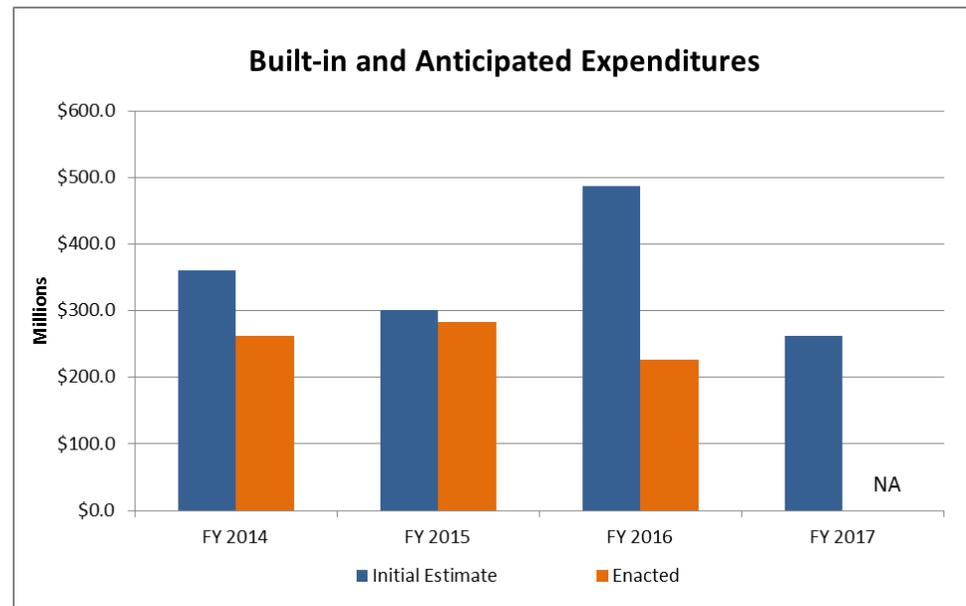


## Built-in and Anticipated Expenditures

- Built-in and Anticipated Expenditure estimates are used for budget planning purposes. They are not intended as recommendations!
- The estimates measure the incremental increases above the Baseline Appropriations.
- The Baseline Appropriations = The previous year's enacted appropriations.
- **Built-in Expenditures:** These require legislative action to alter the amount of the appropriation specified in Code or language that is used to determine the amount of the appropriation. These include:
  - Standing appropriations (i.e., property tax replacement)
  - An entitlement program (i.e., Medicaid)
  - Multiyear appropriation set by statute or session law (i.e., Business Property Tax Credit)

- **Anticipated Expenditures:** These are projected cost increases or decreases that State agencies or programs will experience in the next budget year. In the event of cost increases, the agency or program will require additional appropriated funds to cover the increased cost. If additional funds are not appropriated the increased costs will be funded from the agencies status quo budget. Example: Salary Adjustment and Annualization.
- Built-in and Anticipated Expenditures rarely get fully funded. A recent review of Built-in and Anticipated Expenditures over the past three fiscal years shows that between 46% and 94% of the total estimated expenditures were funded.



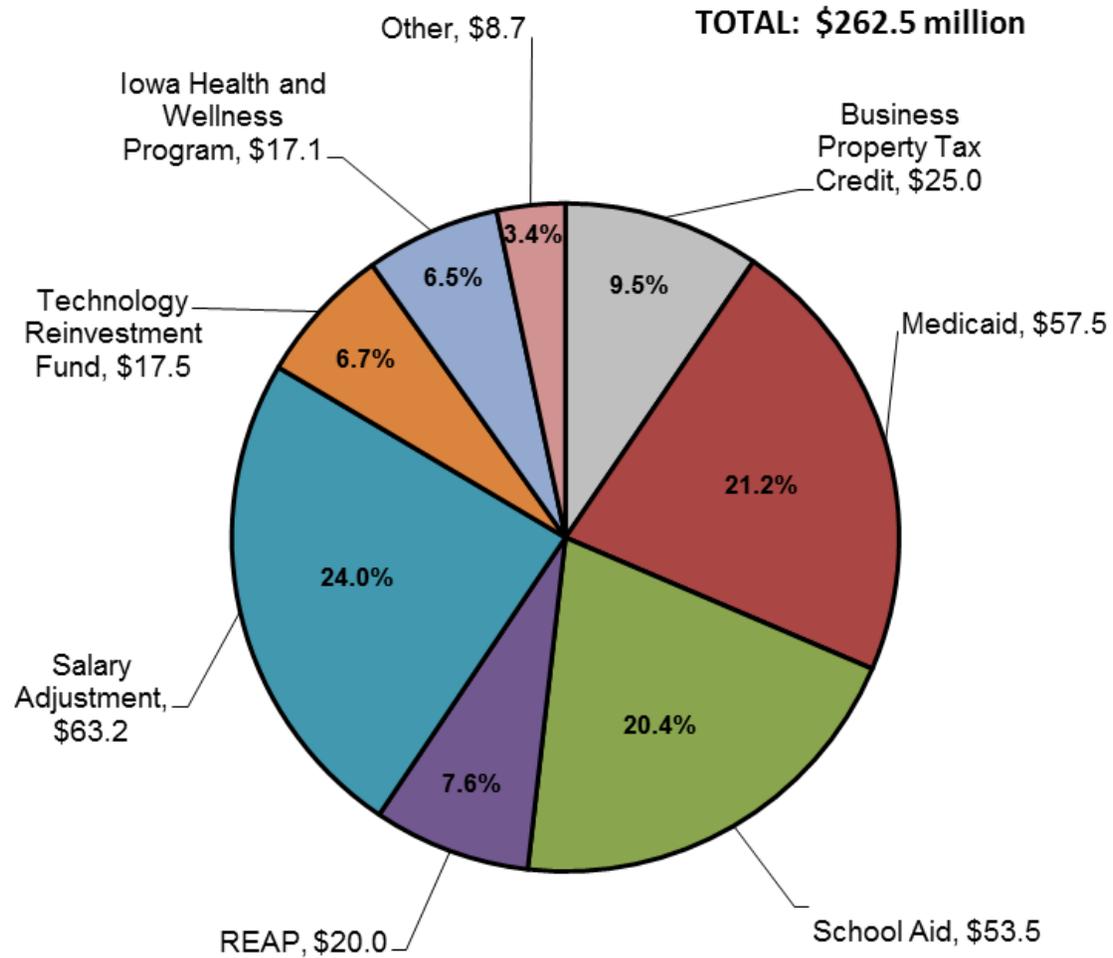
**Built-in and Anticipated Expenditures  
Program Estimates vs. Enacted Program Funding**

Dollars in Millions

	Initial Estimate FY 2014	Enacted FY 2014	Initial Estimate FY 2015	Enacted FY 2015	Initial Estimate FY 2016	Enacted FY 2016
<b><u>Built-in Expenditures</u></b>						
Human Services - Medical Assistance	\$ 167.0	\$ 168.2	\$ 139.1	\$ 165.3	\$ 206.0	\$ 52.5
Revenue - Commercial Property Tax Appropriations	0.0	0.0	0.0	7.7	92.0	74.2
Education - K-12 School Foundation Aid	1.6	6.4	5.4	6.5	71.8	87.8
Revenue - Business Property Tax Credit	0.0	0.0	0.0	0.0	50.0	50.0
Natural Resources - REAP	20.0	0.0	0.0	0.0	20.0	0.0
Education - Instructional Support Program	14.8	0.0	0.0	0.0	14.8	0.0
Education - Education Reform (non-School Aid)	0.0	0.0	60.0	50.0	10.0	0.0
Management - State Appeal Board Claims	3.4	1.3	0.0	17.8	4.6	0.0
Revenue - Homestead Tax Credit	28.8	25.0	0.0	-3.5	0.0	0.0
Human Services - hawk-i	0.0	0.0	18.0	9.1	-22.7	-25.5
Other	41.9	9.6	1.3	-0.8	8.8	0.3
Subtotal	\$ 277.5	\$ 210.5	\$ 223.8	\$ 252.1	\$ 455.3	\$ 239.3
<b><u>Anticipated Expenditures</u></b>						
Salary Adjustment/Annualization	\$ 0.0	\$ 0.0	\$ 33.7	\$ 0.0	\$ 16.6	\$ 0.0
Human Services - Child Care Assistance	4.2	0.4	0.0	0.0	8.1	15.1
Human Services - Mental Health Levy Equalization	29.8	29.8	29.8	30.5	0.7	-30.5
Human Services - Adoption Subsidy Program	8.3	3.0	0.0	0.0	0.0	0.0
Human Services - Health Care Transformation Account	8.3	4.0	0.0	0.0	0.0	0.0
Corrections	25.9	7.5	12.3	0.1	4.4	1.6
Other	6.3	7.6	1.4	0.5	2.6	1.2
Subtotal	\$ 82.8	\$ 52.3	\$ 77.2	\$ 31.1	\$ 32.4	\$ -12.6
<b>Grand Total</b>	<b>\$ 360.3</b>	<b>\$ 262.8</b>	<b>\$ 301.0</b>	<b>\$ 283.2</b>	<b>\$ 487.7</b>	<b>\$ 226.7</b>
<i>Percent Funded</i>		72.9%		94.1%		46.5%

- Reasons Built-in and Anticipated Expenditures may not be fully funded:
  - The estimates may change.
  - Program gets funded from non-General Fund sources.
  - Agencies and programs are required to fund increased costs within existing, status quo budgets.
  - Laws are enacted that change program funding requirements and reimbursement rates.
  - One-time funding sources are used to supplant or temporarily replace General Fund appropriations.

## FY 2017 Built-in and Anticipated Expenditures (Dollars in Millions)



**STATE OF IOWA**  
**FY 2017 General Fund Built-in and Anticipated Expenditures**  
**Preliminary Estimates**  
**December 2015**  
(Dollars in Millions)

	<b>LSA</b> <b>Estimates</b>
<b><u>Built-in Changes</u></b>	
Human Services - Medical Assistance	\$ 57.5
Education - K-12 School Foundation Aid (0% Growth) <sup>1</sup>	53.5
Revenue - Business Property Tax Credit	25.0
Natural Resources - REAP	20.0
Management - Technology Reinvestment Fund	17.5
Human Services - Iowa Health and Wellness Program	17.1
Education - Education Reform High Need Schools	10.0
Management - State Appeal Board Claims	4.6
Revenue - Commercial/Industrial Property Tax	1.1
Economic Development Authority - STEM	0.5
Economic Development Authority - World Food Prize	0.3
Human Services - Adoption Subsidy	-0.1
Cultural Affairs - County Endowment Fund	-0.2
College Aid - Iowa Tuition Grant (non-profit) Standing	-2.9
Human Services - hawk-i	-10.0
<b>Total Built-in Changes</b>	<b>\$ 193.9</b>
<b><u>Anticipated Expenditure Changes</u></b>	
Management - Salary Adjustment	\$ 63.2
Corrections - Institutional Realignment	2.0
Corrections - Fund Hepatitis C Drug Costs at Oakdale	1.3
Corrections - County Billings	0.8
Public Safety - Peace Officer Retirement	0.9
Public Health - Healthy Children and Families	0.2
Human Services - Child Care Assistance	0.1
Corrections - Support Additional Prison Beds	0.1
Subtotal	<b>\$ 68.6</b>
<b>Total Expenditure Increases</b>	<b>\$ 262.5</b>