

**State of Iowa**  
**Projected Condition of the General Fund Budget**  
(Dollars in Millions)

	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Estimated FY 2014</u>	<u>Projected FY 2015</u>
<b>Funds Available:</b>				
Receipts	\$ 7,372.3	\$ 7,888.4	\$ 7,855.5	\$ 8,180.4
Refund (Accrual Basis)	- 820.6	- 830.5	- 877.0	- 889.0
School Infras. Refunds (Accrual)	- 410.6	- 419.2	- 438.7	- 447.0
Accruals (Net)	61.3	13.1	33.3	14.0
Transfers	108.7	117.0	122.2	118.2
Subtotal Receipts	<u>6,311.1</u>	<u>6,768.8</u>	<u>6,695.3</u>	<u>6,976.6</u>
Economic Emergency Fund Transfer	381.4	572.1	677.7	718.7
<b>Total Funds Available</b>	<u>\$ 6,692.5</u>	<u>\$ 7,340.9</u>	<u>\$ 7,373.0</u>	<u>\$ 7,695.3</u>
<b>Expenditure Limitation</b>				<b>\$ 7,625.5</b>
<b>Estimated Appropriations and Expenditures:</b>				
Enacted Appropriations	\$ 5,999.7	\$ 6,222.6	\$ 6,490.1	\$ 5,643.9
Adjustments to Standing Appropriations	10.2	4.9	2.1	
Supplemental/Deappropriations	2.6	204.1	34.0	
Restoration of 50% of Operating Budgets				1,161.6
Built-in and Anticipated Increases				285.7
<b>Total Appropriations</b>	<u>\$ 6,012.5</u>	<u>\$ 6,431.6</u>	<u>\$ 6,526.2</u>	<u>\$ 7,091.2</u>
<b>Reversions</b>				
Reversions	- 8.1	- 18.6	- 14.4	- 5.2
<b>Total Reversions</b>	<u>- 8.1</u>	<u>- 18.6</u>	<u>- 14.4</u>	<u>- 5.2</u>
<b>Net Appropriations</b>	<u>\$ 6,004.4</u>	<u>\$ 6,413.0</u>	<u>\$ 6,511.8</u>	<u>\$ 7,086.0</u>
<b>Ending Balance - Surplus</b>	<u>\$ 688.1</u>	<u>\$ 927.9</u>	<u>\$ 861.2</u>	<u>\$ 609.3</u>
<b>Under (Over) Expenditure Limitation</b>				<u>\$ 534.3</u>

**State of Iowa**  
**Changes in the FY 2013 and FY 2014 General Fund Budget**  
(Dollars in Millions)

	FY 2013			FY 2014		
	End of Session	Actual	Variance	End of Session	Revised	Variance
<b>Funds Available:</b>						
Receipts	\$ 7,791.1	\$7,888.4	\$ 97.3	\$8,096.2	\$ 7,855.5	\$ - 240.7
Refund (Accrual Basis)	- 861.0	- 830.5	30.5	- 898.0	- 877.0	21.0
School Infras. Refunds (Accrual)	- 423.7	- 419.2	4.5	- 439.0	- 438.7	0.3
Accruals (Net)	19.8	13.1	- 6.7	11.1	33.3	22.2
Transfers	110.8	117.0	6.2	100.3	122.2	21.9
Revenue Adjustments (2013 Session)	- 0.4		0.4	- 214.1		214.1
Subtotal Receipts	6,636.6	6,768.8	131.8	6,656.5	6,695.3	38.8
Economic Emergency Fund Transfer	572.1	572.1	0.0	540.7	677.7	137.0
<b>Total Funds Available</b>	\$ 7,208.7	\$7,340.9	\$ 131.8	\$7,197.2	\$ 7,373.0	\$ 175.8
<b>Appropriations and Expenditures:</b>						
Enacted Appropriations	\$ 6,222.6	\$6,222.6	\$ 0.0	\$6,490.1	\$ 6,490.1	\$ 0.0
Adjustments to Standing Appropriations	7.9	4.9	- 3.0		2.1 <sup>1/</sup>	2.1
Supplemental/Deappropriations	204.1	204.1	0.0		34.0	34.0
<b>Total Appropriations</b>	\$ 6,434.6	\$6,431.6	\$ - 3.0	\$6,490.1	\$ 6,526.2	\$ 36.1
Reversions	- 5.0	- 18.6	- 13.6	- 14.2	- 14.4	- 0.2
<b>Net Appropriations</b>	\$ 6,429.6	\$6,413.0	\$ - 16.6	\$6,475.9	\$ 6,511.8	\$ 35.9
<b>Ending Balance - Surplus</b>	\$ 779.1	\$ 927.9	\$ 148.4	\$ 721.3	\$ 861.2	\$ 139.9

<sup>1/</sup> The appropriation for State Aid to Schools was increased by \$2.1 million to reflect changes in various factors that comprise the school aid formula including: enrollment, property valuations, and special education.

## State of Iowa Reserve Funds

(Dollars in Millions)

<b>Cash Reserve Fund (CRF)</b>	<b>Actual FY 2012</b>	<b>Actual FY 2013</b>	<b>Estimated FY 2014</b>	<b>Projected FY 2015</b>
<b>Funds Available</b>				
Balance Brought Forward	\$ 341.2	\$ 450.3	\$ 466.8	\$ 487.2
Gen. Fund Appropriation from Surplus	554.6	688.1	927.9	861.2
Intrastate Receipts (credited after close of FY)	0.5	0.0	0.0	0.0
<b>Total Funds Available</b>	<b><u>\$ 896.3</u></b>	<b><u>\$ 1,138.4</u></b>	<b><u>\$ 1,394.7</u></b>	<b><u>\$ 1,348.4</u></b>
<b>Appropriations &amp; Transfers</b>				
Appropriations	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>Total Appropriations &amp; Transfers</b>	<b><u>\$ 0.0</u></b>	<b><u>\$ 0.0</u></b>	<b><u>\$ 0.0</u></b>	<b><u>\$ 0.0</u></b>
Reversions (credited after close of fiscal year)	3.2			
Excess Transferred to EEF	-449.2	-671.6	-907.5	-825.2
<b>Balance Carried Forward</b>	<b><u>\$ 450.3</u></b>	<b><u>\$ 466.8</u></b>	<b><u>\$ 487.2</u></b>	<b><u>\$ 523.2</u></b>
<i>Maximum 7.5%</i>	\$ 446.6	\$ 466.8	\$ 487.2	\$ 523.2
<b>Economic Emergency Fund (EEF)</b>				
	<b>Actual FY 2012</b>	<b>Actual FY 2013</b>	<b>Estimated FY 2014</b>	<b>Projected FY 2015</b>
<b>Funds Available</b>				
Balance Brought Forward	\$ 99.1	\$ 151.0	\$ 144.3	\$ 162.4
Excess from Cash Reserve	449.2	671.6	907.5	825.2
Other Receipts (credited after close of fiscal year)	2.2	0.0	0.0	0.0
<b>Total Funds Available</b>	<b><u>\$ 550.5</u></b>	<b><u>\$ 822.6</u></b>	<b><u>\$ 1,051.8</u></b>	<b><u>\$ 987.6</u></b>
<b>Appropriations &amp; Transfers</b>				
Excess Transferred to Taxpayer Trust Fund	\$ 0.0	\$ -60.0	\$ -60.0	\$ -60.0
Bond Repayment Fund	0.0	0.0	-116.1	0.0
Transfer to RIIF	0.0	-20.0	0.0	0.0
SF 2071 - MH Property Tax Relief Fund	-7.2	0.0	0.0	0.0
Missouri River Flood Damage	-2.9	0.0	0.0	0.0
Exec Council - Performance of Duty Budget	-7.9	-14.9	-35.6	-34.5
Performance of Duty (Accrual Period Adj)	-0.1	-11.3	0.0	0.0
Excess Transferred to General Fund	-381.4	-572.1	-677.7	-718.7
<b>Balance Carried Forward</b>	<b><u>\$ 151.0</u></b>	<b><u>\$ 144.3</u></b>	<b><u>\$ 162.4</u></b>	<b><u>\$ 174.4</u></b>
<i>Maximum 2.5%</i>	\$ 148.9	\$ 155.6	\$ 162.4	\$ 174.4
<b>Combined Reserve Fund Balances</b>				
	<b>Actual FY 2012</b>	<b>Actual FY 2013</b>	<b>Estimated FY 2014</b>	<b>Projected FY 2015</b>
Cash Reserve Fund	\$ 450.3	\$ 466.8	\$ 487.2	\$ 523.2
Economic Emergency Fund	151.0	144.3	162.4	174.4
<b>Total CRF and EEF</b>	<b><u>\$ 601.3</u></b>	<b><u>\$ 611.1</u></b>	<b><u>\$ 649.6</u></b>	<b><u>\$ 697.6</u></b>

## Taxpayer Trust Fund

(Dollars in Millions)

	Actual FY 2013	Estimated FY 2014	Projected FY 2015
<b>Funds Available</b>			
Balance Brought Forward	\$ 0.0	\$ 60.0	\$ 0.0
Economic Emergency Transfer	60.0	60.0	60.0
Reversion From Taxpayer Trust Fund Tax Credit Fund	0.0	0.0	31.9
<b>Total Funds Available</b>	<u>\$ 60.0</u>	<u>\$ 120.0</u>	<u>\$ 91.9</u>
<b>Expenditures</b>			
Transfer to Taxpayer Trust Fund Tax Credit Fund	\$ 0.0	\$ 120.0	\$ 91.9
<b>Balance Carried Forward</b>	<u>\$ 60.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

## Taxpayer Trust Fund Tax Credit Fund

(Dollars in Millions)

	Actual FY 2013	Estimated FY 2014	Projected FY 2015
<b>Funds Available</b>			
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0
Transfer from Taxpayer Trust Fund (Transfer made in TY 2013)	0.0	120.0	91.9
<b>Total Funds Available</b>	<u>\$ 0.0</u>	<u>\$ 120.0</u>	<u>\$ 91.9</u>
<b>Expenditures</b>			
Transfer to General Fund (Reimb. for payment of tax credits)	\$ 0.0	\$ 88.1	\$ 67.5
Reversion to the Taxpayer Trust Fund		31.9	24.4
<b>Total Expenditures</b>	<u>\$ 0.0</u>	<u>\$ 120.0</u>	<u>\$ 91.9</u>
<b>Balance Carried Forward</b>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

**STATE OF IOWA**  
**FY 2015 General Fund Built-in and Anticipated Expenditures**  
(Dollars in Millions)

<b><u>Built-in Changes</u></b>	<b><u>LSA Estimates</u></b>	<b><u>Notes</u></b>
Education - Education Reform (non-School Aid)	\$ 60.0	Estimated amount needed to fully fund costs associated with the education reform enacted in HF 215. Includes \$50.0M for Teacher Leadership Grants and Aid, and \$10.0M for supplemental aid to high-need schools.
Education - K-12 School Foundation Aid	5.9	Increase based on revised assumptions agreed to by LSA and DOM to reflect changes in property valuation and supplemental weighting estimates.
College Aid - College Work Study Standing	2.8	This standing was not included in the FY 2015 budget.
Education - Child Development/At-Risk Program	0.0	Included in FY 2015 approved budget at \$12.6M.
Education - Nonpublic School Transportation	0.0	Included in FY 2015 approved budget at \$8.6M, same as FY 2014.
College Aid - Iowa Tuition Grant (for profit) Standing	-0.5	The restored base appropriation for FY 2015 is \$0.5M more than the standing appropriation of \$2.0M. This reduction restores the FY 2015 amount to the statutory level.
College Aid - Iowa Tuition Grant (non-profit) Standing	-1.0	The restored base appropriation for FY 2015 is \$1.0M more than the standing appropriation of \$45.5M. This reduction restores the FY 2015 amount to the statutory level.
Human Services - Medical Assistance	153.1	Assumes a 6.9% increase in need due to growth in enrollment, program costs, a 1.0% decline in the FMAP rate, and a reduction of non-General Fund support. The estimate also include a reduction related to an item veto of language that will result in the reversion of \$8.5M.
Human Services - hawk-i	18.0	Estimated amount needed to cover growth in enrollment and increased cost health care plans.
Management - State Appeal Board Claims	0.0	Included in FY 2015 Approved Budget at \$7.1M, \$4.1 more than FY 2014.
Management - Technology Reinvestment Fund	0.0	Included in FY 2015 approved budget at \$17.5M. FY 2014 funded from RIIF.
Natural Resources - Resource Enhancement and Protection Program	0.0	Included in FY 2015 approved budget at \$20.0M. FY 2014 funded from Environment First Fund.
Revenue - Commercial Property Tax Appropriations	0.0	Included in FY 2015 approved budget at \$128.7M.
Revenue - Property Tax Credits	0.0	Included in FY 2015 approved budget at \$209.2M, \$2.5M more than FY 2014.
<b>Total Built-in Changes</b>	<b><u>\$ 238.3</u></b>	

**STATE OF IOWA**  
**FY 2015 General Fund Built-in and Anticipated Expenditures**  
(Dollars in Millions)

**Anticipated Expenditure Changes**

Salary Adjustment	\$ 33.7	Includes \$9.0M for Regents and \$24.7M for central state agencies.
Corrections - Staff Additional Prison Beds at Mitchellville	9.2	Estimated remaining amount to open and operate all new buildings at Mitchellville. This funding estimate includes medical personnel, security staff, and treatment staff (counselors, social worker, chaplain, and workforce coordinators) designed to address women's issues to lower recidivism rate.
Corrections - Staff Additional Prison Beds at Ft. Madison	3.7	Estimated amount needed to open and operate the new maximum security prison at Fort Madison.
Corrections – Elimination of One-time Costs	-0.6	The restored FY 2015 appropriation for Ft. Madison Prison and the 8th CBC includes \$0.5M and \$0.1M respectively, in one-time costs needed for new opening of new beds in FY 2014. Funding for these costs are not needed in FY 2015.
Human Services - Civil Commitment Unit for Sex Offenders	0.5	Estimated amount to address the anticipated increase in offenders and to cover increased cost of patient care.
Public Safety - Peace Officer Retirement	0.9	Estimated amount needed to cover a scheduled 2.0% increase in the state's contribution to the Peace Officer Retirement System.
Subtotal	<u>\$ 47.4</u>	
<b>Total Expenditure Increases</b>	<b><u>\$ 285.7</u></b>	

**Adjusted Revenue Estimate  
and Reserve Fund Goal Calculations**

(Dollars in Millions)

	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>Projected FY 2015</b>
REC Estimates	<u>\$ 6,031.3</u>	<u>\$ 6,251.6</u>	<u>\$ 6,739.8</u>	<u>\$ 6,976.6</u>
Revenue Adjustments	-77.2	-27.3	-243.2	
Adjusted Revenue Estimate	<u><u>\$ 5,954.1</u></u>	<u><u>\$ 6,224.3</u></u>	<u><u>\$ 6,496.6</u></u>	<u><u>\$ 6,976.6</u></u>
Reserve Fund Goals				
Cash Reserve Fund	\$ 446.6	\$ 466.8	\$ 487.2	\$ 523.2
Economic Emergency Fund	148.9	155.6	162.4	174.4
Total	<u><u>\$ 595.5</u></u>	<u><u>\$ 622.4</u></u>	<u><u>\$ 649.6</u></u>	<u><u>\$ 697.6</u></u>

## Estimated Contingent Liabilities for State Tax Credits

(Dollars in Millions)

<u>Tax Credit Program</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
<b><u>Capped Programs</u></b>			
High Quality Job Program	\$ -10.7	\$ -70.8	\$ -100.1
Historic Preservation and Cultural and Entertainment District Tax Credit	-24.8	-37.7	-39.5
Enterprise Zone Program	-8.7	-32.6	-35.1
Enterprise Zone Program - Housing Component	-5.3	-23.3	-24.5
School Tuition Organization Tax Credit	-7.0	-9.1	-11.6
Renewable Energy Tax Credit	-3.6	-4.6	-9.1
Agricultural Assets Transfer Tax Credit	-2.5	-6.9	-7.9
Endow Iowa Tax Credit	-3.7	-6.3	-6.3
Accelerated Career Education Tax Credit	-4.0	-5.4	-5.4
Venture Capital Tax Credit - Innovation Fund	0.0	0.0	-4.7
Venture Capital Tax Credit - Iowa Fund of Funds	-11.3	-4.0	-4.0
Redevelopment Tax Credit	-0.2	-2.5	-3.7
Custom Farming Contract Tax Credit	0.0	-2.0	-3.0
Venture Capital Tax Credit - Qualified Bus. or Comm.-Seed Capital Fund	-0.2	-1.3	-2.7
Wind Energy Production Tax Credit	-0.8	-2.1	-1.5
Solar Energy System Tax Credit	-0.2	-0.8	-1.3
Film, Television, and Video Project Promotion Program - Awarded	-1.3	-0.4	-0.2
Venture Capital Tax Credit - Venture Capital Funds	-0.2	-0.2	-0.2
Wage-Benefits Tax Credit	-1.4	-0.8	0.0
<b>Total Capped Programs</b>	<b>\$ -86.0</b>	<b>\$ -210.7</b>	<b>\$ -260.7</b>
<b><u>Uncapped Programs</u></b>			
Earned Income Tax Credit	\$ -31.0	\$ -59.5	\$ -62.4
Research Activities Tax Credit	-31.8	-45.8	-47.7
Iowa Industrial New Job Training Program (260E)	-39.7	-49.5	-47.1
Supplemental Research Activities Tax Credit	-8.1	-14.4	-15.5
Tuition and Textbook Tax Credit	-15.0	-14.9	-14.9
Biodiesel Blended Fuel Tax Credit	-7.0	-11.1	-12.6
New Jobs and Income Program	-4.5	-10.6	-8.9
Targeted Jobs Tax Credit from Withholding	-2.4	-6.0	-8.4
Child and Dependent Care Tax Credit	-4.5	-3.3	-3.0
Geothermal Heat Pump Tax Credit	-1.0	-1.9	-2.0
New Capital Investment Program	-0.5	-1.7	-1.7
Ethanol Promotion Tax Credit	-2.9	-1.9	-1.6
E85 Gasoline Promotion Tax Credit	-1.1	-1.4	-1.6
Charitable Conservation Contribution Tax Credit	-0.7	-1.0	-1.1
Early Childhood Development Tax Credit	-0.8	-0.9	-1.0
Volunteer Firefighter and EMS Tax Credit	0.0	-0.9	-0.9
E15 Gasoline Promotion Tax Credit	0.0	-0.1	-0.1
Farm to Food Donation Tax Credit	0.0	0.0	-0.1
<b>Total Uncapped Programs</b>	<b>\$ -151.2</b>	<b>\$ -224.4</b>	<b>\$ -230.1</b>
<b>Tax Credit Program Total</b>	<b>\$ -237.2</b>	<b>\$ -435.1</b>	<b>\$ -490.8</b>

**Notes:**

Estimates are based on the Contingent Liabilities Report provided by the Department of Revenue in October 2013.

FY 2013 is based on actual claims made by taxpayers, although the amounts may not reflect the amount of awards issued. The FY 2013 numbers may increase as additional tax credit claims are verified.

The numbers may not equal totals due to rounding.