556,800	556,800	0	556,800	0
Medical Information Hotline	100,000	100,000	100,000	0	100,000	0
Health Partnership Activities	600,000	600,000	600,000	0	600,000	0
Audits, Performance Evaluations, Studies	125,000	125,000	125,000	0	125,000	0
IowaCare Administrative Costs	1,132,412	1,132,412	1,132,412	0	1,132,412	0
Dental Home for Children	1,000,000	1,000,000	1,000,000	0	1,000,000	0
MH/DD Workforce Development - HCTA	50,000	50,000	50,000	0	50,000	0
Broadlawns Admin-HCTA	290,000	290,000	290,000	0	290,000	0
Medical Contracts-HCTA	1,300,000	1,300,000	1,300,000	0	1,300,000	0
Medical Contracts Supplement	1,323,833	4,027,613	4,027,613	0	4,027,613	0
Medical Assistance Supplemental-Quality Assurance Trust	2,300,000	13,900,000	35,662,467	21,762,467	35,662,467	0
Medical Assistance Suppl-Hospital Care Access Trust	0	39,406,000	39,231,000	-175,000	39,231,000	0
For Deposit In Nonparticipating Provider Reimb Fund	0	594,000	769,000	175,000	769,000	0
Medical Assistance - HCTF	100,650,740	106,916,532	106,046,400	-870,132	106,346,400	300,000
Nonparticipating Providers - NPPR (006M)	0	2,000,000	2,000,000	0	2,000,000	0
SLT Medical Supplemental	39,084,483	39,080,435	0	-39,080,435	0	0
Medical Assistance - FRRF	25,874,211	0	0	0	0	0
MH Risk Pool-FRRF	10,000,000	0	0	0	0	0
Volunteer Health Care-FRRF	20,000	0	0	0	0	0
Health Insurance Pilot-FRRF	400,000	0	0	0	0	0
MH/DD State Cases-FRRF	286,789	0	0	0	0	0
MH/MR State Cases-DHSRF	325,430	0	0	0	0	0
Medical Assistance - Cash Reserve	0	187,800,000	0	-187,800,000	0	0
Child and Family Services - Shelter Care Cash Reserve	0	500,000	0	-500,000	0	0

# Health and Human Services

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
Child and Family Services - ICPUSTF (0450)	0	925,000	0	-925,000	0	0
Child and Family Services - Restore Rate Reduction	0	1,000,000	0	-1,000,000	0	0
Family Support Subsidy -ICPUSTF (0450)	0	100,000	0	-100,000	0	0
Child Support Recovery - ICPUSTF (0450)	0	250,000	0	-250,000	0	0
Juvenile Institutions - ICPUSTF (0450)	0	600,000	0	-600,000	0	0
Mental Health Institutes - ICPUSTF (0450)	0	350,000	0	-350,000	0	0
MI/MR/DD State Cases ICPUSTF (0450)	0	1,000,000	0	-1,000,000	0	0
Sexually Violent Predators - ICPUSTF (0450)	0	800,000	0	-800,000	0	0
Field Operations - ICPUSTF (0450)	0	2,340,000	0	-2,340,000	0	0
<b>Total Assistance</b>	<b>\$ 233,919,698</b>	<b>\$ 463,743,792</b>	<b>\$ 249,890,692</b>	<b>\$ -213,853,100</b>	<b>\$ 250,190,692</b>	<b>\$ 300,000</b>
<b>Total Human Services, Dept. of</b>	<b>\$ 249,351,786</b>	<b>\$ 463,743,792</b>	<b>\$ 249,890,692</b>	<b>\$ -213,853,100</b>	<b>\$ 250,190,692</b>	<b>\$ 300,000</b>
<b><u>Regents, Board of</u></b>						
<b>Regents, Board of</b>						
SUI - UIHC IowaCares Program	\$ 27,284,584	\$ 27,284,584	\$ 27,284,584	\$ 0	\$ 27,284,584	\$ 0
SUI - UIHC IowaCares Expansion Population	47,020,131	49,020,131	49,020,131	0	49,020,131	0
<b>Total Regents, Board of</b>	<b>\$ 74,304,715</b>	<b>\$ 76,304,715</b>	<b>\$ 76,304,715</b>	<b>\$ 0</b>	<b>\$ 76,304,715</b>	<b>\$ 0</b>
<b><u>Veterans Affairs, Dept. of</u></b>						
<b>Veterans Affairs, Department of</b>						
County Veterans Grant Assist - MMBF	\$ 0	\$ 90,000	\$ 0	\$ -90,000	\$ 0	\$ 0
<b>Total Veterans Affairs, Dept. of</b>	<b>\$ 0</b>	<b>\$ 90,000</b>	<b>\$ 0</b>	<b>\$ -90,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Health and Human Services</b>	<b>\$ 342,308,992</b>	<b>\$ 550,110,205</b>	<b>\$ 326,195,407</b>	<b>\$ -223,914,798</b>	<b>\$ 326,495,407</b>	<b>\$ 300,000</b>

## Justice System Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Justice, Department of</u></b>						
<b>Consumer Advocate</b>						
Consumer Advocate - CMRF	\$ 3,138,888	\$ 3,336,344	\$ 0	\$ -3,336,344	\$ 0	\$ 0
<b>Total Justice, Department of</b>	<b>\$ 3,138,888</b>	<b>\$ 3,336,344</b>	<b>\$ 0</b>	<b>\$ -3,336,344</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Corrections, Dept. of</u></b>						
<b>Central Office</b>						
DOC Central Office - FRRF	\$ 210,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Fort Madison</b>						
DOC Fort Madison - FRRF	\$ 4,347,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Anamosa</b>						
DOC Anamosa - FRRF	\$ 931,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Oakdale</b>						
DOC Oakdale - FRRF	\$ 2,030,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Newton</b>						
DOC Newton - FRRF	\$ 1,029,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Mt Pleasant</b>						
DOC Mt. Pleasant - FRRF	\$ 903,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Rockwell City</b>						
DOC Rockwell City - FRRF	\$ 301,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Clarinda</b>						
DOC Clarinda - FRRF	\$ 2,506,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Mitchellville</b>						
DOC Mitchellville - FRRF	\$ 679,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Fort Dodge</b>						
DOC Fort Dodge - FRRF	\$ 1,064,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Corrections, Dept. of</b>	<b>\$ 14,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

## Justice System Other Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Gov Rec FY 2012 <u>(3)</u>	Gov Rec FY12 vs FY 2011 <u>(4)</u>	Gov Rec FY 2013 <u>(5)</u>	Gov Rec FY13 vs Gov Rec FY12 <u>(6)</u>
<b><u>Public Defense, Dept. of</u></b>						
Public Defense, Dept. of DPD - FRRF	\$ 180,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Public Defense, Dept. of</b>	<b>\$ 180,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Public Safety, Department of</u></b>						
Public Safety, Dept. of DPS Department Wide - FRRF	\$ 750,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DPS Gaming Enforcement	0	9,836,306	9,836,306	0	9,836,306	0
<b>Total Public Safety, Department of</b>	<b>\$ 750,000</b>	<b>\$ 9,836,306</b>	<b>\$ 9,836,306</b>	<b>\$ 0</b>	<b>\$ 9,836,306</b>	<b>\$ 0</b>
<b>Total Justice System</b>	<b>\$ 18,068,888</b>	<b>\$ 13,172,650</b>	<b>\$ 9,836,306</b>	<b>\$ -3,336,344</b>	<b>\$ 9,836,306</b>	<b>\$ 0</b>

# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Administrative Services, Dept. of</u></b>						
<b>Administrative Services</b>						
Capitol Shuttle - RIF	\$ 200,000	\$ 200,000	\$ 0	\$ -200,000	\$ 0	\$ 0
I/3 RFP for Human Resources Module - RIF	-200,000	0	0	0	0	0
Mercy Capital Hospital Operations - RIF	500,000	1,083,175	0	-1,083,175	0	0
DAS Distribution Account - RIF	3,700,000	3,700,000	0	-3,700,000	0	0
<b>Total Administrative Services, Dept. of</b>	<b>\$ 4,200,000</b>	<b>\$ 4,983,175</b>	<b>\$ 0</b>	<b>\$ -4,983,175</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Administrative Services - Capitals</u></b>						
<b>Administrative Services - Capitals</b>						
Capitol Interior/Exterior - RIF	\$ 5,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Wallace Building - RIF	1,500,000	0	0	0	0	0
Cap Comp Elect Dist Upgrade - RIF	850,000	0	0	0	0	0
Terrace Hill Maintenance - RIF	769,543	0	0	0	0	0
Major Maintenance - RCF	195,484	0	0	0	0	0
ITE Pooled Technology - TRF	2,037,184	3,793,654	1,637,724	-2,155,930	2,235,040	597,316
Major Maintenance - RBC	0	3,000,000	0	-3,000,000	0	0
Major Maintenance - RIF	0	0	4,500,000	4,500,000	3,750,000	-750,000
Central Energy Plant/Facilities Mgmt - RIF	623,000	0	0	0	0	0
Hoover Building HVAC Improve - RIF	1,500,000	0	0	0	0	0
Routine Maintenance - RIF	3,000,000	0	0	0	0	0
<b>Total Administrative Services - Capitals</b>	<b>\$ 15,475,211</b>	<b>\$ 6,793,654</b>	<b>\$ 6,137,724</b>	<b>\$ -655,930</b>	<b>\$ 5,985,040</b>	<b>\$ -152,684</b>
<b><u>Agriculture and Land Stewardship</u></b>						
<b>Agriculture and Land Stewardship</b>						
Soil Conservation Cost Share - RBC	\$ 11,500,000	\$ 1,000,000	\$ 0	\$ -1,000,000	\$ 0	\$ 0
WIRB Administration - RIF	0	50,000	0	-50,000	0	0
Soil Conservation Cost Share - RBC2	0	5,950,000	0	-5,950,000	0	0
Cons Reserve Enhancement Prog - RBC2	0	2,500,000	0	-2,500,000	0	0
<b>Total Agriculture and Land Stewardship</b>	<b>\$ 11,500,000</b>	<b>\$ 9,500,000</b>	<b>\$ 0</b>	<b>\$ -9,500,000</b>	<b>\$ 0</b>	<b>\$ 0</b>



# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b>Blind Capitals, Dept. for the</b>						
<b>Dept. for the Blind Capitals</b>						
Replace Air Handlers - RIF	\$ 0	\$ 0	\$ 1,065,674	\$ 1,065,674	\$ 0	\$ -1,065,674
Newslane Service - RIF	0	20,000	0	-20,000	0	0
<b>Total Blind Capitals, Dept. for the</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 1,065,674</b>	<b>\$ 1,045,674</b>	<b>\$ 0</b>	<b>\$ -1,065,674</b>
<b>Corrections, Dept. of</b>						
<b>Central Office</b>						
Iowa Corrections Offender Network - TRF	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0	\$ 500,000	\$ 0
<b>Total Corrections, Dept. of</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 0</b>	<b>\$ 500,000</b>	<b>\$ 0</b>
<b>Corrections Capital</b>						
<b>Corrections Capital</b>						
CBC 5 Security Barrier Perimeter- RBC	\$ 0	\$ 1,000,000	\$ 0	\$ -1,000,000	\$ 0	\$ 0
Project Management Costs - ISP - PBF	0	322,500	0	-322,500	0	0
Fort Madison Initial One Time Costs - RIF	0	0	6,155,077	6,155,077	10,460,289	4,305,212
Mitchellville Initial One Time Costs - RIF	0	0	4,661,556	4,661,556	2,891,062	-1,770,494
ISP Electrical Lease - RIF	-27,764	0	0	0	0	0
ICIW Mitchellville Expansion - RIF	0	0	12,900,000	12,900,000	8,779,000	-4,121,000
Iowa State Penitentiary (ISP)-RIF	0	0	1,000,000	1,000,000	5,808,835	4,808,835
CBC Des Moines Expansion - RIF	-103,346	0	0	0	0	0
Construction Project Management - RIF	1,750,000	0	4,500,000	4,500,000	1,000,000	-3,500,000
CBC 5 Des Moines Expansion - RBC	-13,100,000	0	0	0	0	0
ICIW Mitchellville Prison Expansion-RBC	0	0	4,130,952	4,130,952	0	-4,130,952
Construction Project Management - RBC	0	2,200,000	0	-2,200,000	0	0
CBCs Opening Costs Equipment - RBC	0	1,519,048	0	-1,519,048	0	0
<b>Total Corrections Capital</b>	<b>\$ -11,481,110</b>	<b>\$ 5,041,548</b>	<b>\$ 33,347,585</b>	<b>\$ 28,306,037</b>	<b>\$ 28,939,186</b>	<b>\$ -4,408,399</b>

# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Gov Rec FY 2012 <u>(3)</u>	Gov Rec FY12 vs FY 2011 <u>(4)</u>	Gov Rec FY 2013 <u>(5)</u>	Gov Rec FY13 vs Gov Rec FY12 <u>(6)</u>
<b><u>Cultural Affairs, Dept. of</u></b>						
<b>Cultural Affairs, Dept. of</b>						
Grout Museum District Oral History Exhibit - TRF	\$ 486,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Historic Preservation - RIIF	1,000,000	0	0	0	0	0
Kimball Organ Restoration - RIIF	-25,000	0	0	0	0	0
Great Places Capitals - RIIF	1,900,000	0	0	0	0	0
Battle Flags - RIIF	0	60,000	0	-60,000	0	0
Civil War Sesquicentennial - RIIF	350,000	0	0	0	0	0
Community Cultural Grants - RIIF	200,000	0	0	0	0	0
Historic Site Maintenance - RIIF	0	40,000	0	-40,000	0	0
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 3,911,250</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ -100,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Cultural Affairs Capital</u></b>						
<b>Cultural Affairs Capital</b>						
Great Places Grants - RBC	\$ 0	\$ 2,000,000	\$ 0	\$ -2,000,000	\$ 0	\$ 0
<b>Total Cultural Affairs Capital</b>	<b>\$ 0</b>	<b>\$ 2,000,000</b>	<b>\$ 0</b>	<b>\$ -2,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Economic Development, Dept. of</u></b>						
<b>Economic Development, Dept. of</b>						
Workforce Training and Economic Dev - RIIF	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ -2,000,000	\$ 0	\$ 0
Regional Sports Authorities - RIIF	500,000	500,000	0	-500,000	0	0
City of Seymour Asbestos Demolition Assist - RIIF	50,000	0	0	0	0	0
AAU Jr. Olympics Summer 2009 - RIIF	200,000	0	0	0	0	0
Warren Co Econ Dev Bldg - RIIF	100,000	0	0	0	0	0
City of Muscatine Fire Station - RIIF	200,000	0	0	0	0	0
City of Stratford Community Center - RIIF	10,000	0	0	0	0	0
Main Street Iowa Program - RBC	5,550,000	0	0	0	0	0
Grow Iowa Values Fund - RIIF	23,000,000	38,000,000	25,000,000	-13,000,000	25,000,000	0
6th Avenue Corridor-Main Streets - RIIF	0	100,000	0	-100,000	0	0
Port Authority-Economic Dev SE Iowa - RIIF	0	50,000	0	-50,000	0	0
World Food Prize Borlaug/Ruan Scholar Prog - RIIF	0	100,000	0	-100,000	0	0
Cedar Rapids Small Business Center - RBC2	0	1,200,000	0	-1,200,000	0	0
Mason City Small Business Center - RBC2	0	1,500,000	0	-1,500,000	0	0
Main Street Projects - RBC2	0	8,450,000	0	-8,450,000	0	0
Blank Park Zoo Expansion - RIIF	0	500,000	0	-500,000	0	0
Community Attraction and Tourism - RBC2	0	12,000,000	0	-12,000,000	0	0
River Enhancement CAT - RBC2	0	4,000,000	0	-4,000,000	0	0
ACE Vertical Infrastructure - RBC2	0	5,500,000	0	-5,500,000	0	0
<b>Total Economic Development, Dept. of</b>	<b>\$ 31,610,000</b>	<b>\$ 73,900,000</b>	<b>\$ 25,000,000</b>	<b>\$ -48,900,000</b>	<b>\$ 25,000,000</b>	<b>\$ 0</b>

# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Economic Development Capitals</u></b>						
<b>Economic Development Capitals</b>						
Regional Transit Hub Construction - RBC	\$ 0	\$ 4,000,000	\$ 0	\$ -4,000,000	\$ 0	\$ 0
<b>Total Economic Development Capitals</b>	<b>\$ 0</b>	<b>\$ 4,000,000</b>	<b>\$ 0</b>	<b>\$ -4,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Education, Dept. of</u></b>						
<b>Education, Dept. of</b>						
Statewide Education Data Warehouse	\$ 600,000	\$ 600,000	\$ 600,000	\$ 0	\$ 600,000	\$ 0
ICN Part III Leases & Maintenance Network	2,727,000	2,727,000	2,727,000	0	2,727,000	0
Enrich Iowa	1,000,000	500,000	0	-500,000	0	0
Community Colleges Infrastructure - IJOBS	0	2,000,000	0	-2,000,000	0	0
<b>Total Education, Dept. of</b>	<b>\$ 4,327,000</b>	<b>\$ 5,827,000</b>	<b>\$ 3,327,000</b>	<b>\$ -2,500,000</b>	<b>\$ 3,327,000</b>	<b>\$ 0</b>
<b>Iowa Public Television</b>						
IPTV Building Purchase	\$ 0	\$ 0	\$ 1,255,550	\$ 1,255,550	\$ 0	\$ -1,255,550
<b>Total Education, Dept. of</b>	<b>\$ 4,327,000</b>	<b>\$ 5,827,000</b>	<b>\$ 4,582,550</b>	<b>\$ -1,244,450</b>	<b>\$ 3,327,000</b>	<b>\$ -1,255,550</b>
<b><u>Ethics and Campaign Disclosure</u></b>						
<b>Campaign Finance Disclosure</b>						
Electronic Filing-TRF	\$ 15,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Ethics and Campaign Disclosure</b>	<b>\$ 15,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Human Rights, Dept. of</u></b>						
<b>Human Rights, Department of</b>						
Infrastructure for Integrating Justice Data Systems	\$ 0	\$ 0	\$ 1,689,307	\$ 1,689,307	\$ 1,689,307	\$ 0
Justice Enterprise Data Warehouse	361,072	0	0	0	0	0
<b>Total Human Rights, Dept. of</b>	<b>\$ 361,072</b>	<b>\$ 0</b>	<b>\$ 1,689,307</b>	<b>\$ 1,689,307</b>	<b>\$ 1,689,307</b>	<b>\$ 0</b>
<b><u>Human Services, Dept. of</u></b>						
<b>Assistance</b>						
Nursing Facility Renovation and Constr.-RIIF	\$ -600,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Child Dev Homes Health Ins Access Study-RIIF	-50,000	0	0	0	0	0
<b>Total Human Services, Dept. of</b>	<b>\$ -650,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Human Services Capital</u></b>						
<b>Human Services - Capital</b>						
Independence MH Sys Comm Dev Bldg-RIIF	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Nursing Facility Financial Assist.-RIIF	-800,000	0	0	0	0	0
<b>Total Human Services Capital</b>	<b>\$ -600,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Gov Rec FY 2012 <u>(3)</u>	Gov Rec FY12 vs FY 2011 <u>(4)</u>	Gov Rec FY 2013 <u>(5)</u>	Gov Rec FY13 vs Gov Rec FY12 <u>(6)</u>
<b><u>Iowa Tele. &amp; Tech. Commission</u></b>						
<b>Iowa Communications Network</b>						
ICN Equipment Replacement - TRF	\$ 2,211,863	\$ 2,244,956	\$ 2,248,653	\$ 3,697	\$ 2,248,653	\$ 0
Generator Replacement - TRF	2,755,246	0	0	0	0	0
ICN Fiber Redundancy - TRF	2,320,000	0	0	0	0	0
<b>Total Iowa Tele. &amp; Tech. Commission</b>	<b>\$ 7,287,109</b>	<b>\$ 2,244,956</b>	<b>\$ 2,248,653</b>	<b>\$ 3,697</b>	<b>\$ 2,248,653</b>	<b>\$ 0</b>
<b><u>Iowa Finance Authority</u></b>						
<b>Iowa Finance Authority</b>						
State Housing Trust Fund-RIIF	\$ 3,000,000	\$ 1,000,000	\$ 0	\$ -1,000,000	\$ 0	\$ 0
I JOBS Administration-RIIF	200,000	200,000	0	-200,000	0	0
Public Shelter Grant Fund-RBC	10,000,000	0	0	0	0	0
Disaster Damage Housing Assist Grant Fund-RBC	5,000,000	0	0	0	0	0
Affordable Housing Assist Grant Fund-RBC	20,000,000	0	0	0	0	0
Sewer Infrastructure-RBC	55,000,000	0	0	0	0	0
Housing Trust Fund-RBC	0	2,000,000	0	-2,000,000	0	0
Facilities Multiple-Handicapped-Polk Co-RIIF	0	250,000	0	-250,000	0	0
Disaster Prevention Local Infra Grant Prog-RBC2	0	30,000,000	0	-30,000,000	0	0
Floodwall Cedar Rapids Former Fed. Courthouse-RBC2	0	2,000,000	0	-2,000,000	0	0
Linn County Administrative Office Building-RBC2	0	4,400,000	0	-4,400,000	0	0
Cedar Rapids City Hall-RBC2	0	4,400,000	0	-4,400,000	0	0
DSM Fire Dept Training and Logistics Facility-RBC2	0	3,000,000	0	-3,000,000	0	0
Des Moines Riverpoint Service Area-RBC2	0	1,250,000	0	-1,250,000	0	0
Des Moines Court Ave Sewer-RBC2	0	3,050,000	0	-3,050,000	0	0
DSM Flood Control-Tonawanda Ravine-RBC2	0	700,000	0	-700,000	0	0
DSM Wastewater Reclamation Basins-RBC2	0	500,000	0	-500,000	0	0
Des Moines-Broadlawns-RBC2	0	1,000,000	0	-1,000,000	0	0
Flood Mitigation Davenport-Woodman Pk Flood Prot	0	1,050,000	0	-1,050,000	0	0
Waterloo Public Works Building	0	5,000,000	0	-5,000,000	0	0
Iowa City Wastewater Treatment Plant	0	2,000,000	0	-2,000,000	0	0
West Union Green Pilot Project	0	1,175,000	0	-1,175,000	0	0
Jessup City Hall	0	475,000	0	-475,000	0	0
Belmond Storm Sewer Flood Protection	0	600,000	0	-600,000	0	0
Norwalk Orchard Ridge Drainage Channel Projects	0	300,000	0	-300,000	0	0
Cedar Rapids Flood Mitigation	0	2,100,000	0	-2,100,000	0	0
Linn County Public Service Center Flood Damage	0	4,500,000	0	-4,500,000	0	0
<b>Total Iowa Finance Authority</b>	<b>\$ 93,200,000</b>	<b>\$ 70,950,000</b>	<b>\$ 0</b>	<b>\$ -70,950,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Law Enforcement Academy</u></b>						
Law Enforcement Academy						
ILEA Technology Projects - TRF - 0943	\$ 185,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Law Enforcement Academy</b>	<b>\$ 185,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Management, Dept. of</u></b>						
Management, Dept. of						
Transparency Project	\$ 0	\$ 0	\$ 600,000	\$ 600,000	\$ 0	\$ -600,000
<b>Total Management, Dept. of</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>\$ 0</b>	<b>\$ -600,000</b>
<b><u>Natural Resources, Dept. of</u></b>						
<b>Natural Resources</b>						
Plasma Arc Technology	\$ -15,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Floodplain Management & Dam Safety	2,000,000	2,000,000	2,000,000	0	2,000,000	0
Lake Restoration and Dredging	2,800,000	0	0	0	0	0
Water Trails and Low Head Dam Programs	800,000	0	0	0	0	0
Hungry Canyons Alliance	100,000	0	0	0	0	0
Honey Creek Asset Manager	0	100,000	0	-100,000	0	0
Watershed Rebuilding-Water Quality	13,500,000	0	0	0	0	0
<b>Total Natural Resources, Dept. of</b>	<b>\$ 19,185,000</b>	<b>\$ 2,100,000</b>	<b>\$ 2,000,000</b>	<b>\$ -100,000</b>	<b>\$ 2,000,000</b>	<b>\$ 0</b>
<b><u>Natural Resources Capital</u></b>						
<b>Natural Resources Capital</b>						
State Park Infrastructure-RIIF	\$ 0	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Lakes Restoration & Water Quality-RIIF	0	0	8,600,000	8,600,000	8,600,000	0
Lake Restoration & Dredging-RBC	0	7,000,000	0	-7,000,000	0	0
Lake Restoration & Dredging-RBC2	0	3,000,000	0	-3,000,000	0	0
Rock Creek Permanent Shelter-RIIF	0	40,000	0	-40,000	0	0
State Parks Infrastructure-RBC2	0	5,000,000	0	-5,000,000	0	0
<b>Total Natural Resources Capital</b>	<b>\$ 0</b>	<b>\$ 15,040,000</b>	<b>\$ 13,600,000</b>	<b>\$ -1,440,000</b>	<b>\$ 13,600,000</b>	<b>\$ 0</b>
<b><u>Public Defense, Dept. of</u></b>						
Emergency Management Division						
2-1-1 Call System	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Public Defense, Dept. of</b>	<b>\$ 250,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Public Defense Capital</u></b>						
<b>Public Defense Capital</b>						
Facility/Armory Maintenance-RIIF	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 500,000	\$ 0	\$ -2,000,000
Gold Star Museum-RIIF	1,000,000	0	0	0	0	0
Mount Pleasant Readiness Center-RIIF	1,000,000	0	0	0	0	0
Muscatine Readiness Center-RIIF	0	0	100,000	100,000	0	-100,000
Statewide Modernization Readiness Ctrs-RIIF	1,800,000	1,800,000	1,800,000	0	0	-1,800,000
Davenport Readiness Center-RIIF	2,000,000	0	0	0	0	0
Camp Dodge Infrastructure Upgrades-RIIF	0	0	1,000,000	1,000,000	0	-1,000,000
Middletown AF Readiness Center-RIIF	0	100,000	0	-100,000	0	0
Iowa Falls Readiness Center-RIIF	0	500,000	0	-500,000	0	0
Cedar Rapids Armed Forces Readiness Center-RIIF	0	200,000	0	-200,000	0	0
<b>Total Public Defense Capital</b>	<b>\$ 7,300,000</b>	<b>\$ 4,100,000</b>	<b>\$ 4,900,000</b>	<b>\$ 800,000</b>	<b>\$ 0</b>	<b>\$ -4,900,000</b>
<b><u>Public Health, Dept. of</u></b>						
<b>Public Health, Dept. of</b>						
Community MH Center-TRF	\$ 0	\$ 250,000	\$ 0	\$ -250,000	\$ 0	\$ 0
Vision Screening-RIIF	130,000	100,000	0	-100,000	0	0
<b>Total Public Health, Dept. of</b>	<b>\$ 130,000</b>	<b>\$ 350,000</b>	<b>\$ 0</b>	<b>\$ -350,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Public Safety Capital</u></b>						
<b>Public Safety Capital</b>						
DPS Radio Conversion - RIIF	\$ 0	\$ 0	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 0
AFIS Lease Purchase-TRF	350,000	0	0	0	0	0
<b>Total Public Safety Capital</b>	<b>\$ 350,000</b>	<b>\$ 0</b>	<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>	<b>\$ 0</b>
<b><u>Regents, Board of</u></b>						
<b>Regents, Board of</b>						
SUI - Iowa Flood Center	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 0	\$ 1,300,000	\$ 0
Iowa Energy Center	0	5,000,000	0	-5,000,000	0	0
Regents Tuition Replacement-RIIF	24,305,412	24,305,412	24,305,412	0	24,305,412	0
ISU - Iowa Energy Center	5,000,000	0	0	0	0	0
<b>Total Regents, Board of</b>	<b>\$ 30,605,412</b>	<b>\$ 30,605,412</b>	<b>\$ 25,605,412</b>	<b>\$ -5,000,000</b>	<b>\$ 25,605,412</b>	<b>\$ 0</b>

# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b>Regents Capital</b>						
<b>Regents Capital</b>						
ISU - Renewable Fuels Building-RIIF	\$ 11,597,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
ISU - Veterinary Facility Phase II-RBC	0	13,000,000	0	-13,000,000	0	0
ISU - Vet Equip-Modernize Blank Park Zoo-RIIF	0	400,000	0	-400,000	0	0
ISU - Biorenewables Building-RBC2	0	10,000,000	0	-10,000,000	0	0
Fire Safety and Deferred Maint All Institut - RIIF	0	0	4,000,000	4,000,000	3,000,000	-1,000,000
<b>Total Regents Capital</b>	<b>\$ 11,597,000</b>	<b>\$ 23,400,000</b>	<b>\$ 4,000,000</b>	<b>\$ -19,400,000</b>	<b>\$ 3,000,000</b>	<b>\$ -1,000,000</b>
<b>Revenue, Dept. of</b>						
<b>Revenue, Dept. of</b>						
SAVE Appropriation	\$ 10,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Revenue, Dept. of</b>	<b>\$ 10,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>State Fair Authority Capital</b>						
<b>State Fair Authority Capital</b>						
Agri. Exhibition Center-RIIF	\$ 5,500,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agricultural Exhibition Center-RBC	0	2,500,000	0	-2,500,000	0	0
<b>Total State Fair Authority Capital</b>	<b>\$ 5,500,000</b>	<b>\$ 2,500,000</b>	<b>\$ 0</b>	<b>\$ -2,500,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Transportation, Dept. of</b>						
<b>Transportation, Dept. of</b>						
Public Transit Infrastructure-RIIF	\$ 1,250,000	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0
PRF-Garage Fuel & Waste Mgmt.	800,000	800,000	800,000	0	800,000	0
Commercial Air Service-RIIF	0	0	1,500,000	1,500,000	1,500,000	0
General Aviation Grants-RIIF	750,000	750,000	750,000	0	750,000	0
Recreational Trails-RIIF	3,500,000	0	2,000,000	2,000,000	2,000,000	0
Rail Revolving Loan & Grant Fund-RIIF	1,500,000	2,000,000	2,000,000	0	2,000,000	0
PRF-Field Facility Deferred Maint.	1,000,000	1,000,000	1,000,000	0	1,000,000	0
PRF-Transportation Maps	242,000	242,000	242,000	0	242,000	0
PRF-Operations	40,876,274	40,951,274	40,356,529	-594,745	40,356,529	0
PRF-Planning & Programming	9,610,960	9,610,960	8,697,095	-913,865	8,697,095	0
PRF-Highway	236,262,726	237,565,726	230,913,992	-6,651,734	233,026,992	2,113,000
PRF-Motor Vehicle	1,555,005	1,555,005	1,413,540	-141,465	1,413,540	0
PRF-DOT Unemployment	138,000	138,000	138,000	0	138,000	0
PRF-DOT Workers' Compensation	3,406,000	3,278,000	2,846,000	-432,000	2,846,000	0
PRF-Indirect Cost Recoveries	572,000	572,000	572,000	0	572,000	0
PRF-Inventory & Equip.	2,250,000	2,250,000	5,366,000	3,116,000	5,366,000	0
PRF-DAS	1,382,000	1,382,000	1,388,000	6,000	1,388,000	0
PRF-Auditor Reimbursement	415,181	415,181	415,181	0	415,181	0

# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
Passenger Rail-RIIF	3,000,000	0	0	0	0	0
RUTF-Operations	6,654,962	6,654,962	6,570,000	-84,962	6,570,000	0
RUTF-Planning & Programming	506,127	506,127	458,000	-48,127	458,000	0
RUTF-Motor Vehicle	36,752,012	35,604,012	33,921,000	-1,683,012	33,921,000	0
RUTF-Unemployment Compensation	7,000	7,000	7,000	0	7,000	0
RUTF-Workers' Compensation	142,000	137,000	119,000	-18,000	119,000	0
RUTF-Drivers' Licenses	3,714,000	3,876,000	3,876,000	0	3,876,000	0
RUTF-Mississippi River Park. Comm.	40,000	40,000	40,000	0	40,000	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	1,394,000	1,406,000	1,406,000	0	1,406,000	0
RUTF-DAS	225,000	225,000	225,000	0	225,000	0
RUTF-N. America Super Corridor Coalition	50,000	50,000	0	-50,000	0	0
RUTF-Road/Weather Conditions Info	100,000	100,000	100,000	0	100,000	0
RUTF-Muscatine Reimbursement	1,072	0	0	0	0	0
RUTF-Cedar Falls Assessment	317,906	0	0	0	0	0
Local Roads 50/50 Split-RIIF	14,750,000	24,700,000	0	-24,700,000	0	0
Bridge Safety Fund-RBC	40,000,000	0	0	0	0	0
Counties/Cities- FRRF	5,550,000	0	0	0	0	0
Commercial Aviation Infrastructure-RBC2	0	1,500,000	0	-1,500,000	0	0
Public Transit Grants-RBC2	0	2,000,000	0	-2,000,000	0	0
Passenger Rail Service - UST	0	2,000,000	0	-2,000,000	0	0
Bridge Safety Program-RBC2	0	10,000,000	0	-10,000,000	0	0
Rail Ports Improvement Program-RBC2	0	7,500,000	0	-7,500,000	0	0
<b>Total Transportation, Dept. of</b>	<b>\$ 418,859,544</b>	<b>\$ 398,961,566</b>	<b>\$ 349,265,656</b>	<b>\$ -49,695,910</b>	<b>\$ 351,378,656</b>	<b>\$ 2,113,000</b>
<b>Transportation Capitals</b>						
<b>Transportation Capital</b>						
PRF-Garage Roofing Projects	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0
RUTF-Scale/MVD Facilities Maint.	200,000	200,000	200,000	0	200,000	0
PRF-Rockwell City Garage	3,000,000	0	0	0	0	0
PRF-Swea City Garage	0	0	2,100,000	2,100,000	0	-2,100,000
PRF-Waste Water Treatment	0	1,000,000	1,000,000	0	1,000,000	0
PRF-Utility Improvements	400,000	400,000	400,000	0	400,000	0
New Hampton Garage	0	0	0	0	5,200,000	5,200,000
PRF-HVAC Improvements	100,000	200,000	400,000	200,000	200,000	-200,000
PRF-ADA Improvements	120,000	120,000	0	-120,000	0	0
PRF-Ames Elevator Upgrade	100,000	100,000	100,000	0	0	-100,000
RUTF-Scale Replacement	0	0	550,000	550,000	550,000	0
<b>Total Transportation Capitals</b>	<b>\$ 4,120,000</b>	<b>\$ 2,220,000</b>	<b>\$ 4,950,000</b>	<b>\$ 2,730,000</b>	<b>\$ 7,750,000</b>	<b>\$ 2,800,000</b>



# Transportation, Infrastructure, and Capitals

## Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Treasurer of State</u></b>						
<b>Treasurer of State</b>						
Watershed Improvement Fund-RIIF	\$ 5,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
County Fair Improvements-RIIF	1,590,000	1,060,000	1,060,000	0	1,060,000	0
Revenue Bonds Capitals Appropriation-RBC	165,000,000	0	0	0	0	0
Watershed Improvement Fund - RBC2	0	2,000,000	0	-2,000,000	0	0
<b>Total Treasurer of State</b>	<b>\$ 171,590,000</b>	<b>\$ 3,060,000</b>	<b>\$ 1,060,000</b>	<b>\$ -2,000,000</b>	<b>\$ 1,060,000</b>	<b>\$ 0</b>
<b><u>Veterans Affairs, Dept. of</u></b>						
<b>Veterans Affairs, Department of</b>						
Veterans Home Ownership Assistance - RIIF	\$ 1,600,000	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
<b>Total Veterans Affairs, Dept. of</b>	<b>\$ 1,600,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 0</b>	<b>\$ 1,000,000</b>	<b>\$ 0</b>
<b><u>Veterans Affairs Capitals</u></b>						
<b>Veterans Affairs Capital</b>						
IVH Capitals Request - RIIF	\$ 0	\$ 0	\$ 750,000	\$ 750,000	\$ 0	\$ -750,000
<b>Total Veterans Affairs Capitals</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 0</b>	<b>\$ -750,000</b>
<b>Total Transportation, Infrastructure, and Capitals</b>	<b>\$ 840,927,488</b>	<b>\$ 669,197,311</b>	<b>\$ 484,802,561</b>	<b>\$ -184,394,750</b>	<b>\$ 475,583,254</b>	<b>\$ -9,219,307</b>

## Unassigned Standings

### Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<b><u>Education, Dept. of</u></b>						
<b>Education, Dept. of</b>						
State Foundation Aid - ARRA	\$ 202,546,705	\$ 47,947,887	\$ 0	\$ -47,947,887	\$ 0	\$ 0
Teacher Professional Development - FRRF	2,000,000	0	0	0	0	0
Instructional Support - FRRF	13,103,950	0	0	0	0	0
Instructional Support - SIF	0	7,500,000	0	-7,500,000	0	0
School Foundation Aid - UST	0	5,100,000	0	-5,100,000	0	0
<b>Total Education, Dept. of</b>	<b>\$ 217,650,655</b>	<b>\$ 60,547,887</b>	<b>\$ 0</b>	<b>\$ -60,547,887</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Executive Council</u></b>						
<b>Executive Council</b>						
Cash Reserve Fund Appropriation	\$ 25,600,000	\$ 10,583,628	\$ 0	\$ -10,583,628	\$ 0	\$ 0
<b>Total Executive Council</b>	<b>\$ 25,600,000</b>	<b>\$ 10,583,628</b>	<b>\$ 0</b>	<b>\$ -10,583,628</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Legislative Branch</u></b>						
<b>Legislative Services Agency</b>						
LSA - Health Care Coverage Commission	\$ 315,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
LSA - Operations - FRRF	100,000	0	0	0	0	0
<b>Total Legislative Branch</b>	<b>\$ 415,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Human Services, Dept. of</u></b>						
<b>Assistance</b>						
MH Costs for Children-PTRF	\$ 3,271,911	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Human Services, Dept. of</b>	<b>\$ 3,271,911</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Management, Dept. of</u></b>						
<b>Management, Dept. of</b>						
Technology Reinvestment Fund Appropriation from	\$ 14,525,000	\$ 10,000,000	\$ 10,000,000	\$ 0	\$ 10,000,000	\$ 0
Environment First Fund Appropriation	42,000,000	33,000,000	33,000,000	0	33,000,000	0
Property Tax Credit Fund	54,684,481	54,684,481	0	-54,684,481	0	0
Appropriation Contingencies - CRF	0	5,000,000	0	-5,000,000	0	0
<b>Total Management, Dept. of</b>	<b>\$ 111,209,481</b>	<b>\$ 102,684,481</b>	<b>\$ 43,000,000</b>	<b>\$ -59,684,481</b>	<b>\$ 43,000,000</b>	<b>\$ 0</b>

# Unassigned Standings

## Other Fund

	Actual FY 2010 <u>(1)</u>	Estimated FY 2011 <u>(2)</u>	Gov Rec FY 2012 <u>(3)</u>	Gov Rec FY12 vs FY 2011 <u>(4)</u>	Gov Rec FY 2013 <u>(5)</u>	Gov Rec FY13 vs Gov Rec FY12 <u>(6)</u>
<b><u>Revenue, Dept. of</u></b>						
<b>Revenue, Dept. of</b>						
Homestead Property Tax Credit - PTCF	\$ 94,236,619	\$ 87,757,913	\$ 0	\$ -87,757,913	\$ 0	\$ 0
Agricultural Land and Family Farm Tax Credits - P1	32,395,131	32,395,131	0	-32,395,131	0	0
Military Service Tax Credit - PTCF	2,370,995	2,400,000	0	-2,400,000	0	0
Elderly and Disabled Tax Credit and Reimburseme	20,779,200	23,400,000	0	-23,400,000	0	0
<b>Total Revenue, Dept. of</b>	<b>\$ 149,781,945</b>	<b>\$ 145,953,044</b>	<b>\$ 0</b>	<b>\$ -145,953,044</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b><u>Transportation, Dept. of</u></b>						
<b>Transportation, Dept. of</b>						
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
<b>Total Transportation, Dept. of</b>	<b>\$ 875,000</b>	<b>\$ 875,000</b>	<b>\$ 875,000</b>	<b>\$ 0</b>	<b>\$ 875,000</b>	<b>\$ 0</b>
<b>Total Unassigned Standings</b>	<b>\$ 508,803,992</b>	<b>\$ 320,644,040</b>	<b>\$ 43,875,000</b>	<b>\$ -276,769,040</b>	<b>\$ 43,875,000</b>	<b>\$ 0</b>

## PROJECTED FY 2012 BUILT-IN AND ANTICIPATED GENERAL FUND EXPENDITURE INCREASES AND DECREASES

The built-in and anticipated expenditure estimates are used to help determine the projected condition of the General Fund budget for the next fiscal year. This budget projection is intended provide a starting point for the General Assembly to begin 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 multi-year appropriation set by statute. Legislative action is required to change or notwithstanding the standing appropriation provisions of the Iowa Code. For example, Iowa Code Section 15G.110 appropriates \$50.0 million annually from the General Fund to the Grow Iowa Values Fund (GIVF). For FY 2011, the General Assembly notwithstanding the statute for one year and appropriated \$38.0 million from the Rebuild Iowa Infrastructure Fund in lieu of the \$50.0 million General Fund appropriation. Unless legislative action is taken during the 2011 Legislative Session to limit the appropriation in FY 2012, Iowa Code Section 15G.110 will automatically appropriate \$50.0 million to the Grow Iowa Values Fund for FY 2012. The built-in expenditure increase becomes the \$50.0 million needed to restore the appropriation to the current law.

### **Anticipated Expenditures**

An anticipated expenditure is a projected increase associated with a cost that a State agency or program will incur in the next budget year, but has not received 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. The federal stimulus funds received during FY 2011 are considered time-limited funds and will have a sizable impact on the anticipated expenditure estimates.

Legislative action is required for State agencies to receive additional funds for the anticipated costs. If a State agency is not appropriated the additional funds, the agency must find reductions in their budget to fund the anticipated expenditure obligations. For example, under the State's collective bargaining agreement, agencies are contractually obligated to fund the pay increases in accordance with the agreement. However, the General Assembly is not obligated to appropriate the additional funds to cover the costs of the contract. If funds are not appropriated for the agreement, agencies will be required to fund the increased costs with existing resources, likely resulting in budget reductions for programs and services.

### **FY 2012 Built-in and Anticipated Expenditure Estimates**

For FY 2012, the Legislative Services Agency (LSA) is projecting \$1.257 billion in total built-in and anticipated expenditure increases. The FY 2012 projection includes: \$1.016 billion in General Fund built-in increases and \$241.5 million in anticipated expenditure increases. The following tables provide an itemized list of the FY 2012 estimates. Additional detail for each of the estimates is also provided.

## FY 2012 Built-in and Anticipated Expenditure Estimates

(Dollars in Millions)

<b><u>Built-in Expenditures</u></b>	<b><u>LSA Estimate</u></b>	<b><u>Percent of Total</u></b>
1. Human Services - Medical Assistance	\$ 571.0	45.4%
2. Education - K-12 School Foundation Aid	215.9	17.2%
3. Revenue - Homestead Tax Credit	81.6	6.5%
4. Economic Development - Grow Iowa Values Fund	50.0	4.0%
5. Executive Council - Performance of Duty	36.4	2.9%
6. Revenue - Agricultural Land Tax Credit	18.8	1.5%
7. Management - Technology Reinvestment Fund	17.5	1.4%
8. Education - Instructional Support	14.8	1.2%
9. Revenue - Elderly and Disabled Credit	8.8	0.7%
10. Human Services - Mental Health Property Tax Replacement	7.2	0.6%
11. Economic Development - Community Attraction and Tourism	7.0	0.6%
12. Human Services - Dental Home	5.5	0.4%
13. Management - State Appeal Board Claims	5.1	0.4%
14. College Aid - Work Study Program	2.8	0.2%
15. Education - Non-Public School Transportation	2.6	0.2%
16. Education - Child Development (At-Risk)	1.1	0.1%
17. Revenue - Military Service Tax Credit	0.9	0.1%
18. Economic Development - World Food Prize	0.4	0.0%
19. Economic Development - Tourism and Marketing	0.2	0.0%
20. Cultural Affairs - Community Cultural Grants	0.1	0.0%
21. Education - Voluntary Preschool	-12.2	-1.0%
22. Office of Energy Independence - Iowa Power Fund	-19.6	-1.6%
<b>Subtotal</b>	<b>\$1,015.9</b>	<b>80.8%</b>

**FY 2012 Built-in and Anticipated Expenditure Estimates - continued**

(Dollars in Millions)

<b>Anticipated Expenditure</b>	<b>LSA Estimate</b>	<b>Percent of Total</b>
23. Collective Bargaining Salary Costs	\$ 89.2	7.1%
24. Human Services - Child Care Assistance	27.0	2.1%
25. Human Services - Family Investment Program - TANF Expiration	20.3	1.6%
26. State Public Defender/Indigent Defense	19.2	1.5%
27. Corrections - Annualize Supplemental and Fund Filled Positions	19.2	1.5%
28. Regents Institutional Operations - Replace UST Funds	9.4	0.7%
29. Public Safety Enforcement Fund	9.3	0.7%
30. Human Services - State Resource Center - Replace ARRA Funds	8.6	0.7%
31. Department on Aging - Replace SLTF	8.5	0.7%
32. Public Safety and Corrections Radio Requirements	8.2	0.7%
33. Health and Human Services Programs - Replace UST Funds	7.0	0.6%
34. Human Services - Adoption Subsidy - USDA Maintenance Rate	3.3	0.3%
35. Human Services - Adoption Subsidy - Replace ARRA Funds	3.2	0.3%
36. Human Services - IowaCare - Replace ARRA Funds	2.0	0.2%
37. Human Services - Foster Care Replace ARRA Funds	1.2	0.1%
38. Judicial Branch - Jury Witness Fee Revolving Fund	1.2	0.1%
39. Corrections - Fund Constitutional Mandates	1.0	0.1%
40. Human Services - Foster Care - USDA Maintenance Rate	1.0	0.1%
41. Human Services - Field Operations - Vets Home Transfer	1.0	0.1%
42. Finance Authority - Rent Subsidy - Replace SLTF	0.7	0.1%
43. Education - Jobs for American Grads - Replace Cash Reserve Fund	0.5	0.0%
44. Human Services - SAMSHA Match - Replace ARRA Funds	0.3	0.0%
45. Natural Resources - Office Lease - Replace Cash Reserve Fund	0.3	0.0%
46. Management Operations - Replace Cash Reserve Fund	0.3	0.0%
47. Administrative Services - Terrace Hill - Replace Cash Reserve Fund	0.2	0.0%
48. Economic Development - Site Development	0.2	0.0%
49. Public Safety Advisory Board - CJJPD/DHR	0.1	0.0%
50. Veterans Affairs - County Grant Program	0.1	0.0%
51. Education - Teacher Quality National Board Certification	-0.2	0.0%
52. Municipal Police & Fire Retirement Subsidy	-0.8	-0.1%
<b>Subtotal</b>	<b>\$ 241.5</b>	<b>19.2%</b>
<b>TOTAL PROJECTED EXPENDITURE CHANGES</b>	<b>\$1,257.4</b>	<b>100.0%</b>

## FY 2012 ESTIMATED GENERAL FUND EXPENDITURES

### Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<b>1. Human Services – Medical Assistance</b>  <i>Appropriation</i>	Medical Assistance is a state/federal entitlement program that provides medical services to eligible low-income recipients. To qualify for federal funding, the State must reimburse providers for certain mandatory services. The State has the option to provide coverage of additional services and can elect to expand coverage to optional eligibility groups. Iowa is currently covering most of the optional services and optional eligibility groups that qualify for federal matching funds. The State also has the ability to set the rates it uses to reimburse service providers, within federal guidelines.	The increase includes the following: <ul style="list-style-type: none"> <li>• \$190.7 million to replace ARRA funding.</li> <li>• \$172.8 million to replace Cash Reserve funding.</li> <li>• \$45.3 million for various increases including general enrollment and utilization.</li> <li>• \$57.5 million carryforward from FY 2010 to FY 2011.</li> <li>• \$39.1 million to replace funding from the Senior Living Trust Fund.</li> <li>• \$26.2 million due to a decline in the FMAP rate.</li> <li>• \$14.1 million due to increased payments to Medicare.</li> <li>• \$13.7 million for the statutory requirement to rebase nursing facilities.</li> <li>• \$6.1 million due to increased HCBS waiver expenditures.</li> <li>• \$5.5 million to replace various one-time funds.</li> </ul>	\$571.0	<ul style="list-style-type: none"> <li>• Eliminate various optional services. The cost savings will vary depending on the optional services that are eliminated.</li> <li>• Reduce provider rates. An estimated \$6.0 million would be saved for every 1.0% reduction in the provider rates.</li> <li>• Use methodology that is cost neutral to rebase nursing facilities.</li> <li>• Due to federal requirements no changes can be enacted that would restrict Medicaid enrollment. By doing so the State would forfeit the federal funding for the Program of approximately \$2.4 billion.</li> </ul>	\$13.7

**Built-in Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<p><b>2. Education – K-12 School Foundation Aid</b> <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.</p> <p>Funding school aid includes the following:</p> <ul style="list-style-type: none"> <li>Regular school aid is estimated to total \$2,276.3 million in FY 2012.</li> <li>State categorical supplements are estimated to total \$315.9 million in FY 2012. These include the teacher salary supplement, professional development supplement, and the early intervention supplement.</li> <li>Preschool formula funding is estimated at \$69.9 million in FY 2012.</li> </ul> <p>NOTE: Enrollment data for FY 2012 is not currently available. The State aid estimate will be revised as updated information is received.</p>	<p>Assumes the following:</p> <ul style="list-style-type: none"> <li>0.0% allowable growth rate for regular school aid and State categorical supplements.</li> <li>Restoration of statutory reduction of \$7.5 million to the Area Education Agencies.</li> <li>Statewide taxable valuation growth of 3.7% in FY 2012.</li> <li>Funding growth includes:                             <ul style="list-style-type: none"> <li>A decrease of \$15.9 million for regular State school aid.</li> <li>An increase of \$1.0 million for the State categorical supplements.</li> <li>An increase of \$21.8 million for Statewide Voluntary Preschool formula funding due to increased number of districts receiving the formula funding in FY 2012. This Program is funded entirely through State aid.</li> <li>Dept. of Education enrollment projections for FY 2012.</li> </ul> </li> <li>Replace FY 2011 adjustments:                             <ul style="list-style-type: none"> <li>\$47.9 million of ARRA Education Stabilization and State Government Stabilization funds.</li> <li>\$5.1 million of Under Storage Tank (UST) funds used in place of State General Fund dollars.</li> <li>\$156.1 million for the FY 2010 State aid appropriation cap.</li> </ul> </li> </ul>	\$215.9	<ul style="list-style-type: none"> <li>Cap State school aid appropriation at \$2,446.1 million. Capping State school aid will not reduce school district spending authority.</li> <li>Reduce the preschool formula weighting from 0.6 to 0.3.</li> </ul>	<p>\$215.9</p> <p>\$35.0</p>



**Built-in Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<p><b>3. Revenue – Homestead Tax Credit</b> <i>Standing Unlimited Appropriation</i></p>	<p>Provides a property tax credit for residential homeowners.</p> <p>NOTE: The Property Tax Credit Fund (PTCF) received appropriations totaling \$146.0 million in FY 2011. This includes \$91.3 million from the General Fund and \$54.7 million from the Cash Reserve Fund.</p> <p>The funds in the PTCF were appropriated for the following tax credits:</p> <ul style="list-style-type: none"> <li>* Homestead Property Tax Credit</li> <li>* Agricultural and Family Farm Tax Credit</li> <li>* Elderly and Disabled Tax Credit</li> <li>* Military Service Tax Credit</li> </ul>	<ul style="list-style-type: none"> <li>• The Homestead Tax Credit was funded from the PTCF at \$87.8 million in FY 2011. Of this, \$54.9 million was associated with the General Fund.</li> <li>* The estimated cost to fully fund the Homestead Tax Credit in FY 2012 is \$136.5 million. This will require an increase of \$81.6 million in the General Fund appropriation.</li> <li>* Assumes the PTCF will be funded entirely from the General Fund in FY 2012.</li> </ul>	<p>\$81.6</p>	<ul style="list-style-type: none"> <li>• Reduce or eliminate the appropriation.</li> <li>• Fund the Homestead Tax Credit at the same level as FY 2011 (\$87.8 million).</li> </ul>	<p>Up to \$136.5</p> <p>\$48.7</p>
<p><b>4. Economic Development – Grow Iowa Values Fund</b> <i>Standing Limited Appropriation</i></p>	<p>Iowa Code Section 15G.110 provides an annual appropriation of \$50.0 million to the Grow Iowa Values Fund. This Section allocates the funding and establishes the purpose of the funding. The appropriation sunsets at the end of FY 2015.</p>	<ul style="list-style-type: none"> <li>• For FY 2011, the General Fund appropriation to the Grow Iowa Values Fund was notwithstanding and the Fund received an appropriation of \$38.0 million from the Rebuild Iowa Infrastructure Fund (RIIF).</li> <li>• Under current law, a General Fund appropriation of \$50.0 million is provided for FY 2012.</li> </ul>	<p>\$50.0</p>	<ul style="list-style-type: none"> <li>• Eliminate the appropriation or fund at a lower amount.</li> </ul>	<p>Up to \$50.0</p>

**Built-in Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<p><b>5. Executive Council – Performance of Duty</b> <i>Standing Unlimited Appropriation</i></p>	<p>The Executive Council approves expenditures from the Performance of Duty appropriation to provide funding for emergency repairs to State property if sufficient funds are not available in a State agency’s budget. The majority of the approved funds are for State expenditures associated with natural disasters, including State matching funds for Federal Emergency Management Administration (FEMA) grants.</p>	<ul style="list-style-type: none"> <li>• There is currently \$1.8 million included in the FY 2011 General Fund budget to cover nondisaster expenses through the Performance of Duty appropriation.</li> <li>• The Homeland Security and Emergency Management Division estimates approximately \$36.4 million in expenditures will be incurred for disaster-related expenses in FY 2012.</li> </ul>	<p>\$36.4</p>	<ul style="list-style-type: none"> <li>• No options identified.</li> </ul>	
<p><b>6. Revenue – Agricultural Land Tax Credit</b> <i>Standing Limited Appropriation</i></p>	<p>Provides a property tax credit to individuals for qualified lands used for agricultural purposes. Includes the Family Farm Tax Credit.</p> <p>NOTE: The Property Tax Credit Fund (PTCF) received appropriations totaling \$146.0 million in FY 2011. This includes \$91.3 million from the General Fund and \$54.7 million from the Cash Reserve Fund.</p> <p>The funds in the PTCF were appropriated for the following tax credits:</p> <ul style="list-style-type: none"> <li>* Homestead Property Tax Credit</li> <li>* Agricultural and Family Farm Tax Credit</li> <li>* Elderly and Disabled Tax Credit</li> <li>* Military Service Tax Credit</li> </ul>	<ul style="list-style-type: none"> <li>• The standing limited appropriation for the Agricultural Land Tax Credit is \$39.1 million. This tax credit was funded from the PTCF at \$32.4 million in FY 2011. Of this, \$20.3 million was associated with the General Fund appropriation.</li> <li>• To fully fund the Agricultural Land Tax Credit in FY 2012 will require an increase of \$18.8 million in the General Fund appropriation.</li> <li>• Assumes the PTCF will be funded entirely from the General Fund in FY 2012.</li> </ul>	<p>\$18.8</p>	<ul style="list-style-type: none"> <li>• Reduce or eliminate the appropriation.</li> <li>• Fund the Agricultural Land Tax Credit at the same as FY 2011 (\$32.4 million).</li> </ul>	<p>Up to \$39.1  \$6.7</p>

**Built-in Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<b>7. Management – Technology Reinvestment Fund</b>  <i>Standing Limited Appropriation</i>	Iowa Code Section 8.57C annually appropriates \$17.5 million from the General Fund to the Technology Reinvestment Fund. The Fund is used to provide funding to State agencies for computers, software, and other technology and equipment.	<ul style="list-style-type: none"> <li>For FY 2011, the Technology Reinvestment Fund received an appropriation of \$10.0 million from the RIIF.</li> <li>Under current law, a General Fund appropriation of \$17.5 million is provided for FY 2012.</li> </ul>	\$17.5	<ul style="list-style-type: none"> <li>Reduce the appropriation to \$10.0 million, the same amount provided in FY 2011 from the RIIF.</li> </ul>	\$7.5
<b>8. Education – Instructional Support</b>  <i>Standing Limited Appropriation</i>	Provides additional funding of up to 10.0% of the regular program district cost to be used for general operations. Funding comes from property taxes or a combination of property taxes and income surtax, and from State aid. The State aid has been capped at \$14.8 million.	<ul style="list-style-type: none"> <li>Assumes the appropriation will return to the statutory level.</li> <li>No General Fund dollars were appropriated for the Program in FY 2011. However, \$7.5 million of School Infrastructure Funds were used in lieu of State aid.</li> </ul>	\$14.8	<ul style="list-style-type: none"> <li>Fund the Program at the net FY 2011 level.</li> <li>Eliminate the standing appropriation.</li> </ul>	\$7.5  \$14.8
<b>9. Revenue – Elderly and Disabled Tax Credit</b>  <i>Standing Unlimited Appropriation</i>	Provides a property tax credit for low-income elderly or disabled taxpayers.  NOTE: The Property Tax Credit Fund (PTCF) received appropriations totaling \$146.0 million in FY 2011. This includes \$91.3 million from the General Fund and \$54.7 million from the Cash Reserve Fund.  The funds in the PTCF were appropriated for the following tax credits: * Homestead Property Tax Credit * Agricultural and Family Farm Tax Credit * Elderly and Disabled Tax Credit * Military Service Tax Credit	<ul style="list-style-type: none"> <li>The Elderly and Disabled Tax Credit was funded from the PTCF at \$23.4 million in FY 2011. Of this, \$14.6 million was associated with the General Fund appropriation.</li> <li>The estimated cost to fully fund the Elderly and Disabled Tax Credit in FY 2012 is \$23.4 million. This will require an increase of \$8.8 million in the General Fund appropriation.</li> <li>Assumes the PTCF will be funded entirely from the General Fund in FY 2012.</li> </ul>	\$8.8	<ul style="list-style-type: none"> <li>Reduce or eliminate the appropriation.</li> </ul>	Up to \$23.4

**Built-in Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<b>10. Human Services – Mental Health Property Tax Replacement</b>  <i>Standing Limited Appropriation</i>	Iowa Code Section 426B.1 provides a standing appropriation of \$88.4 million annually for Mental Health Property Tax Relief.	<ul style="list-style-type: none"> <li>The General Fund appropriation was reduced by \$7.2 million for FY 2011. Under current law the \$7.2 million is restored to the statutory level.</li> </ul>	\$7.2	<ul style="list-style-type: none"> <li>Cap the appropriation at the FY 2011 level of \$81.2 million. The reduction will impact local property taxes.</li> </ul>	\$7.2
<b>11. Economic Development – Community Attraction and Tourism</b>  <i>Standing Limited Appropriation</i>	The Community Attraction and Tourism Program is established in Iowa Code Section 15F.202 and appropriates \$7.0 million annually from the General Fund and \$5.0 million from the RIF through FY 2013.  The Program is designed to assist communities in the development, creation, and regional marketing of multiple-purpose attraction or tourism facilities.	<ul style="list-style-type: none"> <li>For FY 2011, the Program was entirely funded from the Revenue Bonds Capitals II Fund (RBC2) at \$12.0 million.</li> <li>Under current law, the \$7.0 million will be appropriated from the General Fund in FY 2012.</li> </ul>	\$7.0	<ul style="list-style-type: none"> <li>Eliminate the appropriation or fund at a lower amount.</li> </ul>	Up to \$7.0
<b>12. Human Services – Dental Home</b>  <i>Standing Unlimited Appropriation</i>	Iowa Code Section 249J.14(7) implements a Dental Home for Children Program beginning December 31, 2011. The Dental Home Program provides dental screenings, preventive services, diagnostic services, treatment services, and emergency services.	<ul style="list-style-type: none"> <li>It is estimated that \$5.5 million will be needed to fund the Program for the six-month period it will be operational in FY 2012.</li> </ul>	\$5.5	<ul style="list-style-type: none"> <li>Eliminate the Program.</li> </ul>	\$5.5

**Built-in Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<p><b>13. Management – State Appeal Board Claims</b> <i>Standing Unlimited Appropriation</i></p>	<p>The State Appeal Board is comprised of the State Auditor, State Treasurer, and the Director of the Department of Management. (Iowa Code Section 73A.1). The Board authorizes claims under:</p> <ul style="list-style-type: none"> <li>• Iowa Code Chapter 25 for the payment of bills, fees, refunds, and credits.</li> <li>• Iowa Code Chapter 669 for State tort claims.</li> </ul> <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"> <li>• Assumes the total need for FY 2012 will be similar to the amount expended in FY 2010 through the Appeal Board appropriation (\$8.7 million). This is \$5.1 million higher than the amount budgeted for FY 2011.</li> </ul>	<p>\$5.1</p>	<ul style="list-style-type: none"> <li>• No options identified.</li> </ul>	
<p><b>14. College Student Aid – Work Study Program</b> <i>Standing Limited Appropriation</i></p>	<p>Iowa Code Section 261.85 provides a standing appropriation of \$2.8 million for the College Work Study Program. The Program provides funding to colleges and universities to supplement federal work-study funds. The State funding does not serve as a match for the federal funds.</p>	<ul style="list-style-type: none"> <li>• This Program was not funded in FY 2011.</li> <li>• The estimate returns the appropriation to the statutory level of \$2.8 million</li> </ul>	<p>\$2.8</p>	<ul style="list-style-type: none"> <li>• Eliminate the Program or notwithstanding the appropriation for FY 2012.</li> </ul>	<p>\$2.8</p>
<p><b>15. Education – Nonpublic School Transportation</b> <i>Standing Limited Appropriation</i></p>	<p>Provides for the payment of approved claims of public school districts for transportation services to nonpublic school pupils.</p>	<ul style="list-style-type: none"> <li>• Estimated amount of claims submitted in FY 2012 is \$9.7 million.</li> <li>• The FY 2011 appropriation is capped at \$7.1 million.</li> </ul>	<p>\$2.6</p>	<ul style="list-style-type: none"> <li>• Fund at 50.0% of required level.</li> <li>• Eliminate funding for Program.</li> </ul>	<p>\$4.9 \$9.7</p>



**Built-in Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<b>18. Economic Development – World Food Prize</b>  <i>Standing Limited Appropriation</i>	Iowa Code Section 15.368(1) provides a \$1.0 million General Fund standing appropriation to support the World Food Prize.	<ul style="list-style-type: none"> <li>For FY 2011, the Prize received an appropriation of \$0.6 million from the General Fund and \$0.1 million from RIIF.</li> <li>The increase of \$0.4 million restores the appropriation to the statutory level of \$1.0 million for FY 2012.</li> </ul>	\$0.4	<ul style="list-style-type: none"> <li>Maintain funding at the FY 2011 level.</li> </ul>	\$0.4
<b>19. Economic Development – Tourism and Marketing</b>  <i>Standing Unlimited Appropriation</i>	Iowa Code Section 99F.11(3)(e) appropriates a portion of the State Wagering Tax receipts that are deposited into the General Fund to the Department of Economic Development for regional tourism marketing.	<ul style="list-style-type: none"> <li>The estimated annual appropriation for regional tourism marketing is \$1.1 million.</li> <li>The FY 2011 appropriation was reduced to \$0.9 million.</li> <li>Under current law, the \$0.2 million will be restored from the General Fund for FY 2012.</li> </ul>	\$0.2	<ul style="list-style-type: none"> <li>Maintain funding at the FY 2011 level.</li> </ul>	\$0.2
<b>20. Cultural Affairs – Community Cultural Grants</b>  <i>Standing Limited Appropriation</i>	Iowa Code Section 99F.11(3)(e) appropriates \$0.5 million from a portion of the State Wagering Tax receipts that are deposited into the General Fund. 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 to promote Iowa's historic, ethnic, and cultural heritages.	<ul style="list-style-type: none"> <li>The FY 2011 appropriation of \$0.5 million was reduced to \$0.4 million.</li> <li>Under current law, the \$0.1 million will be restored for FY 2012.</li> </ul>	\$0.1	<ul style="list-style-type: none"> <li>Maintain funding at the FY 2011 level.</li> </ul>	\$0.1

**Built-in Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<p><b>21. Education – Voluntary Preschool</b> <i>Standing Limited Appropriation</i></p>	<p>Appropriation for local school district four-year-old preschool programs approved by the Department of Education (as specified in Iowa Code Chapter 256C). The appropriation is for programs in the initial year. Programs are funded through the preschool formula (included in the State school aid formula) after the initial year.</p>	<ul style="list-style-type: none"> <li>The standing appropriation for FY 2011 totaled \$16.2 million. Of that amount, \$12.2 million was funded from the General Fund and \$4.0 million was funded from the Cash Reserve Fund.</li> <li>The appropriation for start-up programs will sunset at the end of FY 2011 and result in a savings to the General Fund of \$12.2 million.</li> </ul>	<p>\$ -12.2</p>	<ul style="list-style-type: none"> <li>Funding for Voluntary Preschool Program sunsets at the end of FY 2011, resulting in a \$12.2 million savings.</li> </ul>	<p>\$12.2</p>
<p><b>22. Office of Energy Independence – Iowa Power Fund</b> <i>Standing Limited Appropriation</i></p>	<p>Iowa Code Section 469.10 provides an annual General Fund appropriation of \$25.0 million beginning July 1, 2008, and ending June 30, 2011, to the Iowa Power Fund. The Fund is used to further the goals of increasing the research, development, production, and use of biofuels and other sources of renewable energy, improving energy efficiency, and reducing greenhouse gas emissions.</p>	<ul style="list-style-type: none"> <li>The FY 2011 standing appropriation was reduced to \$19.6 million.</li> <li>The sunset of this appropriation will result in a savings of \$25.0 million for FY 2012.</li> </ul>	<p>\$ -19.6</p>	<ul style="list-style-type: none"> <li>Current law savings due to the sunset of the standing appropriation.</li> </ul>	<p>\$25.0</p>



## FY 2012 ESTIMATED GENERAL FUND EXPENDITURES

### Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<p><b>23. Collective Bargaining Salary Costs</b> <i>Appropriation</i></p>	<p>Estimated State employee salary increases resulting from negotiated collective bargaining agreements.</p> <p>The State is currently in the process of negotiations with unions representing State employees for salaries and benefits for FY 2012 and FY 2013.</p> <p>The State has an agreement with some bargaining units that includes across-the-board increases of 2.0% on July 1, 2011, and 1.0% on January 1, 2012.</p>	<ul style="list-style-type: none"> <li>• The estimate assumes across-the-board increases of 2.0% on July 1, 2011, and 1.0% on January 1, 2012, for all bargaining units.</li> <li>• The estimate includes \$46.3 million for Regents institutions and \$42.9 million for all other State agencies.</li> </ul>	<p>\$89.2</p>	<ul style="list-style-type: none"> <li>• Do not fully fund the estimated salary adjustment for FY 2012. This will require State agencies to adjust their FY 2012 budgets to fund the salary increases in accordance with the negotiated collective bargaining agreements.</li> </ul>	<p>Up to \$89.2</p>
<p><b>24. Human Services – Child Care Assistance</b> <i>Appropriation</i></p>	<p>Child Care Assistance (CCA) is an eligibility-based benefit that provides 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"> <li>• An increase of \$1.6 million attributed to various factors including, costs for infant versus toddler-aged children, payment tiers of providers that are selected by parents, and continued enrollment growth.</li> <li>• An increase of \$15.8 million to replace federal stimulus funds (ARRA) received in FY 2011 through the federal Child Care Development Fund Block Grant .</li> <li>• An increase of \$9.6 million to replace one-time carryforward funds from FY 2010 that was used in FY 2011. These funds will not be available in FY 2012.</li> </ul>	<p>\$27.0</p>	<ul style="list-style-type: none"> <li>• Do not fund this increase or partially fund it.</li> </ul>	<p>Up to \$27.0</p>

**Anticipated Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<p><b>25. Human Services – Family Investment Program – TANF Expiration</b> <i>Appropriation</i></p>	<p>The Family Investment Program (FIP) provides monthly cash payments to low-income lowans based on their income. There is a five-year lifetime limit for receiving FIP benefits, with exceptions in hardship cases. The Program is not an entitlement program. Recipients must show they are working toward self-sufficiency.</p>	<ul style="list-style-type: none"> <li>• The FIP Program received \$20.4 million in federal stimulus funds in FY 2011 to offset reductions to the General Fund appropriation.</li> <li>• The estimated increase replaces the federal funds for FY 2012 to maintain funding at the FY 2011 level.</li> </ul>	<p>\$20.3</p>	<ul style="list-style-type: none"> <li>• Reduce the benefit level for families. The savings would vary depending on the amount the benefits were reduced.</li> </ul>	<p>Estimates could vary.</p>
<p><b>26. State Public Defender /Indigent Defense</b> <i>Appropriation</i></p>	<p>The State Public Defender and Indigent Defense Fund provide legal counsel to indigent adult and juvenile clients to ensure their constitutional right to effective legal counsel.</p>	<ul style="list-style-type: none"> <li>• The FY 2012 estimate is based on FY 2010 actual expenditures.</li> <li>• Assumes current authorized FTE positions in the State Public Defender's Office will be filled, thereby lowering the overall increase in funding.</li> <li>• The estimate includes \$1.2 million for the State Public Defender Office and \$18.0 million for Indigent Defense.</li> </ul>	<p>\$19.2</p>	<ul style="list-style-type: none"> <li>• Transfer funds from other State agencies.</li> <li>• Lower reimbursement rates to private attorneys.</li> </ul>	<p>Estimates could vary.</p>

**Anticipated Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<p><b>27. Corrections – Annualize Supplemental and Fund Filled Positions</b> <i>Appropriation</i></p>	<p>Funds the operating costs of the nine prisons, eight CBC District Departments, and Central Office. Includes staff for security, treatment, and support services.</p>	<ul style="list-style-type: none"> <li>• Adds \$14.2 million to annualize the FY 2011 recommended supplemental appropriation which partially restores the FY 2011 mid-year reduction of \$23.3 million.</li> <li>• Approximately \$9.1 million of the FY 2011 mid-year reduction is met through SERIP savings.</li> <li>• There is a remaining gap of \$5.0 million to fund 83.3 currently filled positions in the corrections system, including the areas of security, treatment, medical, food services, maintenance, and administration.</li> </ul>	<p>\$19.2</p>	<ul style="list-style-type: none"> <li>• Layoff DOC and CBC employees</li> </ul>	<p>\$19.2</p>
<p><b>28. Regents Institutional Operations - Replace UST Funds</b> <i>Appropriation</i></p>	<p>Funding for the general education operations at the three universities and two special schools from the Underground Storage Tank (UST) Fund was used to offset reductions in General Fund appropriations in FY 2011.</p>	<ul style="list-style-type: none"> <li>• Funding from the UST Fund is not expected to be available for FY 2012.</li> <li>• This estimate replaces the \$9.4 million received in FY 2011 with General Fund dollars in FY 2012.</li> </ul>	<p>\$9.4</p>	<ul style="list-style-type: none"> <li>• Do not replace the UST funds with General Fund appropriations.</li> </ul>	<p>\$9.4</p>
<p><b>29. Public Safety Enforcement Fund</b> <i>Appropriation</i></p>	<p>The Public Safety Enforcement Fund (PSEF) was created in SF 2378 (FY 2011 Justice System Appropriations Act) for the purpose of collecting court receipts for appropriation to various departments for operational purposes. The Fund is repealed at the close of FY 2011. The Act increased traffic fines and is expected to generate an additional \$9.1 million in court receipts, \$1.0 million for local governments, and \$0.4 million for the Crime Victim Compensation Fund.</p>	<p>Appropriations include:</p> <ul style="list-style-type: none"> <li>• Attorney General's Office - \$0.1 million.</li> <li>• Civil Rights Commission - \$0.1 million.</li> <li>• Department of Corrections - \$3.3 million.</li> <li>• Department of Public Safety - \$0.5 million.</li> <li>• Judicial Branch - \$5.3 million.</li> </ul>	<p>\$9.3</p>	<ul style="list-style-type: none"> <li>• No options identified.</li> </ul>	

**Anticipated Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<b>30. Human Services - State Resource Center - Replace ARRA Funds</b>  <i>Appropriation</i>	The State Resource Centers are 24-hour care facilities for individuals with intellectual or other developmental disabilities.	<ul style="list-style-type: none"> <li>Because the State Resource Centers receive Medicaid their funding increases and decreases with changes in the FMAP rate. The State share increases for FY 2012 with the elimination of federal stimulus funds and the decreased federal FMAP rate.</li> </ul>	\$8.6	<ul style="list-style-type: none"> <li>No options identified.</li> </ul>	
<b>31. Department on Aging - Replace SLTF</b>  <i>Appropriation</i>	The Department on Aging funds the Home and Community-Based Services Programs administered by the Area Agencies on Aging. From FY 2001 to FY 2011, the Department was entirely funded from the Senior Living Trust Fund (SLTF). The SLTF sunsets at the close of FY 2011.	<ul style="list-style-type: none"> <li>Funding from the SLTF will not be available in FY 2012.</li> <li>A General Fund appropriation of \$8.5 million will be necessary for FY 2012 to continue the Program at the FY 2011 level.</li> </ul>	\$8.5	<ul style="list-style-type: none"> <li>Reduce Home and Community-Based Services for the Elderly.</li> </ul>	Estimates could vary.
<b>32. Public Safety and Corrections Radio Requirements</b>  <i>Appropriation</i>	The federal government mandated that all nonfederal public safety license holders on frequencies ranging from 150-512 MHz reduce their operating bandwidth from 25 kHz to 12.5 kHz narrowband channels and update their operating licenses by January 1, 2013. Failure to do so will result in the loss of communication capabilities and fines.	<ul style="list-style-type: none"> <li>Funding will be needed to replace old equipment that cannot be reprogrammed.</li> </ul>	\$8.2	<ul style="list-style-type: none"> <li>No options identified.</li> </ul>	
<b>33. Health and Human Services Programs – Replace UST Funds</b>  <i>Appropriation</i>	Excess funding from the Underground Storage Tank (UST) Fund was used in FY 2011 to fund various health and human services programs.	<ul style="list-style-type: none"> <li>Funding from the UST Fund is not expected to be available for FY 2012.</li> </ul>	\$7.0	<ul style="list-style-type: none"> <li>Reduce each of the health and human services programs by the requisite amount.</li> </ul>	\$7.0
<b>34. Human Services – Adoption Subsidy – USDA Maintenance Rate</b>  <i>Appropriation</i>	Iowa Code Section 234.38 requires that DHS base adoption subsidy payment rates on 65.0% of what the USDA estimates it will cost to raise a child in the Midwest.	<ul style="list-style-type: none"> <li>This statutory language has been nullified in legislation for at least the past three fiscal years.</li> </ul>	\$3.3	<ul style="list-style-type: none"> <li>Continue to not withstand this language.</li> <li>Fund a partial increase.</li> </ul>	Up to \$3.3



**Anticipated Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<b>39. Corrections – Fund Constitutional Mandates</b>  <i>Appropriation</i>	Religious counsel/coordinator and legal services contract with State Public Defender Office, plus inmate education. These items were formerly funded from the Telephone Rebate Fund at a cost of \$1.0 million.	<ul style="list-style-type: none"> <li>It is estimated that the Telephone Rebate Fund will not have sufficient receipts to meet the funding needs in FY 2012.</li> </ul>	\$1.0	<ul style="list-style-type: none"> <li>Fund legal counsel through the State Public Defender Office.</li> </ul>	\$0.1
<b>40. Human Services - Foster Care - USDA Maintenance Rate</b>  <i>Appropriation</i>	Iowa Code Section 234.38 requires that the DHS base foster care payment rates on 65.0% of what the USDA cost estimate to raise a child in the Midwest.	<ul style="list-style-type: none"> <li>This language has been nullified in legislation for at least the past three fiscal years.</li> </ul>	\$1.0	<ul style="list-style-type: none"> <li>Continue to notwithstanding this Code section.</li> <li>Fund a partial increase.</li> </ul>	Up to \$1.0
<b>41. Human Services – Field Operations – Vets Home Transfer</b>  <i>Appropriation</i>	Field Operations provides staff support for all of the various DHS programs.	<ul style="list-style-type: none"> <li>Excess funds were transferred from the Veteran’s Home in FY 2011 to help support field operations.</li> <li>An increase of \$1.0 million will be needed in FY 2012 to maintain funding at the FY 2011 level.</li> </ul>	\$1.0	<ul style="list-style-type: none"> <li>Fund field operations at a lower level.</li> </ul>	\$1.0
<b>42. Finance Authority – Rent Subsidy – Replace SLTF</b>  <i>Appropriation</i>	Provides a rent subsidy for individuals on the Medicaid Elderly Waiver at risk for a nursing facility placement. From FY 2001 to FY 2011, the Subsidy was entirely funded from the Senior Living Trust Fund (SLTF). The SLTF sunsets at the close of FY 2011.	<ul style="list-style-type: none"> <li>Funding from the SLTF will not be available in FY 2012.</li> <li>A General Fund appropriation of \$0.7 million will be needed for FY 2012 to continue the Program at the FY 2011 level.</li> </ul>	\$0.7	<ul style="list-style-type: none"> <li>Eliminate or reduce the funding for the program.</li> </ul>	Up to \$0.7
<b>43. Education – Jobs for American Grads – Replace Cash Reserve Fund</b>  <i>Appropriation</i>	Annual State funding for the IJAG Program that operates 27 programs at 24 sites to help high school students graduate and prepare for post-secondary education.	<ul style="list-style-type: none"> <li>The Program received an appropriation of \$0.5 million from the Cash Reserve Fund in FY 2011 to offset a reduction to the General Fund appropriation. This increase replaces the Cash Reserve Fund appropriation.</li> </ul>	\$0.5	<ul style="list-style-type: none"> <li>Discontinue funding of the program.</li> </ul>	\$0.5

**Anticipated Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<b>44. Human Services - SAMSHA Match - Replace ARRA Funds</b> <i>Appropriation</i>	The Substance Abuse and Mental Health Services Administration (SAMSHA) Community Circles of Care Grant is building a system of care for youth with emotional and behavioral challenges.	<ul style="list-style-type: none"> <li>As part of the grant, the state match increases annually. The increased match for FY 2012 is \$0.3 million.</li> </ul>	\$0.3	<ul style="list-style-type: none"> <li>No options identified.</li> </ul>	\$0.3
<b>45. Natural Resources – Office Lease – Replace Cash Reserve Fund</b> <i>Appropriation</i>	Executive Order #20 signed by the Governor on December 16, 2009, instructed the DNR to consolidate office space. House File 2525 (FY 2011 Agriculture and Natural Resources Appropriations Subcommittee Act) decreased the General Fund appropriation to the DNR by \$300,000. House File 2531 (FY 2011 Standings Appropriations Act) appropriated \$300,000 to the DNR from the Cash Reserve Fund.	<ul style="list-style-type: none"> <li>The estimated increase of \$0.3 million replaces a Cash Reserve Fund appropriation provided in FY 2011 to fund a reduction to the General Fund appropriation.</li> </ul>	\$0.3	<ul style="list-style-type: none"> <li>No options identified.</li> </ul>	
<b>46. Management Operations – Replace Cash Reserve Fund</b> <i>Appropriation</i>	The Department of Management serves as the lead Executive Branch agency for State budget development.	<ul style="list-style-type: none"> <li>An additional \$0.3 million from the Cash Reserve Fund was appropriated in FY 2011 for Department operations to replace a reduction to the General Fund appropriation.</li> <li>The \$0.3 million increase restores funding to the FY 2011 level.</li> </ul>	\$0.3	<ul style="list-style-type: none"> <li>Reduce salary and staff costs for the Department.</li> </ul>	Estimates could vary.
<b>47. Administrative Services – Terrace Hill - Replace Cash Reserve Fund</b> <i>Appropriation</i>	Prior to FY 2011, Terrace Hill maintenance operations were funded by an appropriation to the Governor's Office. Beginning in FY 2011, the Department of Administrative Services assumed the responsibility of providing routine grounds care to Terrace Hill.	<ul style="list-style-type: none"> <li>The estimated increase of \$0.2 million restores funding to the FY 2011 level.</li> </ul>	\$0.2	<ul style="list-style-type: none"> <li>No options identified.</li> </ul>	

**Anticipated Increases and Decreases**

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 12 vs. FY 11 (4)	Options for Reductions (5)	Savings (6)
<b>48. Economic Development – Site Development</b> <i>Appropriation</i>	Iowa Code Section 15E.18 requires the DED to consult with local governments and local economic development officials regarding site development techniques.	<ul style="list-style-type: none"> <li>The Department received an appropriation of \$0.2 million from the School Infrastructure Fund (SIF) and authority for 1.0 FTE position for FY 2011.</li> <li>Funding from the SIF is not expected to be available in FY 2012. The estimate restores funding to the FY 2011 level.</li> </ul>	\$0.2	<ul style="list-style-type: none"> <li>Amend the Code and discontinue the Program.</li> </ul>	\$0.2
<b>49. Public Safety Advisory Board – CJJPD/DHR</b> <i>Appropriation</i>	The Public Safety Advisory Board was created in HF 2531 (FY 2011 Standing Appropriations Act). The duties of the Board involve reviewing and making recommendations relating to current sentencing provisions.  The Department received an FY 2011 appropriation of \$0.1 million and 2.0 FTE positions from the Underground Storage Tank (UST) Fund to implement the responsibilities of the Board.	<ul style="list-style-type: none"> <li>Assumes funding from the UST Fund will not be available in FY 2012.</li> <li>The estimate restores funding to the FY 2011 level from the General Fund in FY 2012.</li> </ul>	\$0.1	<ul style="list-style-type: none"> <li>Repeal the Board.</li> </ul>	\$0.1
<b>50. Veterans Affairs – County Grant Program</b> <i>Appropriation</i>	The County Grant Program provides \$10,000 to each county for local veteran affairs commissions.	<ul style="list-style-type: none"> <li>This is replacing one-time money used in FY 2011.</li> </ul>	\$0.1	<ul style="list-style-type: none"> <li>Reduce the county grant by \$1,000 per county.</li> </ul>	\$0.1
<b>51. Education – Teacher Quality National Board Certification</b> <i>Appropriation</i>	Discontinued awards to teachers that have achieved National Board Certification.	<ul style="list-style-type: none"> <li>New awards are no longer funded. The State's obligation to past awardees continues to decline annually.</li> </ul>	\$ -0.2	<ul style="list-style-type: none"> <li>No options identified.</li> </ul>	\$0.2
<b>52. Municipal Police &amp; Fire Retirement Subsidy</b> <i>Appropriation</i>	House File 2518 (Public Retirement Systems Act) phases out the State's contribution to the 411 System by FY 2013.  The General Fund appropriation for FY 2011 was \$1.5 million. For FY 2012, the appropriation will be \$0.7 million.	<ul style="list-style-type: none"> <li>For FY 2012, the appropriation will be \$0.7 million, which is \$0.8 million less than the amount appropriated for FY 2011.</li> </ul>	\$ -0.8	<ul style="list-style-type: none"> <li>No options identified.</li> </ul>	\$0.8



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## INTERIM COMMITTEE SUMMARY

COMMITTEE NAME	CHARGE	LSA STAFF	SUBCOMMITTEE
<b>Legislative Health Care Coverage Commission</b>	<p><b>CHARGE:</b> The Commission is required, by 2009 Iowa Acts, SF 389, §1, to develop an Iowa health care reform strategic plan, addressing various aspects listed in the legislation. The Commission is created under the authority of the Legislative Council, with administrative support to be provided by the Legislative Services Agency (LSA). The Legislative Council is required to appoint a Chairperson and Vice Chairperson from the voting membership.</p> <p>For the 2010 Interim, the Commission shall complete its deliberations no later than December 31, 2010, and file a final report with the General Assembly no later than January 31, 2011.</p>	<p><b>Legal:</b> Ann Ver Heul, Patty Funaro, and John Pollak</p> <p><b>Fiscal:</b> Deborah Helsen, Jess Benson, and Joe Brandstatter</p>	Health and Human Services
<b>Legislative Tax Expenditure Committee</b>	<p><b>CHARGE:</b> The Committee is created as a permanent body under the Legislative Council. Duties include approving annual estimates of the cost of tax expenditures by December 15 each year, and performing a scheduled review of specified tax credits so that each credit is reviewed at least every five years. The first scheduled meeting is in 2011. The Committee is authorized to hold an initial organizational meeting following the November 2010 election to plan for the first scheduled review and other activities. (2010 Iowa Acts, SF 2380, Division II)</p>	<p><b>Legal:</b> TBA</p> <p><b>Fiscal:</b> TBA</p>	Created as a permanent body under the Legislative Council.
<b>Levee and Drainage District Law Study Committee</b>	<p><b>CHARGE:</b> Review Iowa law on levee and drainage districts and make recommendations for addressing recent court rulings interpreting the law.</p>	<p><b>Legal:</b> Doug Adkisson</p> <p><b>Fiscal:</b> Deb Kozel</p>	Agriculture and Natural Resources

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## SALARIES AND COLLECTIVE BARGAINING

The State is currently in the process of negotiations with unions representing State employees for salaries and benefits for FY 2012 and FY 2013. 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 is proposing several collective bargaining changes. These include:

- Remove the requirement that an arbitrator is to consider past contracts between the State and State employee organizations.
- Require an arbitrator to consider comparable wages paid to private sector employees doing comparable work and their private sector counter parts.
- Amend Iowa Code Chapter 20 to permit an arbitrator to consider efficiency and consequences related to tax increases and decreases in service.
- Additional recommendations pertaining to the rights of management.

### *ESTIMATED SALARY EXPENDITURES FOR FY 2012*

Not all bargaining units have reached an agreement. The estimates below are based on all bargaining units agreeing to continued steps for all eligible employees and across-the-board adjustments of 2.00% effective July 1, 2011, and 1.00% effective January 1, 2012.

- It is estimated that General Fund salary expenses will increase by \$89.2 million in FY 2012. This includes \$16.6 million for partial year increases that occur during FY 2011 (salary annualization) and \$72.6 million for increased salaries and benefit costs.
- It is estimated that total salary expenses for all funding sources will increase by \$183.2 million in FY 2012. This includes \$34.9 million for partial year increases that occur during FY 2011 (salary annualization) and \$148.3 million for increased salaries and benefit costs.

The following is a summary of the unions opening offers and the State's response. The table contains only a summary of the major points. Copies of the opening offers and the State's response are available from the Fiscal Services Division (FSD) of the Legislative Services Agency (LSA) upon request. Since collective bargaining agreements cover two years, there will be no collective bargaining negotiations during the 2012 Legislative Session. The FSD will provide an update when the agreements become final.

**FY 2012 AND FY 2013 COLLECTIVE BARGAINING UNIT NEGOTIATIONS**

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
<b>American Federation of State, County, and Municipal Employees (AFSCME) – General Government and Community Based Corrections (CBC)</b>	2.00% across-the-board pay increase on July 1, 2011. 1.00% across-the-board pay increase on January 1, 2012. Step increases of 4.50% for eligible employees during FY 2012.	No Change	2.00% across-the-board pay increase on July 1, 2012. 1.00% across-the-board pay increase on January 1, 2013. Step increases of 4.50% for eligible employees during FY 2013.	Same as FY 2012.
<b>State Response</b>	2.00% across-the-board pay increase on July 1, 2011. 1.00% across-the-board pay increase on January 1, 2012. Step increases of 4.50% for eligible employees during FY 2012.	No Change	2.00% across-the-board pay increase on July 1, 2012. 1.00% across-the-board pay increase on January 1, 2013. Step increases of 4.50% for eligible employees during FY 2013.	Same as FY 2012.

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
<b>AFSCME Agreement</b>	2.00% across-the-board pay increase on July 1, 2011. 1.00% across-the-board pay increase on January 1, 2012. Step increases of 4.50% for eligible employees during FY 2012.	No Change	2.00% across-the-board pay increase on July 1, 2012. 1.00% across-the-board pay increase on January 1, 2013. Step increases of 4.50% for eligible employees during FY 2013.	Same as FY 2012.
<b>Iowa United Professionals (IUP) and United Electrical Workers (UE) , Science Unit and Professional Social Services Unit</b>	2.00% across-the-board pay increase on July 1, 2011. 1.00% across-the-board pay increase on January 1, 2012. Step increases of 4.50% for eligible employees during FY 2012.	No Change	2.00% across-the-board pay increase on July 1, 2012. 1.00% across-the-board pay increase on January 1, 2013. Step increases of 4.50% for eligible employees during FY 2013.	Same as FY 2012
<b>State Response</b>	2.00% across-the-board pay increase on July 1, 2011. 1.00% across-the-board pay increase on January 1, 2012. Step increases of 4.50% for eligible employees during FY 2012.	No Change	2.00% across-the-board pay increase on July 1, 2012. 1.00% across-the-board pay increase on January 1, 2013. Step increases of 4.50% for eligible employees during FY 2013.	Same as FY 2012

**Appendix D – Salaries and Collective Bargaining**

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
<b>IUP and UE Agreement</b>	<p>2.00% across-the-board pay increase on July 1, 2011.</p> <p>1.00% across-the-board pay increase on January 1, 2012.</p> <p>Step increases of 4.50% for eligible employees during FY 2012.</p>	No Change	<p>2.00% across-the-board pay increase on July 1, 2012.</p> <p>1.00% across-the-board pay increase on January 1, 2013.</p> <p>Step increases of 4.50% for eligible employees during FY 2013.</p>	Same as FY 2012
<b>State Police Officers Council (SPOC)</b>	<p>A fair and equitable increase to base pay, yet to be determined.</p> <p>Step increases of 4.50% for eligible employees during FY 2012</p> <p>Replace Differential Pay with 4.00% Premium Pay</p>	<p>Change language pertaining to:</p> <ul style="list-style-type: none"> <li>• Layoffs</li> <li>• Bumping Rights</li> <li>• Work Schedules</li> <li>• Compensatory Time</li> <li>• Overtime Pay</li> <li>• On Call Pay</li> </ul>	<p>A fair and equitable increase to base pay, yet to be determined.</p> <p>Step increases of 4.50% for eligible employees during FY 2013</p>	Same as FY 2012.
<b>State Response</b>	<p>2.00% across-the-board pay increase on July 1, 2011.</p> <p>1.00% across-the-board pay increase on January 1, 2012.</p> <p>Step increases of 3.50% for eligible employees during FY 2012.</p>	No Change	<p>2.00% across-the-board pay increase on July 1, 2012.</p> <p>1.00% across-the-board pay increase on January 1, 2013.</p> <p>Step increases of 3.50% for eligible employees during FY 2013.</p>	Same as FY 2012.

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
SPOC Agreement	<p>2.00% across-the-board pay increase on July 1, 2011.</p> <p>1.00% across-the-board pay increase on January 1, 2012.</p> <p>Step increases of 3.50% for eligible employees during FY 2012</p>	No Change	<p>2.00% across-the-board pay increase on July 1, 2012.</p> <p>1.00% across-the-board pay increase on January 1, 2013.</p> <p>Step increases of 3.50% for eligible employees during FY 2013.</p>	Same as FY 2012.
Judicial AFSCME	<p>2.00% across-the-board pay increase on July 1, 2011.</p> <p>1.00% across-the-board pay increase on January 1, 2012.</p> <p>Step increases of 4.50% for eligible employees.</p>	<p>Increase paid leave for purposes of contact negotiation from 56 hours to 136 hours for employees involved in negotiating a new bargaining agreement.</p> <p>Change language pertaining to:</p> <ul style="list-style-type: none"> <li>• Seniority</li> <li>• Layoffs</li> <li>• Transfers</li> <li>• Bumping</li> <li>• Office Closings</li> </ul>	<p>2.00% across-the-board pay increase on July 1, 2012.</p> <p>1.00% across-the-board pay increase on January 1, 2013</p> <p>4.50% step increases for eligible employees.</p>	Same as FY 2012.



**Appendix D – Salaries and Collective Bargaining**

<b>Bargaining Unit</b>	<b>FY 2012</b>		<b>FY 2013</b>	
	<b>Wages</b>	<b>Benefits</b>	<b>Wages</b>	<b>Benefits</b>
<b>Judicial AFSCME State Response</b>	1.00% across-the-board pay increase on July 1, 2011.  No step increases of 4.50% for eligible employees.	Reduce the State contribution for Health Insurance Premiums and makes changes to double-spouse requirements.  Requested changes to language pertaining to: <ul style="list-style-type: none"> <li>• Layoffs</li> <li>• Bumping</li> <li>• Reinstatement</li> <li>• Recall</li> <li>• Transfers</li> </ul>	1.00% across-the-board pay increase on July 1, 2012.  No step increases of 4.50% for eligible employees.	Same as FY 2012.
<b>Agreement</b>	An agreement is not currently available.			
<b>Judicial Public Professional and Maintenance Employees (PPME)</b>	4.00% across-the-board pay increase on July 1, 2011.  Step increases of 2.50% for eligible employees.	Severance pay for a permanent reduction in force of \$1,000 for each year of service.  Change language pertaining to: <ul style="list-style-type: none"> <li>• Layoffs</li> <li>• Bumping</li> <li>• Transfers and vacancies</li> </ul>	4.00% across-the-board pay increase on July 1, 2012.  Step increases of 2.50% for eligible employees.	Same as FY 2012.

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
<b>PPME State Response</b>	1.00% across-the-board pay increase on July 1, 2011.  No step increases.	Reduce the State contribution for Health Insurance Premiums and change double-spouse requirements.  Change language pertaining to: <ul style="list-style-type: none"> <li>• Probationary employment</li> <li>• Layoffs, recall, and bumping</li> <li>• Reinstatement</li> <li>• Transfers</li> </ul>	1.00% across-the-board pay increase on July 1, 2012.  No step increases.	Same as FY 2012.
<b>PPME Agreement</b>	An agreement is not currently available.			
<b>University of Northern Iowa (UNI)– United Faculty</b>	7.00% increase for salaries. This includes a 2.80% increase to base pay, a fixed increase of 3.50% of the average salary, and 0.70% merit increase.  Additional increase for employment market conditions.  Increase the amount provided at promotion between 66.67% and 106.38%.	Requested changes to language pertaining to: <ul style="list-style-type: none"> <li>• Information provided employees</li> <li>• Parking and Fees</li> <li>• Educational Benefits for Faculty, Spouse, Domestic Partner, and Children</li> <li>• Wellness Center Usage and Fees</li> </ul>	5.00% increase for salaries. This includes a 2.00% increase to base pay, a fixed increase of 2.50% of the average salary, and 0.50% merit increase.  Additional increase for employment market conditions.  Increase the amount provided at promotion between 66.67% and 110.00%.	Same as FY 2012.

Appendix D – Salaries and Collective Bargaining

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
University of Northern Iowa (UNI)- United Faculty (Continued)		Continued requested changes to language pertaining to: <ul style="list-style-type: none"> <li>• Evaluation Procedures and Personnel Files</li> <li>• Staff Reductions, Summer Employment, Leaves and Travel Expense</li> <li>• Part-Time Employment</li> <li>• Distance Education</li> </ul>		
United Faculty State Response	0.00% increase. Changes the calculation for Summer employment.	Establishes deadlines for submitting a Notice of Appointment. Changes the amount of Life Insurance provided to one times the employees budgeted salary from two and one half, up to \$250,000. Reduces the State’s premium payment for Health Insurance from 100.00% for a single plan to 90.00%, reduces the contribution for a family plan, and changes coverage.	0.00% increase.	Same as FY 2012.

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
<b>United Faculty State Response (Continued)</b>  <b>Agreement</b>	<p>An agreement is not currently available.</p>	<p>Reduces the State’s contribution towards Dental Insurance and changes coverage.</p>		
<b>Committee to Organize Graduate Students – University of Iowa (COGS – SUI)</b>	<p>Establish the minimum FY 2012 salary for a 50.00% academic year appointment at \$17,238 instead of \$16,575, and \$21,069 instead of \$20,258 for a 50.00% fiscal year appointment.</p> <p>Provide returning employees a \$663 increase for academic year 50.00% appointments and \$811 for fiscal year 50.00% appointments.</p> <p>Supplemental pay of \$25.00 per hour worked above contractual obligation.</p>	<p>Payment of 100.00% of tuition and fees for appointments of 25.00% or more.</p> <p>Increase dependent health coverage State premium payments from 70.00% to 90.00%.</p> <p>Change health insurance co-payment requirements and increase covered dependents from age 25 to 26.</p> <p>Increase dependent dental insurance premium payments from 70.00% to 85.00%.</p> <p>Add a vision plan.</p>	<p>Establish the minimum FY 2013 salary for a 50.00% academic year appointment at \$17,928 instead of \$16,575, and \$21,912 instead of \$20,258 for a 50.00% fiscal year appointment.</p> <p>Provide returning employees a \$690 increase for academic year 50.00% appointments and \$843 for fiscal year 50.00% appointments.</p>	<p>Same as FY 2012.</p>

Appendix D – Salaries and Collective Bargaining

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
COGS – SUI (Continued)		Change language pertaining to: <ul style="list-style-type: none"> <li>• Release of information</li> <li>• Printed copies of the agreement</li> <li>• Intellectual property</li> <li>• Academic freedom</li> <li>• Letters of appointment</li> <li>• Hours of work</li> <li>• Salary distribution</li> <li>• Paid leaves</li> <li>• Coverage responsibilities</li> <li>• Parental accommodation</li> </ul>		
COGS – SUI State Response	0.00% across-the-board increase.	Change language pertaining to: Posting of information, Employee orientation, Grievance procedures, and Dental coverage  Restrict appointments to eight academic years of doctoral program study.	0.00% across-the-board.	Same as FY 2012.

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
COGS – SUI State Response (Continued)		Increase employee health benefits co-payments, co-insurance, and out-of-pocket maximum.  Increase tuition scholarship amounts.		
Agreement	An agreement is not currently available.			
Service Employees International Union (SEIU) – University of Iowa and University Of Iowa Hospital and Clinic (SUI/UIHC)	6.00% across-the-board increase.  Increase shift differential pay from \$10.00 to \$20.00 per hour.  Increase hourly pay when minimum staffing guidelines are not followed.  Add a \$20.00 per hour weekend extra shift premium differential pay.  Increase Standby pay from 10.00% increase per hour to 25.00%.  Increase Charge Assignment pay from \$1.00 per hour to \$3.00.  Add air travel hazard pay of \$10.00 per hour.	Increase the State contribution for health, dental, life, and disability insurance.  Accelerates vacation accrual rate.  Increases adoption leave from five days to 15.  Permits the use of Sick Leave prior to using Family and Medical Leave Act (FMLA) Leave.  Increases the payment to employees for professional license of certification fees.	6.00% across-the-board increase.	Same as FY 2012.

**Appendix D – Salaries and Collective Bargaining**

Bargaining Unit	FY 2012		FY 2013	
	Wages	Benefits	Wages	Benefits
SEIU - SUI/UIHC (continued)	Increase specified shift differential pay by \$0.25 per hour.	Change language pertaining to: <ul style="list-style-type: none"> <li>• Grievance process</li> <li>• Scheduling</li> <li>• Layoffs</li> <li>• Transfer procedures</li> <li>• Safety procedures</li> <li>• Performance improvement program</li> <li>• Hours worked</li> <li>• Overtime pay</li> <li>• Scheduling</li> <li>• Holiday pay</li> <li>• New employee orientation</li> </ul>		
SEIU - SUI/UIHC State Response	0.00% across-the-board increase.	Authorizes bonus pay Change the State’s contribution to health, dental, life, and long-term disability Insurance. Change language pertaining to: <ul style="list-style-type: none"> <li>• Arbitration</li> <li>• Premium pay</li> <li>• Transfers</li> </ul>	0.00% across-the-board increase.	Same as FY 2012.
Agreement	An agreement is not currently available.			

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## OTHER FUND BALANCE SHEETS

This Appendix contains balance sheets for the following funds:

- Rebuild Iowa Infrastructure Fund (RIIF)
- Environment First Fund (EFF)
- Technology Reinvestment Fund
- Revenue Bonds Capitals Fund (RBC Fund)
- Revenue Bonds Capitals II Fund (RBC2 Fund)
- Senior Living Trust Fund
- Property Tax Credit Fund (PTCF)



## Rebuild Iowa Infrastructure Fund (RIIF)

*Current Law FY 2012 and FY 2013 show appropriations from previously enacted and standing appropriations*

	Current Law FY 2011	Gov. Rec. Adj. FY 2011	Current Law FY 2012	Gov. Rec. FY 2012	Current Law FY 2013	Gov. Rec. FY 2013
<b>Resources</b>						
Balance Forward	\$ 6,325,200	\$ 6,325,200	\$ 7,575,338	\$ 9,003,186	\$ 0	\$ 56,285
Wagering Taxes and Related License Fees*	119,850,000	119,850,000	133,450,000	133,450,000	133,050,000	133,050,000
Wagering Taxes -TOS transfer -unneeded for rev bond debt service	11,869,000	11,869,000	950,750	950,750	934,314	934,314
Wagering Taxes -TOS transfer -unneeded for federal subsidy	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Wagering Taxes - unneeded for School Infrastructure debt service*	0	1,500,000	0	1,500,000	0	1,500,000
Interest	2,500,000	3,000,000 *	2,500,000	3,200,000 *	2,500,000	3,200,000 *
MSA Tobacco Payment/Endowment Transfer	16,489,725 *	15,917,573 *	15,905,618	15,905,618	15,973,045	15,973,045
<b>Total Resources</b>	<b>\$ 160,783,925</b>	<b>\$ 162,211,773</b>	<b>\$ 164,131,706</b>	<b>\$ 167,759,554</b>	<b>\$ 156,207,359</b>	<b>\$ 158,463,644</b>
<b>Appropriations</b>						
<b>Administrative Services</b>						
Major Maintenance	\$ 0	\$ 0	\$ 0	\$ 4,500,000	\$ 0	\$ 3,750,000
DAS Distribution Account	3,700,000	3,700,000	0	0	0	0
Iowa Building Operations (former Mercy Capitol Hosp)	1,083,175	1,083,175	0	0	0	0
D-Line Bus Service and Employee Ride Program	200,000	200,000	0	0	0	0
<b>Agriculture and Land Stewardship</b>						
Watershed Improvement Review Board Administration	50,000	50,000	0	0	0	0
<b>Department for the Blind</b>						
Replace Air Handlers	0	0	0	1,065,674	0	0
Newsline for the Blind	20,000	20,000	0	0	0	0
<b>Corrections</b>						
Construction Project Management and Correctional Spec.	0	0	4,500,000	4,500,000	1,000,000	1,000,000
Ft. Madison One Time Costs	0	0	0	6,155,077	0	10,460,289
Ft. Madison Construction	0	0	0	1,000,000	0	5,808,835
Mitchellville Construction	0	0	11,700,000	12,900,000	8,779,000	8,779,000
Mitchellville One Time Costs	0	0	0	4,661,556	0	2,891,062
<b>Cultural Affairs</b>						
Iowa Battle Flags	60,000	60,000	0	0	0	0
Historic Sites	40,000	40,000	0	0	0	0

## Rebuild Iowa Infrastructure Fund (RIIF)

*Current Law FY 2012 and FY 2013 show appropriations from previously enacted and standing appropriations*

	Current Law FY 2011	Gov. Rec. Adj. FY 2011	Current Law FY 2012	Gov. Rec. FY 2012	Current Law FY 2013	Gov. Rec. FY 2013
<b>Economic Development</b>						
Community Attraction & Tourism Grants	0	0	5,000,000	0	5,000,000	0
River Enhancement Comm Attract & Tourism (RECAT)	0	0	10,000,000	0	10,000,000	0
Regional Sport Authorities	500,000	500,000	0	0	0	0
Community Colleges - Workforce Training	2,000,000	2,000,000	0	0	0	0
Grow Iowa Values Fund	38,000,000	38,000,000	0	25,000,000	0	25,000,000
Blank Park Zoo Capitals	500,000	500,000	0	0	0	0
6th Avenue Corridor Revitalization - Main Streets	100,000	100,000	0	0	0	0
Port Authority - Economic Development Southeast Iowa	50,000	50,000	0	0	0	0
World Food Prize Borlaug/Ruan Scholar Program	100,000	100,000	0	0	0	0
<b>Education</b>						
Iowa Public Television - Building Purchase	0	0	0	1,255,550	0	0
Enrich Iowa Libraries	500,000	500,000	0	0	0	0
<b>Iowa Finance Authority</b>						
Administration of IJOBS Program	200,000	200,000	200,000	0	200,000	0
State Housing Trust Fund	1,000,000	1,000,000	3,000,000	0	3,000,000	0
Facilities Multiple-Handicapped -Polk County	250,000	250,000	0	0	0	0
<b>Management</b>						
Technology Reinvestment Fund	10,000,000	10,000,000	0	10,000,000	0	10,000,000
Environment First Fund	33,000,000	33,000,000	42,000,000	33,000,000	42,000,000	33,000,000
<b>Natural Resources</b>						
State Park Infrastructure	0	0	5,000,000	5,000,000	5,000,000	5,000,000
Lake Restoration & Water Quality	0	0	0	8,600,000	0	8,600,000
Floodplain Management/Dam Safety	2,000,000	2,000,000	0	2,000,000	0	2,000,000
Honey Creek Asset Manager	100,000	100,000	0	0	0	0
Rock Creek Permanent Shelter	40,000	40,000	0	0	0	0
<b>Public Defense</b>						
Facility/Armory Maintenance	1,500,000	1,500,000	0	2,000,000	0	0
Middletown AF Readiness Center	100,000	100,000	0	0	0	0
Iowa Falls Readiness Center	500,000	500,000	0	0	0	0
Cedar Rapids Armed Forces Readiness Center	200,000	200,000	0	0	0	0
Statewide Modernization Agenda - Readiness Centers	1,800,000	1,800,000	0	1,800,000	0	0
Muscatine AF Readiness Center	0	0	0	100,000	0	0
Camp Dodge Infrastructure Upgrades	0	0	0	1,000,000	0	0
<b>Public Health</b>						
Vision Screening	100,000	100,000	0	0	0	0

## Rebuild Iowa Infrastructure Fund (RIIF)

*Current Law FY 2012 and FY 2013 show appropriations from previously enacted and standing appropriations*

	Current Law FY 2011	Gov. Rec. Adj. FY 2011	Current Law FY 2012	Gov. Rec. FY 2012	Current Law FY 2013	Gov. Rec. FY 2013
<b>Public Safety</b>						
Digital 700 Mhz Communications Conversion	0	0	0	2,500,000	0	2,500,000
<b>Regents</b>						
Tuition Replacement	24,305,412	24,305,412	0	24,305,412	0	24,305,412
SUI - Iowa Flood Center	1,300,000	1,300,000	0	1,300,000	0	1,300,000
ISU - Veterinary Training Modernization	400,000	400,000	0	0	0	0
Fire Safety and Deferred Maintenance - All Institutions	0	0	0	4,000,000	0	3,000,000
<b>Revenue</b>						
Secure an Advanced Vision for Education (SAVE)	0	0	10,000,000	0	10,000,000	0
<b>Transportation</b>						
Local Roads Counties and Cities 50/50	24,700,000	24,700,000	0	0	0	0
Passenger Rail Service	0	0	6,500,000	0	0	0
Rail Assistance/Revolving Loan Fund	2,000,000	2,000,000	2,000,000	2,000,000	0	2,000,000
Recreational Trails	0	0	0	2,000,000	0	2,000,000
Public Transit Infrastructure	0	0	0	2,000,000	0	2,000,000
Commercial Service Airports Vertical Infrastructure Grants	0	0	0	1,500,000	0	1,500,000
General Aviation Airport Grants	750,000	750,000	0	750,000	0	750,000
<b>Treasurer</b>						
County Fairs Infrastructure	1,060,000	1,060,000	0	1,060,000	0	1,060,000
<b>Veterans Affairs</b>						
Veterans Home Capitals	0	0	0	750,000	0	0
Home Ownership Program	1,000,000	1,000,000	0	1,000,000	0	1,000,000
<b>Net Appropriations</b>						
	<u>\$ 153,208,587</u>	<u>\$ 153,208,587</u>	<u>\$ 99,900,000</u>	<u>\$ 167,703,269</u>	<u>\$ 84,979,000</u>	<u>\$ 157,704,598</u>
Reversions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Ending Balance</b>	<u><u>\$ 7,575,338</u></u>	<u><u>\$ 9,003,186</u></u>	<u><u>\$ 64,231,706</u></u>	<u><u>\$ 56,285</u></u>	<u><u>\$ 71,228,359</u></u>	<u><u>\$ 759,046</u></u>

**Notes:**

- \* Wagering tax estimates account for all allocations in Code Section 8.57 that occur before the remainder deposits in RIIF as well as tax credits for land-based and riverboat casinos that began in FY 2009 and FY 2011, respectively.
- \* The Tobacco Settlement Payment estimate for Current Law FY 2011 includes \$572,000 that will transfer from the Endowment to the RIIF. The Governor's Recommendations adjustment for FY 2011 does not reflect that anticipated transfer.
- \* Beginning in FY 2011, the Governor's Recommendations includes additional revenue from the transfer back of the unneeded amount of wagering tax allocation per Code Section 8.57 for the debt service on the school infrastructure bonds. The debt service for those bonds is \$3.5 million, but the allocation is \$5.0 million.
- \* The Governor's Recommendations includes somewhat higher interest earnings than what the Legislative Services Agency estimated in December 2010. The Legislative Services Agency will continue to monitor the FY 2011 interest earned and adjust if necessary.

## Environment First Fund

	Actual FY 2010	Estimated FY 2011	Gov. Rec. FY 2012	Gov. Rec. FY 2013
<b>Revenue</b>				
Balance Forward	\$ 26,696	\$ 26,696	\$ 26,696	\$ 26,696
RIF Appropriation	42,000,000	33,000,000	33,000,000	33,000,000
<b>Total</b>	<u>\$ 42,026,696</u>	<u>\$ 33,026,696</u>	<u>\$ 33,026,696</u>	<u>\$ 33,026,696</u>
<b>Appropriations</b>				
Department of Agriculture				
Soil Conservation Cost Share	\$ 7,000,000	\$ 1,050,000	\$ 6,300,000	\$ 6,300,000
Watershed Protection Program	2,550,000	1,500,000	900,000	900,000
Wetland Incentive Program (CREP)	1,500,000	1,500,000	1,000,000	1,000,000
Conservation Reserve Program (CRP)	1,500,000	1,300,000	1,000,000	1,000,000
Farm Demonstration Program	800,000	750,000	725,000	725,000
Loess Hills Conservation Authority	600,000	500,000	475,000	475,000
Agricultural Drainage Wells	1,500,000	1,250,000	875,000	875,000
Soil & Water Conservation Fund	0	1,751,600	2,000,000	2,000,000
So. Iowa Conservation & Dev. Authority	300,000	250,000	225,000	225,000
Total Department of Agriculture	<u>\$ 15,750,000</u>	<u>\$ 9,851,600</u>	<u>\$ 13,500,000</u>	<u>\$ 13,500,000</u>
Department of Natural Resources				
REAP Program	\$ 18,000,000	\$ 15,000,000	\$ 11,500,000	\$ 11,500,000
Park Operations and Maintenance	2,470,000	2,470,000	2,910,000	2,910,000
Volunteer Water Quality Initiative	100,000	100,000	100,000	100,000
Animal Feeding Operations	360,000	608,400	420,000	420,000
Water Quantity Program	495,000	495,000	495,000	495,000
Resource Conservation and Development	250,000	150,000	0	0
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
State Park Volunteer Activities	0	250,000	0	0
Total Department of Natural Resources	<u>\$ 25,750,000</u>	<u>\$ 23,148,400</u>	<u>\$ 19,500,000</u>	<u>\$ 19,500,000</u>
Department of Economic Development				
Brownfield Redevelopment Program	\$ 500,000	\$ 0	\$ 0	\$ 0
Total Appropriations	<u>\$ 42,000,000</u>	<u>\$ 33,000,000</u>	<u>\$ 33,000,000</u>	<u>\$ 33,000,000</u>
Reversions	0	0	0	0
Ending Balance	<u>\$ 26,696</u>	<u>\$ 26,696</u>	<u>\$ 26,696</u>	<u>\$ 26,696</u>

## Technology Reinvestment Fund

	Actual FY 2010	Estimated FY 2011	Gov. Rec. FY 2012	Gov. Rec. FY 2013
<b>Resources</b>				
Beginning Balance	\$ 389,225	\$ 118,474	\$ 2,864	\$ 180
General Fund Limited Standing Appropriation	0	0	0	0
Rebuild Iowa Infrastructure Fund	14,525,000	10,000,000	10,000,000	10,000,000
<b>Total Available Resources</b>	<b>\$ 14,914,225</b>	<b>\$ 10,118,474</b>	<b>\$ 10,002,864</b>	<b>\$ 10,000,180</b>
<b>Appropriations</b>				
Dept. of Administrative Services				
Pooled Technology Projects	\$ 2,037,184	\$ 3,793,654	\$ 1,637,724	\$ 2,235,040
Dept. of Corrections				
Iowa Corrections Offender Network Data System	500,000	500,000	500,000	500,000
Department of Cultural Affairs				
Iowa Veterans Oral Histories Interactive Exhibit	486,250	0	0	0
Dept. of Education				
ICN Part III & Maintenance & Leases	2,727,000	2,727,000	2,727,000	2,727,000
Statewide Education Data Warehouse	600,000	600,000	600,000	600,000
Ethics and Campaign Finance				
Technology Upgrades Online Database	15,000	0	0	0
Department of Human Rights				
Criminal Justice Information System Integration	0	0	1,689,307	1,689,307
Justice Enterprise Data Warehouse	361,072	0	0	0
Iowa Telecom. and Technology Commission				
ICN Equipment Replacement	2,211,863	2,244,956	2,248,653	2,248,653
Generator Replacement	2,755,246	0	0	0
Network Redundancy	2,320,000	0	0	0
Law Enforcement Academy				
Training Software and Mobile Simulator	185,000	0	0	0
Department of Management				
Transparency Project - Searchable Online Database	0	0	600,000	0
Department of Public Defense				
2-1-1 Call System	250,000	0	0	0
Department of Public Health				
Mental Health Services Database Medical Records	0	250,000	0	0
Department of Public Safety				
Auto. Fingerprint Info. System (AFIS) Lease Purchase	350,000	0	0	0
<b>Total Appropriations</b>	<b>\$ 14,798,615</b>	<b>\$ 10,115,610</b>	<b>\$ 10,002,684</b>	<b>\$ 10,000,000</b>
Reversions	-2,864	0	0	0
<b>Ending Balance</b>	<b>\$ 118,474</b>	<b>\$ 2,864</b>	<b>\$ 180</b>	<b>\$ 180</b>

## Revenue Bonds Capitals Fund (RBC Fund)

	Actual FY 2009*	Actual FY 2010	Estimated FY 2011	Gov. Rec. FY 2012
<b>Resources</b>				
Beginning Balance	\$ 0	\$ -185,000,000	\$ 29,718,157	\$ 3,869,109
Bond Proceeds	0	545,000,000	0	0
Interest	0	268,157	270,000	270,000
<b>Total Available Resources</b>	<b>\$ 0</b>	<b>\$ 360,268,157</b>	<b>\$ 29,988,157</b>	<b>\$ 4,139,109</b>
<b>Appropriations</b>				
<b>Department of Administrative Services</b>				
Major Maintenance	\$ 14,624,923	\$ 0	\$ 3,000,000	\$ 0
<b>Department of Agriculture and Land Stewardship</b>				
Soil Conservation -Wetlands, Water Quality	0	11,500,000	0	0
Soil Conservation Cost Share	0	0	1,000,000	0
<b>Department for the Blind</b>				
Dormitory Remodel Adult Orientation Center Des Moines	869,748	0	0	0
<b>Department for Cultural Affairs</b>				
Great Places Grants	0	0	2,000,000	0
<b>Department of Corrections</b>				
First CBC - Waterloo Residential Expansion	6,000,000	0	0	0
Third CBC - Sioux City Residential Expansion	5,300,000	0	0	0
Seventh CBC - Davenport Residential Expansion	2,100,000	0	0	0
Eighth CBC - Ottumwa Residential Expansion	4,100,000	0	0	0
Iowa Correctional Institution for Women at Mitchellville Expansion	47,500,000	0	0	4,130,952
Fifth CBC - Des Moines Residential Expansion	13,100,000	0	-13,100,000	0
Project Management - Prison Construction Projects	0	0	2,200,000	0
Mt. Pleasant and Rockwell City Improvements	12,500,000	0	0	0
Security Barrier Fifth CBC Des Moines/Blank Park	0	0	1,000,000	0
1 Time-Opening Costs for CBCs - equipment purchases	0	0	1,519,048	0
<b>Department of Economic Development</b>				
Community Attraction and Tourism Grants (CAT)	12,000,000	0	0	0
River Enhancement Community Attraction and Tourism (RECAT)	10,000,000	0	0	0
Main Street Projects (FY 2010 Supplemental)	0	5,550,000	0	0
ACE Vertical Infrastructure Community Colleges	5,500,000	0	0	0
Regional Transit Hub Construction	0	0	4,000,000	0

## Revenue Bonds Capitals Fund (RBC Fund)

	Actual FY 2009*	Actual FY 2010	Estimated FY 2011	Gov. Rec. FY 2012
Department of Education				
Community College Major Maintenance Infrastructure	2,000,000	0	0	0
Iowa Finance Authority				
Public Service Shelter Grants	0	10,000,000	0	0
Disaster Damage Housing Assistance Grants	0	5,000,000	0	0
Affordable Housing Assistance Grants	0	20,000,000	0	0
Sewer Infrastructure	0	55,000,000	0	0
Housing Trust Fund Grants	0	0	2,000,000	0
Department of Natural Resources				
Volga River Rec. Area Infrastructure Improvements	750,000	0	0	0
Carter Lake Improvements	500,000	0	0	0
Lake Restoration and Water Quality	10,000,000	0	7,000,000	0
Watershed Rebuilding - Water Quality	0	13,500,000	0	0
Regents				
Iowa Public Radio Infrastructure	1,900,000	0	0	0
ISU - Veterinary Lab Phase II Small Animals Teaching Hospital	10,000,000	0	13,000,000	0
Iowa Energy Center - Alternative Energy Revolving Loan Program	0	5,000,000	0	0
State Fair Authority				
Agriculture Exhibition Center	0	0	2,500,000	0
Department of Transportation				
Public Transit Infrastructure	2,200,000	0	0	0
Commercial Airport Vertical Infrastructure	1,500,000	0	0	0
Bridge Safety Fund	0	40,000,000	0	0
Treasurer of State				
I-JOBS Board - \$165.0 million allocated as follows:				
Local Infrastructure Competitive Grant Program	0	118,500,000	0	0
Targeted Disaster Rebuilding Linn County	0	46,500,000	0	0
Department of Veterans Affairs				
Iowa Veterans Home Master Plan	22,555,329	0	0	0
<b>Total Appropriations</b>	<b>\$ 185,000,000</b>	<b>\$ 330,550,000</b>	<b>\$ 26,119,048</b>	<b>\$ 4,130,952</b>
<b>Ending Balance</b>	<b>\$ -185,000,000</b>	<b>\$ 29,718,157</b>	<b>\$ 3,869,109</b>	<b>\$ 8,157</b>

\*FY 2009 appropriations from the Revenue Bonds Capitals Fund (RBC Fund) were appropriated in SF 376 of the 2009 Legislative Session. Funding was mostly used to restore projects because the planned securitization of remaining tobacco payments, authorized in 2008 Legislative Session, did not occur. Although the projects were appropriated for FY 2009, the bonds were not issued until FY 2010 so net proceeds did not deposit in the RBC Fund until then.

## Revenue Bonds Capitals II Fund (RBC2)

	Estimated FY 2011	Gov. Rec. FY 2012
<b>Resources</b>		
Beginning Balance	\$ 0	\$ 0
Bond Proceeds	150,000,000	0
Interest	0	75,000
<b>Total Available Resources</b>	<b>\$ 150,000,000</b>	<b>\$ 75,000</b>
<b>Appropriations</b>		
<b>Department of Agriculture and Land Stewardship</b>		
Soil Conservation	\$ 5,950,000	\$ 0
Conservation Reserve Enhancement Program	2,500,000	0
<b>Department of Economic Development</b>		
Community Attraction and Tourism Grants (CAT)	12,000,000	0
River Enhancement Community Attraction and Tourism (RECAT)	4,000,000	0
ACE Vertical Infrastructure Community Colleges	5,500,000	0
Main Street Projects	8,450,000	0
NIACC/Mason City Small Business Center	1,500,000	0
Kirkwood Comm College/Cedar Rapids Small Business Center	1,200,000	0
<b>Department of Education</b>		
Community College Infrastructure	2,000,000	0
<b>Iowa Finance Authority - I-JOBS Board</b>		
Disaster Prevention Local Infrastructure Grants	30,000,000	0
Linn County - Administrative Office Bldg	4,400,000	0
Cedar Rapids - City Hall Renovation	4,400,000	0
Cedar Rapids - Flood Mitigation and Renovation Courthouse Area	2,000,000	0
Des Moines - Fire Dept Training and Logistics Facility	3,000,000	0
Des Moines - Riverpoint Service Area Sewer Construction	1,250,000	0
Des Moines - Court Avenue Service Area Sewer Construction	3,050,000	0
Des Moines - Bank Stabilization and Erosion Control Tonawanda Ravine	700,000	0
Des Moines - Wastewater Reclamation Authority Equalization Basin	500,000	0
Des Moines - Broadlawns Medical Ctr Infrastructure Improvements	1,000,000	0
Davenport - Woodmen Field Flood Mitigation	1,050,000	0
Waterloo - Public Works Building	5,000,000	0
Iowa City - Wastewater Treatment Plant	2,000,000	0
West Union - Green Pilot Project	1,175,000	0
Jessup - City Hall	475,000	0



## Revenue Bonds Capitals II Fund (RBC2)

	Estimated FY 2011	Gov. Rec. FY 2012
Belmond - Storm Sewer Flood Protection	600,000	0
Norwalk - Orchard Ridge Drainage Channel Projects	300,000	0
<b>Department of Natural Resources</b>		
Lake Restoration and Dredging Projects	3,000,000	0
State Parks Infrastructure Improvements	5,000,000	0
<b>Regents</b>		
SUI - Institute for Biomedical Discovery	10,000,000	0
Iowa Energy Center - Alternative Energy Revolving Loan Program	5,000,000	0
<b>Department of Transportation</b>		
Public Transit Infrastructure Grants	2,000,000	0
Commercial Airport Vertical Infrastructure Grants	1,500,000	0
Bridge Safety	10,000,000	0
Rail Ports Improvements Economic Development	7,500,000	0
<b>Treasurer of State</b>		
Watershed Improvement Review Board	2,000,000	0
<b>Total Appropriations</b>	<b>\$ 150,000,000</b>	<b>\$ 0</b>
<b>Ending Balance</b>	<b>\$ 0</b>	<b>\$ 75,000</b>

## Senior Living Trust Fund

	Actual FY 2010	Estimated FY 2011	Gov. Rec. FY 2012	Gov. Rec. FY 2013
<b>Resources</b>				
Beginning Balance	\$ 27,710,401	\$ 1,135,431	\$ 0	\$ 0
Revenues				
Transfer from General Fund Surplus	0	48,267,133	0	0
Interest	213,223	1	0	0
Total Available Resources	<u>\$ 27,923,624</u>	<u>\$ 49,402,565</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures</b>				
Appropriations				
Finance Authority - Rent Subsidy Program	\$ 700,000	\$ 700,000	\$ 0	\$ 0
Human Services - Medicaid	39,084,483	40,215,867	0	0
Department on Aging	8,486,698	8,486,698	0	0
DIA-Assisted Living/Adult Day Care	1,339,527	0	0	0
Total Appropriations	<u>\$ 49,610,708</u>	<u>\$ 49,402,565</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reversions	-22,822,515	0	0	0
<b>Ending Balance</b>	<u><u>\$ 1,135,431</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

## Property Tax Credit Fund

	Actual FY 2010	Estimated FY 2011	Gov. Rec. FY 2012	Gov. Rec. FY 2013
<b>Resources</b>				
Beginning Balance	\$ 3,833,953	\$ 142,711	\$ 130,185	\$ 130,185
Revenues				
Transfer from General Fund Surplus	0	0	0	0
General Fund Appropriation	91,256,037	91,256,037	0	0
Transferred to GF due to Reversion	0	0	0	0
Salary Adj. Fund Transfer (Gen. Fund)	0	0	0	0
Cash Reserve Fund	54,684,481	54,684,481	0	0
Balance Adjustment	19,368	0	0	0
Total Available Resources	<u>\$ 149,793,839</u>	<u>\$ 146,083,229</u>	<u>\$ 130,185</u>	<u>\$ 130,185</u>
<b>Expenditures</b>				
Appropriations				
Department of Revenue				
Homestead Property Tax Credit	94,236,619	87,757,913	0	0
Ag, Land & Family Farm Tax Credits	32,395,131	32,395,131	0	0
Military Service Tax Credit	2,370,995	2,400,000	0	0
Elderly and Disabled Tax Credit	20,779,200	23,400,000	0	0
Total Appropriations	<u>149,781,945</u>	<u>145,953,044</u>	<u>0</u>	<u>0</u>
Reversions	-130,817	0	0	0
<b>Ending Balance</b>	<u><u>\$ 142,711</u></u>	<u><u>\$ 130,185</u></u>	<u><u>\$ 130,185</u></u>	<u><u>\$ 130,185</u></u>