

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

	<u>Actual</u> <u>FY 2014</u>	<u>Revised</u> <u>FY 2015</u>	<u>Projection</u> <u>FY 2016</u>
Funds Available:			
Receipts	\$ 7,712.0	\$ 8,058.4	\$ 8,453.6
Refund (Accrual Basis)	- 955.3	- 903.6	- 916.6
School Infras. Refunds (Accrual)	- 440.4	- 451.2	- 472.3
Accruals (Net)	- 16.2	26.4	27.3
Transfers	189.0	127.1	102.6
Subtotal Receipts	<u>6,489.1</u>	<u>6,857.1</u>	<u>7,194.6</u>
Surplus Carryforward (EEF Excess)	679.3	651.6	399.4
Total Funds Available	<u>\$ 7,168.4</u>	<u>\$ 7,508.7</u>	<u>\$ 7,594.0</u>
Expenditure Limitation			\$ 7,522.1
Estimated Appropriations and Expenditures:			
Enacted Appropriations/FY 16 Baseline	\$ 6,490.1	\$ 6,979.4	\$ 6,979.4
Adjustments to Standing Appropriations	- 7.5	15.2 ^{2/}	
Supplemental (Medicaid)		68.0 ^{3/}	
Built-in and Anticipated Increases			487.7
Total Appropriations	<u>\$ 6,482.6</u>	<u>\$ 7,062.6</u>	<u>\$ 7,467.1</u>
Reversions	- 21.0	- 5.0	- 5.0
Net Appropriations	<u>\$ 6,461.6</u>	<u>\$ 7,057.6</u>	<u>\$ 7,462.1</u>
Ending Balance - Surplus	<u>\$ 706.8</u>	<u>\$ 451.1</u>	<u>\$ 131.9</u>
Under (Over) Expenditure Limitation			<u>\$ 55.0</u>

^{1/} The FY 2015 and FY 2016 revenues are based on the Revenue Estimating Conference's December 12, 2014, estimate and assumes increases of 5.7% and 4.9%, respectively in net receipts after transfers.

^{2/} The appropriation for State Aid to Schools was increased by \$7.1 million to reflect changes in property valuation estimates included in the school aid formula. The standing appropriation for FY 2015 Commercial and Industrial Property Tax Replacement is estimated to be \$8.1 million higher than the amount budgeted at the close of the 2014 Legislative Session.

^{3/} The Medicaid Forecasting Group has estimated a \$68.0 million shortfall in the General Fund Medicaid appropriation for FY 2015. The estimate was made at the Group's December 12, 2014, meeting and may be revised in subsequent meetings.

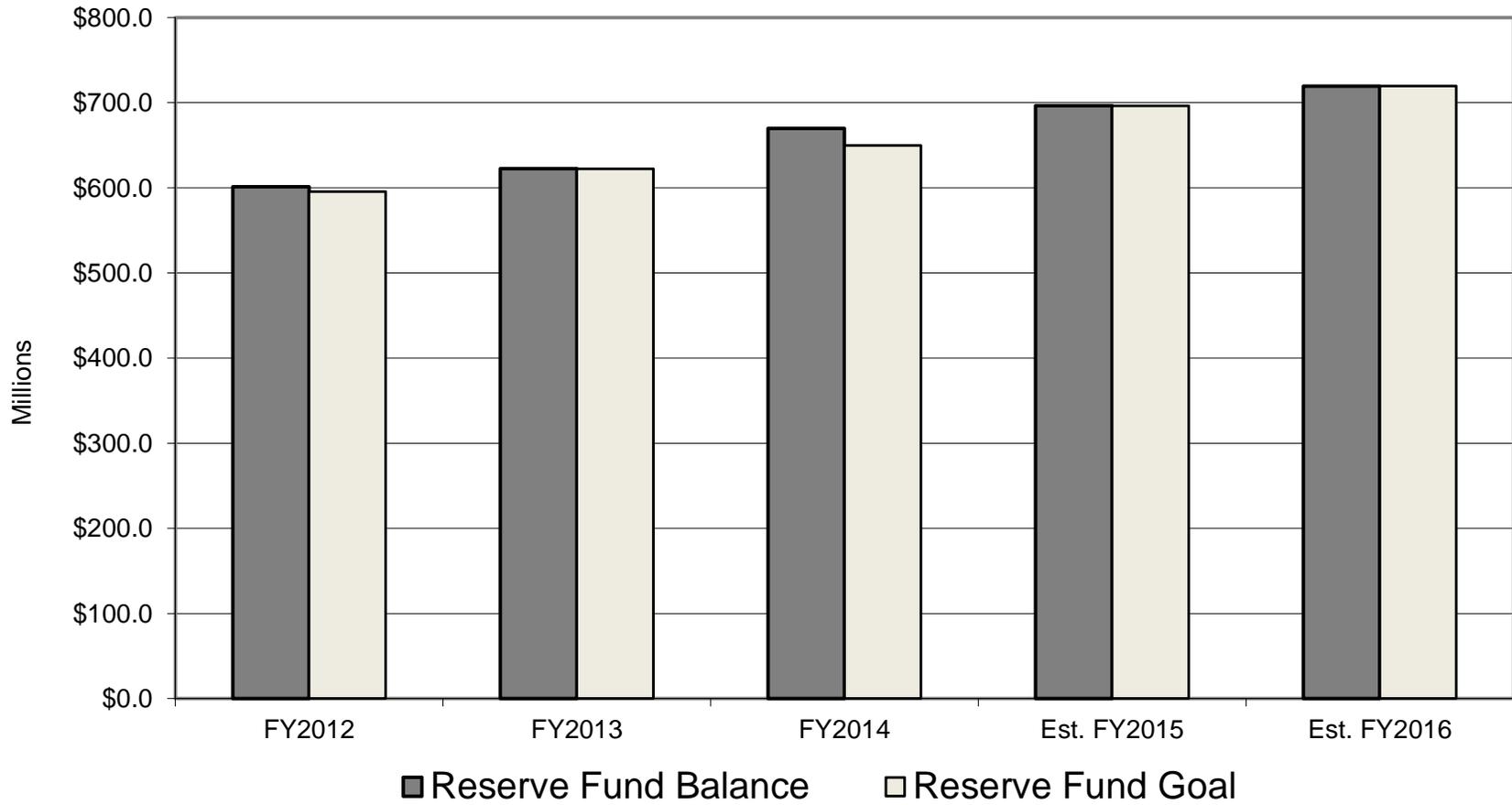
State of Iowa Reserve Funds

(Dollars in Millions)

Cash Reserve Fund (CRF)	Actual	Estimated	Projected
	FY 2014	FY 2015	FY 2016
Funds Available			
Balance Brought Forward	\$ 466.9	\$ 489.3	\$ 522.3
Gen. Fund Transfer from Surplus	927.7	706.8	451.1
Intrastate Receipts (credited after close of FY)	2.1		
Total Funds Available	\$ 1,396.7	\$ 1,196.1	\$ 973.4
Appropriations & Transfers			
Appropriations	\$ 0.0	\$ 0.0	\$ 0.0
Total Appropriations & Transfers	\$ 0.0	\$ 0.0	\$ 0.0
Excess Transferred to EEF	-907.4	-673.8	-433.8
Balance Carried Forward	\$ 489.3	\$ 522.3	\$ 539.6
<i>Maximum 7.5%</i>	\$ 487.2	\$ 522.3	\$ 539.6
Economic Emergency Fund (EEF)			
	Actual	Estimated	Projected
	FY 2014	FY 2015	FY 2016
Funds Available			
Balance Brought Forward	\$ 144.3	\$ 180.5	\$ 174.1
Excess from Cash Reserve	907.4	673.8	433.8
Total Funds Available	\$ 1,051.7	\$ 854.3	\$ 607.9
Appropriations & Transfers			
Excess Transferred to General Fund	\$ - 679.3	\$ - 651.6	\$ - 399.4
Excess Transferred to Taxpayer Trust Fund	-60.0	0.0	0.0
Transfer to RIF	-116.1	0.0	0.0
Executive Council - Performance of Duty	-15.8	-28.6	-28.6 ¹
Balance Carried Forward	\$ 180.5	\$ 174.1	\$ 179.9
<i>Maximum 2.5%</i>	\$ 162.4	\$ 174.1	\$ 179.9
Combined Reserve Fund Balances			
	Actual	Estimated	Projected
	FY 2014	FY 2015	FY 2016
Cash Reserve Fund	\$ 489.3	\$ 522.3	\$ 539.6
Economic Emergency Fund	180.5	174.1	179.9
Total CRF and EEF	\$ 669.8	\$ 696.4	\$ 719.5

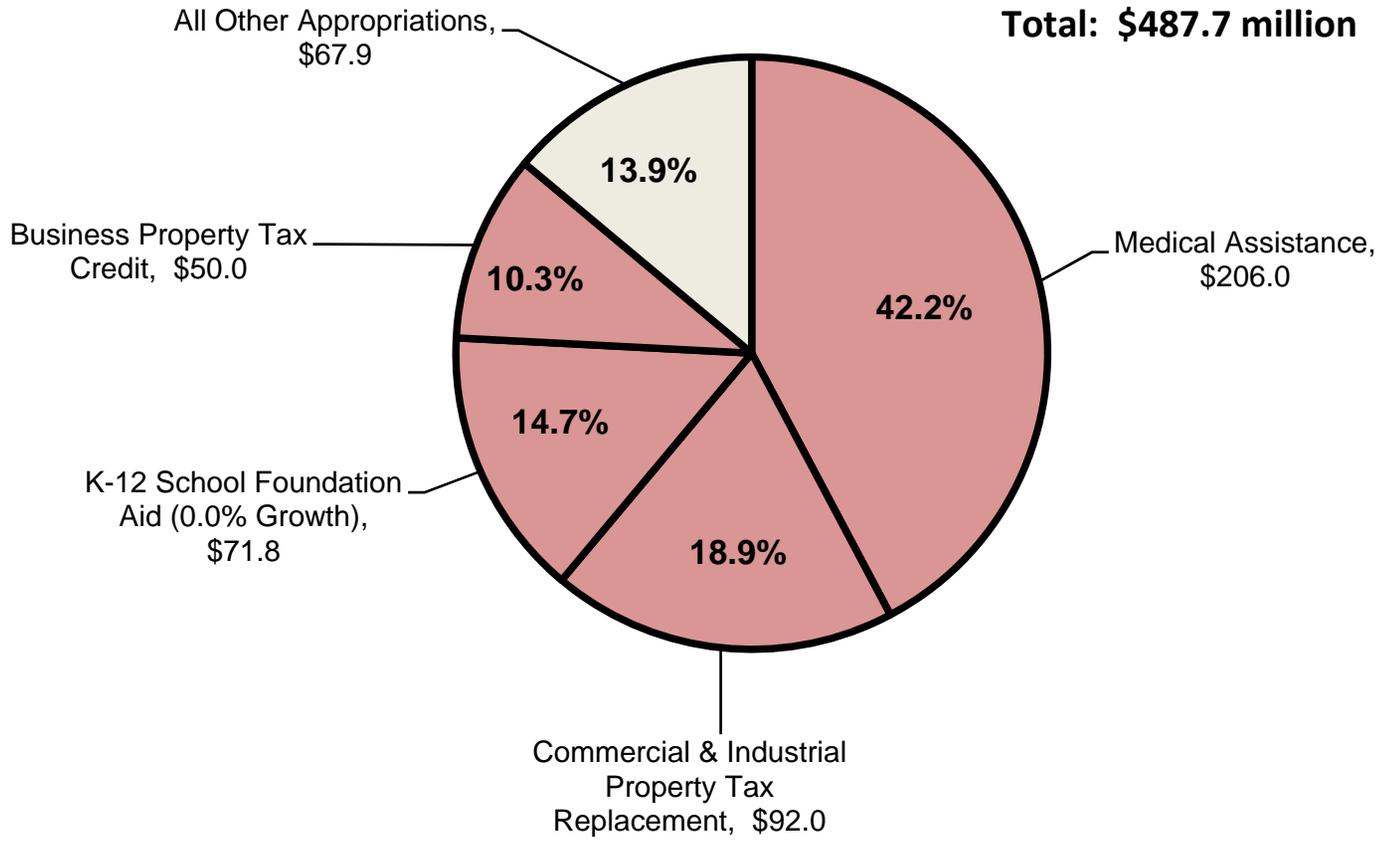
¹ The FY 2016 Performance of Duty estimate is preliminary. The estimate will be updated when the Department of Homeland Security and Emergency Management finalizes projections on disaster mitigation costs.

Combined Reserve Fund Balances



FY 2016 General Fund Built-in and Anticipated Appropriation Changes

(Dollars in Millions)



FY 2016 General Fund Built-in and Anticipated Expenditures
(Dollars in Millions)

	LSA
	<u>Estimates</u>
<u>Built-in Changes</u>	
1. Human Services - Medical Assistance	\$ 206.0
2. Revenue - Commercial & Industrial Property Tax Replacement	92.0
3. Education - K-12 School Foundation Aid (0% Growth)	71.8
4. Revenue - Business Property Tax Credit	50.0
5. Natural Resources - Resource Enhancement and Protection Program	20.0
6. Education - Instructional Support Program	14.8
7. Education - High-Need Schools	10.0
8. Human Services - Adoption Subsidy	4.9
9. Management - State Appeal Board Claims	4.6
10. College Aid - College Work Study Standing	2.8
11. Education - Nonpublic School Transportation	1.4
12. Human Services - Family Foster Care Rates	1.4
13. Human Services - Iowa Health and Wellness Program	0.9
14. Economic Development Authority - World Food Prize	0.2
15. Cultural Affairs - County Endowment Fund	0.1
16. College Aid - Iowa Tuition Grant (non-profit) Standing	-2.9
17. Human Services - hawk-i	-22.7
Subtotal	<u>\$ 455.3</u>
<u>Anticipated Expenditure Changes</u>	
18. Salary Annualization	\$ 16.6
19. Human Services - Child Care Assistance	8.1
20. Corrections - Forensic Psychiatric Hospital at Oakdale	2.1
21. Human Services - State Resource Centers	1.7
22. Corrections - Fund Hepatitis C drug costs at Oakdale	1.3
23. Public Safety - Peace Officer Retirement	0.9
24. Human Services - Mental Health Redesign Equalization	0.7
25. Corrections - Staff Additional Prison Beds	0.5
26. Corrections - County Billings	0.3
27. Corrections - Expired Federal Funds	0.2
Subtotal	<u>\$ 32.4</u>
Total Expenditure Increases	<u>\$ 487.7</u>

Taxpayers Trust Fund

(Dollars in Millions)

	<u>Actual FY 2013</u>	<u>Actual FY 2014</u>	<u>Estimated FY 2015</u>	<u>Projection FY 2016</u>
Funds Available				
Balance Brought Forward	\$ 0.0	\$ 60.0	\$ 35.5	\$ 8.1
Economic Emergency Transfer	60.0	60.0	0.0	0.0
Reversion from Taxpayers Trust Fund Tax Credit Fund	0.0	35.5	8.1	0.0
Total Funds Available	<u>\$ 60.0</u>	<u>\$ 155.5</u>	<u>\$ 43.6</u>	<u>\$ 8.1</u>
Total Expenditures	<u>\$ 0.0</u>	<u>\$ 120.0</u>	<u>\$ 35.5</u>	<u>\$ 0.0</u>
Balance Carried Forward	<u><u>\$ 60.0</u></u>	<u><u>\$ 35.5</u></u>	<u><u>\$ 8.1</u></u>	<u><u>\$ 8.1</u></u>

Taxpayers Trust Fund Tax Credit Fund

(Dollars in Millions)

	<u>Actual FY 2013</u>	<u>Actual FY 2014</u>	<u>Estimated FY 2015</u>	<u>Projection FY 2016</u>
Funds Available				
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Transfer from Taxpayers Trust Fund	0.0	120.0	35.5	0.0
Interest	0.0	0.1	0.0	0.0
Total Funds Available	<u>\$ 0.0</u>	<u>\$ 120.1</u>	<u>\$ 35.5</u>	<u>\$ 0.0</u>
Expenditures				
Transfer to General Fund (Reimb. for payment of tax credits)	\$ 0.0	\$ 84.6	\$ 27.4	\$ 0.0
Reversion to the Taxpayers Trust Fund	0.0	35.5	8.1	0.0
Total Expenditures	<u>\$ 0.0</u>	<u>\$ 120.1</u>	<u>\$ 35.5</u>	<u>\$ 0.0</u>
Balance Carried Forward	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>

Taxpayers Trust Fund Calculation

Calculation for \$60.0M Allocation Based on Previous Year's Net Receipts vs Adjusted Revenue Estimate

(Dollars in Millions)

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Actual /Estimated	\$ 6,311.1	\$ 6,768.7	\$ 6,489.1	\$ 6,857.1
Adjusted Revenue Estimate	- 5,939.3	- 6,224.3	- 6,496.6	- 6,963.6
Maximum to Taxpayer Trust Fund	<u><u>\$ 371.8</u></u>	<u><u>\$ 544.4</u></u>	<u><u>\$ - 7.5</u></u>	<u><u>\$ - 106.5</u></u>

Estimated Contingent Liabilities for State Tax Credits

(Dollars in Millions)

Tax Credit Program	FY 2015	FY 2016
<u>Capped Programs</u>		
Accelerated Career Education Tax Credit	\$ -5.4	\$ -5.4
Agricultural Assets Transfer Tax Credit	-5.0	-5.6
Custom Farming Contract Tax Credit	-1.9	-2.6
Endow Iowa Tax Credit	-6.2	-6.6
Enterprise Zone Program	-40.2	-48.2
Enterprise Zone Program - Housing Component	-23.2	-36.7
Film, Television, and Video Project Promotion Program - Awarded	-0.2	-0.0
High Quality Job Program	-75.9	-87.9
Historic Preservation and Cultural and Entertainment District Tax Credit	-49.8	-55.3
Redevelopment Tax Credit	-3.7	-5.6
Renewable Energy Tax Credit	-5.1	-8.6
School Tuition Organization Tax Credit	-11.6	-12.2
Solar Energy System Tax Credit	-2.4	-3.0
Venture Capital Tax Credit - Innovation Fund	-0.7	-3.7
Venture Capital Tax Credit - Iowa Fund of Funds	-0.5	-0.5
Venture Capital Tax Credit - Qualified Bus. or Comm.-Seed Capital Fund	-2.3	-2.3
Venture Capital Tax Credit - Venture Capital Funds	-0.2	-0.1
Wage-Benefits Tax Credit	0.0	0.0
Wind Energy Production Tax Credit	-1.8	-1.6
Workforce Housing Tax Incentive Program	-0.2	-2.4
Total Capped Programs	<u>\$ -236.2</u>	<u>\$ -288.4</u>
<u>Uncapped Programs</u>		
Adoption Tax Credit	\$ -0.8	\$ -0.8
Biodiesel Blended Fuel Tax Credit	-14.6	-15.5
Charitable Conservation Contribution Tax Credit	-0.6	-0.6
Child and Dependent Care Tax Credit	-4.1	-6.8
E15 Gasoline Promotion Tax Credit	-0.1	-0.1
E85 Gasoline Promotion Tax Credit	-1.8	-2.2
Early Childhood Development Tax Credit	-1.0	-1.1
Earned Income Tax Credit	-67.7	-66.6
Ethanol Promotion Tax Credit	-1.5	-1.5
Farm to Food Donation Tax Credit	-0.1	-0.2
Geothermal Heat Pump Tax Credit	-2.0	-2.0
Iowa Industrial New Job Training Program (260E)	-46.6	-44.4
New Capital Investment Program	-1.2	-1.2
New Jobs and Income Program	-4.4	-4.3
Research Activities Tax Credit	-43.9	-52.8
Supplemental Research Activities Tax Credit	-10.3	-9.9
Targeted Jobs Tax Credit from Withholding	-5.8	-6.6
Tuition and Textbook Tax Credit	-15.4	-15.5
Volunteer Firefighter and EMS Tax Credit	-1.4	-1.4
Total Uncapped Programs	<u>\$ -223.4</u>	<u>\$ -233.6</u>
Tax Credit Program Total	<u>\$ -459.7</u>	<u>\$ -522.0</u>

Notes:

The estimates are based on the Contingent Liabilities Report provided by the Department of Revenue in December 2014.

FY 2014 is based on actual claims made by taxpayers, although the amounts may not reflect the amount of awards issued. The FY 2014 numbers may increase as additional tax credit claims are verified.

The numbers may not equal totals due to rounding.