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## FISCAL UPDATE Article

Fiscal Services Division

November 26, 2018



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### GOVERNOR'S BUDGET HEARING — DEPARTMENT OF COMMERCE

**Budget Hearing.** On November 13, 2018, Governor Kim Reynolds held a budget hearing for the Department of Commerce. Each Division's request is summarized below.

**Division of Banking.** Division of Banking Superintendent Ron Hansen highlighted the Division's hiring of thirteen new examiners and interns through the Division's internship program. The Division has also created a Chief Examiner position, bringing the total number of Division employees to 56. The Superintendent noted as State bank assets continue to rise over time, the examination cost for every \$1.0 million examined has decreased. The Division is requesting a Commerce Revolving Fund appropriation of \$11.1 million for FY 2020, which is no change compared to estimated FY 2019.

**Credit Union Division.** Credit Union Division Superintendent Katie Averill discussed the Division's technology update for the Division's internal Web portal, which is expected to take three years to complete. The Web portal upgrade is expected to reduce travel time for employees and increase security. Superintendent Averill noted the Division recently completed Iowa's first federal-to-state charter conversion since 2002, and is working closely with the Department of Revenue to create a new tax form and payment system for State-chartered credit unions to report and pay Iowa moneys and credits taxes, per Iowa Code sections [533.303](#) and [533.329](#). The new system is slated to launch during FY 2019. The Division is requesting a Commerce Revolving Fund appropriation of \$2.2 million for FY 2020, which is no change compared to estimated FY 2019.

**Iowa Utilities Board.** Iowa Utilities Board chairperson Geri Huser presented the Iowa Utilities Board's Commerce Revolving Fund appropriation request of \$8.7 million for FY 2020, which is no change compared to estimated FY 2019. The IUB has 9.0 vacant full-time employee positions, which include the 4.0 positions left vacant after FY 2018 retirements. New Board initiatives include the following:

- The launch of a new Board website in October 2018.
- The implementation of automated billing processes, including online payments and cost tracking.
- The submission of rulemakings for the appraisal and acquisition of water system facilities.

**Alcoholic Beverages Division.** Alcoholic Beverages Division Administrator Steve Larson presented a General Fund appropriation request of \$1.0 million for FY 2020, which is no change compared to estimated FY 2019. The presentation also highlighted revenues from sales. Total liquor sales in FY 2018 were \$320.0 million (as deposited into the Liquor Control Trust Fund), a 4.7% increase compared to FY 2017. Liquor profits and funds generated by excise taxes on beer, license fees, and fines yielded a transfer of \$141.1 million to several entities: \$113.7 million was transferred to the General Fund, \$23.4 million was transferred to the Iowa Department of Public Health, \$3.5 million was transferred as State aid to cities and counties, and \$400,000 was transferred to the Iowa Economic Development Authority.

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