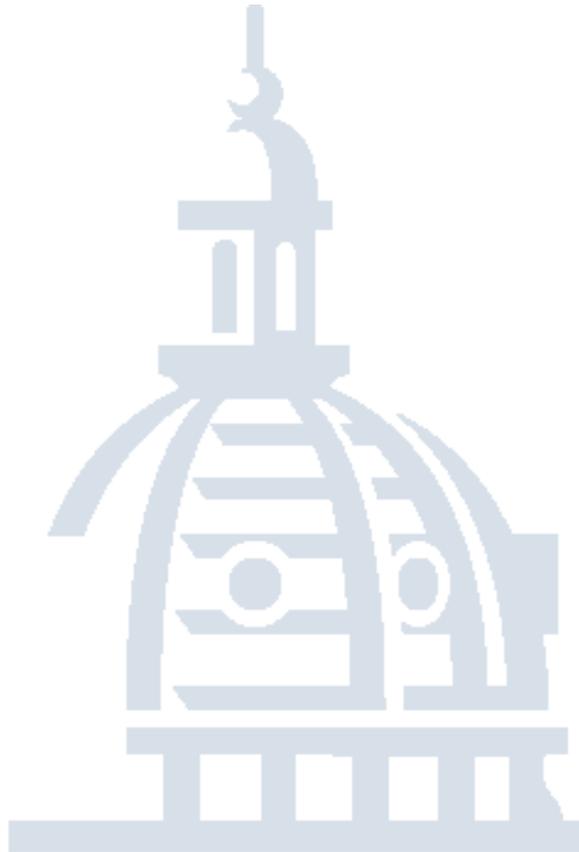


**SUMMARY OF FY 2017 BUDGET AND
DEPARTMENT REQUESTS**

Analysis of Department Budget Requests



FISCAL SERVICES DIVISION

DECEMBER 2015

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The purpose of this document is to provide the General Assembly with information related to FY 2017 General Fund estimated receipts and department requests. This information provides an overall summary of the State budget and is intended to help the General Assembly take a proactive approach toward the budgeting process.

In addition, this document is intended to provide the General Assembly with an overview of the General Fund, including revenues and expenditures. The Fiscal Services Division of the Legislative Services Agency (LSA) will be preparing a similar document in January 2016 to review the Governor's recommendations for FY 2017.

If you need additional information regarding a department request, refer to the Fiscal Services staff listing. The staff listing will indicate the appropriate analyst to contact for detailed information concerning each request.

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When Reviewing This Document, Please Note The Following:

[Iowa Code Section 8.35A\(2\)](#) requires the Department of Management (DOM) to transmit all department requests in final form to the Fiscal Services Division of the Legislative Services Agency (LSA) by November 15. The Fiscal Services Division obtained documents from the I/3 Budget System and from the DOM to compile the information provided in this document. The information in this document was received beginning in October 2015.

Other items worth noting when reviewing this document include:

- Revenues and expenditures are estimated for FY 2016 and FY 2017. The statutory expenditure limitation for FY 2017 will be determined by the Revenue Estimating Conference on December 10, 2015. Additional detail about expenditure limitation will be provided in the LSA summary of the FY 2017 Governor’s recommendations that will be published in January 2016.
- A summary of the funding increases requested by departments and agencies for FY 2017 is included in the Budget Overview section of this document.
- When analyzing the FY 2017 department requests, the FY 2017 recommendations are compared to the estimated FY 2016 appropriations.
- **Appendix A** provides common acronyms used in the appropriations tables.
- **Appendix B** is an appropriations tracking document showing General Fund and Other Fund appropriations and the department requests by Subcommittee.
- **Appendix C** is a listing of the projected FY 2017 built-in and anticipated increases and decreases.
- **Appendix D** provides an overview of the 2015 Interim Committees.
- **Appendix E** provides a listing of publications by the Fiscal Services Division during the 2015 Interim.
- **Appendix F** provides information about public retirement systems in Iowa.
- **Appendix G** provides a summary of salary and collective bargaining information.

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2016 Session Timetable

Fiscal Staff: Ron Robinson

Analysis of Department Budget Requests

NOTE: This Session timetable is subject to change.

**If rules [HCR 6](#), [HR 4](#), and [SR 1](#) (2015) remain unchanged. Those rules moved committee deadlines and floor consideration restrictions two weeks earlier in the session.*

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

JANUARY 11	First day of session. (Iowa Code sec. 2.1)
JANUARY 22 (Friday of 2nd week)	Final day for individual Senator and Representative requests for bill drafts to the Legislative Services Agency. (Senate Rule 27 and House Rule 29)
FEBRUARY 19 (Friday of 6th week)**	Final date for Senate bills to be reported out of Senate committees and House bills out of House committees. (Joint Rule 20)
FEBRUARY 22 – 26 (7th week)	Senate considers only Senate bills and unfinished business. House considers only House bills and unfinished business. (Joint Rule 20)
FEBRUARY 29 – MARCH 11 (8th and 9th weeks)	Debate not limited by rule.
MARCH 11 (Friday of the 9th week)**	Final date for Senate bills to be reported out of House committees and House bills out of Senate committees. (Joint Rule 20)
MARCH 14 – 18 (10th week)	Senate considers only House bills and unfinished business. House considers only Senate bills and unfinished business. (Joint Rule 20)
APRIL 13 (Beginning of 14th week)	Only the following bills are eligible for consideration: (Joint Rule 20) <ul style="list-style-type: none"> • Bills passed by both Houses • Appropriations bills • Ways and Means bills • Government Oversight bills • Legalizing Acts • Administrative Rules Review Committee bills • Committee bills related to delayed or suspended Administrative Rules [Iowa Code sec. 17A.8 (9)] • Bills co-sponsored by Majority and Minority Leaders of one House • Conference Committee Reports • Companion bills sponsored by Senate and House Majority Leaders • Concurrent or Simple Resolutions • Joint Resolutions nullifying Administrative Rules • Bills on the Veto Calendar (Joint Rule 23) • Unfinished Business
APRIL 4 (Beginning of 13th week)	Amendments need not be filed on the day preceding floor debate. (House Rule 31.8)
APRIL 19	100th calendar day of the Session [per diem expenses end – Iowa Code sec. 2.10(1)]
<p>**The February 19 and March 11 committee deadlines do not apply to Appropriations bills, Ways and Means bills, Government Oversight Committee bills, Legalizing Acts, Administrative Rules Review Committee bills, Committee bills related to delayed or suspended Administrative Rules [Code sec. 17A.8(9)], bills co-sponsored by Majority and Minority Leaders of one House, Conference Committee Reports, companion bills sponsored by the Majority Leaders of both chambers after consultation with the respective Minority Leaders, Concurrent or Simple Resolutions, and Joint Resolutions nullifying Administrative Rules. Updated by the Legislative Information Office on 8/06/2015.</p>	

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Analysis of Department Budget Requests

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The following information provides an overall summary of Iowa's General Fund budget in an effort to assist the General Assembly with the decision-making process on the FY 2017 budget. The overview includes a discussion of the previous year's budget for FY 2015, the status of the FY 2016 budget currently in progress, and the budget outlook for FY 2017. A summary of individual department requests for FY 2017 is also provided at the end of this Overview.

FY 2015 GENERAL FUND BUDGET

The FY 2015 General Fund budget ended the fiscal year with a surplus of \$410.7 million. This was \$324.2 million less than the surplus that was estimated at the time the original FY 2015 budget was enacted during the 2014 Legislative Session and \$46.4 million more than the revised surplus that was estimated at the dose of the 2015 Session. Several factors contributed to the change in the surplus:

- Net General Fund receipts for FY 2015 ended the year at \$143.9 million (2.1%) less than was originally estimated at the close of the 2014 Legislative Session. The original FY 2015 budget was based on the December 2013 revenue estimate of the Revenue Estimating Conference (REC) that totaled \$6.983 billion. During the 2014 Legislative Session, \$19.6 million in revenue reductions were also enacted, resulting in estimated net receipts of \$6.964 billion. In subsequent meetings, the REC lowered the estimate largely due to reductions in personal and corporate income tax collections that were being experienced. Also contributing to the reduction was the enactment of [SF 126](#) (Internal Revenue Code Update Act) in February 2015 that reduced the revenue estimate by \$99.0 million. The Act conformed Iowa's revenue laws to incorporate federal changes enacted from January 1, 2014, through January 1, 2015.
- The final surplus carryforward ended the fiscal year at \$647.2 million. This amount was \$98.5 million (13.2%) less than estimated when the FY 2015 budget was first enacted. The reduction of the surplus carryforward was the result of a lower than anticipated General Fund surplus in FY 2014.
- Net appropriations (after reversions) were \$81.8 million (1.2%) more than the initial budget due to supplemental appropriations and year-end adjustments to standing appropriations. A net total of \$56.0 million in supplemental appropriations and deappropriations were funded for FY 2015. This included supplemental appropriations of \$58.8 million for Medicaid, \$9.5 million for Commercial Property Tax Replacement, and \$3.5 million for other programs. There were also \$15.8 million in deappropriations enacted that offset a portion of the increases. Standing appropriations ended the fiscal year \$27.9 million more than originally budgeted. The majority of the increase was the result of State Appeal Board claims being \$17.8 million over budget.

The following table shows how the FY 2015 budget was affected by the changes in revenue estimates and appropriation adjustments from the time the budget was first enacted during the 2014 Legislative Session to the dose of the fiscal year.

FY 2015 General Fund Budget

(Dollars in Millions)

	FY 2015		
	Enacted 2014 Session	Revised 2015 Session	Actual FY 2015
Funds Available			
REC Estimate/Actual Receipts	\$ 6,983.2	\$ 6,767.4	\$ 6,819.7
Revenue Adjustments	- 19.6	0.0	0.0
Net General Fund Receipts	6,963.6	6,767.4	6,819.7
Surplus Carryforward	745.7	642.2	647.2
Total Available Resources	\$ 7,709.3	\$ 7,409.6	\$ 7,466.9
Appropriations and Expenditures			
Initial Appropriations	\$ 6,979.4	\$ 6,979.4	\$ 6,979.4
Adjustments to Standing Appropriations		14.9	27.9
Net Supplemental/Deappropriations		56.0	56.0
Total Appropriations	6,979.4	7,050.3	7,063.4
Reversions	- 5.0	- 5.0	- 7.2
Net Appropriations	\$ 6,974.4	\$ 7,045.3	\$ 7,056.2
Ending Balance - Surplus	\$ 734.9	\$ 364.3	\$ 410.7

Note: Numbers may not equal totals due to rounding.

STATUS OF FY 2016 BUDGET

The FY 2016 budget enacted by the General Assembly during the 2015 Legislative Session was based on a revenue estimate of \$7.187 billion. This included an REC estimate of \$7.176 billion and net revenue adjustments of \$11.2 million enacted during the 2015 Legislative Session (after item vetoes). In addition, the estimated carryforward from the FY 2015 surplus at that time was \$330.0 million. The General Assembly appropriated a total of \$7.172 billion from the General Fund for FY 2015, resulting in an estimated surplus of \$351.7 million.

The REC met on October 13, 2015, and lowered the FY 2016 net revenue estimate by \$132.2 million (1.8%) compared to the March 2014 estimate, plus legislative adjustments. In addition, \$376.8 million was carried forward from the FY 2015 surplus to FY 2016. This transfer was \$46.8 million (14.2%) more than was originally estimated at the close of the 2015 Legislative Session. The net impact of these changes resulted in an overall estimated decrease in available General Fund revenue of \$85.4 million (1.1%). For projection purposes, the Legislative Services Agency (LSA) made the following changes to the estimated appropriations for FY 2015:

- The appropriation for State Aid to Schools was increased by \$2.6 million to reflect changes in property valuation estimates included in the school aid formula.
- A supplemental appropriation of \$76.0 million is estimated to eliminate a projected shortfall in Medicaid for FY 2016. The shortfall is based on an estimate of the Department of Human Services.

Based on the above revenue and appropriation estimates, the revised estimate of the FY 2016 General Fund surplus is \$187.7 million. This is \$164.0 million (46.6%) less than the surplus that was estimated at the close of the 2015 Legislative Session.

FY 2016 General Fund Budget		
(Dollars in Millions)		
	FY 2016	
	Enacted 2015 Session	Estimated Nov. 2015
Funds Available:		
REC Estimate	\$ 7,175.5	\$ 7,054.5
Revenue Adjustments	11.2	
Subtotal Net Receipts	\$ 7,186.7	\$ 7,054.5
Surplus Carryforward	330.0	376.8
Total Available Resources	\$ 7,516.7	\$ 7,431.3
Appropriations and Expenditures:		
Enacted Appropriations	\$ 7,171.7	\$ 7,171.7
Adjustments to Standing Appropriations		2.6
Supplemental (Medicaid)		76.0
Total Appropriations	\$ 7,171.7	\$ 7,250.3
Reversions	- 6.7	- 6.7
Net Appropriations	\$ 7,165.0	\$ 7,243.6
Ending Balance - Surplus	\$ 351.7	\$ 187.7

Note: Numbers may not equal totals due to rounding.

FY 2017 BUDGET PROJECTION

The FY 2017 General Fund budget projection is intended to provide a framework to assist the General Assembly in evaluating budget decisions for the next fiscal year. **This is a preliminary projection and will be re-evaluated after the December 2015 REC meeting, and again after the Governor makes his budget recommendations.**

Assumptions

- **Revenues:** For purposes of arriving at an estimate for FY 2017, the LSA uses the most recent REC estimate of net General Fund receipts. For this report, the FY 2017 net revenue estimate of \$7.349 billion from the October 13, 2015, REC meeting is used. The REC estimate is based on tax laws and other revenue policies in place at the time the estimate was adopted.
- **Surplus Carryforward:** An estimated \$163.1 million is projected to be carried forward from the FY 2016 surplus to FY 2017. These funds represent the remaining dollars from the FY 2016 surplus (\$187.7 million) after a portion of the surplus is deposited into the State's reserve funds as required by statute.
- **Baseline Appropriations:** For estimating appropriations, the enacted FY 2016 appropriations are used as the baseline for FY 2017. The estimate was adjusted by \$2.6 million to account for the increase to the State School Aid standing appropriation that occurred in July 2015.
- **Built-in and Anticipated Expenditures:** Expenditures for FY 2017 are analyzed by the LSA staff to account for the automatic increases or decreases (built-in expenditures) over and above the baseline estimate prior to legislative action. These appropriation changes are generally established in the Iowa Code.

Also examined are the significant anticipated expenditure changes. These can include cost increases that a State agency or program will incur in the next budget year that will require additional appropriations or budget adjustments. These costs are often the result of new requirements placed on State agencies such as the increased cost of staffing a prison expansion, or funding of collective bargaining agreements. Without the additional funds, the agencies will be required to cover the increased costs within their existing budgets. The built-in and anticipated expenditure increases are estimated at \$269.5 million for FY 2017. **Appendix C** provides additional information on individual built-in and anticipated expenditures.

- **Reversions** are estimated to total \$5.0 million for FY 2017. Reversions are appropriated funds that remain unexpended at the close of the fiscal year and are deposited back in the General Fund.
- **Expenditure Limitation:** The expenditure limitation for FY 2017 is estimated to be \$7.439 billion. This represents 99.0% of the REC net revenue estimate (\$7.349 billion) and 100.0% of the estimated \$163.1 million of the surplus carryforward.

Projected Condition of the General Fund Budget

The following table shows the projected General Fund budget for FY 2017 based on the above assumptions. The key aspects of the projection include:

- Total available funds are estimated at \$7.512 billion, an increase of \$80.7 million (1.1%) compared to estimated FY 2016.
- Projected appropriations (before reversions) are estimated to total \$7.444 billion, an increase of \$193.5 million (2.7%) compared to estimated FY 2016.
- The projected appropriations are \$5.3 million more than the estimated expenditure limitation for FY 2017. Based on the FY 2017 assumptions listed above, a budget adjustment of \$5.3 million is necessary to meet expenditure limitation.
- The FY 2017 General Fund surplus is projected to be \$78.5 million. This is \$109.2 million less than the estimated FY 2016 surplus.

Projected Condition of the General Fund Budget			
(Dollars in Millions)			
	Actual FY 2015	Estimated FY 2016	Projected FY 2017
Funds Available:			
Net Receipts	\$ 6,819.7	\$ 7,054.5	\$ 7,348.9
Surplus Carryforward	647.2	376.8	163.1
Total Available Resources	\$ 7,466.9	\$ 7,431.3	\$ 7,512.0
Expenditure Limitation			\$ 7,438.5
Estimated Appropriations and Expenditures:			
Enacted Appropriations	\$ 6,979.4	\$ 7,171.7	\$ 7,174.3
Adjustments to Standing Appropriations	27.9	2.6	
Net Supplemental/Deappropriations	56.0	76.0	
Built-in and Anticipated Increases			269.5
Total Before Balance Adjustment	7,063.4	7,250.3	7,443.8
Adjustment to Meet Expenditure Limitation			- 5.3
Total Appropriations	\$ 7,063.4	\$ 7,250.3	\$ 7,438.5
Reversions	- 7.2	- 6.7	- 5.0
Net Appropriations (less Reversions)	\$ 7,056.2	\$ 7,243.6	\$ 7,433.5
Ending Balance - Surplus	\$ 410.7	\$ 187.7	\$ 78.5

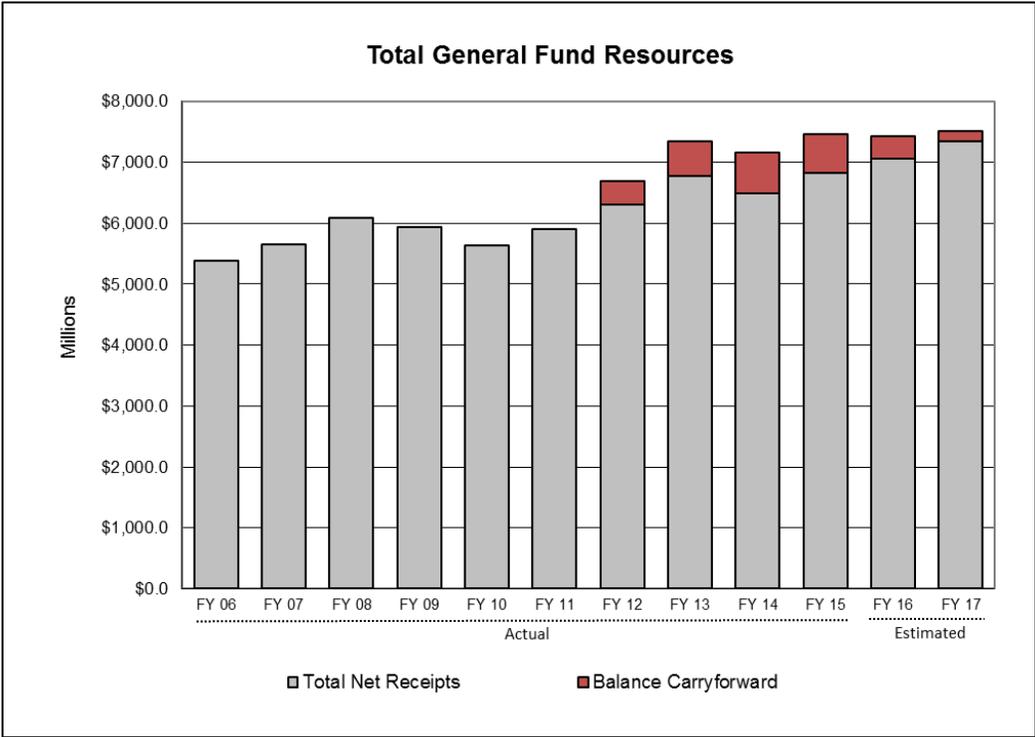
Note: Numbers may not equal totals due to rounding.

Trends – General Fund Resources

Total General Fund resources include net General Fund receipts and the revenues carried forward from the previous year’s surplus. The net receipts are comprised of annual tax revenue (net of refunds) as well as other revenues credited and transferred to the General Fund by law. The surplus carryforward occurs if there is sufficient revenue from the previous year’s surplus to fill up the State’s reserve funds to the statutory level and to meet other reserve fund obligations,¹ with the excess surplus revenue being transferred to the General Fund.

From FY 2006 to FY 2015, net General Fund receipts increased \$1.437 billion, equating to an average annual increase of 2.7%. The Revenue Estimating Conference is projecting net General Fund receipts to increase in FY 2016 and FY 2017 by 3.4% and 4.2% respectively, with the majority of the projected revenue growth from personal income taxes.

Since FY 2011, the financial condition of the General Fund budget has improved to the point that the year-end surpluses have been more than sufficient to meet the reserve fund obligations resulting in excess surplus dollars being carried forward to the next fiscal year. While the General Fund budget is projected to have a surplus carryforward in FY 2017, the amount is estimated to be lower than previous years due to the growth in appropriations out-pacing total available revenues. The surplus carryforward for FY 2017 is estimated to be \$163.1 million, down from \$376.8 million in FY 2016.

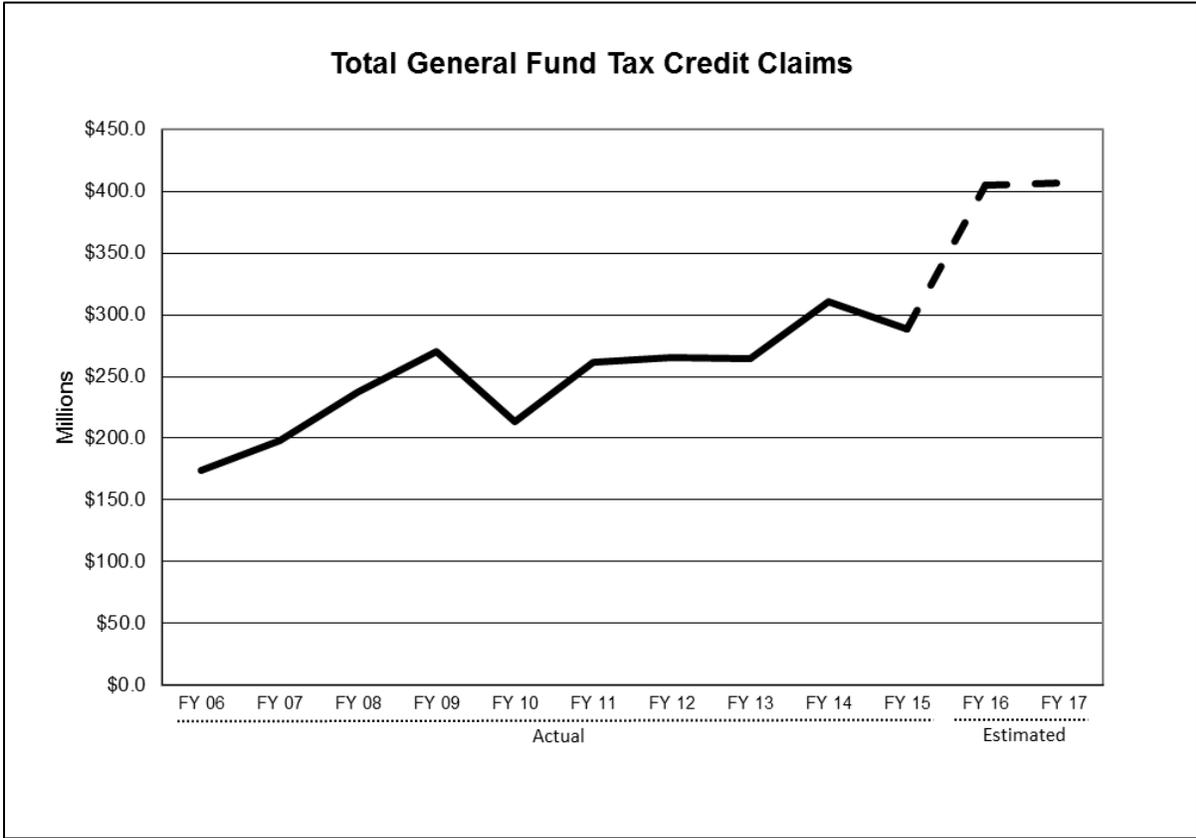


¹ Iowa Code sections 8.55 and 8.57 specify the maximum balances in the Economic Emergency Fund and Cash Reserve Fund are to be equal to 2.5% and 7.5% of the adjusted revenue estimate, respectively.

Another factor influencing General Fund revenues are tax credits claimed against personal and corporate income. From FY 2006 to FY 2015, claimed tax credits have increased from \$174.4 million to \$288.3 million, respectively. This represents an increase of \$113.8 million and equates to an average annual increase of 5.7%. According to the Iowa Department of Revenue, tax credit claims are projected to significantly increase in FY 2016 to \$404.9 million, an increase of \$116.6 million (40.5%).² Approximately 74.0% of the estimated increase for FY 2016 is associated with projected growth in five tax credit programs:

- Historic Preservation and Cultural and Entertainment District Tax Credit
- High Quality Jobs Program Tax Credit
- Enterprise Zone Program - Housing Component
- Iowa Industrial New Job Training Program ([260E](#))
- Research Activities Tax Credit

For FY 2017, growth in tax credit claims is estimated to remain relatively flat at \$407.4 million (0.6%). Additional information on individual tax credits is provided later in this report.



² Iowa Department of Revenue, Tax Credits Contingent Liabilities Report, Table 9 – Expected Tax Credit Claims, October 13, 2015

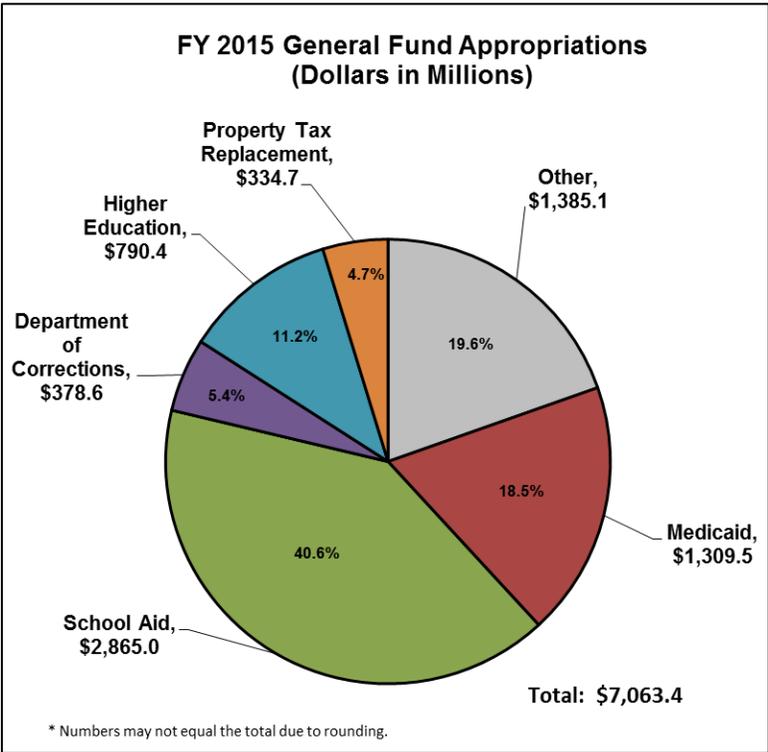
Trends – General Fund Appropriations

Over the 10-year period from FY 2006 to FY 2015, General Fund appropriations increased from \$5.032 billion to \$7.063 billion, an increase of \$2.032 billion (40.4%). This represents an average annual increase of 3.8% during the 10 years.

The area of the General Fund budget that is experiencing the fastest rate of growth is Medicaid. Medicaid comprises approximately 19.0% of the total General Fund budget. From FY 2006 to FY 2015, the General Fund Medicaid appropriation has increased \$710.3 million (118.5%), equating to an average annual increase of 9.1% over the 10-year period. For FY 2016 and FY 2017, the Medicaid Program is estimated to increase \$69.7 million (5.3%) and \$65.0 million (4.7%), respectively.

State School Aid comprises the largest portion of the General Fund budget at approximately 41.0%, and therefore has accounted for the largest dollar increase over the last 10 years. State School Aid has increased a total of \$901.8 million (41.2%) from FY 2006 to FY 2015, representing an average annual increase of 4.3%. For FY 2016, the percent of per pupil growth was set at 1.25% by the General Assembly, resulting in an estimated increase of \$87.9 million (3.1%) compared to FY 2015. The percent growth for FY 2017 has not yet been established. If a percent growth rate cannot be enacted, the rate defaults to 0.0%. For projection purposes, a 0.0% per pupil growth rate is used. This will result in a projected \$53.5 million (1.8%) increase compared to estimated FY 2016.

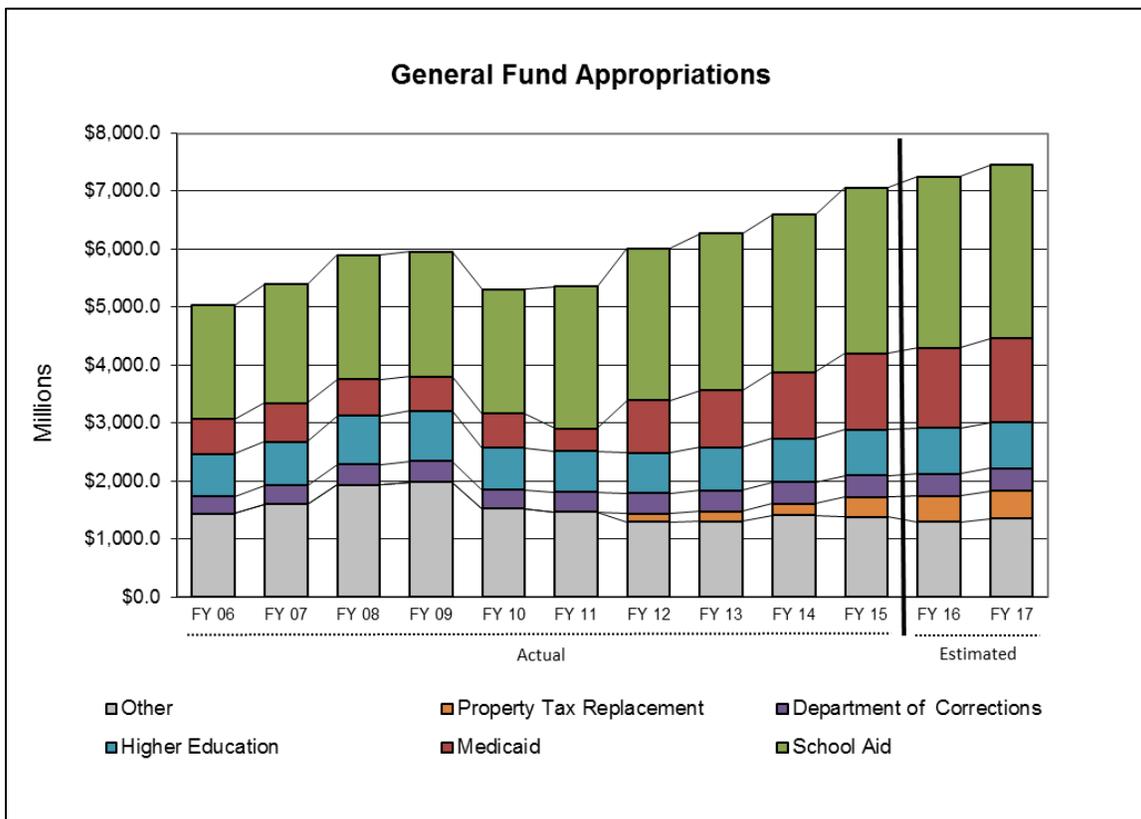
Three other areas making up a substantial part of the General Fund budget include Higher Education (Regents and Community Colleges), the Department of Corrections, and Property Tax Replacement appropriations. Together, these three budget areas comprise approximately 22.0% of annual General Fund appropriations.



Of these three areas, the appropriations for property tax replacement will be experiencing the greatest growth in FY 2016 and FY 2017 largely due to the enactment of [SF 295](#) (Commercial Property Tax Act) in 2013. The legislation phases in reductions to Iowa’s commercial and industrial property taxes over a four year period (FY 2015 – FY 2018) and created two standing appropriations designed to reimburse local governments for the reduced property tax revenue. The combined amount appropriated for the commercial and industrial property replacement in FY 2015 and the Business Property Tax Credit totaled \$137.7 million. These appropriations are estimated to grow to \$252.6 million in FY 2016 and \$278.7 million in FY 2017. Beginning in FY 2018, the standing appropriations cannot exceed the actual FY 2017 appropriation amount.

	FY 2015	FY 2016	FY 2017	FY 2018
Commercial/Industrial Property Replacement	\$ 78.2	\$ 162.1	\$ 153.7	\$ 153.7
Commercial/Industrial Fiscal Year Adjustment	9.5	- 9.5	0.0	0.0
Business Property Tax Credit	50.0	100.0	125.0	125.0
Total	\$ 137.7	\$ 252.6	\$ 278.7	\$ 278.7

Changes in the General Fund appropriations for Higher Education and the Department of Corrections from FY 2006 to FY 2015 have been relatively modest relative to increases in other budget areas. During this 10-year period funding for the Department of Corrections has increased \$82.5 million for an average annual increase of 2.8%, while appropriations for higher education increased \$53.2 million for an average annual increase of 0.8%.



STATE RESERVE FUNDS

The balances in both the Cash Reserve Fund and the Economic Emergency Fund are estimated to reach the statutory maximums of \$551.2 million and \$183.7 million, respectively in FY 2017. Based on the previously discussed revenue and appropriation projections, the combined balance of both reserve funds will total an estimated \$734.9 million in FY 2017.

After the FY 2016 General Fund surplus is cycled through the reserve funds, an estimated \$163.1 million of excess surplus funds will be transferred to the General Fund and available for appropriation in FY 2017. The FY 2017 statutory goal calculations for both reserve funds were based on the October 2015 REC estimate of \$7.349 billion. The Economic Emergency Fund also provides funding to the Taxpayers Trust Fund and the Performance of Duty appropriation. The vast majority of the Performance of Duty appropriation is used for disaster mitigation and is under the purview of the Executive Council.

State of Iowa Reserve Funds			
(Dollars in Millions)			
	Actual FY 2015	Estimated FY 2016	Projection FY 2017
Cash Reserve Fund			
Funds Available			
Balance Brought Forward	\$ 489.3	\$ 522.3	\$ 539.0
Gen. Fund Transfer from Surplus	706.8	410.7	187.7
Total Funds Available	\$ 1,196.1	\$ 933.0	\$ 726.7
Transfer to Econ. Emergency Fund	-673.8	-394.0	-175.5
Ending Balance	\$ 522.3	\$ 539.0	\$ 551.2
<i>Maximum 7.5%</i>	\$ 522.3	\$ 539.0	\$ 551.2
Economic Emergency Fund			
Funds Available			
Balance Brought Forward	\$ 180.6	\$ 174.5	\$ 179.7
Excess from Cash Reserve Fund	673.8	394.0	175.5
Total Funds Available	\$ 854.4	\$ 568.5	\$ 355.2
Appropriations & Transfers			
Transfer to General Fund	\$ -647.2	\$ -376.8	\$ -163.1
Transfer to Taxpayer Trust Fund	0.0	0.0	0.0
Executive Council - Performance of Duty	-32.7	-12.0	-8.4
Ending Balance	\$ 174.5	\$ 179.7	\$ 183.7
<i>Maximum 2.5%</i>	\$ 174.1	\$ 179.7	\$ 183.7

Reserve Funds Combined Balances			
(Dollars in Millions)			
	Actual FY 2015	Estimated FY 2016	Projection FY 2017
Reserve Fund Balances			
Cash Reserve Fund	\$ 522.3	\$ 539.0	\$ 551.2
Economic Emergency Fund	174.5	179.7	183.7
Total	\$ 696.8	\$ 718.7	\$ 734.9

TAXPAYERS TRUST FUND AND TAXPAYERS TRUST FUND TAX CREDIT FUND

The Taxpayers Trust Fund is established in Iowa Code section [8.57E](#). The Trust Fund took effect in FY 2013 and was created for the purpose of providing tax relief to Iowans. Moneys in the Trust Fund can only be used pursuant to appropriations made by the General Assembly for tax relief.

In addition, funds from the Taxpayers Trust Fund are transferred to the Taxpayers Trust Fund Tax Credit Fund to be used to fund a nonrefundable income tax credit to qualified individuals. The Taxpayers Trust Fund Tax Credit Fund is used to reimburse the General Fund for payment of the tax credits.

The balance in the Taxpayers Trust Fund Tax Credit Fund in FY 2014 totaled \$120.1 million. Of this, \$84.6 million was transferred to the General Fund for payment of tax credits in tax year 2013 (FY 2014). The remaining \$35.5 million reverted back to the Taxpayers Trust Fund (in addition to interest earnings) and was carried forward to FY 2015. These funds were used to pay \$27.7 million in tax credits in tax year 2014 (FY 2015). The remaining \$8.1 million carried forward to FY 2016.

The maximum amount of the credit is determined by dividing the funds available in the Taxpayer Trust Fund Tax Credit Fund by the number of qualified taxpayers of the previous tax year. Each taxpayer will be allowed the credit, up to either the tax credit maximum for that year, or the amount of income tax liability, whichever is less. The maximum tax credit for tax year 2013 was \$54 per taxpayer and \$15 per taxpayer for tax year 2014.

The amount that the Taxpayers Trust Fund can receive in a given fiscal year is limited to \$60.0 million, or the difference between the actual net General Fund revenue for the preceding fiscal year and the adjusted revenue estimate used in establishing the budget for that fiscal year, whichever is less. The funds are transferred from the Economic Emergency Fund assuming certain statutory conditions are met. For FY 2015 and FY 2016, this criterion was not met and therefore the Taxpayers Trust Fund will not receive an allocation from the Economic Emergency Fund for FY 2015 or FY 2016. In addition, the Taxpayers Trust Fund is required to have a minimum balance of \$30.0 million before tax credits can be issued. It is too early to determine if the Fund will receive an Economic Emergency Fund allocation in FY 2017.

Taxpayers Trust Fund

(Dollars in Millions)

	<u>Actual FY 2014</u>	<u>Actual FY 2015</u>	<u>Estimated FY 2016</u>	<u>Projection FY 2017</u>
Funds Available				
Balance Brought Forward	\$ 60.1	\$ 35.7	\$ 8.1	\$ 8.1
Economic Emergency Transfer	60.0			
Reversion (from Taxpayer Trust Fund Tax Credit Fund)	35.5	8.1		
Interest	0.1	0.1		
Total Funds Available	<u>\$ 155.7</u>	<u>\$ 43.9</u>	<u>\$ 8.1</u>	<u>\$ 8.1</u>
Total Expenditures	<u>\$ 120.0</u>	<u>\$ 35.8</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Balance Carried Forward	<u>\$ 35.7</u>	<u>\$ 8.1</u>	<u>\$ 8.1</u>	<u>\$ 8.1</u>

Taxpayers Trust Fund Tax Credit Fund

(Dollars in Millions)

	<u>Actual FY 2014</u>	<u>Actual FY 2015</u>	<u>Estimated FY 2016</u>	<u>Projection FY 2017</u>
Funds Available				
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Transfer from Taxpayer Trust Fund	120.0	35.8		
Interest	0.1			
Total Funds Available	<u>\$ 120.1</u>	<u>\$ 35.8</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Expenditures				
Transfer to General Fund	\$ 84.6	\$ 27.7	\$ 0.0	\$ 0.0
Reversion to the Taxpayer Trust Fund	35.5	8.1		
Total Expenditures	<u>\$ 120.1</u>	<u>\$ 35.8</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
Balance Carried Forward	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

EXPECTED STATE TAX CREDIT CLAIMS

The FY 2016 and FY 2017 budgets are based on revenue estimates established by the REC on October 13, 2015. The estimates include claims for numerous tax credits available to tax filers. The table below shows the tax credits that are expected to be claimed against the State. 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, there is a maximum that may be claimed either in one year, or over a period of years.

State Tax Credit Expected Claims Projection			
(Dollars in Millions)			
Tax Credit Program	FY 2015	FY 2016	FY 2017
<u>Capped Programs</u>			
Accelerated Career Education Tax Credit	\$ -3.5	\$ -3.9	\$ -3.9
Agricultural Assets Transfer Tax Credit	-3.4	-4.9	-5.4
Custom Farming Contract Tax Credit	-0.0	-0.0	-0.1
Endow Iowa Tax Credit	-5.5	-5.0	-5.1
Enterprise Zone Program	-13.7	-7.7	-3.8
Enterprise Zone Program - Housing Component	-8.6	-19.6	-16.0
Film, Television, and Video Project Promotion Program - Awarded	-0.0	-0.0	-0.0
High Quality Job Program	-14.9	-31.5	-32.4
Historic Preservation and Cultural and Entertainment District Tax Credit	-14.9	-55.8	-50.3
Redevelopment Tax Credit	-2.5	-4.6	-7.2
Renewable Energy Tax Credit	-3.7	-7.5	-13.8
School Tuition Organization Tax Credit	-9.0	-12.3	-12.5
Solar Energy System Tax Credit	-2.2	-3.6	-4.1
Venture Capital Tax Credit - Innovation Fund	-1.0	-2.2	-3.9
Venture Capital Tax Credit - Iowa Fund of Funds	0.0	-1.4	-0.8
Venture Capital Tax Credit - Qualified Bus. or Comm.-Seed Capital Fund	-0.1	-2.0	-3.4
Venture Capital Tax Credit - Venture Capital Funds	-0.0	-0.1	-0.0
Wage-Benefits Tax Credit	-0.0	0.0	0.0
Wind Energy Production Tax Credit	-1.0	-1.9	-1.6
Workforce Housing Tax Incentive Program	0.0	-2.4	-8.0
Total Capped Programs	\$ -84.3	\$ -166.4	\$ -172.1
<u>Uncapped Programs</u>			
Adoption Tax Credit	\$ -0.3	\$ -0.8	\$ -0.8
Biodiesel Blended Fuel Tax Credit	-14.1	-18.3	-17.9
Charitable Conservation Contribution Tax Credit	-0.5	-0.7	-0.7
Child and Dependent Care Tax Credit	-4.1	-6.2	-5.8
E15 Gasoline Promotion Tax Credit	-0.1	-0.2	-0.3
E85 Gasoline Promotion Tax Credit	-1.8	-2.1	-2.5
Early Childhood Development Tax Credit	-1.0	-1.1	-1.2
Earned Income Tax Credit	-71.1	-70.6	-69.6
Ethanol Promotion Tax Credit	-1.8	-1.8	-1.6
Farm to Food Donation Tax Credit	-0.0	-0.0	-0.1
Geothermal Heat Pump Tax Credit	-2.2	-3.1	-3.5
Iowa Industrial New Job Training Program (260E)	-36.1	-44.2	-43.3
New Capital Investment Program	-0.3	-0.4	-0.2
New Jobs and Income Program	-0.1	-0.2	-0.1
Research Activities Tax Credit	-44.6	-53.7	-58.4
Supplemental Research Activities Tax Credit	-6.1	-13.1	-6.9
Targeted Jobs Tax Credit from Withholding	-3.3	-5.2	-5.8
Tuition and Textbook Tax Credit	-15.1	-15.2	-15.2
Volunteer Firefighter and EMS Tax Credit	-1.4	-1.4	-1.4
Total Uncapped Programs	\$ -204.0	\$ -238.5	\$ -235.3
Tax Credit Program Total	\$ -288.3	\$ -404.9	\$ -407.4
Notes:			
These estimates are based on the Tax Credit Expected Claims Projection published by the Department of Revenue in October 2015. In previous reports, the LSA has included the Tax Credit Contingent Liabilities, which represent the total tax credits that could potentially be claimed against the State. The table above reflects the tax credits that are likely to be claimed in a given fiscal year based on previous experience. The projected claims are incorporated in the FY 2016 and FY 2017 REC revenue estimates.			
The numbers may not equal totals due to rounding.			

SUMMARY OF FY 2017 GENERAL FUND DEPARTMENT REQUESTS

Departments are requesting a total of \$7.492 billion from the General Fund, an increase of \$317.4 million (4.4%) compared to FY 2016. Additional detail is available for individual departments in **Appendix B** (General Fund Tracking).

It should be noted that the FY 2017 department request total is different from the LSA's FY 2017 appropriation projection in that the department requests may not include funding for all of the built-in and anticipated expenditures considered in the LSA projection. In addition, the dollar amounts for the standing appropriations included in the department requests are often at the previous year's level, rather than current law.

General Fund Department Requests				
(Dollars in Millions)				
	Actual FY 2015	Estimated FY 2016	Dept Request FY 2017	FY 2017 vs FY 2016
Administration and Regulation	\$ 51.8	\$ 51.8	\$ 52.8	\$ 1.0
Agriculture and Natural Resources	43.1	43.1	51.3	8.2
Economic Development	42.6	42.3	42.3	0.0
Education	986.1	992.2	1,046.8	54.5
Health and Human Services	1,902.6	1,832.9	1,976.7	143.9
Justice System	734.0	743.0	752.5	9.5
Unassigned Standings	3,303.2	3,469.0	3,569.4	100.4
Grand Total	\$ 7,063.4	\$ 7,174.3	\$ 7,491.7	\$ 317.4

Note: Numbers may not equal totals due to rounding.

SUMMARY OF FY 2016 OTHER FUND DEPARTMENT REQUESTS

Departments are requesting a total of \$1.154 billion for FY 2017 from non-General Fund sources, an increase of \$83.1 million (7.8%) compared to estimated FY 2016. Additional detail is available for individual departments in **Appendix B** (Other Funds Tracking).

Department Requests from Other Funds				
(Dollars in Millions)				
	Actual FY 2015	Estimated FY 2016	Dept Request FY 2017	FY 2017 vs FY 2016
Administration and Regulation	\$ 49.5	\$ 52.6	\$ 52.6	\$ 0.0
Agriculture and Natural Resources	88.2	90.3	91.0	0.8
Economic Development	33.6	33.9	34.1	0.2
Education	40.3	40.3	40.3	0.0
Health and Human Services	292.9	296.5	294.2	-2.3
Justice System	14.0	18.3	15.8	-2.5
Transportation, Infrastructure, and Capitals	506.6	526.3	613.2	86.9
Unassigned Standings	33.9	13.2	13.2	0.0
Grand Total	\$ 1,059.1	\$ 1,071.3	\$ 1,154.4	\$ 83.1

Note: Numbers may not equal totals due to rounding.

SUMMARY OF FY 2017 DEPARTMENT REQUESTS BY SUBCOMMITTEE

The following is a summary of the changes that departments are requesting for FY 2017. The information is presented by appropriation subcommittee.

Administration and Regulation

Department of Administrative Services (General Fund): The Department is requesting an increase of \$660,000 to cover increased utility costs associated with rate increases from Mid-American Energy and Des Moines Waterworks. The General Fund appropriation funds the utility costs for the Capitol Complex and the Ankeny Labs.

Auditor of State (General Fund): The Auditor is requesting an increase of \$47,000 to allow more audit efforts to be focused on non-billable agencies or agencies that are not statutorily required to reimburse the Office for annual audit costs.

Secretary of State (General Fund): The Secretary of State is requesting an increase of \$287,000 to allow for increases in salaries and personnel expenses in the Secretary of State's Office. In addition, the Secretary of State's Office is requesting to retain \$3.6 million in fee revenue from filing fees, business reports filing fees, corporate filing fees, Uniform Commercial Code fees, and biennial report fees to be used for business services and elections systems updates. The fees to be retained are currently deposited in the General Fund.

Department of Commerce Banking Division (Other Funds): The Department is requesting an increase of \$60,000 to cover additional costs associated with the travel and training of bank examiners for special, one-time exams.

Agriculture and Natural Resources

Department of Agriculture and Land Stewardship (General Fund): The Department is requesting increases totaling \$8.0 million that include:

- \$5.6 million for the Water Quality Initiative Management Program that was established in FY 2014.
- \$1.9 million for the closure of eight agricultural drainage wells.
- A new appropriation of \$500,000 and 3.0 FTE positions for responding to Foreign Animal Disease.

Department of Agriculture and Land Stewardship (Other Funds): The Department is requesting an increase of \$900,000 for the following:

- \$750,000 from the Environment First Fund for the Soil and Water Conservation Cost Share Program.
- \$150,000 from the Technology Reinvestment Fund for an online Commercial Pesticide License and Certification Database.

Department of Natural Resources (Other Funds): The Department is requesting an increase of \$200,000 from the Environment First Fund for State Parks Operations and Maintenance and a decrease of \$200,000 from the Keep Iowa Beautiful Program.

Economic Development

Board of Regents – Economic Development (Other Funds): The Board of Regents is requesting an increase of \$235,000 to provide for a 2.7% inflationary increase.

Education

College Student Aid Commission (General Fund): The Commission is requesting an increase of \$150,000 for administrative expenses to cover the fee for hosting and maintenance of the new scholarship and grant computer system.

Department of Education (General Fund): The Department is requesting increases totaling \$28.6 million for the following:

- An increase of \$1.7 million for the Department of Education Administration to fund 14.8 FTE positions currently funded with non-state resources.
- An increase of \$1.0 million for the Iowa Reading Research Center to perform more of the duties required in Iowa Code section [256.9\(53\)\(c\)](#).
- A decrease of \$1.5 million for the Iowa On-Line (ILO) Initiative to eliminate funding. The Department proposes charging school districts fees to support the ILO.
- An increase of \$250,000 for the Attendance Center/Website & Data System to restore full funding to the FY 2015 level and fund the information technology (IT) that maintains the data system.
- An increase of \$1.0 million for the Area Education Agency Support System to support school districts for the Teacher Leadership and Compensation (TLC) Program. Beginning in the 2016-2017 school year, it is anticipated that all school districts will be participating in the TLC.
- An increase of \$1.2 million for the Early Warning System for Literacy to support reading assessments for Pre-K through Grade 6 to detect students deficient in reading. The Department currently uses other funds in addition to a \$2.0 million General Fund appropriation to support the System. The Early Warning System is part of the Early Literacy Initiative.
- A new appropriation of \$10.0 million for Local Education Agency (LEA) assessments to fund the proposed Smarter Balanced Assessment Consortium (SBAC).
- A new appropriation of \$9.1 million for the Intensive Summer Literacy Program for Grade 3 students found substantially reading deficient. The Intensive Summer Literacy Program is part of the Early Literacy Initiative.
- A new appropriation of \$5.5 million for Reading Coaching and Professional Learning to begin funding a three-year project to build a professional learning system that will support approximately 7,000 Kindergarten through Grade 3 teachers.
- An increase of \$373,000 for Iowa Public Television to add 4.0 FTE positions to support a new production team within its Division of Programming and Production.

Board of Regents (General Fund): The Board of Regents is requesting increases totaling \$25.8 million for the following:

- \$8.2 million for Iowa State University (ISU) General University for a general increase of 4.3%.

- \$7.7 million for the University of Northern Iowa (UNI) General University for a general increase of 7.5%.
- \$4.5 million for the University of Iowa (UI) General University for a general increase of 1.9%.
- \$625,000 for the Iowa School for the Deaf for a general increase of 6.2%.
- \$159,000 for the Iowa Braille and Sight Saving School for a general increase of 3.8%.
- \$1.3 million for a 2.6% increase in the special purposes appropriations under ISU.
- \$346,000 for the Oakdale Campus at UI for a general increase of 13.6%.
- A new appropriation of \$1.2 million to transfer the Iowa Geological Survey and the position of State Geologist from the Department of Natural Resources to the UI College of Engineering.
- A new appropriation of \$1.0 million to the UI for the Training a 21st Century Information Technology Workforce effort. The request anticipates additional appropriations of \$1.0 million each year in FY 2018 and FY 2019.
- A new appropriation of \$500,000 to the UNI for the Innovative and Transformative Teacher Education effort to implement year-long student teaching in the College of Education.
- A new appropriation of \$250,000 to the UNI for the Center for Violence Prevention to build the capacity of school districts, colleges and universities, and agencies serving youth and families in regard to bullying and violence prevention strategies.

Health and Human Services

Department on Aging (General Fund): The Department is requesting an increase of \$36,000 to bring the Office of Substitute Decision Maker to a total of \$325,000 in State funding.

Department of Public Health (DPH) (General Fund): The Department is requesting a decrease of \$1.7 million. The changes include:

- **Addictive Disorders:** A decrease of \$275,000 from Problem Gambling Prevention, Treatment, and Recovery Services due to historical reversion experience and decreasing gambling clients.
- **Chronic Conditions:** A decrease of \$25,000 to the Cervical and Colon Cancer Screening Program due to historical reversion experience and decreasing service demands.
- **Community Capacity:** A net decrease of \$1.6 million that includes:
 - A decrease of \$1.7 million to reflect the Governor's veto of funding for the Iowa Collaborative Safety Net Provider Network.
 - A decrease of \$105,000 to the Mental Health Professional Workforce Shortage Area Program allocations due to historical reversions. This will eliminate the allocation.
 - An increase of \$74,000 to the PRIMECARRE Loan Repayment Program for mental health workforce.
 - An increase of \$47,000 and 0.5 FTE position to the Child Vision Screening Program to fully implement the Program enacted in Iowa Code section [135.39D](#). This will support ongoing maintenance and hosting costs for the program and 0.5 FTE position for data entry and oversight.
 - An increase of \$74,000 and 0.5 FTE position for the Office of Minority and Multicultural Health established in Iowa Code section [135.12](#). This Office had been relying on different federal

funding sources since 2006. Changes to the direction and scope of work for those federal programs are aligning less with the overall Office.

- **Public Protection:** An increase of \$60,000 and 1.0 FTE position to fully fund the Certificate of Need Program. This position had split duties with the Administrative Rules coordination process.
- **Resource Management:** An increase of \$150,000 to fund the ongoing service charges from the Office of the Chief Information Officer due to the Departments move of IT infrastructure support from the Lucas Data Center to the Hoover Data Center. The total new annual costs are estimated at \$600,000 based on FY 2016 rates, but federal funds, other funds, and fees will make up the 75.0% not covered by this General Fund increase.

Department of Human Services (DHS) (General Fund): The Department is requesting a net increase of \$124.7 million for all operations and programs. For all appropriations, the DHS is requesting either an increase or decrease in funding to conform to the FY 2017 Governor’s budget recommendation provided to the General Assembly in January 2015. The DHS request does not take into account enrollment or any other changes since the release of the Governor’s budget, and the request for funding may not accurately represent the needs of the DHS programs. For more up-to-date information on the actual need for the major DHS programs see **Appendix C** (Built-In and Anticipated General Fund Expenditure Increases and Decreases).

Board of Regents – University of Iowa Hospitals and Clinics (General Fund): The Board of Regents is requesting a new appropriation of \$20.8 million for the University of Iowa Hospitals and Clinics that includes:

- \$10.0 million to fund additional medical residency programs.
- \$6.0 million to continue to provide unreimbursed health care services to inmates in the Department of Corrections facilities and those residing in the DHS facilities.
- \$4.5 million to restore funding for Disproportionate Share Hospitals that was reduced for FY 2017 in the Health and Human Services Appropriations Act ([SF 505](#)) in the 2015 Legislative Session.
- \$300,000 for a pilot program to provide additional training to medical residency students regarding mental health and psychiatric prescriptions.

Justice System

Department of Justice (General Fund): The Attorney General is requesting an increase of \$800,000 for the following:

- \$500,000 for Legal Services Poverty Grants. Iowa Legal Aid provides civil legal services to indigent Iowans.
- \$300,000 for Farm Mediation Services. The Attorney General’s Office is required to contract with a non-profit organization to provide mandatory farm mediation services.

Judicial Branch (General Fund): The Judicial Branch is requesting increases totaling \$8.3 million that include:

- \$7.9 million to support the current service level of the Judicial Branch.

- \$400,000 for the Jury and Witness Revolving Fund. With the increasing demand for interpreter services, along with the need to update the aging jury management program, additional funding is necessary to maintain a positive cash flow in the account.

Department of Homeland Security and Emergency Management (General Fund): The Department is requesting an increase of \$350,000 and 3.25 FTE positions for the Recovery Division. The Recovery Division has managed over \$2.0 billion in federal disaster grants for the State of Iowa and is mostly funded by FEMA (Federal Emergency Management Agency) grants. Since 2008, as federal disaster grant works have been completed, staff has been reduced with two rounds of layoffs to the point of concern over core recovery capabilities. The additional funding is requested to maintain a core disaster recovery staffing level.

Transportation, Infrastructure, and Capitals

The Transportation, Infrastructure, and Capitals Appropriations Subcommittee is divided into two budget areas: the Department of Transportation's operating budget, including capital projects, funded from the Road Use Tax Fund (RUTF) and the Primary Road Fund (PRF); and infrastructure projects requested by numerous State agencies from the Rebuild Iowa Infrastructure Fund (RIIF) and the Technology Reinvestment Fund (TRF).

Department of Transportation

The Department is requesting a net increase of \$10.5 million from the RUTF and the PRF for FY 2017. The changes include:

- An increase of \$1.1 million for the Operations and Finance Division. Of the total, \$600,000 will fund information technology infrastructure improvements and \$513,000 will support salaries.
- An increase of \$313,000 for the Planning and Programming Division to support salaries.
- An increase of \$713,000 for the Motor Vehicle Division. Of the total, \$289,000 will support salaries, \$400,000 will fund 8.0 FTE positions for the Driver's License Station in Dallas County, and \$24,000 is for equipment.
- An increase of \$67,000 for the Performance and Technology Division to support salaries.
- An increase of \$10.4 million for the Highway Division. Of the total, \$8.5 million will support salaries, \$1.7 million will fund overtime, and \$203,000 will fund equipment depreciation.
- An increase of \$100,000 for indirect cost recoveries.
- An increase of \$68,000 to reimburse the State Auditor for audit expenses.
- An increase for \$58,000 for the DAS Utility Service fees.
- An increase of \$242,000 to fund the printing of transportation maps.
- An increase of \$4.9 million for the Mount Pleasant and Fairfield combined maintenance facility.
- A decrease of \$7.4 million compared to FY 2016 associated with one-time appropriations for the Muscatine and Wapello facilities and improvements to the Ames Administration Building.

Infrastructure Projects

State agencies are requesting a total of \$249.7 million from the RIF for FY 2017 for infrastructure and environmental-related projects. This includes the \$42.0 million standing appropriation for the Environmental First Fund. The total also includes \$70.9 million in funding for projects enacted in previous legislative sessions. The net total of new requests from the RIF for FY 2017 is \$136.8 million. Significant infrastructure-related requests are listed below.

Department of Corrections: The Department of Corrections is requesting a total \$50.1 million from RIF that includes:

- \$4.5 million for construction of a One Stop Reentry Center for men under community supervision in Waterloo in the First Judicial District with the goal of reducing recidivism. The Department's Five-Year Capital Budget Request includes an additional \$4.3 million in FY 2018 and FY 2019 for a total budget of \$8.9 million for the project.
- \$6.7 million to construct a new residential and treatment center in the Second Judicial District, with a total of 70 beds (40 male and 30 female beds) and repurposing of the current Curt Forbes Residential Facility to field probation/parole services and administrative office space. The Department's Five-Year Capital Budget Request includes an additional \$4.5 million in FY 2018 and FY 2019 for a total budget of \$10.1 million for the project.
- \$5.6 million to add 25 beds to the Burlington Residential Facility located in the Eighth Judicial District. The Department's Five-Year Capital Budget Request includes an additional \$5.5 million in FY 2018 and FY 2019 for a total budget of \$12.2 million for the project.
- \$15.7 million for a 120 bed expansion in the Fifth Judicial District and co-locating a One Stop Reentry Center at the residential facility. The Department's Five Year Capital Budget Request includes an additional \$17.3 million in FY 2018 and FY 2019 for a total budget of \$33.0 million for the project.
- \$2.5 million for improvements at the Anamosa State Penitentiary. The projects include:
 - \$500,000 for a study of a locking system to replace the current antiquated locks. Lock replacement parts cannot be purchased and must be produced to maintain functionality. The locking study begins the process to address necessary security measures through certified/licensed designers and engineers in this field of expertise.
 - \$2.0 million for design and construction of fire egress in accordance with the 2009 International Fire Code and to address fire safety violations noted by the State Fire Marshal.
- \$1.0 million to install a water treatment system at the Anamosa State Penitentiary to make an existing well functional again after it was closed at the direction of the DNR for high radium levels. The DNR requires an additional well for backup in case of contamination and only one well is currently functional. Water is purchased in emergencies from the City of Anamosa, incurring additional expense at the institution.
- \$10.0 million for three separate infrastructure projects that include:
 - \$9.5 million for improvements to the kitchen facilities at the Clarinda Correctional Facility. This includes replacement of the ventilation, heating and cooling system; replacement of kitchen equipment; and infrastructure-related improvements to the kitchen facilities. The Department's Five-Year Capital Budget Request includes an additional \$6.3 million in FY 2018 for a total budget of \$15.7 million for the project.

- \$505,000 for the installation of a new water well and improved water storage at the Luster Heights facility to address DNR citations.
- \$98,000 to remodel the old kitchen area into a school and library at the Anamosa State Penitentiary.
- \$3.0 million to address deferred maintenance issues at the State's correctional institutions (\$2.0 million) and community-based correctional facilities (\$1.0 million). The Department has included a projected need of \$3.0 million annually in the Five-Year Capital Budget Request (FY 2017 – FY 2021) to address the maintenance backlog.
- \$1.1 million to replace the large boilers at the Anamosa State Penitentiary with two sets of energy efficient smaller package boilers. The project will also include construction of a building addition to house the new boilers. The Department's Five-Year Capital Budget Request includes an additional \$2.5 million for FY 2018 for a total budget of \$3.5 million for the project.

Department of Cultural Affairs (DCA): The DCA is requesting a total of \$10.0 million for FY 2017 that includes:

- \$9.0 million to begin the renovation and updates of the State Historical Building. The total cost of the project is currently estimated at \$65.0 million. The estimate is preliminary as the Department is in the process of conceptual design planning. This preliminary estimate includes a cash flow spread over four fiscal years as follows: \$9.0 million for FY 2017, \$38.0 million for FY 2018, \$16.0 million for FY 2019, and \$2.0 million for FY 2020.
- \$1.0 million for continued funding of the Iowa Great Places Program.

Iowa Economic Development Authority: The Authority is requesting a total \$5.8 million that includes:

- \$5.0 million for the Community Attraction and Tourism Program.
- \$500,000 for the Regional Sports Authority District Program.
- \$300,000 for the World Food Prize.

Department of Education: The Department is requesting \$743,000 for replacement of air conditioning units at transmitter and translator sites as well as other infrastructure improvements.

Department of Human Services (DHS): The Department is requesting a total of \$8.2 million for infrastructure improvements at the DHS institutions throughout the State.

Department of Natural Resources (DNR): The DNR is requesting a total of \$16.4 million for the following programs:

- \$9.6 million for continued funding for lake restoration, dredging, and water quality projects.
- \$5.0 million for state park infrastructure improvements.
- \$1.8 million for continued funding of the Water Trails and Low Head Dam Public Hazard Program.

Department Public Defense: The Department is requesting a total of \$4.5 million for the following:

- \$2.0 million for major maintenance projects at National Guard facilities located throughout the State. The funds are used to match federal dollars. The share of matching dollars will vary depending on the project, but will be either a 50/50 federal-state share or 75/25 federal-state share.

- \$2.0 million for modernization and improvement projects at National Guard readiness centers throughout the State. The funds will be used to match federal dollars on a 50/50 federal-state share basis.
- \$500,000 for continued infrastructure upgrades at Camp Dodge. The funds will be used to match federal dollars on a federal-state share basis ranging from 50/50 to 100% federal.

Board of Regents: The Board of Regents request for infrastructure funding in FY 2017 totals \$97.8 million for several capital projects at Regents institutions and the tuition replacement appropriation that help pays debt service on academic revenue bonds. Of the \$97.8 million, \$30.2 million is for tuition replacement. The remaining \$65.4 million reflects previously enacted funding for the Biosciences Building at ISU, the Pharmacy Building at the UI, the Schindler renovation at the UNI, and Student Innovation Center at ISU.

Department of Transportation (DOT): The DOT is requesting a total of \$8.3 million for FY 2017, for the following programs:

- \$2.0 million for the Railroad Revolving Loan and Grant Program.
- \$2.5 million for the Recreational Trails Program.
- \$1.5 million for Public Transit Infrastructure.
- \$1.5 million for infrastructure improvements at Commercial Service Airports.
- \$750,000 for infrastructure improvements at General Aviation Airports.

Iowa Veterans Home (IVH): The IVH infrastructure request includes \$2.5 million for FY 2017 for two projects that were previously appropriated funding during the 2015 Legislative Session. The projects include:

- \$2.0 million for the renovation of the Sheeler and Loftus Buildings.
- \$500,000 improvements to the Loftus Building that meet the American with Disabilities Act (ADA) requirements.

Judicial Branch: The Judicial Branch is requesting \$6.7 million for FY 2017 for furniture, fixtures, and equipment to equip and furnish the revitalized Polk County Court complex in Des Moines. The total request over the next three fiscal years is \$9.7 million from the RIIF.

Technology Projects

Departments are requesting a total of \$23.0 million from the Technology Reinvestment Fund (TRF) for FY 2017. Significant technology requests are listed below.

Office of the Chief Information Officer (OCIO): The Office is requesting \$11.0 million for FY 2017 for costs associated with continued consolidation of Information Technology infrastructure across State agencies.

Department of Corrections: The Department is requesting \$2.2 million for numerous technology-related projects at the State correctional institutions and community-based correctional facilities. The projects range from telephone system upgrades to improvements to fire alarm systems, computer system, and camera and videoconferencing upgrades.

Department of Education: The Department is requesting a total of \$5.4 million for the following projects:

- \$3.6 million for the costs of maintenance and leases associated with Part III fiber connections for the Iowa Communications Network (ICN).
- \$1.0 million for continued funding of the Statewide Education Data Warehouse.
- \$250,000 for local library technology upgrades.
- \$507,000 for the replacement of equipment at the Iowa Public Television studio headquarters.

Iowa Telecommunications and Technology Commission: The Commission is requesting a total of \$2.0 million for technology projects that include:

- \$1.2 million for replacement of equipment for the ICN used for upgrading to Internet Protocol (IP) video technology and offering better quality video via an IP option to existing educational users.
- \$800,000 for the purchase of equipment to increase the security of the ICN and to support the transition of State agency voice services.

Department of Public Health (DPH): The Department is requesting a total of \$1.2 million for technology projects that include:

- \$500,000 to review the DPH software applications and systems to identify efficiencies by combining systems based on common functions. This request does not include funds for the procurement of new systems.
- \$500,000 to integrate program data in the Bureaus of Family Health and Oral Health to improve efficiencies and support of program clients throughout the State.
- \$150,000 to integrate substance abuse and gambling data systems and transition from an external contractor to the DPH.
- \$44,000 for the development of the new polysomnographic technologist licensure type in the professional licensure database to conform to requirements in [HF 203](#) (Polysomnographic Practitioners) enacted during the 2015 Legislative Session.

Department of Public Safety (DPS): The DPS is requesting \$475,000 to upgrade the Uniform Crime Report/Incident Based Reporting System that uses programming language developed 25 years ago.

Office of the Secretary of State: The Secretary of State is requesting \$325,000 for continued support of vendor costs for reporting and maintenance of the IVoter System (Statewide Voter Registration System).

Department of Homeland Security and Emergency Management: The Department is requesting \$400,000 for continued implementation of the Statewide Mass Notification and Emergency Messaging System. The System can be used by State and local authorities to quickly disseminate emergency information to residents in counties that utilize the System. The System is available to all counties free of charge.

Unassigned Standings

Department of Education State Foundation School Aid (General Fund): The Department is requesting an increase of \$53.7 million to fund State Aid to schools in FY 2017 compared to estimated FY 2016. The request is based on a 0.0% state percent growth. The request reflects a funding increase of \$50.7 million for the teacher leadership supplement and an increase of \$15.0 million to restore funding to the Area Education Agencies (AEAs) that was reduced in the FY 2016 appropriation. The request also reflects a decrease of \$12.0 million associated with factors included in the school aid formula including an increase in property valuations. An assumed increase in property valuations will decrease the amount needed to fund the State portion to schools.

Department of Management (DOM) – Technology Reinvestment Fund (General Fund): The DOM has included the restoration of the standing appropriation of \$17.5 million for the Technology Reinvestment Fund in the FY 2017 request. The appropriation was suspended for FY 2016 in [HF 650](#) (FY 2016 Infrastructure Appropriations Act).

Department of Revenue – Business Property Tax Credit (General Fund): The Department has included the scheduled increase of \$25.0 million for the Business Property Tax Credit appropriation for FY 2017, in accordance with Iowa Code section [426C.2](#). This increases the appropriation from \$100.0 million in FY 2016 to \$125.0 million in FY 2017.

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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 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 45 years, there were seven recessions lasting a total of 83 months, 15.4% of the total 540-month timeframe. As of December 2015, it has been eight years (96 months) since the start of the last recession.

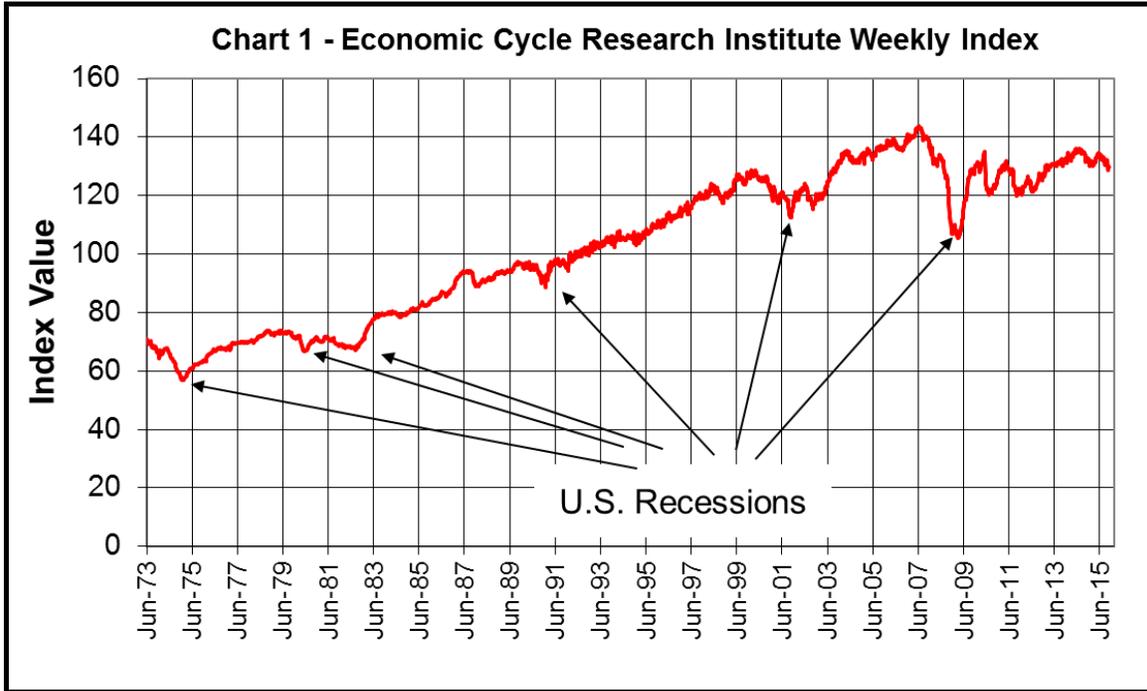
United States Business Cycle			
Seven most recent recessions			
End of Expansion (Peak)	End of Contraction (Trough)	Length of Expansion in Months	Length of Recession in Months
Dec. 1969	Nov. 1970	106	11
Nov. 1973	Mar. 1975	36	16
Jan. 1980	Jul. 1980	58	6
Jul. 1981	Nov. 1982	12	16
Jul. 1990	Mar. 1991	92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

Note: Expansion are measured trough to peak, recessions are measured peak to trough.

Source: National Bureau of Economic Research

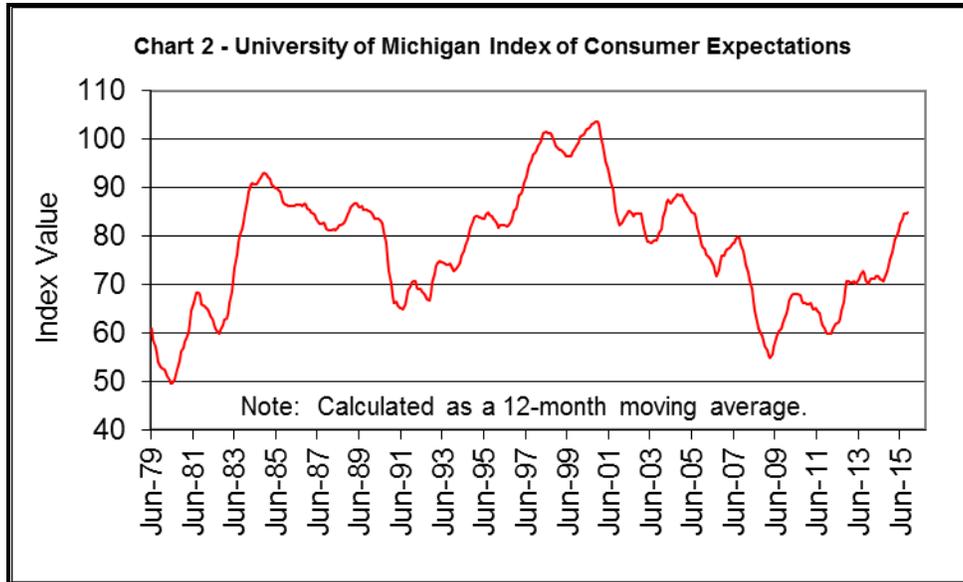
Economic Cycle Research Institute – The Economic Cycle Research Institute (ECRI) is an independent institute whose mission is to advance the tradition of business cycle research established at the NBER and the Center for International Business Cycle Research (CIBCR). The ECRI Weekly Leading Index is 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 past six recessions. The low point of the Index for the most recent recession occurred in February 2009. The Index is currently indicating improvement since the depths of the recession, but very little change over the past six years. The Index has improved modestly since reaching its recent low in June 2012.



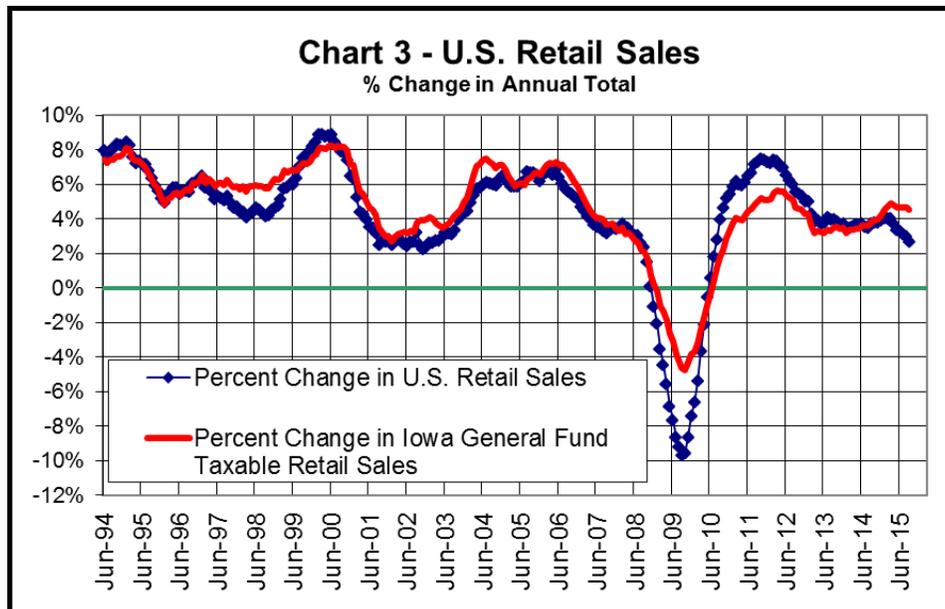
Consumer Confidence – Researchers at the University of Michigan conduct a monthly survey of consumers to gauge their sentiment for the present and future direction of the U.S. economy. One segment of the survey is called the Index of Consumer Expectations. The Index focuses on how consumers view prospects 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. After that peak, the Index declined steadily through March 2009. The recent low point for the Index was October 2011, followed by a generally positive trend for the past 48 months.



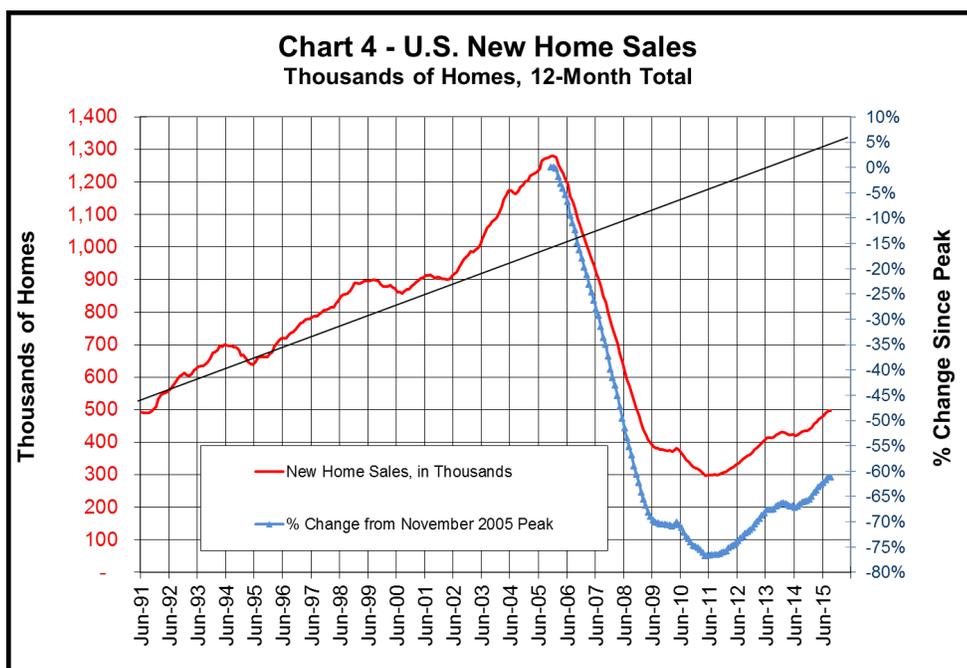
U.S. Retail Sales – The U.S. Census Bureau produces monthly estimates of total national retail sales, with subcategory detail showing a breakdown by type of retail establishment. The 12-month moving retail sales total peaked in July 2008 at \$4.503 trillion. Following that peak, the 12-month total of retail sales fell by 10.1%, reaching the low point in October 2009. Retail sales exceeded the previous peak (in nominal terms, not adjusted for inflation) in September 2011. The current annual growth rate is 2.7% for total retail. That level of retail sales growth is 1.0 percentage point lower than the growth rate 12 months ago.

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 September 2008 and decreased 4.9% before rebounding beginning in February 2010 (red line on **Chart 3**). The current annual growth rate in taxable retail sales is 4.5% and the rate has been at or above 4.0% for the past year.

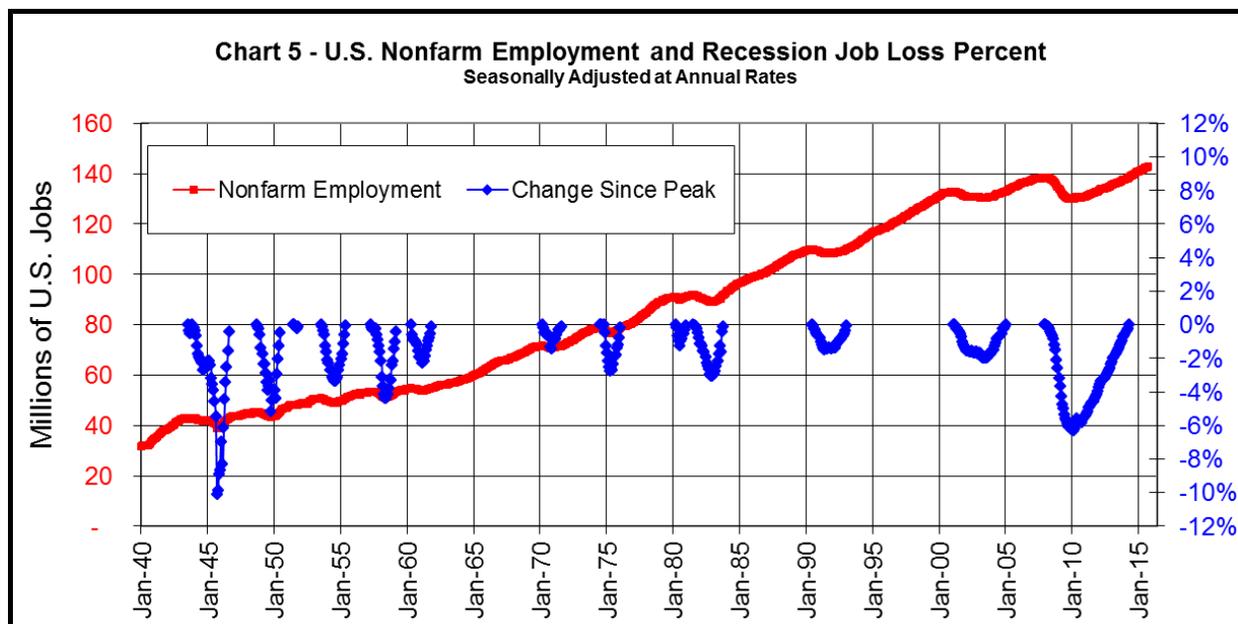


U.S. New Single-Family Home Sales – The U.S. Census Bureau produces monthly estimates of U.S. new single-family home sales. The 12-month moving average peaked in November 2005 at 1,279,200 annual units (**Chart 4**). Through September 2015, new home sales for the preceding 12 months totaled 496,000, or a decrease of 61.2% 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 time period can be attributed to federal tax credits to encourage home purchases. The decline resumed after the tax credits expired. New home sales began to improve again beginning in May of 2011. There has been moderate improvement in the number of new single-family homes sold over the past year.



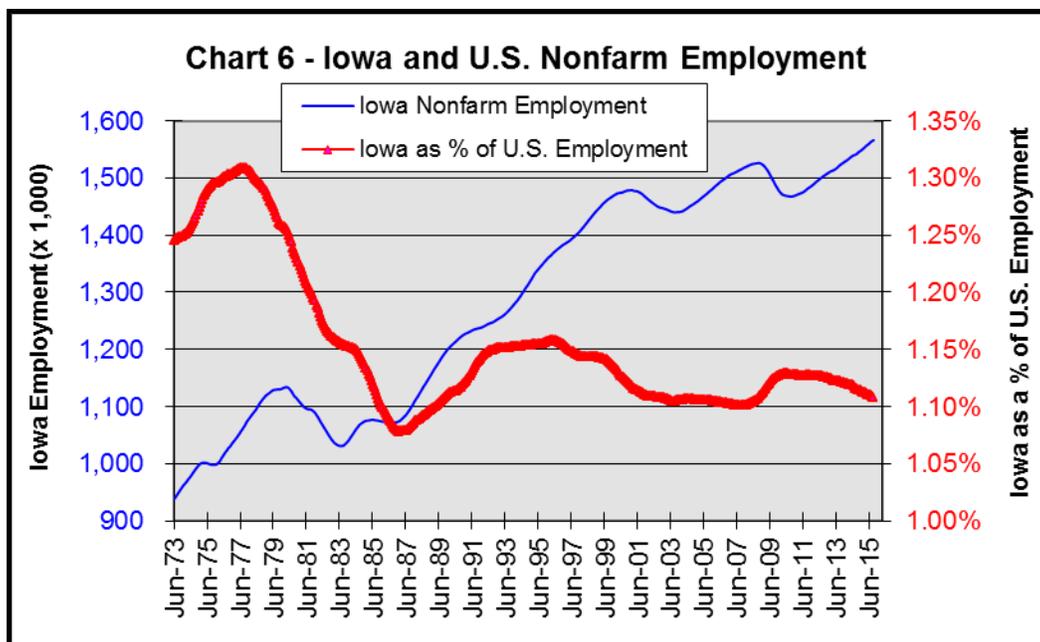
U.S. Employment – Using seasonally adjusted numbers, year-over-year U.S. job growth peaked in March 2006 at 2,871,000 jobs, and U.S. nonfarm employment peaked in January 2008 at 138,350,000 total jobs. Annual job growth turned negative in May 2008 and, peak to trough, the seasonally adjusted job series shows job losses totaled 8,701,000 (February 2010). The U.S. economy established a new all-time employment high with the April 2014 report, 76 months after the previous employment peak. Over the past 12 months, the U.S. has added 2,814,000 jobs. The red line on **Chart 5** (on the following page) depicts total U.S. nonfarm employment since 1940, while the blue line indicates the job loss percentage, from the peak, around each recession. From the standpoint of percent of jobs lost, this past recession was the worst recession since the end of World War II. From the standpoint of length of time from one employment peak to the next, this past recession is the worst since the Great Depression in the 1930s.



Iowa Economy

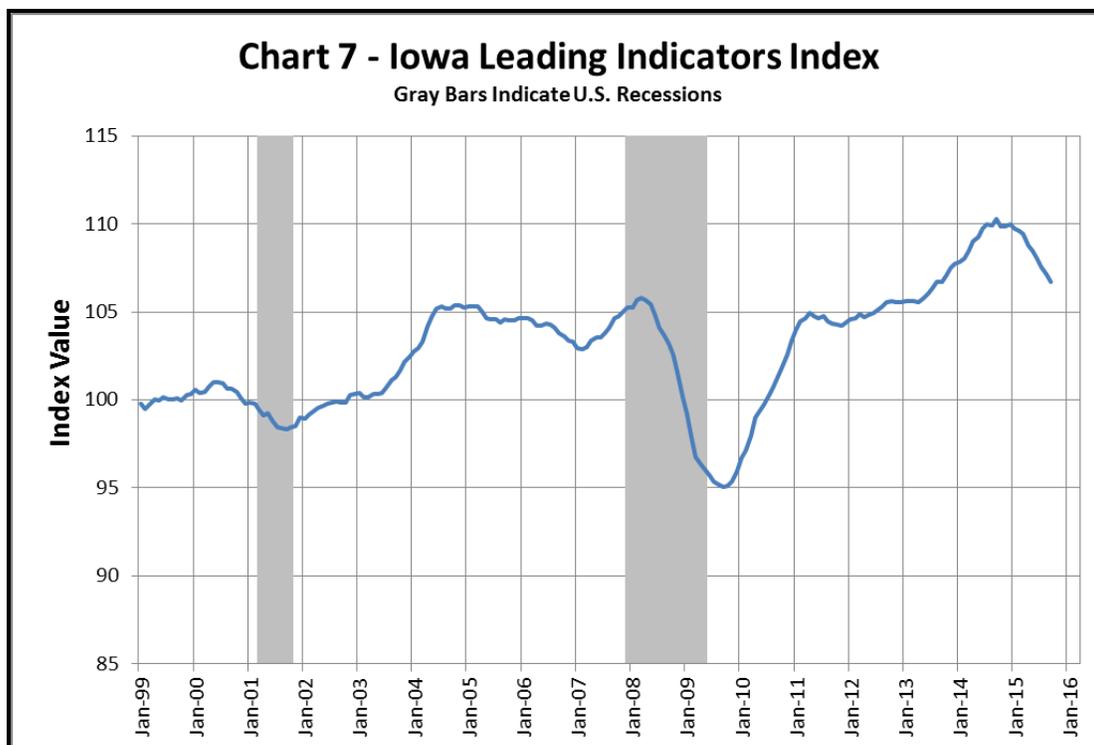
Iowa Employment – After recovering in the mid-1980s from the lingering effects of the farm crisis, Iowa's percent of total U.S. employment increased each year for 10 years (1987 through 1996). Iowa nonfarm employment continued to grow through 2000, although Iowa's percent of total U.S. employment began 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. From that peak, Iowa average annual employment declined 58,900 (-3.9%) jobs and reached a low point in September 2010. The annual employment average has increased by 98,600 jobs in the five years since September 2010.

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 May 1996 through February 2007, the Iowa/U.S. employment ratio fell from 1.16% of all U.S. nonfarm jobs to 1.09%. Essentially, this ratio shows that in December 2007, 109 of every 10,000 nonfarm jobs in the U.S. were Iowa jobs, down from 116 in 1996. The recent recession was much more severe for the country as a whole, and the Iowa employment ratio rose to 113 by May 2010. Since then, the ratio has declined to 111. **Chart 6** (on the following page) shows the 12-month average of Iowa nonfarm employment as well as the ratio of Iowa employment to U.S. employment since 1973.



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 Board¹ 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 leading economic indicators reached a peak during March 2008 and then declined for the next 18 months, reaching the low point in September 2009. Since that time the Index recovered significantly. However, the Index peaked in September 2014 and turned noticeably negative at the beginning of calendar year 2015 and growth has been negative for each of the past nine months.

¹ 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/.



Iowa General Fund Revenues

Iowa's income, sales/use, and corporate taxes account for almost 92.0% of the revenue deposited in the State General Fund (FY 2015 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 a 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 nonfarm employment data, Iowa has been adding jobs for about 62 months.

The most recent recession produced a significant drop in Iowa General Fund revenue and the decline reversed around March 2009. **Chart 8** (on the following page) provides the 12-month moving total of net General Fund revenue, excluding transfers. The chart also indicates the Revenue Estimating Conference (REC) estimates for FY 2016 and FY 2017 (red dots on the right).

Although the U.S. recession of the early 2000s officially began in March 2001, Iowa net General Fund revenue did not peak until the end of calendar year 2001. Iowa revenue did not start to show positive growth again until January 2004, 36 months later and well after the end of the U.S. recession. While the most recent recession officially started in December 2007, Iowa net General Fund revenue did not start to decline until October 2008. Growth returned in April 2010.

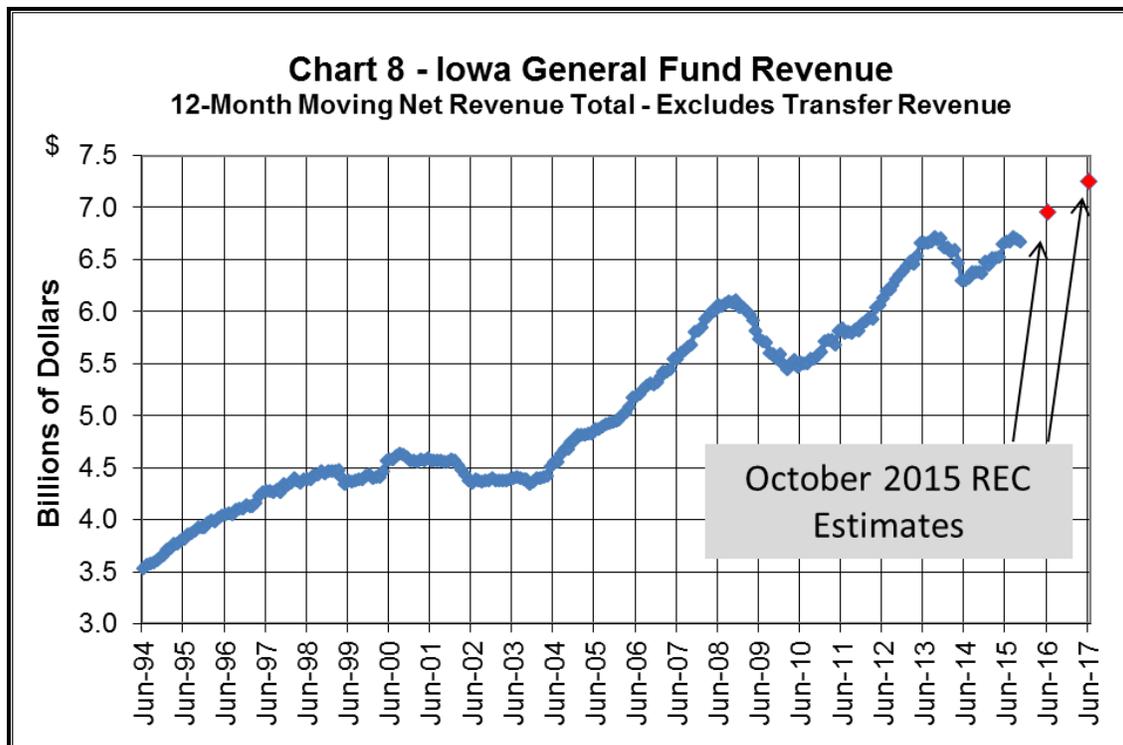


Chart 8 includes the REC estimates for net General Fund revenue, with the FY 2016 and FY 2017 estimates marking the path revenue must travel over the next 19 months to achieve the estimates.

Revenue estimates website: <https://www.legis.iowa.gov/publications/fiscal/quarterlyRevenueEstimate>

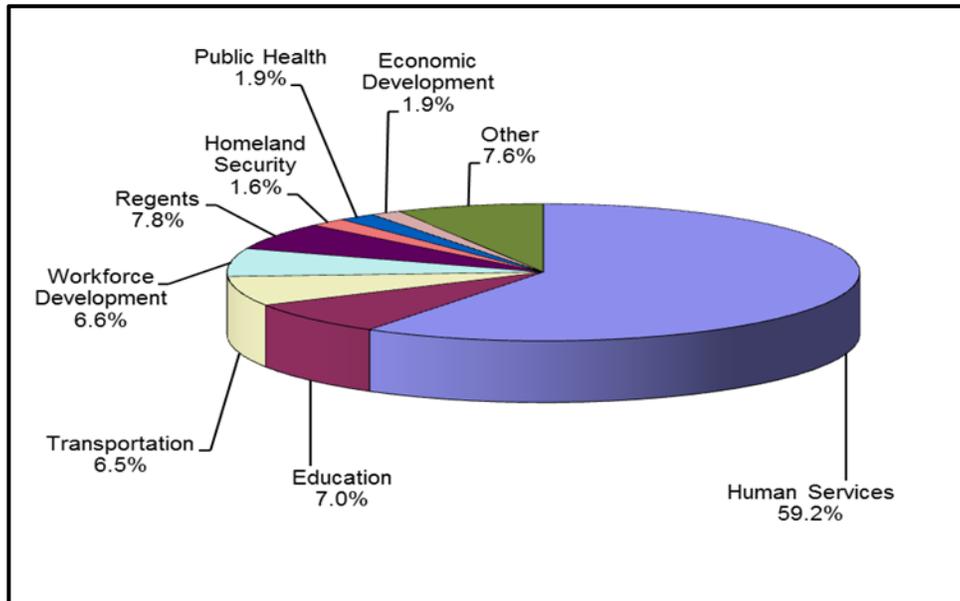
In October 2015, the REC established an FY 2016 net General Fund revenue growth rate of 4.0%, excluding transfer revenue. For FY 2017, the REC estimates growth will be positive 4.2%. In dollar terms, net revenue is projected to increase \$266.0 million for FY 2016 and increase \$294.6 million for FY 2017. When transfer revenue is included, FY 2016 projected growth is \$234.8 million (3.4%), while FY 2017 growth is projected at \$294.4 million (4.2%).

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FEDERAL FUNDS

The Department of Human Services (DHS) receives more than half of all federal funds allocated to Iowa and a majority of the federal funds received by the DHS goes to the Medicaid Program. It is estimated that Iowa will receive \$6.8 billion in federal funds in FY 2016 through all departments, a decrease of \$2.6 million compared to FY 2015.

**Proportion of Estimated Federal Funds Received by Iowa by Department
 FY 2016**



**FY 2014-FY 2016 Estimated Federal Funds Received by Iowa Departments
 (in millions)**

Department	Actual FY 2014	Actual FY 2015	Estimated FY 2016
Human Services	\$ 3,389.0	\$ 3,849.6	\$ 4,049.1
Regents	480.9	566.7	532.4
Education	439.2	447.5	475.3
Workforce Development	509.8	453.4	452.9
Transportation	630.6	514.4	441.4
Economic Development	124.7	118.7	130.6
Public Health	122.4	118.7	130.5
Homeland Security	278.2	240.9	106.7
Other	736.6	528.4	516.5
Department Total	\$ 6,711.5	\$ 6,838.1	\$ 6,835.5

Federal Programs and Federal FY 2016 Budget Update

On September 30, 2015, the President signed [H.R. 719](#) (Continuing Appropriations Act) that extends federal appropriations to agencies until December 11, 2015. Congress must also address the debt limit to set the amount of money the federal government is authorized to borrow to pay for existing legal obligations. If the debt limit is not increased, the government will have to pay for operations using the cash on hand.

On October 30, 2015, Congress passed [H.R. 1314](#) (Bipartisan Budget Act). The President signed the Act on November 2, 2015. The major issues of the Act as summarized by the Federal Funds Information for States include:

- Increases discretionary spending caps by \$50.0 billion in FFY 2016 and \$30.0 billion in FFY 2017 (equally split between defense and nondefense).
- Suspends the federal debt limit until March 15, 2017.
- Provides some relief from the projected 52.0% increase in Medicare Part B premiums.
- Extends the solvency of the Social Security Disability Insurance Trust Fund.

Federal Funds Tracking: Grants Enterprise Management System

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

The DOM operates www.iowagrants.gov that:

- Manages the reporting of grants applied for and received by State agencies.
- Posts State grants available for application.
- Manages the State agency awards to government entities, nonprofit organizations, private businesses, and individuals. This includes the grant application, selection, award/contracting, monitoring, communications, modification, reporting, close-out, and financial management processes.

The GEM\$ also enables State departments to collaborate on grants when possible. Agencies currently using GEM\$ to report their awards:

- Department of Administrative Services – Information Technology Enterprise
- Economic Development Authority
- Department of Education
- Department of Management
- Department of Homeland Security and Emergency Management
- Iowa Commission on Volunteer Service
- Office of Drug Control Policy
- Department of Public Health
- Department of Cultural Affairs
- Department of Public Defense
- Department of Public Safety
- Department of Justice
- Department of Corrections
- Iowa College Student Aid Commission
- Department of Agriculture

- Department of Natural Resources
- Attorney General
- Vocational Rehabilitation Services
- Human Rights Commission
- Department of the Blind
- Department of Elder Affairs
- Department of Transportation
- Iowa Public Television
- Judicial Branch

Related Websites

Federal Funds Information For States: www.ffis.org

Government Accountability Office Website: www.gao.gov/

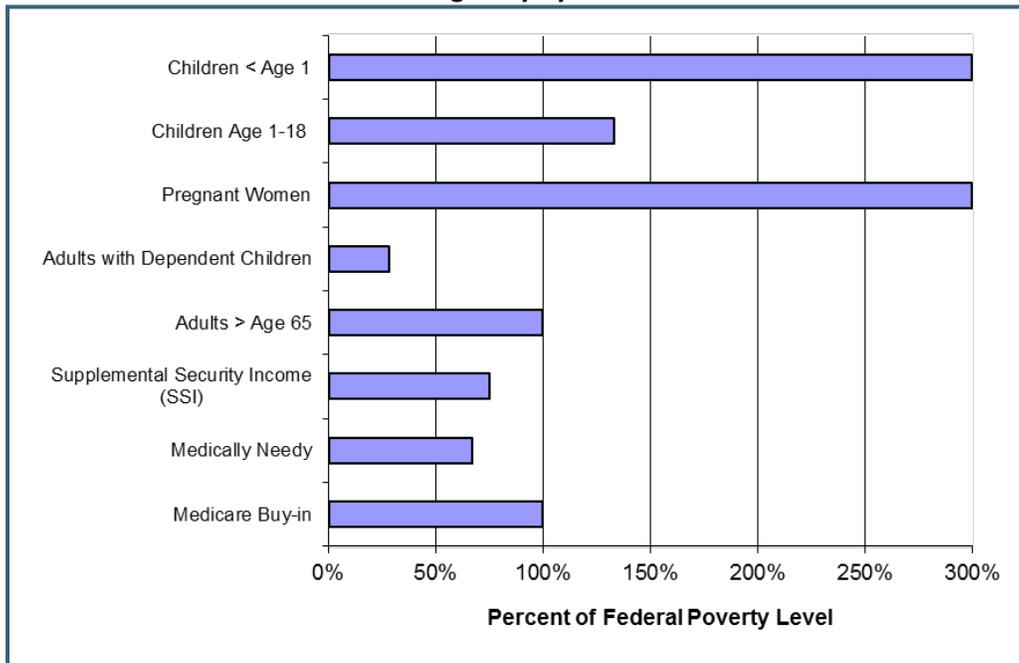
GEM\$ Website: www.iagrants.com

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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 FY 2016, the federal share of the Medicaid program is 55.07%.

**Table 1
 Medicaid Eligibility by Income Level**



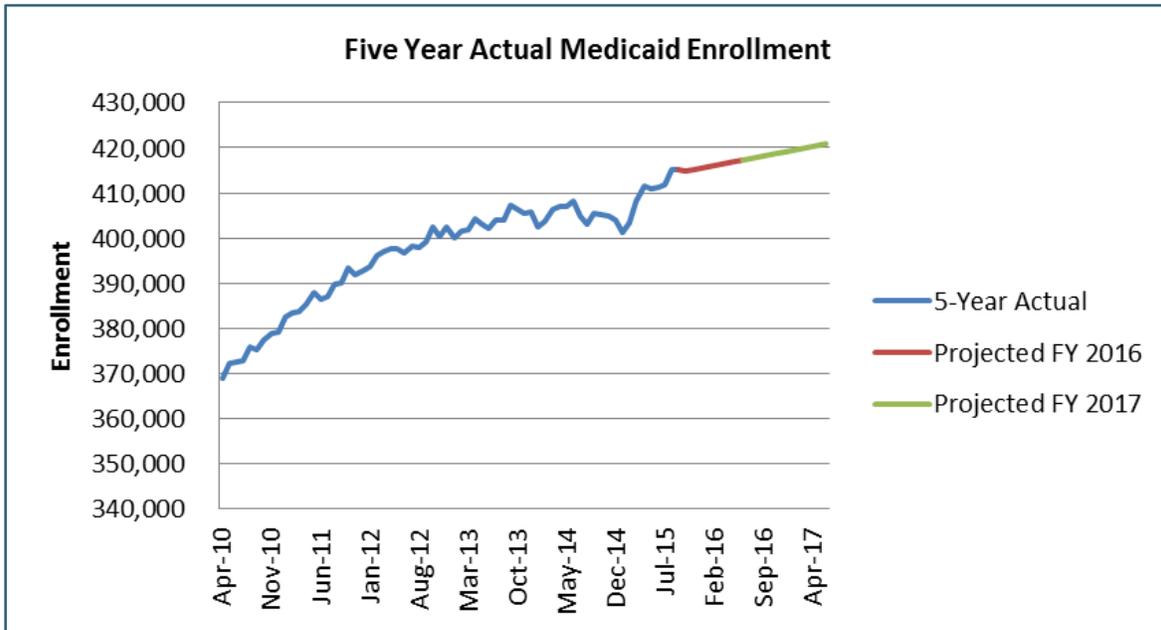
The Iowa Medicaid Program covers individuals at various levels of income as allowed under federal law. To be eligible for Medicaid, an individual must be categorically eligible. This means the individual must meet income requirements and qualify in a category to be eligible. **Table 1** shows the maximum income level for children, pregnant women, adults with dependent children, adults over age 65, 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 \$24,250 for 2015.

In September 2015, 415,219 Iowans were enrolled in Medicaid. Of the total, 57.7% were children, 15.4% were adults with dependent children, 19.5% were disabled, and 7.4% were over age 65. The FY 2014 state expenditures totaled \$1,480.4 million. Of the total expenditures, 19.0% was for children, 10.0% was for adults with dependent children, 52.0% was for the disabled, and 19.0% was for adults over age 65. While children account for 57.7% of the enrollment, they consume only 19.0% of Medicaid expenditures. Adults over age 65 and disabled individuals account for 27.4% of enrollment but utilize 71.0% of expenditures.

Enrollment

Table 2 shows the enrollment growth in Iowa over the past five years. In FY 2010, due to the poor economy, the Program grew by 9.4%. Beginning in FY 2011, growth slowed to 5.4% and continued to decline through FY 2014, with growth rates of 3.4% in FY 2012, 1.9% in FY 2013, 1.1% in FY 2014, and 0.1% in FY 2015.

**Table 2
Medicaid Enrollment**



In the final months of FY 2015 through the first three months of FY 2016 there was an increase in enrollment, especially for children. As a result, the Fiscal Services Division of the Legislative Services Agency (LSA) is projecting Medicaid enrollment to grow by 2.3% in FY 2016 and 0.9% in FY 2017.

Managed Care

The Department of Human Services (DHS) is in the process of transitioning the majority of the Medicaid program under the management of four different managed care organizations (MCOs): Amerigroup Iowa, Inc.; AmeriHealth Caritas Iowa, Inc.; UnitedHealthcare Plan of the River Valley, Inc.; and WellCare of Iowa, Inc. Medicaid MCOs provide for the delivery of Medicaid health benefits and additional services and accept a set per member per month (capitation) payment for these services from the State. The goal of MCOs is to reduce Medicaid program costs by better managing utilization of health services and improving health plan performance, health care quality, and outcomes. The switch to the MCOs will begin January 1, 2016. For more information on the transition to managed care visit the DHS website: <http://dhs.iowa.gov/ime/about/initiatives/MedicaidModernization>. In addition, the General Assembly enacted a Health Policy Oversight Committee to receive updates and review data, public input, and concerns, and make recommendations for improvements to and changes in law or rule regarding Medicaid managed care. The next meeting of the Committee will be held on December 7, 2015. Visit the Committee website: <https://www.legis.iowa.gov/committees/committee?ga=86&groupID=24165>.

Revenues and Expenditures

Table 3 shows actual expenditures for FY 2013 through FY 2015 and projected expenditures for FY 2016 and FY 2017. The four largest categories that drive costs in the Medicaid Program are hospitals (inpatient and outpatient), nursing homes, pharmaceuticals, and physician costs.

Table 3
State Medicaid Expenditures – All State Funds
(Dollars in millions)

	<u>State Actual</u>	<u>FMAP Cost</u>	<u>Adjusted State Total</u>
FY 2013 Actual	\$ 1,373.9	\$ 33.7	\$ 1,407.6
FY 2014 Actual	1,427.8	52.6	1,480.4
FY 2015 Actual	1,536.6	79.1	1,615.7
FY 2016 Projected Need	1,653.8	56.1	1,709.9
FY 2017 Projected Need	1,723.0	-45.6	1,677.4

Projected expenditures reflect DHS estimates.

As **Table 3** illustrates, Medicaid expenditures have increased substantially from FY 2013 to FY 2017. There are several reasons for this, including:

- Between FY 2012 and FY 2016, Iowa performed better economically when compared to the rest of the country. As a result, Iowa’s federal medical assistance percentage (FMAP) rate decreased requiring Iowa to pay for a larger share of the Medicaid program compared to the federal government. From FY 2012 to FY 2016, Iowa’s FMAP rate declined 7.8% shifting approximately \$266.7 million in Medicaid expenditures from the federal government to the state.
- For FY 2017, the FMAP rate for the newly eligible population covered by the Iowa Health and Wellness Program will decrease from 100.0% federal match to 97.5% federal match. Iowa will be responsible for approximately \$17.1 million in health care costs for the 144,280 individuals covered by the Program.
- Enrollment has increased by 21,852 individuals since FY 2012.
- The General Assembly has enacted a number of rate increases for providers, including \$17.0 million for nursing facilities, \$1.0 million for Home Health, and \$1.0 million for Home and Community-Based Services (HCBS) in FY 2016.

FY 2016 and FY 2017 Forecast

The Medicaid Forecasting Group, consisting of staff from the Department of Management, the DHS, and the Fiscal Services Division of the LSA meet regularly to discuss current enrollment and expenditure data in the Medicaid Program and set a range for projected FY 2016 and FY 2017 expenditures. Over the course of the fall, and with the transition to managed care, the Group has been meeting to redevelop the forecast but has not made any formal projections. The DHS has made projections for FY 2016 and FY 2017. The Department is projecting a need of \$76.0 million in FY 2016 and \$81.4 million for FY 2017 reflected in **Table 4** (on the following page). The projections take into account the transition to managed care beginning January 1, 2016.

**Table 4
Medicaid Balance Sheet**

	Actual FY 2015	Estimated FY 2016	Estimated FY 2017
Medicaid Funding			
Palo Tax	\$ 1,379,442	\$ 980,730	\$ 980,730
Health Care Trust Fund	223,277,860	221,290,000	219,890,000
Nursing Facility Quality Assurance Fund	29,195,653	37,205,208	36,705,208
Hospital Trust Fund	34,570,769	34,700,000	34,700,000
hawk-i Performance Bonus	177,017	0	0
Medicaid Fraud Fund	392,810	500,000	500,000
Deappropriations	15,828,136	0	0
CHIP Contingency	919,114	0	0
Child Care Transfer	0	2,389,210	0
Food Assistance Bonus Funds	0	2,000,000	0
Appropriation Transfers	12,964,476	31,359,091	0
Total Non-General Fund for Medicaid	\$ 318,705,277	\$ 330,424,239	\$ 292,775,938
General Fund Appropriation	\$ 1,250,658,393	\$ 1,303,191,564	\$ 1,303,191,564
General Fund Supplemental	43,000,000	0	0
Total All General Fund Sources	\$ 1,293,658,393	\$ 1,303,191,564	\$ 1,303,191,564
Total Medicaid Funding	\$ 1,612,363,670	\$ 1,633,615,803	\$ 1,595,967,502
Total Estimated State Medicaid Need	\$ 1,559,595,188	\$ 1,683,194,017	\$ 1,742,128,243
FMAP Changes	79,120,038	56,105,434	-45,565,523
Managed Care Savings	0	-51,136,508	-51,136,508
Enhanced FMAP Expirations (BIP, Health Home)	0	0	14,798,807
Health and Wellness Program FMAP Phase-in	0	0	17,142,483
Changes Related to ACA	-10,686,254	0	0
Eliminate IowaCare Transfer	-11,921,225	0	0
Health Home Savings	-9,135,935	0	0
Balancing Incentive Program	-1,108,354	0	0
Cost Containment	0	2,100,000	0
Eliminate MHI Transfer Clarinda/Mt. Pleasant	0	-7,729,892	0
Expand Gero-psych Capacity	0	1,765,119	0
Nursing Facility Rebase	1,250,000	17,030,405	0
Home Health Rebase	0	1,000,000	0
Hospital Inpatient Psych Cost-Based Adj.	0	1,000,000	0
UIHC DSH Adjustment	-2,800,000	-1,712,772	0
Withheld Field Transfer	-2,940,726	0	0
HCBS Waiver Increase	6,000,000	0	0
HCBS Provider Rate Increase	0	1,000,000	0
Miller Trust 125.0% of Statewide Average	252,000	0	0
All Other Provider Increases	238,938	0	0
Transfers Not Made in FY 2014	4,500,000	0	0
IowaPlan Rate Adj to FY 2016	0	7,000,000	0
Total Estimated Medicaid Need	\$ 1,612,363,670	\$ 1,709,615,803	\$ 1,677,367,502
Midpoint of Balance/(Under Funded)	\$ 0	\$ -76,000,000	\$ -81,400,000
BIP - Balancing Incentive Payment Program	ACA - Affordable Care Act		
FMAP - Federal Medical Assistance Percentage	HCBS - Home and Community-Based Services		

FY 2017 FMAP. The Bureau of Economic Analysis released their final state personal per capita income data for 2014 on September 30, 2015. This allowed states to calculate their final FY 2017 FMAP rates. The FY 2017 FMAP rates are based on per capita personal incomes for calendar years 2012-2014. Iowa’s FY 2017 FMAP rate increased by 1.21% to 56.28% (see **Table 5** for more detail). The FMAP increase indicates that Iowa’s economy is not doing as well compared to other states, resulting in a larger share of the total FMAP pie for Iowa. This is the first year since FY 2010 that Iowa’s FMAP rate has increased. Between FY 2010 and FY 2016, Iowa’s FMAP rate has declined 8.2%, shifting several hundred million dollars of Medicaid expenditures from federal funding to state funding. The 1.21% change in the FMAP rate for FY 2017 means that the state will be responsible for \$45.6 million less in Medicaid expenditures.

**Table 5
FMAP Rates FY 2013 – FY 2017**

Five-Year State Regular Medicaid FMAP			
State Fiscal Year	Federal Share	State Share	Federal % Change
FY 2013	59.87%	40.13%	-1.32%
FY 2014	58.35%	41.65%	-1.53%
FY 2015	56.14%	43.86%	-2.21%
FY 2016	55.07%	44.93%	-1.07%
FY 2017	56.28%	43.72%	1.21%

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STATE SCHOOL AID

FY 2016 School Aid

During the 2015 Legislative Session, the General Assembly enacted [SF 171](#) (School Supplemental State Aid – State Percent of Growth – FY 2016 Act) and [SF 172](#) (School Categorical Supplemental State Aid – State Percent of Growth – FY 2016 Act) that included establishing the FY 2016 State percent of growth for regular school aid and the State categorical supplements at 1.25%.

The total amount generated for school districts in FY 2016 included:

- \$4,302.0 million for the total combined district cost, an increase of \$132.7 million compared to FY 2015. The amount, in general, represents the total funding of State aid and school property taxes for school districts and Area Education Agencies (AEAs) generated through the school aid formula (the combined district cost does not include funding for preschool formula funding). Program funding changes in the combined district cost include:
 - An increase of \$50.2 million (1.6%) for the regular program amount. The regular program funding level accounts for approximately 72.3% of the combined district cost.
 - An increase of \$3.6 million (1.8%) in funding for AEA programs. This includes special education support services, media services, and educational services.
 - An increase of \$56.3 million (16.5%) in total State categorical supplements (teacher salary, professional development, early intervention and teacher leadership). Fiscal year 2016 was the first year teacher leadership was included in the school aid formula and accounts for \$50.2 million of the increase.
- \$2,959.2 million for total State aid, an increase of \$85.4 million (3.0%), compared to FY 2015. The State General Fund portion of school aid totaled \$2,952.9 million, an increase of \$87.4 million (3.0%). The State aid amounts include:
 - \$6.3 million transferred from the Secure an Advanced Vision for Education (SAVE) Fund to the Property Tax Equity and Relief (PTER) Fund for targeted property tax relief through the school aid formula.
 - An additional \$15.0 million reduction in State aid to the AEAs as required in [SF 510](#) (FY 2016 Standing Appropriations Act). This reduction is in addition to the \$7.5 million statutory reduction implemented annually.
 - \$31.1 million in property tax replacement payment (PTRP) funding. This provision requires State aid to account for the entire increase in the cost per pupil amount due to the State percent of growth in FY 2016 as specified in [SF 173](#) (Education Funding Supplemental for FY 2016 Act).
 - \$398.1 million for the State categorical supplements, an increase of \$56.3 million compared to FY 2015. This includes \$282.8 million for the teacher salary supplement, \$32.1 million for the professional development supplement, \$33.0 million for the early intervention supplement, and \$50.2 million for the teacher leadership supplement.

- \$73.3 million for preschool formula funding, an increase of \$3.3 million compared to FY 2015. The preschool formula funding is included in the State aid amount, but is not included in the combined district cost total.
- \$1,380.3 million in school aid property taxes (including adjustments for the commercial and industrial valuations), an increase of \$31.0 million (2.3%) compared to FY 2015. This includes:
 - \$792.2 million for the uniform levy (adjusted for the commercial and industrial rollback), an increase of \$17.7 million compared to FY 2015. This increase is a direct result of increased assessed valuations.
 - \$587.9 million in the additional levy amount, an increase of \$12.8 million compared to FY 2016 (adjusted for the commercial and industrial rollback).

FY 2017 School Aid

During the 2015 Legislative Session, the General Assembly did not establish the State percent of growth for FY 2017. If no rate is established during the 2016 Legislation Session, the State percent of growth rates will default to 0.0%. Additionally, the General Assembly is required to establish a State percent of growth rate for FY 2018 during the 2016 Legislative Session.

Estimates for FY 2017 are preliminary (based on available data and assumptions as of November 2015) and are subject to change. Variables that are currently estimated include:

- Taxable valuations – a Statewide growth projection of 5.12% was agreed upon by the Department of Management (DOM) and the Legislative Services Agency (LSA). The growth projection was additionally applied to commercial and industrial valuations on a Statewide basis.
- Budget enrollments – enrollment projections provided by the Department of Education. The projections total 481,825.8 and are intended to reflect the 2015-2016 certified enrollment figures.
- Pupil weighting – this includes Statewide growth assumptions and a 1.0% increase in special education weightings, a 22.0% increase in sharing supplementary weightings, an increase to account for the modifications of shared operational functions supplementary weightings, and an increase in Limited English Proficient (LEP) supplementary weighting of 7.0%.

Any variations in assumptions used to calculate these variables will impact the information provided (including FY 2017 and FY 2018 school aid estimates). The LSA anticipates that data and estimates for FY 2017 will be updated in December 2015 and finalized by July 2016.

The following analysis is based on a 0.0% State percent of growth for FY 2017. At 0.0% growth, estimated funding amounts include:

- \$4,421.1 million for the total combined district cost, an increase of \$119.0 million compared to FY 2016. The amount, in general, represents the total funding of State aid and school property taxes for school districts and AEAs generated through the school aid formula (the combined district cost does not include funding for preschool formula funding). Program funding changes in the combined district cost included:
 - An increase of \$6.8 million (0.2%) for the regular program amount. Additionally, the regular program budget guarantee provision is estimated to total \$38.1 million with 257 districts eligible to receive at 0.0% State percent of growth.
 - An increase of \$16.3 million (7.9%) in funding for AEA programs. Most of the increase is a result of the restoration (current law provision) of the \$15.0 million State aid reduction made in FY 2016.
 - An increase of \$52.6 million (13.2%) in total State categorical supplements. The increase is a result of two years of the Teacher Leadership Supplement (TLS) Program funding through the school aid formula in FY 2017.
- \$3,016.0 million for total State aid, an increase of \$56.8 million (1.9%), compared to FY 2016. The State General Fund portion of school aid totaled \$3,006.4 million, an increase of \$53.5 million (1.8%). Included in the State aid amounts are:
 - \$9.6 million transferred from the SAVE Fund to the PTER Fund for targeted property tax relief through the school aid formula.
 - Restoration of the \$15.0 million reduction in State aid to the AEAs. Under current law, the reduction will total \$7.5 million (a statutory reduction implemented annually).
 - \$31.3 million in property tax replacement payment (PTRP) funding. This provision required State aid to account for the entire increase in the cost per pupil amount due to the State percent of growth in FY 2016 as specified in [SF 173](#). The impact of this provision will continue in future years and under current law totals \$56 per pupil.
 - \$450.7 million for the State categorical supplements, an increase of \$52.6 million (13.2%). This includes \$284.3 million for the teacher salary supplement, \$32.3 million for the professional development supplement, \$33.2 million for the early intervention supplement, and \$100.9 million for the teacher leadership supplement.
 - \$75.7 million for preschool formula funding, an increase of \$2.4 million compared to FY 2016. The preschool formula funding is included in the State aid amount, but is not included in the combined district cost total.
- \$1,445.0 million in school aid property taxes (including adjustments for the commercial and industrial valuations), an increase of \$64.7 million (4.7%) compared to FY 2016. This includes:
 - \$833.5 million for the uniform levy (adjusted for the commercial and industrial rollback), an increase of \$41.3 million compared to FY 2016. This increase is a direct result of an estimated increase in assessed valuations.
 - \$611.6 million in the additional levy amount, an increase of \$23.7 million compared to FY 2016 (adjusted for the commercial and industrial rollback). Generally, this increase can be attributed to the budget guarantee amount and the 0.0% State percent of growth rate used for this analysis.

Table 1 provides State General Fund school aid estimates for FY 2017 and FY 2018 at various State percent of growth rates, based on taxable valuation, enrollments, supplementary weighting assumptions, and current law provisions. Additional estimates are available from the LSA upon request.

Table 1

Legislative Services Agency: Estimated FY 2017 and FY 2018 State General Fund School Aid Estimates (Statewide Totals in Millions)							
	Percent of Growth	State General Fund	Increase vs. FY 2016		Percent of Growth	State General Fund	Increase vs. FY 2017
FY2016		\$ 2,952.9					
FY2017	0.0%	\$ 3,006.4	\$ 53.5	FY2018	0.0%	\$ 2,986.0	\$ -20.4
				FY2018	1.0%	\$ 3,022.2	\$ 15.8
				FY2018	2.0%	\$ 3,059.9	\$ 53.5
				FY2018	3.0%	\$ 3,097.4	\$ 90.9
				FY2018	4.0%	\$ 3,136.2	\$ 129.8
				FY2018	5.0%	\$ 3,173.9	\$ 167.5
				FY2018	6.0%	\$ 3,212.2	\$ 205.8
FY2017	1.0%	\$ 3,047.3	\$ 94.4	FY2018	0.0%	\$ 3,028.3	\$ -19.0
				FY2018	1.0%	\$ 3,065.1	\$ 17.8
				FY2018	2.0%	\$ 3,102.8	\$ 55.5
				FY2018	3.0%	\$ 3,141.5	\$ 94.2
				FY2018	4.0%	\$ 3,179.7	\$ 132.5
				FY2018	5.0%	\$ 3,218.7	\$ 171.4
				FY2018	6.0%	\$ 3,256.5	\$ 209.2
FY2017	2.0%	\$ 3,089.4	\$ 136.6	FY2018	0.0%	\$ 3,071.2	\$ -18.3
				FY2018	1.0%	\$ 3,108.5	\$ 19.1
				FY2018	2.0%	\$ 3,147.4	\$ 58.0
				FY2018	3.0%	\$ 3,185.6	\$ 96.1
				FY2018	4.0%	\$ 3,223.9	\$ 134.5
				FY2018	5.0%	\$ 3,262.9	\$ 173.5
				FY2018	6.0%	\$ 3,302.5	\$ 213.0
FY2017	3.0%	\$ 3,131.4	\$ 178.5	FY2018	0.0%	\$ 3,113.5	\$ -17.9
				FY2018	1.0%	\$ 3,151.4	\$ 20.0
				FY2018	2.0%	\$ 3,190.4	\$ 59.0
				FY2018	3.0%	\$ 3,228.6	\$ 97.2
				FY2018	4.0%	\$ 3,268.7	\$ 137.3
				FY2018	5.0%	\$ 3,307.7	\$ 176.3
				FY2018	6.0%	\$ 3,346.2	\$ 214.8
FY2017	4.0%	\$ 3,174.5	\$ 221.6	FY2018	0.0%	\$ 3,156.9	\$ -17.6
				FY2018	1.0%	\$ 3,194.9	\$ 20.4
				FY2018	2.0%	\$ 3,233.3	\$ 58.8
				FY2018	3.0%	\$ 3,273.3	\$ 98.8
				FY2018	4.0%	\$ 3,312.8	\$ 138.3
				FY2018	5.0%	\$ 3,351.9	\$ 177.4
				FY2018	6.0%	\$ 3,391.6	\$ 217.1
FY2017	5.0%	\$ 3,216.6	\$ 263.7	FY2018	0.0%	\$ 3,199.2	\$ -17.3
				FY2018	1.0%	\$ 3,237.8	\$ 21.2
				FY2018	2.0%	\$ 3,276.3	\$ 59.7
				FY2018	3.0%	\$ 3,316.8	\$ 100.3
				FY2018	4.0%	\$ 3,356.4	\$ 139.9
				FY2018	5.0%	\$ 3,396.7	\$ 180.1
				FY2018	6.0%	\$ 3,436.4	\$ 219.8
FY2017	6.0%	\$ 3,259.2	\$ 306.3	FY2018	0.0%	\$ 3,242.1	\$ -17.1
				FY2018	1.0%	\$ 3,280.1	\$ 20.9
				FY2018	2.0%	\$ 3,320.9	\$ 61.7
				FY2018	3.0%	\$ 3,360.4	\$ 101.2
				FY2018	4.0%	\$ 3,400.6	\$ 141.4
				FY2018	5.0%	\$ 3,441.5	\$ 182.3
				FY2018	6.0%	\$ 3,481.8	\$ 222.6

Additional Information on School Aid Funding

Additional information is available on the LSA website and includes the following:

- Budget Unit Fiscal Topic – [State Foundation School Aid](#)
- Fiscal Topic – [School District Reorganization Incentives](#)
- Fiscal Topic – [School District Cash Reserve Levy](#)
- Fiscal Topic – [School Aid – Additional Levy Components](#)
- [Historic school aid funding amounts and data](#) (including information by school district), [school aid estimates for future fiscal years](#), and [other background information on the school aid formula](#).

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PROPERTY TAX SYSTEM MODIFICATIONS

During the 2013 Legislative Session, the General Assembly enacted [SF 295](#) (Property Tax System Modifications and Income Tax Credit Act). The Act made significant changes to how real property in Iowa is assessed and taxed. The Act:

- Created a new Business Property Tax Credit available to properties classified as commercial, industrial, or railroad. A standing State General Fund appropriation was created to fund the new credit. The appropriation was equal to \$50.0 million for FY 2015, \$100.0 million for FY 2016, and will equal \$125.0 million for FY 2017 and after. The appropriated funds reduce the final property tax bill for all commercial, industrial, and railroad property. The credit is not available for property classified as multi-residential. The property tax reduction is equal to a portion of the tax due on a specified maximum amount of a property unit's value. The maximum amount of value that benefits from the credit is established each year by the Department of Revenue. For assessment year (AY) 2013 (property taxes payable in the fall of 2014 and the spring of 2015), the maximum value was calculated by the Department to be \$59,507. The maximum value for AY 2014 is \$183,896. The maximum value for AY 2015 will be calculated in the Spring of 2016.
- Reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4.0% to 3.0%. In addition, commercial, industrial, and railroad property were assigned a "rollback" of 95.0% for assessment year (AY) 2013 and 90.0% for AY 2014 and after. A rollback is the percent of a property's value that is subject to tax. A standing State General Fund appropriation was also created, beginning in FY 2015, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property. Prior to FY 2018, the appropriation is a standing unlimited appropriation. Beginning in FY 2018, the standing appropriation cannot exceed the actual FY 2017 appropriation amount.
- Created a new property tax classification for human habitat commercial property (apartments, nursing homes, assisted living facilities, etc.). The new classification begins with AY 2015. Property included in the new classification is assigned a rollback percentage of 86.25% for AY 2015, and that percentage declines 3.75 percentage points each year through AY 2021. Beginning in AY 2022, the multi-residential classification is assigned a rollback equal to the residential rollback each assessment year. For the multi-residential initial assessment year (AY 2015), the statewide assessed value of that new class of property is \$4.879 billion. This amount is equal to approximately 13.2% of the assessed value of commercial property in the year prior to the creation of the new multi-residential classification. Prior to the creation of the separate property class, a large majority of multi-residential property was classified as commercial property.
- Exempted a specified portion of the assessed value of every telecommunications company from property taxation. The exemption began with AY 2013 and was fully implemented in AY 2014. The exemption is applied on a company basis, with the value of the exemption dependent on the total assessed value of a company's telecommunications property.

Fiscal Impact

The property tax system modification portions of [SF 295](#) will increase State General Fund appropriations in three ways:

- A new standing limited appropriation is created to fund the Business Property Tax Credit.
- A new standing appropriation is created to reimburse local governments for property tax reductions associated with the commercial and industrial rollback to 90.0%.
- Increases to the State General Fund appropriation for school aid that result from provisions of the Act that lower statewide taxable value. Those provisions include:
 - Creation of a new multi-residential property class.
 - Creation of a new telecommunications exemption.
 - Reduction in the residential and agricultural revaluation limit from the current 4.0% per year to 3.0% per year.
 - Creation of an unreimbursed rollback for railroad property to 90.0%.
 - Any unreimbursed commercial and industrial property tax that results from the State reimbursement appropriation being capped at the FY 2017 level.

Table 1 provides the original estimated State General Fund appropriation impact of the property tax system modifications.

Table 1

State General Fund Appropriation Increases										
Dollars in millions										
Appropriation	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
New State C/I Reimbursement Appropriation	\$78.6	\$162.2	\$152.6	\$152.6	\$152.6	\$152.6	\$152.6	\$152.6	\$152.6	\$152.6
Com/Ind/Rail Property Tax Credit	50.0	100.0	125.0	125.0	125.0	125.0	125.0	125.0	125.0	125.0
School Aid Gen. Fund Appropriation Increase	7.2	14.9	24.9	33.2	42.4	52.2	63.4	75.2	88.6	104.5
Total General Fund Impact	\$135.8	\$277.1	\$302.5	\$310.8	\$320.0	\$329.8	\$341.0	\$352.8	\$366.2	\$382.1

NOTE: C/I = commercial/industrial

The appropriation for the Business Property Tax Credit is a standing limited appropriation so the appropriations have been and will continue to be at the level of the original projection.

The appropriation for reimbursement to local governments for the property tax revenue reduction associated with the commercial and industrial rollback to 90.0% is a standing unlimited appropriation for FY 2015 through FY 2017. Current projections for that annual appropriation are:

- FY 2015 actual = \$78.2 million.
- FY 2016 projected = \$161.1. Of that amount, \$9.5 million is funded through an FY 2015 supplemental appropriation and the remainder from an FY 2016 appropriation.
- FY 2017 projected = \$153.7 million.
- FY 2018 and after, the appropriation becomes a standing limited appropriation that cannot exceed the FY 2017 actual appropriation level.

The property tax system modification portions of [SF 295](#) will decrease the amount of property value that local governments have available to tax in five ways:

- Creation of a new multi-residential property class beginning with AY 2015.

- Creation of a new telecommunications property tax exemption.
- Reduction in the residential and agricultural revaluation limit from the current 4.0% per year to 3.0% per year.
- Creation of an unreimbursed rollback for railroad property to 90.0%.
- Any unreimbursed commercial and industrial property tax that results from the State reimbursement appropriation being capped at the FY 2017 level.

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MANUFACTURING SALES TAX EXEMPTION RULES

The Department of Revenue filed an administrative rules Notice of Intended Action related to a manufacturing sales tax exemption in the September 2015 Iowa Administrative Bulletin ([ARC 2178C](#)). ***As originally filed, the rule change effective date was January 1, 2016. The final rule amends the proposed effective date of the rule change to July 1, 2016 (FY 2017).***

The existing rule and the proposed amendments implement Iowa Code sections:

- [423.3\(47\)](#) – Exempting the sale or rental of computers, machinery, and equipment, including replacement parts, and materials used to construct or self-construct computers, machinery, and equipment from the sales tax.
- [423.3\(48\)](#) – Exempting the furnishing of the design and installation of new industrial machinery or equipment, including electrical and electronic installation, from the sales tax.
- [423.2\(1\)\(b\)](#) – Subjecting the sales of building materials, supplies, and equipment to owners, contractors, subcontractors, or builders for the erection of buildings or the alteration, repair, or improvement of real property to the sales tax.
- [423.2\(1\)\(c\)](#) – Relating to the taxation of building materials, supplies, and equipment in the performance of construction contracts.

History and Background

The existing rules related to the manufacturing sales tax exemption were promulgated in response to the enactment of Iowa Code sections [423.3\(47\)](#) and [423.3\(48\)](#) in HF 126 (Sales and Use Tax Exemptions Act of 1997). Enactment of those two Iowa Code sections replaced an existing and similar manufacturing exemption that was originally enacted in 1985 (see SF 395, section 85, Sales and Local Option Taxes and Wine Sales Act of 1985).

Many of the terms used for the exemption are not defined in the Iowa Code and their definition, interpretation, and enforcement has been a function of Department of Revenue rules and procedures. Under the existing Department rules:

- Supplies are specifically excluded from the definition of “replacement parts.” Drill bits, grinding wheels, punches, taps, reamers, saw blades, lubricants, coolants, sanding discs, sanding belts, and air filters are listed within the rules as nonexclusive examples of supplies. The existing rule specifies that supplies are taxed.
- Replacement parts are generally required to have a longer lifespan (12 months or more). Items that do not have the required lifespan are generally defined as supplies and therefore subject to sales tax. Supplies that last 12 months or longer are generally considered machinery equipment replacement parts and not subject to sales tax.

Under the proposed rules:

- The term “equipment” is defined to include “supplies” and therefore exempt from sales tax. According to the proposed rules, the types of supplies that are to be considered equipment and therefore exempt from sales tax are items such as drill bits, grinding wheels, punches, taps, reamers, saw blades, lubricants, coolants, sanding discs, sanding belts, and air filters.

- The 12-month lifespan presumption for replacement parts is eliminated. Beginning January 1, 2016, all items that can be considered replacement parts will become tax exempt under the rule.
- Changes the categorization of certain types of property installed by a building contractor from the current category of real property, to the category of personal property. This change will allow additional construction value to be defined as manufacturing machinery and equipment and therefore exempt from the sales tax.

Fiscal Impact

If implemented, the proposed rules will extend an existing tax exemption to additional purchases made by manufacturers. Therefore, the proposed rules have a fiscal impact on State General Fund revenue and local option sales tax revenue. The Department of Revenue submitted an estimate of the annual fiscal impact of their proposed sales tax exemption rules change to the Administrative Rules Committee.

As there is no available independent source of detailed business expenditure data, the Department developed a survey for Iowa manufacturers to submit expenditure details to the Department. A total of 17 Iowa manufacturers responded.¹ Based on the survey results, the Department extrapolated the reported purchases to all Iowa manufacturing companies.²

The Department calculated and reported the fiscal impact in two categories, the impact on the State General Fund (6.0% sales tax) and the impact on local option sales tax revenue (Statewide average of 0.87% sales tax). The Department estimate is provided in **Table 1**.

	State General Fund	Local Option Taxes	Total Tax Reduction, State and Local Taxes Combined
FY 2016	\$ 0.0	\$ 0.0	\$ 0.0
FY 2017	37.0	5.3	42.3
FY 2018	37.9	5.4	43.3
FY 2019	38.8	5.5	44.3
FY 2020	39.8	5.6	45.4
FY 2021	40.6	5.8	46.4

¹ The U.S. Census Bureau statistics show that Iowa has 3,100 manufacturing firms. Of that number, about 2,000 firms have 20 or fewer employees and 300 have more than 500 employees.

² For the portion of the estimate related to the change from real property to personal property, the Department estimate was developed from the reported expenditures of one manufacturing facility, scaled to cover facilities for selected manufacturing sectors in the State.

The Legislative Services Agency (LSA) reviewed the Department estimate and determined that two fiscal estimate adjustments and additional explanation are necessary. The two adjustments impacting the projected fiscal impact of the rule change include the following:

- While the rules can generally be considered an expanded tax exemption for traditional manufacturing concepts, the rule is not limited to what could be generally considered manufacturing companies. In 2013 (see [SF 452](#), section 127, Standing Appropriations Act), the Iowa Code was amended to specifically remove any implication that a business must be a “manufacturer” in order to benefit from the processing sales tax exemptions. The business must simply be using the machinery, computers, and equipment to “manufacture” something. The Department estimate only accounts for traditional manufacturers. The LSA estimate includes other types of businesses that will benefit from the expansion of the tax exemption to additional business inputs. The Department has revised their estimate to include beneficiaries outside of traditional manufacturing. However, the LSA estimate of the impact exceeds the Department estimate.
- The Department utilized a future growth rate for the impact of the exemption that equaled the U.S. Gross Domestic Price (GDP) Deflator. When applied to the previous five years, this method of growth projection significantly underestimates the growth in Iowa manufacturing over that period. For all projection years, the LSA estimate uses the average growth in Total Cost of Materials, as provided by the U.S. Census Bureau Annual Survey of Manufacturers.³ The annual growth rate of Total Cost of Materials for Iowa manufacturers from 2008 through 2013, was 3.3%.

The LSA estimate is approximately 13.2% higher in the first year and 17.2% higher by FY 2021 than the Department estimate. See **Table 2** for the LSA figures. The LSA estimate divides the impact into three categories, instead of two, as the State 6.0% sales tax rate is essentially a 5.0% State rate and a 1.0% rate dedicated to school infrastructure. For the purpose of comparison, the LSA State General Fund and School Infrastructure columns should be compared to the Department State General Fund column.

Table 2
General Fund Revenue Reduction - Updated
Legislative Services Agency Projection
In Millions of Dollars

	State General Fund	School Infrastructure	Local Option Taxes	Total Tax Reduction, State and Local Taxes Combined
FY 2016	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
FY 2017	34.8	7.0	6.1	47.9
FY 2018	35.9	7.2	6.3	49.4
FY 2019	37.1	7.4	6.5	51.0
FY 2020	38.3	7.7	6.7	52.7
FY 2021	39.6	7.9	6.9	54.4

In future fiscal years, the impact is expected to grow at a rate just above the rate of inflation.

³ The Total Cost of Materials dataset is part of the same U.S. Census Bureau publication the Department used to extrapolate the survey response from the 17 Iowa manufacturing companies to all Iowa manufacturing companies. For 2008, the Total Cost of Materials for all Iowa manufacturers was estimated by the Census Bureau to be \$62.5 billion. In 2013, the estimate was \$73.6 billion.

One additional impact is possible and this impact was not estimated by the Department and cannot be estimated by the LSA. The 2012 General Assembly created a Flood Mitigation Program (see [SF 2217](#), Flood Mitigation Act) funded through State sales tax revenue. The amount of sales tax revenue each qualified city may receive is determined by comparing the sales tax revenue generated in a given year to the sales tax generated in a base year.

For the 10 impacted cities, the sales tax base was determined without this additional sales tax exemption. It is possible that the Flood Mitigation Program funding stream for one or more of the cities benefiting from the new program could be negatively impacted by the tax base reduction that results from this rule change. It is also possible that none of the cities will be impacted.

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COMMON ACRONYMS USED IN THE APPROPRIATIONS TABLES (TRACKING)

AEA	Area Education Agency	EEF	Economic Emergency Fund
ACE	Accelerated Career Education	EFF	Environment First Fund
ACRF	Address Confidentiality Revolving Fund	EMS	Emergency Management Services
ADA	Americans with Disabilities Act	ESEA	Elementary and Secondary Education Act
AG	Office of the Attorney General	FaDSS	Family Development & Self-Sufficiency Program
CBC	Community-Based Corrections	FRRF	Federal Recovery and Reinvestment Fund
CCUSO	Civil Commitment Unit for Sexual Offenders	GEF	Gambling Enforcement Revolving Fund
CEF	County Endowment Fund	GF	General Fund
CHIP	Children's Health Insurance Program	GRA	Graduate
CRF	Cash Reserve Fund	GRF	Gaming Regulatory Revolving Fund
CMRF	Commerce Revolving Fund	GSL	Guaranteed Student Loan Program
DAS	Department of Administrative Services	GWF	Groundwater Protection Fund
DD	Developmental Disabilities	HCTA	Health Care Transformation Account
DCA	Department of Cultural Affairs	HCTF	Health Care Trust Fund
DCI	Division of Criminal Investigation	HHCAT	Hospital Health Care Access Trust Fund
DE	Department of Education	HR	Human Resources
DIA	Department of Inspections and Appeals	IBSSS	Iowa Braille and Sight Saving School
DMU	Des Moines University	ICA	IowaCare Account
DPS	Department of Public Safety	ICIW	Iowa Correctional Institute for Women
DOC	Department of Corrections	ICN	Iowa Communications Network
DOE	U.S. Department of Energy	lowAccess	lowAccess Revolving Fund
DVA	Department of Veterans Affairs	IPERS	Iowa Public Employees' Retirement System
ECI	Early Childhood Iowa	IPTV	Iowa Public Television

IPR	Iowa Public Radio	REAP	Resource Enhancement and Protection
ISD	Iowa School for the Deaf	REC	Revenue Estimating Conference
ISP	Iowa State Patrol	RFIF	Renewable Fuel Infrastructure Fund
ISU	Iowa State University	RFP	Request for Proposal
LTC	Long Term Care	RIIF	Rebuild Iowa Infrastructure Fund
MFF	Medicaid Fraud Fund	RUTF	Road Use Tax Fund
MH	Mental Health	SAF	State Aviation Fund
MHI	Mental Health Institute	SIF	School Infrastructure Fund
MSSF	Mortgage Servicing Settlement Fund	SRG	School Ready Grants
MVD	Motor Vehicle Division	STEM	Science, Technology, Engineering, and Mathematics
MVFT	Motor Vehicle Fuel Tax	SWJCF	Skilled Worker and Job Creation Fund
NAEP	National Assessment of Educational Progress	TANF	Temporary Assistance for Needy Families
NCES	National Center for Education Statistics	TRF	Technology Reinvestment Fund
NPDES	National Pollutant Discharge Elimination System	TSB	Targeted Small Business
NPPF	Nonparticipating Provider Revolving Fund	UI	University of Iowa
PA	Physician Assistant	UNI	University of Northern Iowa
PhSA	Pharmaceutical Settlement Account	UST	Underground Storage Tank Fund
P & I	Special Contingency Fund	VTF	Veterans Trust Fund
PRF	Primary Road Fund	WDF	Workforce Development Fund
POR	Peace Officer Retirement	WGTF	Wine Gallonage Tax Fund
QATF	Quality Assurance Trust Fund	WIRB	Watershed Improvement Review Board

This Appendix contains tracking for the following:

- General Fund
- Other Funds

The Legislative Services Agency publishes Budget Unit Fiscal Topics that discuss the purpose of particular appropriations and programs. If a publication is available, it has been hyperlinked in the title of the appropriation. The titles with underline are the ones linked.

Summary Data

General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
Administration and Regulation	\$ 51,795,769	\$ 51,795,769	\$ 52,789,807	\$ 994,038
Agriculture and Natural Resources	43,111,995	43,111,995	51,275,770	8,163,775
Economic Development	42,581,886	42,250,763	42,253,490	2,727
Education	986,136,365	992,236,365	1,046,760,503	54,524,138
Health and Human Services	1,902,643,019	1,832,865,612	1,976,733,318	143,867,706
Justice System	733,962,920	742,991,531	752,465,754	9,474,223
Unassigned Standings	<u>3,303,153,152</u>	<u>3,469,042,636</u>	<u>3,569,448,912</u>	<u>100,406,276</u>
Grand Total	<u>\$ 7,063,385,106</u>	<u>\$ 7,174,294,671</u>	<u>\$ 7,491,727,554</u>	<u>\$ 317,432,883</u>

Note:

The Legislative Services Agency publishes ***Budget Unit Fiscal Topics*** that discuss the purpose of particular appropriations and programs. If a publication is available, it has been hyperlinked in the title of the appropriation. The titles with underline are the ones linked.

Administration and Regulation

General Fund

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
<u>Administrative Services, Dept. of</u>				
Administrative Services				
Administrative Services, Dept.	\$ 4,067,924	\$ 4,067,924	\$ 4,067,924	\$ 0
Utilities	2,568,909	2,568,909	3,228,948	660,039
Terrace Hill Operations	405,914	405,914	405,914	0
Total Administrative Services, Dept. of	\$ 7,042,747	\$ 7,042,747	\$ 7,702,786	\$ 660,039
<u>Auditor of State</u>				
Auditor of State - General Office	\$ 944,506	\$ 944,506	\$ 991,732	\$ 47,226
Total Auditor of State	\$ 944,506	\$ 944,506	\$ 991,732	\$ 47,226
<u>Ethics and Campaign Disclosure</u>				
Ethics & Campaign Disclosure Board	\$ 550,335	\$ 550,335	\$ 550,335	\$ 0
Total Ethics and Campaign Disclosure	\$ 550,335	\$ 550,335	\$ 550,335	\$ 0
<u>Commerce, Dept. of</u>				
Alcoholic Beverages				
Alcoholic Beverages Operations	\$ 1,220,391	\$ 1,220,391	\$ 1,220,391	\$ 0
Professional Licensing and Reg.				
Professional Licensing Bureau	\$ 601,537	\$ 601,537	\$ 601,537	\$ 0
Total Commerce, Dept. of	\$ 1,821,928	\$ 1,821,928	\$ 1,821,928	\$ 0
<u>Governor</u>				
Governor's Office				
Governor/Lt. Governor's Office	\$ 2,196,455	\$ 2,196,455	\$ 2,196,455	\$ 0
Terrace Hill Quarters	93,111	93,111	93,111	0
Total Governor	\$ 2,289,566	\$ 2,289,566	\$ 2,289,566	\$ 0
<u>Governor's Office of Drug Control Policy</u>				
Drug Policy Coordinator	\$ 241,134	\$ 241,134	\$ 241,134	\$ 0
Total Governor's Office of Drug Control Policy	\$ 241,134	\$ 241,134	\$ 241,134	\$ 0
<u>Human Rights, Dept. of</u>				
Human Rights, Department of				
Central Administration	\$ 224,184	\$ 224,184	\$ 224,184	\$ 0
Community Advocacy and Services	1,028,077	1,028,077	1,028,077	0
Total Human Rights, Dept. of	\$ 1,252,261	\$ 1,252,261	\$ 1,252,261	\$ 0

Administration and Regulation

General Fund

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
<u>Inspections & Appeals, Dept. of</u>				
Inspections and Appeals, Dept. of				
Administration Division	\$ 545,242	\$ 545,242	\$ 545,242	\$ 0
Administrative Hearings Division	678,942	678,942	678,942	0
Investigations Division	2,573,089	2,573,089	2,573,089	0
Health Facilities Division	5,092,033	5,092,033	5,092,033	0
Employment Appeal Board	42,215	42,215	42,215	0
Child Advocacy Board	2,680,290	2,680,290	2,680,290	0
Food and Consumer Safety	1,279,331	1,279,331	1,279,331	0
Total Inspections & Appeals, Dept. of	\$ 12,891,142	\$ 12,891,142	\$ 12,891,142	\$ 0
<u>Management, Dept. of</u>				
Department Operations	\$ 2,550,220	\$ 2,550,220	\$ 2,550,220	\$ 0
Total Management, Dept. of	\$ 2,550,220	\$ 2,550,220	\$ 2,550,220	\$ 0
<u>Public Information Board</u>				
Iowa Public Information Board	\$ 350,000	\$ 350,000	\$ 350,000	\$ 0
Total Public Information Board	\$ 350,000	\$ 350,000	\$ 350,000	\$ 0
<u>Revenue, Dept. of</u>				
Revenue, Department of	\$ 17,880,839	\$ 17,880,839	\$ 17,880,839	\$ 0
Total Revenue, Dept. of	\$ 17,880,839	\$ 17,880,839	\$ 17,880,839	\$ 0
<u>Secretary of State</u>				
Secretary of State - Operations	\$ 2,896,699	\$ 2,896,699	\$ 3,183,472	\$ 286,773
Total Secretary of State	\$ 2,896,699	\$ 2,896,699	\$ 3,183,472	\$ 286,773
<u>Treasurer of State</u>				
Treasurer - General Office	\$ 1,084,392	\$ 1,084,392	\$ 1,084,392	\$ 0
Total Treasurer of State	\$ 1,084,392	\$ 1,084,392	\$ 1,084,392	\$ 0
Total Administration and Regulation	\$ 51,795,769	\$ 51,795,769	\$ 52,789,807	\$ 994,038

Agriculture and Natural Resources

General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Administrative Division	\$ 17,655,492	\$ 17,655,492	\$ 18,155,492	\$ 500,000
Milk Inspections	189,196	189,196	189,196	0
Farmers with Disabilities	130,000	130,000	130,000	0
Local Food and Farm	75,000	75,000	75,000	0
Agricultural Education	25,000	25,000	25,000	0
Water Quality Initiative	4,400,000	4,400,000	10,000,000	5,600,000
GF-Ag Drainage Wells	0	0	1,920,000	1,920,000
Total Agriculture and Land Stewardship	\$ 22,474,688	\$ 22,474,688	\$ 30,494,688	\$ 8,020,000
<u>Natural Resources, Dept. of</u>				
Natural Resources				
Natural Resources Operations	\$ 12,862,307	\$ 12,862,307	\$ 12,862,307	\$ 0
Floodplain Management Program	2,000,000	1,950,000	1,950,000	0
Forestry Health Management	450,000	500,000	500,000	0
Total Natural Resources, Dept. of	\$ 15,312,307	\$ 15,312,307	\$ 15,312,307	\$ 0
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Iowa Nutrient Research Center	\$ 1,325,000	\$ 1,325,000	\$ 1,360,775	\$ 35,775
ISU - Veterinary Diagnostic Laboratory	4,000,000	4,000,000	4,108,000	108,000
Total Regents, Board of	\$ 5,325,000	\$ 5,325,000	\$ 5,468,775	\$ 143,775
Total Agriculture and Natural Resources	\$ 43,111,995	\$ 43,111,995	\$ 51,275,770	\$ 8,163,775

Economic Development General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
Administration Division	\$ 176,882	\$ 176,882	\$ 176,882	\$ 0
Community Cultural Grants	172,090	172,090	172,090	0
Historical Division	3,167,701	3,167,701	3,167,701	0
Historic Sites	426,398	426,398	426,398	0
Arts Division	1,233,764	1,233,764	1,233,764	0
Great Places	150,000	150,000	150,000	0
Archiving Former Governor's Papers	65,933	65,933	65,933	0
Records Center Rent	227,243	227,243	227,243	0
Battle Flag Stabilization	94,000	94,000	94,000	0
Total Cultural Affairs, Dept. of	\$ 5,714,011	\$ 5,714,011	\$ 5,714,011	\$ 0
<u>Economic Development Authority</u>				
Economic Development Authority				
Economic Development Appropriation	\$ 15,516,372	\$ 15,516,372	\$ 15,516,372	\$ 0
World Food Prize	800,000	712,500	712,500	0
Iowa Comm. Volunteer Ser.-Promise	178,133	178,133	178,133	0
Councils of Governments (COGs) Assistance	200,000	200,000	200,000	0
STEM Scholarships	1,000,000	0	0	0
Total Economic Development Authority	\$ 17,694,505	\$ 16,607,005	\$ 16,607,005	\$ 0
<u>Iowa Finance Authority</u>				
Iowa Finance Authority				
Rent Subsidy Program	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
Total Iowa Finance Authority	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
<u>Public Employment Relations Board</u>				
Public Employment Relations				
General Office	\$ 1,342,452	\$ 1,342,452	\$ 1,342,452	\$ 0
Total Public Employment Relations Board	\$ 1,342,452	\$ 1,342,452	\$ 1,342,452	\$ 0

Economic Development General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Iowa Workforce Development</u>				
Iowa Workforce Development				
Labor Services Division	\$ 3,823,539	\$ 4,579,916	\$ 4,305,097	\$ -274,819
Workers' Compensation Division	3,259,044	3,259,044	3,259,044	0
Operations - Field Offices	9,179,413	9,179,413	9,179,413	0
Offender Reentry Program	358,464	358,464	358,464	0
Employee Misclassification Program	451,458	451,458	451,458	0
I/3 State Accounting System	0	0	274,819	274,819
Total Iowa Workforce Development	\$ 17,071,918	\$ 17,828,295	\$ 17,828,295	\$ 0
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Small Business Development Cent	\$ 101,000	\$ 101,000	\$ 103,727	\$ 2,727
Total Regents, Board of	\$ 101,000	\$ 101,000	\$ 103,727	\$ 2,727
Total Economic Development	\$ 42,581,886	\$ 42,250,763	\$ 42,253,490	\$ 2,727

Education General Fund

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
Blind, Dept. for the				
Department for the Blind				
Department for the Blind	\$ 2,298,358	\$ 2,298,358	\$ 2,298,358	\$ 0
Newsline for the Blind	52,000	52,000	52,000	0
Total Blind, Dept. for the	\$ 2,350,358	\$ 2,350,358	\$ 2,350,358	\$ 0
College Aid Commission				
College Student Aid Comm.				
College Aid Commission	\$ 250,109	\$ 431,896	\$ 581,896	\$ 150,000
All Iowa Opportunity Foster Care Grant	554,057	554,057	554,057	0
All Iowa Opportunity Scholarships	2,240,854	2,740,854	2,740,854	0
Barber & Cosmetology Tuition Grant Program	36,938	36,938	36,938	0
DMU Health Care Prof Recruitment	400,973	400,973	400,973	0
Iowa Grants	791,177	0	0	0
National Guard Benefits Program	5,100,233	5,100,233	5,100,233	0
Nurse & Nurse Educator Loan	80,852	80,852	80,852	0
Rural IA Primary Care Loan Repayment Prog.	1,600,000	1,600,000	1,600,000	0
Rural Nurse/PA Loan Repayment	400,000	400,000	400,000	0
Teach Iowa Scholars	1,300,000	400,000	400,000	0
Teacher Shortage Loan Forgiveness	392,452	392,452	392,452	0
Tuition Grant Program - Standing	48,413,448	48,413,448	48,413,448	0
Tuition Grant - For-Profit	1,975,000	1,975,000	1,975,000	0
Vocational Technical Tuition Grant	2,250,185	2,250,185	2,250,185	0
Total College Aid Commission	\$ 65,786,278	\$ 64,776,888	\$ 64,926,888	\$ 150,000
Education, Dept. of				
Education, Dept. of				
Administration	\$ 8,304,047	\$ 6,304,047	\$ 8,006,047	\$ 1,702,000
Administrator Mentoring/Coaching Supp	1,000,000	1,000,000	1,000,000	0
Area Education Agency Distribution	1,000,000	1,000,000	1,000,000	0
Area Education Agency Support System	1,000,000	1,000,000	2,000,000	1,000,000
Attendance Center/Website & Data System	500,000	250,000	500,000	250,000
Commission and Council Support	50,000	25,000	25,000	0
Competency-Based Education	425,000	425,000	425,000	0
Early Head Start Projects	600,000	600,000	600,000	0
Early Lit - Early Warning System	0	2,000,000	3,200,000	1,200,000
Early Lit - Iowa Reading Research Center	1,000,000	1,000,000	2,000,000	1,000,000
Early Lit - Successful Progression	8,000,000	8,000,000	8,000,000	0
English Language Literacy Grant Program	500,000	500,000	500,000	0
Food Service	2,176,797	2,176,797	2,176,797	0
Iowa Learning Online Initiative	1,500,000	1,500,000	0	-1,500,000

Education General Fund

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
Midwestern Higher Education Compact	100,000	100,000	100,000	0
Nonpublic Textbook Services	650,214	650,214	650,214	0
Online State Job Posting System	250,000	250,000	250,000	0
Regional Telecommunications Councils	992,913	992,913	992,913	0
Special Ed. Services Birth to 3	1,721,400	1,721,400	1,721,400	0
Student Achievement/Teacher Quality	56,791,351	57,391,351	57,391,351	0
Vocational Education Administration	598,197	598,197	598,197	0
Vocational Education Secondary	2,630,134	2,630,134	2,630,134	0
State Library	2,715,063	2,715,063	2,715,063	0
State Library - Enrich Iowa	2,574,228	2,574,228	2,574,228	0
ECI General Aid (SRG)	5,386,113	5,386,113	5,386,113	0
ECI Preschool Tuition Assistance (SRG)	5,428,877	5,428,877	5,428,877	0
ECI Family Support and Parent Ed (SRG)	12,364,434	12,364,434	12,364,434	0
Community Colleges General Aid	201,274,647	201,274,647	201,274,647	0
Community College Salary Increase	500,000	500,000	500,000	0
Jobs For America's Grads	700,000	700,000	700,000	0
LEA Assessment	0	0	10,000,000	10,000,000
Early Lit - Intensive Summer Literacy Program	0	0	9,057,730	9,057,730
Reading Coaching and Prof. Learning	0	0	5,500,000	5,500,000
Total Education, Dept. of	\$ 320,733,415	\$ 321,058,415	\$ 349,268,145	\$ 28,209,730
Vocational Rehabilitation				
Vocational Rehabilitation	\$ 5,911,200	\$ 5,911,200	\$ 5,911,200	\$ 0
Independent Living	89,128	89,128	89,128	0
Entrepreneurs with Disabilities Program	145,535	145,535	145,535	0
Independent Living Center Grant	90,294	90,294	90,294	0
Total Vocational Rehabilitation	\$ 6,236,157	\$ 6,236,157	\$ 6,236,157	\$ 0
Iowa Public Television				
Iowa Public Television	\$ 7,791,846	\$ 8,073,846	\$ 8,446,860	\$ 373,014
Total Education, Dept. of	\$ 334,761,418	\$ 335,368,418	\$ 363,951,162	\$ 28,582,744

Education

General Fund

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
Regents, Board of				
Regents, Board of				
Regent Board Office	\$ 1,094,714	\$ 1,094,714	\$ 1,124,271	\$ 29,557
GRA - SW Iowa Regents Resource Ctr	182,734	182,734	187,803	5,069
GRA - NW Iowa Regents Resource Ctr	66,601	96,114	98,709	2,595
GRA - Quad Cities Graduate Center	34,513	5,000	5,000	0
IPR - Iowa Public Radio	391,568	391,568	402,140	10,572
University of Iowa - General	230,923,005	230,923,005	235,423,005	4,500,000
UI - Oakdale Campus	2,186,558	2,186,558	2,532,072	345,514
UI - Hygienic Laboratory	4,402,615	4,402,615	4,402,615	0
UI - Family Practice Program	1,788,265	1,788,265	1,788,265	0
UI - Specialized Children Health Services	659,456	659,456	659,456	0
UI - Iowa Cancer Registry	149,051	149,051	149,051	0
UI - Substance Abuse Consortium	55,529	55,529	55,529	0
UI - Biocatalysis	723,727	723,727	723,727	0
UI - Primary Health Care	648,930	648,930	648,930	0
UI - Iowa Birth Defects Registry	38,288	38,288	38,288	0
UI - Iowa Nonprofit Resource Center	162,539	162,539	162,539	0
UI - IA Online Advanced Placement Acad.	481,849	481,849	481,849	0
UI - Iowa Flood Center	1,500,000	1,500,000	1,500,000	0
Iowa State University - General	180,945,807	182,181,852	190,371,852	8,190,000
ISU - Agricultural Experiment Station	29,886,877	29,886,877	30,693,823	806,946
ISU - Cooperative Extension	18,266,722	18,266,722	18,759,923	493,201
ISU - Leopold Center	397,417	397,417	408,147	10,730
ISU - Livestock Disease Research	172,844	172,844	177,511	4,667
University of Northern Iowa - General	89,176,732	94,276,732	101,926,732	7,650,000
UNI - Recycling and Reuse Center	175,256	175,256	179,988	4,732
UNI - Math and Science Collaborative	5,200,000	5,200,000	5,200,000	0
UNI - Real Estate Education Program	125,302	125,302	128,685	3,383
Iowa School for the Deaf	9,391,859	9,509,257	10,134,627	625,370
Iowa Braille and Sight Saving School	3,915,741	3,964,688	4,123,276	158,588
ISD/IBSSS - Tuition and Transportation	11,763	11,763	12,233	470
ISD/IBSSS - Licensed Classroom Teachers	82,049	82,049	82,049	0
SUI - 21st Century IT Workforce	0	0	1,000,000	1,000,000
UNI - Bystander Ed Train & Violence Prev.	0	0	250,000	250,000
UNI - Innovat & Transform Teacher Ed	0	0	500,000	500,000
SUI - Geological Survey	0	0	1,200,000	1,200,000
Total Regents, Board of	\$ 583,238,311	\$ 589,740,701	\$ 615,532,095	\$ 25,791,394
Total Education	\$ 986,136,365	\$ 992,236,365	\$ 1,046,760,503	\$ 54,524,138

Health and Human Services

General Fund

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
<u>Aging, Dept. on</u>				
Aging, Dept. on				
Aging Programs	\$ 11,419,732	\$ 11,399,732	\$ 11,436,066	\$ 36,334
Office of LTC Resident's Advocate	929,315	1,276,783	1,276,783	0
Food Security for Older Individuals	250,000	0	0	0
Total Aging, Dept. on	\$ 12,599,047	\$ 12,676,515	\$ 12,712,849	\$ 36,334
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
Addictive Disorders	\$ 27,263,690	\$ 27,263,690	\$ 26,988,690	\$ -275,000
Healthy Children and Families	4,046,602	4,617,543	4,617,543	0
Chronic Conditions	5,155,692	4,955,692	4,930,692	-25,000
Community Capacity	8,737,910	8,821,335	7,239,136	-1,582,199
Healthy Aging	7,297,142	7,297,142	7,297,142	0
Environmental Hazards	803,870	0	0	0
Infectious Diseases	1,335,155	1,335,155	1,335,155	0
Public Protection	3,287,127	4,339,191	4,399,191	60,000
Resource Management	855,072	855,072	1,005,072	150,000
Total Public Health, Dept. of	\$ 58,782,260	\$ 59,484,820	\$ 57,812,621	\$ -1,672,199
<u>Veterans Affairs, Dept. of</u>				
Veterans Affairs, Department of				
General Administration	\$ 1,095,951	\$ 1,200,546	\$ 1,200,546	\$ 0
Vets Home Ownership Program	2,500,000	2,500,000	2,500,000	0
Veterans County Grants	990,000	990,000	990,000	0
Total Veterans Affairs, Department of	\$ 4,585,951	\$ 4,690,546	\$ 4,690,546	\$ 0
Veterans Affairs, Dept. of				
Iowa Veterans Home	\$ 7,594,996	\$ 7,594,996	\$ 7,594,996	\$ 0
Total Veterans Affairs, Dept. of	\$ 12,180,947	\$ 12,285,542	\$ 12,285,542	\$ 0

Health and Human Services

General Fund

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
Human Services, Dept. of				
Assistance				
Family Investment Program/JOBS	\$ 48,693,875	\$ 48,673,875	\$ 48,693,875	\$ 20,000
Medical Assistance	1,309,486,529	1,303,191,564	1,002,354,991	-300,836,573
Medical Contracts	17,148,576	19,613,964	23,771,206	4,157,242
State Supplementary Assistance	14,121,154	12,997,187	12,769,251	-227,936
State Children's Health Insurance	45,877,998	20,413,844	13,839,307	-6,574,537
Child Care Assistance	36,303,944	51,408,668	52,553,279	1,144,611
Child and Family Services	94,857,554	85,341,938	94,999,886	9,657,948
Adoption Subsidy	42,580,749	42,998,286	43,604,551	606,265
Family Support Subsidy	1,079,739	1,073,932	1,072,563	-1,369
Conners Training	33,632	33,632	33,632	0
Volunteers	84,686	84,686	84,686	0
Mental Health Redesign	0	0	348,423,326	348,423,326
MHDS Equalization	30,555,823	0	0	0
Juv CINA/Female Adjud Delinquent Placements	2,000,000	0	0	0
Iowa Health and Wellness Plan	0	0	44,906,046	44,906,046
MHDS Regional Funding	1,040,000	0	0	0
Total Assistance	\$ 1,643,864,259	\$ 1,585,831,576	\$ 1,687,106,599	\$ 101,275,023
Toledo Juvenile Home				
Toledo Juvenile Home	\$ 507,766	\$ 0	\$ 0	\$ 0
Eldora Training School				
Eldora Training School	\$ 12,358,285	\$ 12,233,420	\$ 12,445,552	\$ 212,132
Cherokee				
Cherokee MHI	\$ 6,031,934	\$ 5,545,616	\$ 14,644,041	\$ 9,098,425
Clarinda				
Clarinda MHI	\$ 6,787,309	\$ 0	\$ 0	\$ 0
Independence				
Independence MHI	\$ 10,484,386	\$ 10,324,209	\$ 23,969,287	\$ 13,645,078
Mt Pleasant				
Mt Pleasant MHI	\$ 1,417,796	\$ 0	\$ 0	\$ 0
Glenwood				
Glenwood Resource Center	\$ 21,695,266	\$ 21,524,482	\$ 21,851,476	\$ 326,994
Woodward				
Woodward Resource Center	\$ 14,855,693	\$ 14,583,806	\$ 14,818,440	\$ 234,634
Cherokee CCUSO				
Civil Commitment Unit for Sexual Offenders	\$ 9,923,563	\$ 9,893,079	\$ 9,893,079	\$ 0

Health and Human Services

General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
Field Operations				
Child Support Recoveries	\$ 14,911,230	\$ 14,663,373	\$ 14,811,115	\$ 147,742
Field Operations	61,170,976	58,920,976	58,920,976	0
Total Field Operations	<u>\$ 76,082,206</u>	<u>\$ 73,584,349</u>	<u>\$ 73,732,091</u>	<u>\$ 147,742</u>
General Administration				
General Administration	\$ 15,072,302	\$ 14,898,198	\$ 14,661,741	\$ -236,457
Total Human Services, Dept. of	<u>\$ 1,819,080,765</u>	<u>\$ 1,748,418,735</u>	<u>\$ 1,873,122,306</u>	<u>\$ 124,703,571</u>
<u>Regents, Board of</u>				
Regents, Board of				
UIHC - Appropriations	\$ 0	\$ 0	\$ 20,800,000	\$ 20,800,000
Total Regents, Board of	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,800,000</u>	<u>\$ 20,800,000</u>
Total Health and Human Services	<u><u>\$ 1,902,643,019</u></u>	<u><u>\$ 1,832,865,612</u></u>	<u><u>\$ 1,976,733,318</u></u>	<u><u>\$ 143,867,706</u></u>

Justice System General Fund

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
Justice, Department of				
Justice, Dept. of				
General Office AG	\$ 7,989,905	\$ 7,989,905	\$ 7,989,905	\$ 0
Victim Assistance Grants	6,734,400	6,734,400	6,734,400	0
Legal Services Poverty Grants	2,400,000	2,400,000	2,900,000	500,000
Farm Mediation Services	0	0	300,000	300,000
Total Justice, Department of	\$ 17,124,305	\$ 17,124,305	\$ 17,924,305	\$ 800,000
Civil Rights Commission				
Civil Rights Commission	\$ 1,169,540	\$ 1,169,540	\$ 1,169,540	\$ 0
Total Civil Rights Commission	\$ 1,169,540	\$ 1,169,540	\$ 1,169,540	\$ 0
Corrections, Dept. of				
Central Office				
Corrections Administration	\$ 5,270,010	\$ 5,270,010	\$ 5,270,010	\$ 0
County Confinement	1,075,092	1,075,092	1,075,092	0
Federal Prisoners/Contractual	484,411	484,411	484,411	0
Corrections Education	2,608,109	2,608,109	2,608,109	0
Iowa Corrections Offender Network	2,000,000	2,000,000	2,000,000	0
Mental Health/Substance Abuse	22,319	22,319	22,319	0
Total Central Office	\$ 11,459,941	\$ 11,459,941	\$ 11,459,941	\$ 0
Fort Madison				
Ft. Madison Institution	\$ 43,021,602	\$ 43,771,602	\$ 43,771,602	\$ 0
Anamosa				
Anamosa Institution	\$ 33,668,253	\$ 33,668,253	\$ 33,668,253	\$ 0
Oakdale				
Oakdale Institution	\$ 59,408,092	\$ 60,158,092	\$ 60,158,092	\$ 0
Newton				
Newton Institution	\$ 27,572,108	\$ 27,572,108	\$ 27,572,108	\$ 0
Mt Pleasant				
Mt. Pleasant Inst.	\$ 25,360,135	\$ 25,360,135	\$ 25,360,135	\$ 0
Rockwell City				
Rockwell City Institution	\$ 9,836,353	\$ 9,836,353	\$ 9,836,353	\$ 0
Clarinda				
Clarinda Institution	\$ 25,933,430	\$ 25,933,430	\$ 25,933,430	\$ 0
Mitchellville				
Mitchellville Institution	\$ 22,045,970	\$ 22,645,970	\$ 22,645,970	\$ 0

Justice System General Fund

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
Fort Dodge				
Ft. Dodge Institution	\$ 30,097,648	\$ 30,097,648	\$ 30,097,648	\$ 0
CBC District 1				
CBC District I	\$ 14,753,977	\$ 14,787,977	\$ 14,787,977	\$ 0
CBC District 2				
CBC District II	\$ 11,500,661	\$ 11,500,661	\$ 11,500,661	\$ 0
CBC District 3				
CBC District III	\$ 7,241,257	\$ 7,241,257	\$ 7,241,257	\$ 0
CBC District 4				
CBC District IV	\$ 5,608,005	\$ 5,638,005	\$ 5,638,005	\$ 0
CBC District 5				
CBC District V	\$ 20,304,616	\$ 21,078,393	\$ 21,078,393	\$ 0
CBC District 6				
CBC District VI	\$ 14,833,623	\$ 14,863,623	\$ 14,863,623	\$ 0
CBC District 7				
CBC District VII	\$ 7,856,873	\$ 7,856,873	\$ 7,856,873	\$ 0
CBC District 8				
CBC District VIII	\$ 8,133,194	\$ 8,167,194	\$ 8,167,194	\$ 0
Total Corrections, Dept. of	<u>\$ 378,635,738</u>	<u>\$ 381,637,515</u>	<u>\$ 381,637,515</u>	<u>\$ 0</u>
Human Rights, Dept. of				
Criminal & Juvenile Justice	\$ 1,260,105	\$ 1,260,105	\$ 1,260,105	\$ 0
Total Human Rights, Dept. of	<u>\$ 1,260,105</u>	<u>\$ 1,260,105</u>	<u>\$ 1,260,105</u>	<u>\$ 0</u>
Inspections & Appeals, Dept. of				
Public Defender				
Public Defender	\$ 25,882,243	\$ 26,032,243	\$ 26,182,243	\$ 150,000
Indigent Defense Appropriation	29,901,929	29,751,929	29,601,929	-150,000
Total Inspections & Appeals, Dept. of	<u>\$ 55,784,172</u>	<u>\$ 55,784,172</u>	<u>\$ 55,784,172</u>	<u>\$ 0</u>
Judicial Branch				
Judicial Branch				
Judicial Branch	\$ 171,486,612	\$ 178,686,612	\$ 186,610,835	\$ 7,924,223
Jury & Witness Revolving Fund	3,100,000	3,100,000	3,500,000	400,000
Total Judicial Branch	<u>\$ 174,586,612</u>	<u>\$ 181,786,612</u>	<u>\$ 190,110,835</u>	<u>\$ 8,324,223</u>

Justice System

General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Iowa Law Enforcement Academy</u>				
Law Enforcement Academy	\$ 1,003,214	\$ 1,003,214	\$ 1,003,214	\$ 0
Total Iowa Law Enforcement Academy	\$ 1,003,214	\$ 1,003,214	\$ 1,003,214	\$ 0
<u>Parole, Board of</u>				
Parole Board	\$ 1,204,583	\$ 1,204,583	\$ 1,204,583	\$ 0
Total Parole, Board of	\$ 1,204,583	\$ 1,204,583	\$ 1,204,583	\$ 0
<u>Public Defense, Dept. of</u>				
Public Defense, Department of	\$ 6,554,478	\$ 6,554,478	\$ 6,554,478	\$ 0
Total Public Defense, Dept. of	\$ 6,554,478	\$ 6,554,478	\$ 6,554,478	\$ 0
<u>Public Safety, Department of</u>				
Public Safety, Dept. of				
Public Safety Administration	\$ 4,183,349	\$ 4,226,131	\$ 4,226,131	\$ 0
Public Safety DCI	13,625,414	13,796,544	13,796,544	0
DCI - Crime Lab Equipment/Training	302,345	302,345	302,345	0
Narcotics Enforcement	6,919,855	7,391,039	7,391,039	0
Public Safety Undercover Funds	109,042	109,042	109,042	0
DPS Fire Marshal	4,590,556	4,651,010	4,651,010	0
Iowa State Patrol	60,920,291	61,501,575	61,501,575	0
DPS/SPOC Sick Leave Payout	279,517	279,517	279,517	0
Fire Fighter Training	825,520	825,520	825,520	0
Interoperable Communications Sys Board	154,661	154,661	154,661	0
Total Public Safety, Department of	\$ 91,910,550	\$ 93,237,384	\$ 93,237,384	\$ 0
<u>Public Safety Capital</u>				
DPS Radio Replacement	\$ 2,500,000	\$ 0	\$ 0	\$ 0
Total Public Safety Capital	\$ 2,500,000	\$ 0	\$ 0	\$ 0
<u>Homeland Security and Emergency Mgmt</u>				
Homeland Security & Emer. Mgmt.	\$ 2,229,623	\$ 2,229,623	\$ 2,579,623	\$ 350,000
Total Homeland Security and Emergency Mgmt	\$ 2,229,623	\$ 2,229,623	\$ 2,579,623	\$ 350,000
Total Justice System	\$ 733,962,920	\$ 742,991,531	\$ 752,465,754	\$ 9,474,223

Unassigned Standings

General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Administrative Services, Dept. of</u>				
State Accounting Trust Accounts				
Federal Cash Management - Standing	\$ 0	\$ 356,587	\$ 356,587	\$ 0
Unemployment Compensation - Standing	524,675	440,371	440,371	0
Volunteer Emergency Serv. Provider Death Benefit	100,000	0	0	0
Total Administrative Services, Dept. of	\$ 624,675	\$ 796,958	\$ 796,958	\$ 0
<u>Corrections, Dept. of</u>				
Central Office				
State Cases Court Costs	\$ 0	\$ 59,733	\$ 59,733	\$ 0
Total Corrections, Dept. of	\$ 0	\$ 59,733	\$ 59,733	\$ 0
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
County Endowment Funding - DCA Grants	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0
Total Cultural Affairs, Dept. of	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0
<u>Economic Development Authority</u>				
Economic Development Authority				
Tourism Marketing - Adjusted Gross Receipts	\$ 1,124,000	\$ 1,124,000	\$ 1,124,000	\$ 0
Total Economic Development Authority	\$ 1,124,000	\$ 1,124,000	\$ 1,124,000	\$ 0
<u>Education, Dept. of</u>				
Education, Dept. of				
Child Development	\$ 12,606,196	\$ 12,606,196	\$ 12,606,196	\$ 0
Nonpublic School Transportation	8,560,931	8,560,931	8,560,931	0
Sac Fox Settlement Education	100,000	100,000	100,000	0
State Foundation School Aid	2,865,029,554	2,952,866,480	3,006,558,000	53,691,520
Total Education, Dept. of	\$ 2,886,296,681	\$ 2,974,133,607	\$ 3,027,825,127	\$ 53,691,520

Unassigned Standings

General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Executive Council</u>				
Executive Council				
Court Costs	\$ 332,210	\$ 59,772	\$ 59,772	\$ 0
Public Improvements	0	39,848	39,848	0
Drainage Assessment	193,522	20,227	20,227	0
Total Executive Council	<u>\$ 525,732</u>	<u>\$ 119,847</u>	<u>\$ 119,847</u>	<u>\$ 0</u>
<u>Legislative Branch</u>				
Legislative Branch				
Legislative Branch	\$ 35,315,625	\$ 34,035,244	\$ 38,250,000	\$ 4,214,756
Total Legislative Branch	<u>\$ 35,315,625</u>	<u>\$ 34,035,244</u>	<u>\$ 38,250,000</u>	<u>\$ 4,214,756</u>
<u>Governor</u>				
Governor's Office				
Interstate Extradition	\$ 0	\$ 3,032	\$ 3,032	\$ 0
Total Governor	<u>\$ 0</u>	<u>\$ 3,032</u>	<u>\$ 3,032</u>	<u>\$ 0</u>
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
Congenital & Inherited Disorders Registry	\$ 215,055	\$ 232,500	\$ 232,500	\$ 0
Total Public Health, Dept. of	<u>\$ 215,055</u>	<u>\$ 232,500</u>	<u>\$ 232,500</u>	<u>\$ 0</u>
<u>Human Services, Dept. of</u>				
General Administration				
Commission of Inquiry	\$ 0	\$ 1,394	\$ 1,394	\$ 0
Nonresident Transfers	0	67	67	0
Nonresident Commitment Mental Illness	5,766	142,802	142,802	0
Total General Administration	<u>\$ 5,766</u>	<u>\$ 144,263</u>	<u>\$ 144,263</u>	<u>\$ 0</u>
Assistance				
Child Abuse Prevention	\$ 215,125	\$ 232,570	\$ 232,570	\$ 0
Total Human Services, Dept. of	<u>\$ 220,891</u>	<u>\$ 376,833</u>	<u>\$ 376,833</u>	<u>\$ 0</u>

Unassigned Standings

General Fund

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Management, Dept. of</u>				
Management, Dept. of				
Special Olympics Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Appeal Board Claims	20,807,447	3,000,000	3,000,000	0
Technology Reinvestment Fund	17,500,000	0	17,500,000	17,500,000
Total Management, Dept. of	\$ 38,407,447	\$ 3,100,000	\$ 20,600,000	\$ 17,500,000
<u>Public Defense, Dept. of</u>				
Public Defense, Dept. of				
Compensation and Expense	\$ 123,573	\$ 344,644	\$ 344,644	\$ 0
Total Public Defense, Dept. of	\$ 123,573	\$ 344,644	\$ 344,644	\$ 0
<u>Public Safety, Department of</u>				
Public Safety, Dept. of				
DPS-POR Unfunded Liabilities	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Total Public Safety, Department of	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
<u>Revenue, Dept. of</u>				
Revenue, Dept. of				
Ag Land Tax Credit - GF	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 0
Homestead Tax Credit Aid - GF	131,462,117	131,400,000	131,400,000	0
Elderly & Disabled Tax Credit - GF	24,266,642	24,000,000	24,000,000	0
Printing Cigarette Stamps	124,325	124,652	124,652	0
Tobacco Reporting Requirements	18,416	18,416	18,416	0
Refund Cigarette Stamps	0	0	0	0
Refund Income Corp & Franchise Sale	0	0	0	0
Tobacco Products Tax Refund	0	0	0	0
Inheritance Refund	0	0	0	0
Military Service Tax Refunds	2,210,117	2,100,000	2,100,000	0
Comm/Industrial Prop Tax Replacement	78,201,153	152,556,468	152,556,468	0
Business Property Tax Credit	50,000,000	100,000,000	125,000,000	25,000,000
School Infrastructure Transfer	0	0	0	0
Commercial & Industrial Prop. Tax Replace Supp.	9,500,000	0	0	0
Total Revenue, Dept. of	\$ 334,882,770	\$ 449,299,536	\$ 474,299,536	\$ 25,000,000
Total Unassigned Standings	\$ 3,303,153,152	\$ 3,469,042,636	\$ 3,569,448,912	\$ 100,406,276

Summary Data

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
Administration and Regulation	\$ 49,483,201	\$ 52,589,989	\$ 52,590,789	\$ 800
Agriculture and Natural Resources	88,234,573	90,285,921	91,035,921	750,000
Economic Development	33,616,084	33,866,084	34,100,984	234,900
Education	40,300,000	40,300,000	40,300,000	0
Health and Human Services	292,904,657	296,507,384	294,195,208	-2,312,176
Justice System	14,035,596	18,285,596	15,827,654	-2,457,942
Transportation, Infrastructure, and Capitals	506,557,084	526,289,167	613,167,424	86,878,257
Unassigned Standings	<u>33,939,876</u>	<u>13,195,000</u>	<u>13,195,000</u>	<u>0</u>
Grand Total	<u>\$ 1,059,071,071</u>	<u>\$ 1,071,319,141</u>	<u>\$ 1,154,412,980</u>	<u>\$ 83,093,839</u>

Notes:

The Environment First Fund appropriations for FY 2015 - FY 2017, under Unassigned Standings, have been adjusted in order to avoid double counting associated with transfers from the Rebuild Iowa Infrastructure Fund to the Environment First Fund.

The Legislative Services Agency publishes ***Budget Unit Fiscal Topics*** that discuss the purpose of particular appropriations and programs. If a publication is available, it has been hyperlinked in the title of the appropriation. The titles with underline are the ones linked.

Administration and Regulation

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Commerce, Dept. of</u>				
Banking Division				
Banking Division - CMRF	\$ 9,317,235	\$ 9,667,235	\$ 9,727,235	\$ 60,000
Credit Union Division				
Credit Union Division - CMRF	\$ 1,794,256	\$ 1,869,256	\$ 1,869,256	\$ 0
Insurance Division				
Insurance Division - CMRF	\$ 5,099,989	\$ 5,325,889	\$ 5,325,889	\$ 0
Utilities Division				
Utilities Division - CMRF	\$ 8,329,405	\$ 8,560,405	\$ 8,560,405	\$ 0
Professional Licensing and Reg.				
Field Auditor - Housing Impr. Fund	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0
Total Commerce, Dept. of	\$ 24,603,202	\$ 25,485,102	\$ 25,545,102	\$ 60,000
<u>Inspections & Appeals, Dept. of</u>				
Inspections and Appeals, Dept. of				
DIA - RUTF	\$ 1,623,897	\$ 1,623,897	\$ 1,623,897	\$ 0
Racing Commission				
Pari-Mutuel Regulation GRF	\$ 3,068,492	\$ 0	\$ 0	\$ 0
Gaming Regulation (Riverboat) - GRF	3,045,719	6,194,499	6,194,499	0
Exchange Wagering Study - GRF	0	50,000	0	-50,000
Total Racing Commission	\$ 6,114,211	\$ 6,244,499	\$ 6,194,499	\$ -50,000
Total Inspections & Appeals, Dept. of	\$ 7,738,108	\$ 7,868,396	\$ 7,818,396	\$ -50,000
<u>Management, Dept. of</u>				
Management, Dept. of				
DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0
Total Management, Dept. of	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0
<u>Revenue, Dept. of</u>				
Revenue, Dept. of				
Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0
Total Revenue, Dept. of	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0

Administration and Regulation

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Secretary of State</u>				
Secretary of State				
Address Confidentiality Program - ACRF	\$ 0	\$ 94,600	\$ 85,400	\$ -9,200
Total Secretary of State	<u>\$ 0</u>	<u>\$ 94,600</u>	<u>\$ 85,400</u>	<u>\$ -9,200</u>
<u>Treasurer of State</u>				
Treasurer of State				
I-3 Expenses - RUTE	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0
Total Treasurer of State	<u>\$ 93,148</u>	<u>\$ 93,148</u>	<u>\$ 93,148</u>	<u>\$ 0</u>
<u>IPERS Administration</u>				
IPERS Administration				
IPERS Administration	\$ 15,686,968	\$ 17,686,968	\$ 17,686,968	\$ 0
Total IPERS Administration	<u>\$ 15,686,968</u>	<u>\$ 17,686,968</u>	<u>\$ 17,686,968</u>	<u>\$ 0</u>
Total Administration and Regulation	<u><u>\$ 49,483,201</u></u>	<u><u>\$ 52,589,989</u></u>	<u><u>\$ 52,590,789</u></u>	<u><u>\$ 800</u></u>

Agriculture and Natural Resources

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Native Horse & Dog Prog - Unclaimed Winnings	\$ 305,516	\$ 305,516	\$ 305,516	\$ 0
Motor Fuel Inspection - RFIF	500,000	500,000	500,000	0
Conservation Reserve Enhance - EFF	1,000,000	1,000,000	1,000,000	0
Watershed Protection Fund - EFF	900,000	900,000	900,000	0
Farm Management Demo - EFF	625,000	625,000	625,000	0
Soil & Water Conservation - EFF	2,550,000	2,700,000	2,700,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	1,000,000	0
Cost Share - EFF	6,750,000	6,750,000	7,500,000	750,000
Fuel Inspection - UST	250,000	250,000	250,000	0
Total Agriculture and Land Stewardship	\$ 13,880,516	\$ 14,030,516	\$ 14,780,516	\$ 750,000
Loess Hills Dev. and Conservation				
Loess Hills - EFF	\$ 600,000	\$ 600,000	\$ 600,000	\$ 0
Total Agriculture and Land Stewardship	\$ 14,480,516	\$ 14,630,516	\$ 15,380,516	\$ 750,000

Agriculture and Natural Resources

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Natural Resources, Dept. of</u>				
Natural Resources				
Fish & Game-DNR Admin Expenses	\$ 41,223,225	\$ 42,044,573	\$ 42,044,573	\$ 0
GWF - Storage Tanks Study	100,303	100,303	100,303	0
GWF - Household Hazardous Waste	447,324	447,324	447,324	0
GWF - Well Testing Admin 2%	62,461	62,461	62,461	0
GWF - Groundwater Monitoring	1,686,751	1,686,751	1,686,751	0
GWF - Landfill Alternatives	618,993	618,993	618,993	0
GWF - Waste Reduction and Assistance	192,500	192,500	192,500	0
GWF - Solid Waste Authorization	50,000	50,000	50,000	0
GWF - Geographic Information System	297,500	297,500	297,500	0
Snowmobile Registration Fees	100,000	100,000	100,000	0
Administration Match - UST	200,000	200,000	200,000	0
Technical Tank Review - UST	200,000	200,000	200,000	0
Volunteers and Keepers of Land - EFF	100,000	0	0	0
Park Operations & Maintenance - EFF	6,135,000	6,135,000	6,335,000	200,000
GIS Information for Watershed - EFF	195,000	195,000	195,000	0
Water Quality Monitoring - EFF	2,955,000	2,955,000	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0
Animal Feeding Operations - EFF	1,320,000	1,320,000	1,320,000	0
Ambient Air Quality Monitoring - EFF	425,000	425,000	425,000	0
Water Quantity - EFF	495,000	495,000	495,000	0
Geological and Water Survey - EFF	200,000	200,000	200,000	0
Keep Iowa Beautiful - EFF	200,000	200,000	0	-200,000
REAP - EFF	16,000,000	16,000,000	16,000,000	0
Forestry Health Management - EFF	50,000	0	0	0
Total Natural Resources, Dept. of	\$ 73,754,057	\$ 74,425,405	\$ 74,425,405	\$ 0
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Data Collection - GWF	\$ 0	\$ 1,230,000	\$ 1,230,000	\$ 0
Total Regents, Board of	\$ 0	\$ 1,230,000	\$ 1,230,000	\$ 0
Total Agriculture and Natural Resources	\$ 88,234,573	\$ 90,285,921	\$ 91,035,921	\$ 750,000

Economic Development Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Economic Development Authority</u>				
Economic Development Authority				
Apprenticeship Training Program - WDF	\$ 2,750,000	\$ 3,000,000	\$ 3,000,000	\$ 0
Job Training - WDF	3,000,000	3,000,000	3,000,000	0
High Quality Jobs Program - SWJCF	16,900,000	16,900,000	16,900,000	0
Total Economic Development Authority	\$ 22,650,000	\$ 22,900,000	\$ 22,900,000	\$ 0
<u>Iowa Workforce Development</u>				
Iowa Workforce Development				
Field Offices - Spec Cont Fund	\$ 1,766,084	\$ 1,766,084	\$ 1,766,084	\$ 0
Field Offices - UI Reserve Interest	400,000	400,000	400,000	0
AMOS Mid-Iowa Organizing Strategy - SWJCF	100,000	100,000	100,000	0
Total Iowa Workforce Development	\$ 2,266,084	\$ 2,266,084	\$ 2,266,084	\$ 0
<u>Regents, Board of</u>				
Regents, Board of				
Regents Innovation Fund - SWJCF	\$ 3,000,000	\$ 3,000,000	\$ 3,081,000	\$ 81,000
ISU - Economic Development - SWJCF	2,424,302	2,424,302	2,489,758	65,456
UI - Economic Development - SWJCF	209,279	209,279	214,930	5,651
UI - Entrepreneur and Econ Growth - SWJCF	2,000,000	2,000,000	2,054,000	54,000
UNI - Economic Development - SWJCF	1,066,419	1,066,419	1,095,212	28,793
Total Regents, Board of	\$ 8,700,000	\$ 8,700,000	\$ 8,934,900	\$ 234,900
Total Economic Development	\$ 33,616,084	\$ 33,866,084	\$ 34,100,984	\$ 234,900

Education

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>College Aid Commission</u>				
College Student Aid Comm.				
Skilled Workforce Shortage Grant - SWJCF	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Total College Aid Commission	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
<u>Education, Dept. of</u>				
Education, Dept. of				
Workforce Training & Econ Dev Funds - SWJCF	\$ 15,100,000	\$ 15,100,000	\$ 15,100,000	\$ 0
Adult Literacy for the Workforce - SWJCF	5,500,000	5,500,000	5,500,000	0
PACE and Regional Sectors - SWJCF	5,000,000	5,000,000	5,000,000	0
Gap Tuition Assistance Fund - SWJCF	2,000,000	2,000,000	2,000,000	0
Workbased Lng Intermed Network - SWJCF	1,500,000	1,500,000	1,500,000	0
Workforce Prep. Outcome Reporting - SWJCF	200,000	200,000	200,000	0
ACE Infrastructure - SWJCF	6,000,000	6,000,000	6,000,000	0
Total Education, Dept. of	\$ 35,300,000	\$ 35,300,000	\$ 35,300,000	\$ 0
Total Education	\$ 40,300,000	\$ 40,300,000	\$ 40,300,000	\$ 0

Health and Human Services

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Human Services, Dept. of</u>				
Assistance				
Medical Assistance - HCTF	\$ 223,277,860	\$ 222,100,000	\$ 221,790,000	\$ -310,000
Medical Contracts-Pharm Settlement - PhSA	5,467,564	2,002,176	500,000	-1,502,176
Medical Assistance - QATE	29,195,653	37,205,208	36,705,208	-500,000
Medical Assistance-HHCAT	34,570,769	34,700,000	34,700,000	0
Medicaid Supplemental - MFF	392,810	500,000	500,000	0
Total Human Services, Dept. of	\$ 292,904,657	\$ 296,507,384	\$ 294,195,208	\$ -2,312,176
Total Health and Human Services	\$ 292,904,657	\$ 296,507,384	\$ 294,195,208	\$ -2,312,176

Justice System

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Justice, Department of</u>				
Consumer Advocate				
Consumer Advocate - CMRF	\$ 3,137,588	\$ 3,137,588	\$ 3,137,588	\$ 0
Total Justice, Department of	\$ 3,137,588	\$ 3,137,588	\$ 3,137,588	\$ 0
<u>Public Safety, Department of</u>				
Public Safety, Dept. of				
DPS Gaming Enforcement - GEF	\$ 10,898,008	\$ 10,898,008	\$ 8,440,066	\$ -2,457,942
Total Public Safety, Department of	\$ 10,898,008	\$ 10,898,008	\$ 8,440,066	\$ -2,457,942
<u>Homeland Security and Emergency Mgmt</u>				
Homeland Security and Emergency Management				
E911 Emerg Comm Admin-E911 Surcharge	\$ 0	\$ 250,000	\$ 250,000	\$ 0
Radio Comm Platform Lease-E911 Surcharge	0	4,000,000	4,000,000	0
Total Homeland Security and Emergency Mgmt	\$ 0	\$ 4,250,000	\$ 4,250,000	\$ 0
Total Justice System	\$ 14,035,596	\$ 18,285,596	\$ 15,827,654	\$ -2,457,942

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Administrative Services - Capitals</u>				
Administrative Services - Capitals				
Major Maintenance - RIF	\$ 14,000,000	\$ 9,974,856	\$ 0	\$ -9,974,856
Major Maintenance - RBC2	0	4,646,841	0	-4,646,841
Total Administrative Services - Capitals	\$ 14,000,000	\$ 14,621,697	\$ 0	\$ -14,621,697
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Ag Drainage Wells - RIF	\$ 0	\$ 1,920,000	\$ 0	\$ -1,920,000
Water Quality Initiative - RIF	0	5,200,000	0	-5,200,000
On-line Payment System - TRF	0	0	150,000	150,000
Total Agriculture and Land Stewardship	\$ 0	\$ 7,120,000	\$ 150,000	\$ -6,970,000
<u>Chief Information Officer, Office of the</u>				
Chief Information Officer, Office of the				
IT Consolidation - TRF	\$ 7,728,189	\$ 0	\$ 11,000,000	\$ 11,000,000
Total Chief Information Officer, Office of the	\$ 7,728,189	\$ 0	\$ 11,000,000	\$ 11,000,000
<u>Corrections Capital</u>				
Corrections Capital				
CBC 1st Dist Reentry Center - RIF	\$ 0	\$ 0	\$ 4,545,947	\$ 4,545,947
CBC 2nd Ames 40 Bed Expansion - RIF	0	0	6,705,706	6,705,706
CBC 8th District 25 Bed Expansion - RIF	0	0	5,603,736	5,603,736
Anamosa Fire Escape/Locking System Study - RIF	0	0	2,500,000	2,500,000
ASP Waste Water Treatment - RIF	0	0	1,000,000	1,000,000
DOC Capitals Request - RIF	0	0	10,027,249	10,027,249
Major Maintenance - RIF	0	0	3,000,000	3,000,000
Anamosa Boiler - RIF	0	0	1,050,000	1,050,000
CBC Des Moines Expansion - RIF	0	0	15,703,495	15,703,495
DOC Technology - TRF	0	0	2,169,508	2,169,508
CBC 5th District Major Maintenance - RIF	0	500,000	0	-500,000
Total Corrections Capital	\$ 0	\$ 500,000	\$ 52,305,641	\$ 51,805,641
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
Grout Museum Oral History Exhibit - TRF	\$ 500,000	\$ 0	\$ 0	\$ 0
Great Places Infrastructure Grants - RIF	1,000,000	1,000,000	1,000,000	0
Total Cultural Affairs, Dept. of	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 0

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
<u>Cultural Affairs Capital</u>				
Cultural Affairs Capital				
Historical Building Renovation - RIIF	\$ 0	\$ 0	\$ 9,000,000	\$ 9,000,000
Strengthen Community Grants - RIIF	0	500,000	0	-500,000
Civil War Memorial - RIIF	0	150,000	0	-150,000
Vet Memorial Drakesville - RIIF	0	12,000	0	-12,000
Total Cultural Affairs Capital	\$ 0	\$ 662,000	\$ 9,000,000	\$ 8,338,000
<u>Economic Development Authority</u>				
Economic Development Authority				
World Food Prize Borlaug/Ruan Scholar - RIIF	\$ 200,000	\$ 300,000	\$ 300,000	\$ 0
Community Attraction & Tourism Grants - RIIF	5,000,000	5,000,000	5,000,000	0
Camp Sunnyside Cabins - RIIF	250,000	0	0	0
Regional Sports Authorities - RIIF	500,000	500,000	500,000	0
Fort Des Moines Museum Renovation - RIIF	100,000	150,000	0	-150,000
Youth Homeless Shelters - RIIF	250,000	0	0	0
Total Economic Development Authority	\$ 6,300,000	\$ 5,950,000	\$ 5,800,000	\$ -150,000
<u>Education, Dept. of</u>				
Education, Dept. of				
ICN Part III Leases & Maint. - RIIF	\$ 0	\$ 2,727,000	\$ 0	\$ -2,727,000
ICN Part III Leases & Maintenance - TRF	2,727,000	0	3,647,000	3,647,000
Statewide Ed Data Warehouse - TRF	600,000	0	1,000,000	1,000,000
Local Library Tech Infra Upgrades - TRF	0	0	250,000	250,000
Common Course Numbering Mgmt - TRF	150,000	0	0	0
Statewide Education Data Warehouse - RIIF	0	600,000	0	-600,000
Total Education, Dept. of	\$ 3,477,000	\$ 3,327,000	\$ 4,897,000	\$ 1,570,000
Iowa Public Television				
IPTV Equipment Replacement - TRF	\$ 1,000,000	\$ 0	\$ 507,000	\$ 507,000
IPTV Equipment Replacement - RIIF	0	1,256,200	742,500	-513,700
Total Iowa Public Television	\$ 1,000,000	\$ 1,256,200	\$ 1,249,500	\$ -6,700
Total Education, Dept. of	\$ 4,477,000	\$ 4,583,200	\$ 6,146,500	\$ 1,563,300
<u>Human Rights, Dept. of</u>				
Human Rights, Department of				
Justice Data Warehouse - RIIF	\$ 0	\$ 159,474	\$ 0	\$ -159,474
Justice Data Systems - RIIF	0	1,300,000	0	-1,300,000
Criminal Justice Info System (CJIS) - TRF	1,300,000	0	0	0
Justice Data Warehouse - TRF	314,474	0	0	0
Total Human Rights, Dept. of	\$ 1,614,474	\$ 1,459,474	\$ 0	\$ -1,459,474

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Human Services, Dept. of</u>				
Assistance				
Broadlawns-Expansion - RIF	\$ 3,000,000	\$ 2,000,000	\$ 0	\$ -2,000,000
Nursing Facility Construction/Impr - RIF	500,000	728,818	0	-728,818
Homestead Autism Facilities - RIF	825,000	0	0	0
New Hope Center Remodel - RIF	250,000	0	0	0
Brain Injury Rehab - RIF	0	500,000	0	-500,000
Employment Services - RIF	0	500,000	0	-500,000
Youth Emergency Shelter Services - RIF	0	500,000	0	-500,000
Total Human Services, Dept. of	\$ 4,575,000	\$ 4,228,818	\$ 0	\$ -4,228,818
<u>Human Services Capital</u>				
Human Services - Capital				
Maintenance Health Safety Loss - RIF	\$ 0	\$ 0	\$ 2,956,376	\$ 2,956,376
Maintenance - RIF	0	0	400,000	400,000
ADA Capital - RIF	0	0	596,500	596,500
Major Projects - RIF	0	0	4,278,251	4,278,251
Medicaid Technology - TRF	3,345,684	0	0	0
Homestead Autism Clinics Technology - TRF	155,000	0	0	0
Total Human Services Capital	\$ 3,500,684	\$ 0	\$ 8,231,127	\$ 8,231,127
<u>Iowa Tele & Tech Commission</u>				
Iowa Communications Network				
ICN Equipment Replacement - TRF	\$ 2,245,653	\$ 0	\$ 1,150,000	\$ 1,150,000
ICN Equipment Replacement - RIF	0	2,248,653	0	-2,248,653
ICN Equipment Security - TRF	0	0	800,000	800,000
Total Iowa Tele & Tech Commission	\$ 2,245,653	\$ 2,248,653	\$ 1,950,000	\$ -298,653
<u>Iowa Finance Authority</u>				
Iowa Finance Authority				
State Housing Trust Fund - RIF	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0
Total Iowa Finance Authority	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0
<u>Judicial Branch Capital</u>				
Judicial Branch Capital				
Polk County Justice Center Furniture & Equipment - RIF	\$ 0	\$ 0	\$ 6,718,433	\$ 6,718,433
Total Judicial Branch Capital	\$ 0	\$ 0	\$ 6,718,433	\$ 6,718,433

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Management, Dept. of</u>				
Management, Dept. of				
Searchable Online Databases - TRF	\$ 0	\$ 0	\$ 45,000	\$ 45,000
Grants Enterprise Management Sys - RIIF	0	50,000	0	-50,000
Iowa Grants Mgmt Implementation - TRF	100,000	0	50,000	50,000
Transparency Project - RIIF	<u>0</u>	<u>45,000</u>	<u>0</u>	<u>-45,000</u>
Total Management, Dept. of	\$ 100,000	\$ 95,000	\$ 95,000	\$ 0
<u>Natural Resources, Dept. of</u>				
Natural Resources				
Water Trails Low Head Dam Prog - RIIF	\$ 2,000,000	\$ 1,750,000	\$ 1,750,000	\$ 0
Iowa Park Foundation - RIIF	2,000,000	0	0	0
Good Earth Park - RIIF	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Natural Resources, Dept. of	\$ 6,000,000	\$ 1,750,000	\$ 1,750,000	\$ 0
<u>Natural Resources Capital</u>				
Natural Resources Capital				
State Park Infrastructure - RIIF	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Lake Restoration & Water Quality - RIIF	<u>9,600,000</u>	<u>9,600,000</u>	<u>9,600,000</u>	<u>0</u>
Total Natural Resources Capital	\$ 14,600,000	\$ 14,600,000	\$ 14,600,000	\$ 0
<u>Parole, Board of</u>				
Parole Board				
Technology Projects - TRF	\$ 0	\$ 0	\$ 160,000	\$ 160,000
Total Parole, Board of	\$ 0	\$ 0	\$ 160,000	\$ 160,000
<u>Public Defense Capital</u>				
Public Defense Capital				
Facility/Armory Maintenance - RIIF	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0
Gold Star Museum Upgrades - RIIF	250,000	0	0	0
Modernization of Readiness Ctrs - RIIF	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
Camp Dodge Infrastructure Upgrades - RIIF	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Total Public Defense Capital	\$ 4,250,000	\$ 4,500,000	\$ 4,500,000	\$ 0

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
EMS Data System - TRF	\$ 150,000	\$ 0	\$ 0	\$ 0
IDPH Database Integ Review - TRF	0	0	500,000	500,000
M&CH Database Integration - TRF	0	0	500,000	500,000
MCH Data Integration - RIIF	0	500,000	0	-500,000
Substance Use Disorder/Gambling Treatment Sys - TRF	0	0	150,000	150,000
Prof Licensure AMANDA Database - TRF	0	0	44,000	44,000
Total Public Health, Dept. of	\$ 150,000	\$ 500,000	\$ 1,194,000	\$ 694,000
<u>Public Safety Capital</u>				
Public Safety Capital				
DPS Technology Projects - TRF	\$ 0	\$ 0	\$ 475,000	\$ 475,000
FSTB Mobile Equip Grant Match - RIIF	0	100,000	0	-100,000
Total Public Safety Capital	\$ 0	\$ 100,000	\$ 475,000	\$ 375,000
<u>Regents, Board of</u>				
Regents, Board of				
Regents Tuition Replacement - RIIF	\$ 29,735,423	\$ 30,237,549	\$ 32,447,187	\$ 2,209,638
ISU - Vet Lab Cancer Equipment - RIIF	0	330,000	0	-330,000
IPR - Radio Transmitter - RIIF	0	100,000	0	-100,000
Total Regents, Board of	\$ 29,735,423	\$ 30,667,549	\$ 32,447,187	\$ 1,779,638
<u>Regents Capital</u>				
Regents Capital				
ISU - Ag/Biosystems Engineering - RIIF	\$ 18,600,000	\$ 0	\$ 0	\$ 0
ISU - Biosciences Building - RIIF	0	11,000,000	19,500,000	8,500,000
UI - Dental Science Building - RIIF	8,000,000	0	0	0
UI - Pharmacy Building Renovation - RIIF	0	13,000,000	29,000,000	16,000,000
UNI - Bartlett Hall - RIIF	1,947,000	0	0	0
UNI - Schindler Ed Center Renovation - RIIF	0	15,000,000	15,900,000	900,000
ISU - Student Innovation Center - RIIF	0	0	1,000,000	1,000,000
Total Regents Capital	\$ 28,547,000	\$ 39,000,000	\$ 65,400,000	\$ 26,400,000
<u>Secretary of State</u>				
Secretary of State				
Voter Reg & Bus Services Systems - RIIF	\$ 0	\$ 450,000	\$ 0	\$ -450,000
Voter Reg Licenses Maint & Storage - RIIF	0	234,000	325,000	91,000
Total Secretary of State	\$ 0	\$ 684,000	\$ 325,000	\$ -359,000

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
<u>State Fair Authority Capital</u>				
State Fair Authority Capital				
Youth Inn Renovation & Impr - RIIF	\$ 825,000	\$ 2,325,000	\$ 0	\$ -2,325,000
Total State Fair Authority Capital	\$ 825,000	\$ 2,325,000	\$ 0	\$ -2,325,000
<u>Transportation, Dept. of</u>				
Transportation, Dept. of				
Recreational Trails Grants - RIIF	\$ 6,000,000	\$ 3,400,000	\$ 2,500,000	\$ -900,000
Public Transit Infra Grants - RIIF	1,500,000	1,500,000	1,500,000	0
Commercial Aviation Infra Grants - RIIF	1,500,000	1,500,000	1,500,000	0
General Aviation Infra Grants - RIIF	750,000	750,000	750,000	0
Railroad Revolving Loan & Grant - RIIF	4,000,000	2,000,000	2,000,000	0
RUTF - Drivers' Licenses	3,876,000	3,876,000	3,876,000	0
RUTF - Operations	6,384,960	6,559,821	6,715,591	155,770
RUTF - Planning & Programming	414,000	438,973	454,604	15,631
RUTF - Motor Vehicle	34,616,659	35,925,345	36,609,625	684,280
RUTF - Performance and Technology	460,040	509,040	518,400	9,360
RUTF - DAS Personnel & Utility Services	235,125	251,465	259,560	8,095
RUTF - Unemployment Compensation	7,000	7,000	7,000	0
RUTF - Workers' Compensation	114,000	143,468	143,468	0
RUTF - Indirect Cost Recoveries	78,000	78,000	90,000	12,000
RUTF - Auditor Reimbursement	67,319	73,010	82,516	9,506
RUTF - County Treasurers Support	1,406,000	1,406,000	1,406,000	0
RUTF - Road/Weather Conditions Info	100,000	0	0	0
RUTF - Mississippi River Park. Comm.	40,000	40,000	40,000	0
PRF - Operations	39,225,906	40,296,045	41,252,919	956,874
PRF - Planning & Programming	7,865,454	8,340,481	8,637,481	297,000
PRF - Highway	235,717,855	238,625,855	249,013,967	10,388,112
PRF - Motor Vehicle	1,460,575	1,496,889	1,525,401	28,512
PRF - Performance and Technology	2,825,960	3,126,960	3,184,459	57,499
PRF - DAS Personnel & Utility Services	1,444,627	1,544,713	1,594,440	49,727
PRF - DOT Unemployment	138,000	138,000	138,000	0
PRF - DOT Workers' Compensation	2,743,000	3,443,221	3,443,221	0
PRF - Garage Fuel & Waste Mgmt.	800,000	800,000	800,000	0
PRF - Indirect Cost Recoveries	572,000	572,000	660,000	88,000
PRF - Auditor Reimbursement	415,181	448,490	506,884	58,394
PRF - Transportation Maps	242,000	0	242,000	242,000
PRF - Inventory & Equip.	5,366,000	5,366,000	5,366,000	0
PRF - Field Facility Deferred Maint.	1,700,000	1,700,000	1,700,000	0
RUTF - TraCS/MACH	0	300,000	300,000	0
Total Transportation, Dept. of	\$ 362,065,661	\$ 364,656,776	\$ 376,817,536	\$ 12,160,760

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2015 (1)	Estimated FY 2016 (2)	Dept Request FY 2017 (3)	FY 2017 vs FY 2016 (4)
<u>Transportation Capitals</u>				
Transportation Capital				
RUTF - Scale/MVD Facilities Maint.	\$ 200,000	\$ 300,000	\$ 300,000	\$ 0
PRF - Utility Improvements	400,000	400,000	400,000	0
PRF - Garage Roofing Projects	500,000	500,000	500,000	0
PRF - HVAC Improvements	700,000	700,000	700,000	0
PRF - Waste Water Treatment	1,000,000	0	0	0
PRF - Des Moines North Garage	6,353,000	0	0	0
PRF - Traffic Operations Center	730,000	0	0	0
PRF - Rest Area Facility Maintenance	0	250,000	250,000	0
PRF - Ames Administration Building	0	2,000,000	0	-2,000,000
PRF - ADA Improvements	0	150,000	150,000	0
PRF - Mount Pleasant/Fairfield Facility	0	0	4,902,000	4,902,000
PRF - Muscatine/Wapello Combined Facility	0	5,427,000	0	-5,427,000
Total Transportation Capitals	\$ 9,883,000	\$ 9,727,000	\$ 7,202,000	\$ -2,525,000
<u>Treasurer of State</u>				
Treasurer of State				
County Fair Improvements-RIIF	\$ 1,060,000	\$ 1,060,000	\$ 0	\$ -1,060,000
Iowa ABLE Savings Plan Trust - RIIF	0	50,000	0	-50,000
Total Treasurer of State	\$ 1,060,000	\$ 1,110,000	\$ 0	\$ -1,110,000
<u>Veterans Affairs Capitals</u>				
Veterans Affairs Capital				
Emergency Fuel Tanks - RIIF	\$ 0	\$ 1,800,000	\$ 0	\$ -1,800,000
Replace Air Handler Units - RIIF	0	6,000,000	0	-6,000,000
Malloy Hall Laundry Facilities - RIIF	0	3,000,000	0	-3,000,000
Sheeler & Loftus Renovation - RIIF	0	0	2,000,000	2,000,000
Loftus Hall ADA Improvements - RIIF	0	0	500,000	500,000
Total Veterans Affairs Capitals	\$ 0	\$ 10,800,000	\$ 2,500,000	\$ -8,300,000
<u>Homeland Security and Emergency Mgmt</u>				
Homeland Security and Emergency Management				
EMS Data System - RIIF	\$ 0	\$ 400,000	\$ 0	\$ -400,000
Mass Notification & Emer Messaging - TRF	400,000	0	400,000	400,000
Total Homeland Security and Emergency Mgmt	\$ 400,000	\$ 400,000	\$ 400,000	\$ 0
Total Transportation, Infrastructure, and Capitals	\$ 506,557,084	\$ 526,289,167	\$ 613,167,424	\$ 86,878,257

Unassigned Standings

Other Funds

	Actual FY 2015 <u>(1)</u>	Estimated FY 2016 <u>(2)</u>	Dept Request FY 2017 <u>(3)</u>	FY 2017 vs FY 2016 <u>(4)</u>
<u>Economic Development Authority</u>				
Economic Development Authority				
Endow Iowa Admin - County Endw Fund	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0
Total Economic Development Authority	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 0</u>
<u>Executive Council</u>				
Executive Council				
Performance of Duty - EEF	\$ 32,744,876	\$ 12,000,000	\$ 12,000,000	\$ 0
Total Executive Council	<u>\$ 32,744,876</u>	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>	<u>\$ 0</u>
<u>Management, Dept. of</u>				
Management, Dept. of				
Environment First Fund - RIF	\$ 42,000,000	\$ 42,000,000	\$ 42,000,000	\$ 0
Environment First Balance Adj	-42,000,000	-42,000,000	-42,000,000	0
Total Management, Dept. of	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Midwest Grape & Wine Industry - WGTF	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
Total Regents, Board of	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 0</u>
<u>Transportation, Dept. of</u>				
Transportation, Dept. of				
RUTF - Personal Delivery of Services	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0
RUTF - County Treasurer Equipment Standing	650,000	650,000	650,000	0
Total Transportation, Dept. of	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 0</u>
Total Unassigned Standings	<u><u>\$ 33,939,876</u></u>	<u><u>\$ 13,195,000</u></u>	<u><u>\$ 13,195,000</u></u>	<u><u>\$ 0</u></u>



Appendix C – Projected FY 2017 Built-In and Anticipated General Fund Expenditure Increases and Decreases

Fiscal Staff: Dave Reynolds

Analysis of Department Budget Requests

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 to 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 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 multiyear appropriation set by statute. Legislative action is required to change or notwithstanding the standing appropriation provisions of the Iowa Code.

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, and will likely require additional 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.

FY 2017 Built-in and Anticipated Expenditure Estimates

For FY 2017, the Legislative Services Agency (LSA) is projecting \$269.5 million in total built-in and anticipated expenditure increases. The FY 2017 projection includes: \$200.7 million in General Fund built-in increases and \$68.8 million in anticipated expenditure increases. The following tables provide a list of the FY 2017 estimates. Additional detail for each of the estimates is also provided. **These estimates may change between now and January 2016.** The LSA will continue to monitor the estimated changes to State programs throughout the 2016 Legislative Session to refine the impact on the FY 2017 budget.

Staff Contact: Dave Reynolds (515-281-6934) dave.reynolds@legis.iowa.gov

FY 2017 General Fund Built-in and Anticipated Expenditures	
(Dollars in Millions)	
	LSA Estimates
<u>Built-in Changes</u>	
1. Human Services - Medical Assistance	\$ 64.3
2. Education - K-12 School Foundation Aid (0% Growth)	53.5
3. Revenue - Business Property Tax Credit	25.0
4. Natural Resources - REAP	20.0
5. Management - Technology Reinvestment Fund	17.5
6. Human Services - Iowa Health and Wellness Program	17.1
7. Education - Education Reform High Need Schools	10.0
8. Management - State Appeal Board Claims	4.6
9. Revenue - Commercial/Industrial Property Tax	1.1
10. Economic Development Authority - STEM	0.5
11. Economic Development Authority - World Food Prize	0.3
12. Human Services - Adoption Subsidy	-0.1
13. Cultural Affairs - County Endowment Fund	-0.2
14. College Aid - Iowa Tuition Grant (non-profit) Standing	-2.9
15. Human Services - hawk-i	-10.0
Subtotal	\$ 200.7
<u>Anticipated Expenditure Changes</u>	
16. Management - Salary Adjustment	\$ 63.2
17. Corrections - Institutional Realignment	2.0
18. Corrections - Fund Hepatitis C Drug Costs at Oakdale	1.3
19. Corrections - County Billings	1.0
20. Public Safety - Peace Officer Retirement	0.9
21. Public Health - Healthy Children and Families	0.2
22. Human Services - Child Care Assistance	0.1
23. Corrections - Support Additional Prison Beds	0.1
Subtotal	\$ 68.8
Total Expenditure Increases	\$ 269.5

FY 2017 ESTIMATED GENERAL FUND EXPENDITURES

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
<p>1. Human Services – Medical Assistance <i>Appropriation</i></p>	<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> • An increase of \$76.0 million to replace the previous year’s estimated shortfall. • An increase of \$38.8 million to fund various increases in utilization and enrollment and other Program changes. • An increase of \$31.4 million to replace various one-time and expiring funding sources. • A decrease of \$81.9 million due to various adjustments including a favorable change in the Federal Medical Assistance Percentage (FMAP) rate and savings from transitioning to Managed Care. 	<p>\$64.3</p>

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
2. Education – K-12 School Foundation Aid <i>Standing Unlimited</i> <i>Appropriation</i>	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. During the 2015 Legislative Session, the General Assembly did not establish the State percent of growth for FY 2017. If no rate is established during the 2016 Legislation Session, the State percent of growth rates will default to 0.0%.	<ul style="list-style-type: none"> • State percent of growth is assumed to be 0.0%. • Enrollment projections totaling 481,826, an increase of 1,054 compared to FY 2016. • An increase in Statewide taxable valuations of 5.12%. • An increase in supplementary weightings of 22.0% for sharing provisions. • An increase of 1.0% for special education weightings, 7.0% for Limited English Proficiency (LEP) weightings, and an increase of 3.5% for preschool weightings. 	\$53.5
3. Revenue – Business Property Tax Credit <i>Standing Limited</i> <i>Appropriation</i>	Iowa Code chapter 426C establishes a property tax credit available to properties classified as commercial, industrial, or railroad. Iowa Code section 426C.2 provides a standing limited General Fund appropriation to fund the tax credit. The appropriation is equal to \$50.0 million for FY 2015, \$100.0 million for FY 2016, and \$125.0 million for FY 2017 and each year thereafter.	<ul style="list-style-type: none"> • The Iowa Code increases the Business Property Tax Credit appropriation from the FY 2016 level of \$100.0 million to \$125.0 million for FY 2017. 	\$25.0

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
<p>4. Natural Resources – REAP <i>Standing Limited Appropriation</i></p>	<p>The Resource Enhancement and Protection (REAP) Program is a long-term integrated effort to use and protect Iowa’s natural resources through: acquisition and management of public lands; upgrading public park and preserve facilities; and environmental education, monitoring, and research. Iowa Code section 455A.18 provides a \$20.0 million standing appropriation from the General Fund to the REAP Program. Iowa Code section 455A.19 specifies the distribution of the funds to various State agencies, county conservation boards, and cities for projects that will protect and enhance the State’s natural resources.</p>	<ul style="list-style-type: none"> • The \$20.0 million standing appropriation for the REAP Program was notwithstanding in FY 2016 and the Program was funded at \$16.0 million from the Environment First Fund. • Under current law, the Program will be funded from the General Fund at \$20.0 million for FY 2017. 	<p>\$20.0</p>
<p>5. Management – Technology Reinvestment Fund <i>Standing Limited Appropriation</i></p>	<p>Iowa Code section 8.57C establishes a General Fund standing appropriation of \$17.5 million to the Technology Reinvestment Fund for the purchase of computers, software, and other technology and equipment.</p>	<ul style="list-style-type: none"> • For FY 2016, the General Fund appropriation to the Technology Reinvestment Fund (TRF) was notwithstanding. Technology projects routinely funded from the TRF were instead funded from the Rebuild Iowa Infrastructure Fund. • The estimate assumes the General Fund appropriation of \$17.5 million to the TRF will be funded for FY 2017, in accordance with Iowa Code section 8.57C. 	<p>\$17.5</p>

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
6. Human Services - Iowa Health and Wellness Program <i>Appropriation</i>	The Iowa Health and Wellness Program is a State/federal health care coverage program that provides medical and dental services to adults age 19 to 65 with income below 133.0% of the federal poverty level.	<ul style="list-style-type: none"> The change reflects the phase-down of the enhanced federal match rate from 100.0% to 95.0% beginning January 1, 2017. 	\$17.1
7. Education – Education Reform High-Need Schools <i>Standing Limited Appropriation</i>	House File 215 (Education Reform Appropriations Act), enacted during the 2013 Legislative Session, created a new \$10.0 million allocation from the Student Achievement/Teacher Quality (SATQ) General Fund appropriation for high-need school supplemental assistance. The State funding allows school districts to develop extended learning time programs, hire instructional support staff, provide additional professional development, or supplement the salary of teachers in schools identified as high-need schools by the Department of Education. The \$10.0 million allocation was to begin in FY 2015, and continue indefinitely.	<ul style="list-style-type: none"> The \$10.0 million allocations for FY 2015 and FY 2016 were not appropriated as specified in HF 215. Under current law, the Program will be funded from the General Fund at \$10.0 million for FY 2017. 	\$10.0

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
8. Management – State Appeal Board Claims <i>Standing Unlimited Appropriation</i>	<p>The State Appeal Board authorizes claims under Iowa Code chapters 25 and 669 for the payment of bills, fees, refunds, and credits, and State tort claims.</p> <p>Payments for the above claims are made from the General Fund 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"> • The amount budgeted from the General Fund for FY 2016 Appeal Board costs is \$3.0 million. • The FY 2017 estimate assumes total costs of \$7.6 million, an increase of \$4.6 million compared to the FY 2016 budget. 	\$4.6
9. Revenue – Commercial/Industrial Property Tax <i>Standing Unlimited Appropriation</i>	<p>Iowa Code section 441.21A, establishes a General Fund appropriation for the payment of all commercial and industrial property tax replacement claims beginning July 1, 2014 (FY 2015). However, for FY 2018 and each year thereafter, the appropriation will not exceed the total amount necessary to pay all commercial and industrial property tax replacement claims for FY 2017. The appropriation is to reimburse local governments for the property tax reductions resulting from the rollback for commercial and industrial property enacted in 2013 in SF 295 (Property Tax Changes Act).</p>	<ul style="list-style-type: none"> • The Commercial and Industrial Property Tax Replacement appropriation is projected to increase from the FY 2016 level of \$152.6 million to \$153.7 million for FY 2017. The increase is due to the Iowa Code requirement that commercial and industrial property be taxed at 90.0% of assessed value and that the associated local government property tax revenue reduction be replaced by State General Fund dollars. 	\$1.1
10. Economic Development Authority – STEM Scholarships <i>Appropriation</i>	<p>The Program provides funding of internships for students studying in the fields of science, technology, engineering, and mathematics (STEM) with eligible Iowa employers. Iowa Code section 15.411(3)(c), establishes the STEM requirements for the Authority.</p>	<ul style="list-style-type: none"> • Senate File 499 appropriates \$500,000 for the Program in FY 2017. 	\$0.5

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
11. Economic Development Authority – World Food Prize <i>Standing Limited Appropriation</i>	Iowa Code section 15.368(1) appropriates \$1.0 million annually from the General Fund for the World Food Prize Award.	<ul style="list-style-type: none"> The FY 2016 General Fund appropriation was limited to \$0.7 million in SF 499 (FY 2016 Economic Development Appropriations Act). The World Food Prize also received an FY 2016 appropriation of \$0.3 million from the RIF in HF 650 (Infrastructure Appropriations Act). Under current law, the Program will be funded from the General Fund at \$1.0 million for FY 2017, an increase of \$0.3 million compared to the FY 2016 General Fund appropriation. 	\$0.3
12. Human Services – Adoption Subsidy <i>Standing Unlimited Appropriation</i>	The Program is intended to achieve stable and permanent families for children that have been abused or neglected when the rights of the children’s parents have been terminated. Iowa Code section 234.38 requires the Department of Human Services (DHS) to base payment rates for this Program on 65.0% of the USDA estimate to raise a child in the Midwest.	<ul style="list-style-type: none"> To maintain FY 2016 service levels and caseload growth, combined with a more favorable FMAP rate and Title IV-E eligibility, a decrease of \$0.1 million is possible. Iowa Code section 234.38 has already been notwithstanding for FY 2017. 	\$ -0.1

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
13. Cultural Affairs – County Endowment Fund <i>Standing Limited Appropriation</i>	Iowa Code section 99F.11(3)(d)(1) appropriates \$0.5 million from a portion of the State Wagering Tax revenue deposited in 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 also promote Iowa's historic, ethnic, and cultural heritages.	<ul style="list-style-type: none"> The FY 2016 appropriation was capped at \$0.4 million in SF 510 (FY 2016 Standing Appropriations Act). Senate File 510 also capped the appropriation at \$0.2 million for FY 2017 resulting in a reduction of \$0.2 million for FY 2017 compared to FY 2016. 	\$ -0.2
14. College Aid – Iowa Tuition Grant (nonprofit) Standing <i>Standing Limited Appropriation</i>	Iowa Code section 261.25(1) provides a standing appropriation of \$45.5 million for tuition grants for students attending nonprofit accredited private institutions.	<ul style="list-style-type: none"> For FY 2016, the standing appropriation was notwithstanding and \$48.4 million was appropriated, an increase of \$2.9 million compared to the standing appropriation. Without further action, the appropriation will revert to the statutory level of \$45.5 million in FY 2017, a reduction of \$2.9 million. 	\$ -2.9

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
15. Human Services – hawk-i <i>Appropriation</i>	Hawk-i is a State/federal program that provides medical and dental insurance to eligible recipients with incomes between 133.0% and 300.0% of the federal poverty level. The Program receives a 72.0% federal match.	The changes include the following: <ul style="list-style-type: none"> • An increase of \$3.2 million due to program growth and increased insurance rates. • A decrease of \$1.5 million due to a favorable change in the FMAP rate. • A decrease of \$11.7 due to an enhanced FMAP rate provided under the Affordable Care Act. 	\$ -10.0

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
16. Management – FY 2017 Salary Adjustment <i>Appropriation</i>	<p>Salary annualization represents the increased salary cost for the next fiscal year associated with employees that received salary increases during part of the current fiscal year.</p> <p>Salary adjustment includes the salary annualization and the estimated increase for salary steps, benefits, and the across -the-board salary increases for FY 2017.</p>	<ul style="list-style-type: none"> • This represents the adjustment amount to fully fund the General Fund portion of the increased costs of salary and benefits for FY 2017. • The estimate includes \$51.5 million for employees paid through centralized payroll and \$11.7 million for the Board of Regents institutions. 	\$63.2
17. Corrections – Institutional Realignment <i>Appropriation</i>	<p>The Department of Corrections (DOC) and the DHS have previously shared operating expenses at the Clarinda and Mount Pleasant Mental Health Institutions (MHIs) and prison facilities.</p>	<ul style="list-style-type: none"> • The MHIs at Clarinda and Mt. Pleasant were closed in FY 2016 with no increase in the DOC operating budget. This estimate covers formerly shared expenses funded by the DHS General Fund appropriations. 	\$2.0
18. Corrections – Fund Hepatitis C Drug Costs at Oakdale <i>Appropriation</i>	<p>The DOC is required to meet the community standard of care in providing medical care to offenders in prison.</p>	<ul style="list-style-type: none"> • This estimate funds the cost of Hepatitis C and other drug cost increases to the Iowa Medical Classification Center (IMCC) at Oakdale. The DOC Central Pharmacy is at IMCC. 	\$1.3

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
19. Corrections – County Billings <i>Appropriation</i>	The State reimburses counties for holding alleged violators in the county jails. These are offenders under supervision on parole, work release, or Operating While Intoxicated (OWI) status that are alleged to have violated the terms of their release from prison. They are held in county jails until a revocation hearing is held by the Administrative Law Judge (ALJ) from the Board of Parole.	<ul style="list-style-type: none"> • The estimate is based on actual FY 2014 and FY 2015 expenditures that exceeded the amount appropriated for county confinement costs. The increased costs have required additional funds to be transferred from other correctional institution operating budgets. • Based on recent trends, it is estimated that county confinement costs will be \$1.0 million higher than the amount appropriated for FY 2016. • Not funding this request will most likely result in additional funds being transferred from the prison operating budgets or the Federal Prisoners Contractual Account. 	\$1.0
20. Public Safety – Peace Officer Retirement <i>Appropriation</i>	For FY 2016, the State contribution rate for the Peace Officer’s Retirement (POR) Fund increased from 31.0% to 33.0%. These increases are funded through the Salary Adjustment Act. In years when there has been no salary adjustment appropriation, the Department has had to fund the cost increase within the operating budget. The increase is approximately \$0.9 million.	<ul style="list-style-type: none"> • The POR System contribution rates are set in statute. Effective July 1, 2016 (FY 2017), the State contribution will be 35.0%, an increase of 2.0% compared to the previous year, and the member contribution rate will be 11.40%, no change compared to the previous year. 	\$0.9

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
21. Public Health – Healthy Children and Families <i>Appropriation</i>	<p>The First Five Program is a mental health development program that builds partnerships between physician practices and public service providers to enhance well-child care.</p> <p>In FY 2015, the General Assembly funded the Community Planning stage for three new service areas that covered 13 additional counties for the First Five Program.</p>	<ul style="list-style-type: none"> • An additional \$0.2 million is needed for full implementation in the new service areas. 	\$0.2

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
<p>22. Human Services – Child Care Assistance <i>Appropriation</i></p>	<p>Child Care Assistance (CCA) is an eligibility-based benefit for 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 Federal Reauthorization of the Child Care Development Block Grant will have some mandated requirements that Iowa will need to implement or face a funding penalty.</p> <p>The CCA is not an entitlement program. Waiting lists and disenrollment of participants are allowable.</p>	<p>The FY 2017 estimate includes:</p> <ul style="list-style-type: none"> • An increase of \$4.5 million to replace federal funds carried forward in the FY 2016 budget. • A decrease of \$2.8 million due to eligibility expansion vetoed by the Governor. • An increase of \$2.5 million to cover case load growth and expenditures growth. • A decrease of \$9.3 million due to an estimated surplus in FY 2016 that can be carried forward into FY 2017. • An increase of at least \$5.2 million to conform to federally mandated changes to the Child Care Development Block Grant. Additional changes with fiscal impacts will be necessary, but there are a number of policy alternatives with varying costs that the General Assembly will need to assess and no baseline estimate is included at this time. 	<p>\$0.1</p>

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 2017 Change (4)
23. Corrections – Support Additional Prison Beds <i>Appropriation</i>	New construction of buildings at the Iowa Correctional institution for Women at Mitchellville results in increased support budget costs for support of these buildings and prison beds.	<ul style="list-style-type: none"> This estimate is based on actual FY 2014 and actual FY 2015 costs. This is only for additional bed support costs and not for staffing. 	\$0.1

COMMITTEE NAME	CHARGE
Gambling Casino Restricted License Study Committee	<p>CHARGE: Conduct a study regarding licensing of a nonsmoking casino in Cedar Rapids, and submit recommendations, if deemed appropriate, to the General Assembly, by January 1, 2016. The Committee met on October 20, 2015.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=86&session=1&groupID=24162</p>
Recycling Policy Study Committee	<p>CHARGE: Evaluate the effectiveness of the implementation of recycling policies in Iowa, including but not limited to bottle deposits, handling fees, government oversight and involvement, and the incidence of unreturned containers. The Committee shall consult with distributors, retailers, customers, recyclers, and other interested in stakeholders to obtain their input, and shall submit recommendations, if deemed appropriate, to the General Assembly by January 1, 2016. The Committee met on October 19, 2015.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=86&session=1&groupID=24163</p>
School Finance Inequities Study Committee	<p>CHARGE: Review current provisions of the school finance formula and consider alternatives for achieving a more equitable application across all public school districts in the state. Aspects of the study shall include transportation funding with a particular emphasis on small and rural school district transportation funding levels, school district property taxation levels, at-risk student funding challenges, and other school finance formula provisions which may result in funding disparities between school districts. Based on stakeholder input from the Department of Education, school districts, education-related organizations and associations, and other interested stakeholders, the Committee shall submit recommendations, if deemed appropriate, to the General Assembly by January 1, 2016. The Committee is scheduled to meet December 2, 2015.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=86&session=1&groupID=24164</p>
Telecommunications Company Property Tax Review Committee	<p>CHARGE: Review the information and recommendations included in a report required to be submitted by the Department of Revenue by August 1, 2015, detailing recommendations for changes to the current system of assessing telecommunications company property and levying property tax against telecommunications services companies. The Committee is scheduled to meet December 18, 2015.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=86&session=1&groupID=24161</p>

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Issue Reviews:

Allocation of State Funding to Regents Universities	10/06/2015
Iowa Health and Wellness Plan	01/20/2015
State of Iowa FY 2014 FTE Positions and Personnel Costs	01/07/2015

Fiscal Topics:

Federal Medical Assistance Percentage (FMAP) Rates	11/04/2015
Community Colleges: State Funding	11/02/2015
Improving State Government Website	10/22/2015
State Appeal Board	10/07/2015
Technology Reinvestment Fund	10/07/2015
Department of Corrections Electronic Law Libraries	10/06/2015
FY 2015 State Gaming Revenues	10/06/2015
FY 2015 Performance of Duty Expenditures	09/24/2015
Early Literacy Initiative	09/22/2015
Iowa Public Employees' Retirement System (IPERS)	09/21/2015
Judicial Retirement System	09/21/2015
Municipal Fire and Police Retirement System (411)	09/21/2015
Peace Officers' Retirement, Accident, and Disability System (PORS)	09/21/2015
Iowa Councils of Governments	09/15/2015
Community-Based Corrections Residential Facilities	09/14/2015
Budget Unit: Iowa Corrections Offender Network	08/27/2015
Department of Corrections Training	08/27/2015

Crime Victim Compensation Program	08/26/2015
Iowa's Victim Information and Notification Everyday System	08/25/2015
Board of Regents: State Funding	08/24/2015
Crime Victim Assistance Division	08/24/2015
Renewable Fuel Infrastructure Fund	08/05/2015
State Worker's Compensation Program	07/28/2015
Iowa Prison System Funding, Staffing, and Population	07/23/2015
Iowa Prison Industries - Private Sector Employment Program	06/17/2015
Offender Management in the Iowa Prison System	06/17/2015
Offender Deaths in Custody	06/01/2015
History of Community-Based Corrections	04/08/2015
Costs and Uses of Electronic Monitoring	04/01/2015
National and State Corrections System Populations	03/05/2015

Budget Unit Fiscal Topics:

(These are also linked in the appropriations tracking documents. Many previously published documents have been updated to reflect more current data.)

Budget Unit: Nonpublic School Transportation	11/05/2015
Budget Unit: Sac and Fox Settlement Education	11/05/2015
Budget Unit: Glenwood Resource Center	11/04/2015
Budget Unit: Iowa State Patrol	11/04/2015
Budget Unit: State Foundation School Aid	11/04/2015
Budget Unit: Woodward Resource Center	11/04/2015
Budget Unit: Civil Commitment Unit for Sexual Offenders	11/04/2015
Budget Unit: High Quality Jobs Program - Skilled Worker and Job Creation Fund (SWJCF)	11/04/2015

Budget Unit: Independence Mental Health Institute	11/04/2015
Budget Unit: Cherokee Mental Health Institute	11/03/2015
Budget Unit: Family Investment Program/Promise Jobs	11/03/2015
Budget Unit: Medical Assistance - QATF	11/03/2015
Budget Unit: Iowa State University - Small Business Development Centers	11/02/2015
Budget Unit: Medical Assistance - HHCATF	11/02/2015
Budget Unit: University of Iowa – Entrepreneur and Economic Growth - Skilled Worker and Job Creation Fund	10/15/2015
Budget Unit: Science, Technology, Engineering, and Mathematics (STEM)	10/15/2015
Budget Unit: Criminalistics Laboratory	10/14/2015
Budget Unit: University of Iowa – Economic Development Skilled Worker and Job Creation Fund (SWJCF)	10/14/2015
Budget Unit: University of Northern Iowa - Economic Development - Skilled Worker and Job Creation Fund	10/14/2015
Budget Unit: Banking Division - Department of Commerce	10/13/2015
Budget Unit: Credit Union Division - Department of Commerce	10/13/2015
Budget Unit: Iowa State University – Economic Development Skilled Worker and Job Creation Fund	10/13/2015
Budget Unit: Radio Communications Platform Lease	10/13/2015
Budget Unit: Regents Innovation Fund	10/13/2015
Budget Unit: Iowa Public Information Board	10/12/2015
Budget Unit: Alcoholic Beverages Division	10/09/2015
Budget Unit: Governor's Office of Drug Control Policy	10/09/2015
Budget Unit: Watershed Improvement Review Program	10/09/2015
Budget Unit: Iowa Utilities Board	10/08/2015
Budget Unit: Community Advocacy and Services Division, Department of Human Rights	10/07/2015
Budget Unit: Criminal and Juvenile Justice Planning Division, Department of Human Rights	10/07/2015
Budget Unit: Pari-Mutuel and Riverboat Regulation	10/07/2015
Budget Unit: Administrative Hearings Division, Department of Inspection and Appeals	09/29/2015

Budget Unit: Food and Consumer Safety Bureau, Department of Inspections and Appeals	09/29/2015
Budget Unit: Insurance Division – Department of Commerce	09/29/2015
Budget Unit: Investigations Division, Department of Inspections and Appeals	09/29/2015
Budget Unit: Iowa Ethics and Campaign Finance Disclosure Board	09/29/2015
Budget Unit: Iowa Great Places Program	09/29/2015
Budget Unit: Prison Recycling Funds	09/29/2015
Budget Unit: Professional Licensing Bureau	09/29/2015
Budget Unit: Department of Revenue	09/28/2015
Budget Unit: Iowa Statewide Interoperable Communications Systems Board	09/28/2015
Budget Unit: Community-Based Corrections	09/23/2015
Budget Unit: Department of Corrections Central Office	09/23/2015
Budget Unit: Division of Criminal Investigation	09/23/2015
Budget Unit: Community Cultural Grants	09/22/2015
Budget Unit: Iowa Department of Economic Development (IEDA) - Iowa Commission on Volunteer Service/Promise Mentoring Partnership	09/22/2015
Budget Unit: I-3 Expense - Road Use Tax Fund (RUTF)	09/21/2015
Budget Unit: Department of Homeland Security and Emergency Management	09/21/2015
Budget Unit: Department of Management	09/21/2015
Budget Unit: Judicial Branch	09/21/2015
Budget Unit: Employee Misclassification Program	09/15/2015
Budget Unit: Fire Fighter Training	09/15/2015
Budget Unit: Iowa Workforce Development (IWD) - Offender Reentry Program	09/15/2015
Budget Unit: Rent Subsidy Program	09/15/2015
Budget Unit: The World Food Prize	09/15/2015
Budget Unit: Workers' Compensation Division of Iowa Workforce Development	09/15/2015

Budget Unit: Economic Development Appropriation	09/15/2015
Budget Unit: Labor Services Division of Iowa Workforce Development	09/15/2015
Budget Unit: Public Employment Relations Board	09/15/2015
Budget Unit: Adult Correctional Institutions	09/14/2015
Budget Unit: Board of Parole	09/14/2015
Budget Unit: Records Center Rent	09/14/2015
Budget Unit: Arts Division of the Department of Cultural Affairs	09/14/2015
Budget Unit: Historic Sites	09/14/2015
Budget Unit: Historical Division of the Department of Cultural Affairs	09/14/2015
Budget Unit: Human Trafficking Victim Fund	09/10/2015
Budget Unit: Offender Reentry Program	09/10/2015
Budget Unit: E911 Surcharge Administration	09/09/2015
Budget Unit: Undercover Funds	08/31/2015
Budget Unit: Human Trafficking Enforcement Fund	08/27/2015
Budget Unit: Interstate Compact Fee Fund	08/27/2015
Budget Unit: Mortgage Servicing Settlement Fund	08/27/2015
Budget Unit: Victim Assistance Grants	08/27/2015
Budget Unit: Attorney General - Federal Forfeiture Asset Sharing Fund	08/26/2015
Budget Unit: Corrections Central Warehouse Fund	08/26/2015
Budget Unit: Department of Corrections Inmate Labor Fund	08/26/2015
Budget Unit: Indigent Defense Fund	08/26/2015
Budget Unit: Prison Canteen Funds	08/26/2015
Budget Unit: Office of the State Public Defender	08/25/2015
Budget Unit: Victim Compensation Fund	08/25/2015
Budget Unit: Hepatitis Treatment and Education	08/24/2015

Budget Unit: Mental Health and Substance Abuse Treatment	08/24/2015
Budget Unit: State Cases Court Costs	08/24/2015
Budget Unit: Tuition Refund Fund	08/24/2015
Budget Unit: Consumer Fraud Refunds	08/21/2015
Budget Unit: Anti-Trust Fund	08/20/2015
Budget Unit: Consumer Credit Administration Fund	08/20/2015
Budget Unit: Consumer Education Fund	08/20/2015
Budget Unit: Elderly Victims Fraud Fund	08/20/2015
Budget Unit: Forfeited Property	08/20/2015
Budget Unit: Legal Services Poverty Grants	08/20/2015
Budget Unit: Treasurer of State	08/19/2015
Budget Unit: State Fire Marshal's Office	08/19/2015
Budget Unit: Consolidated Farm Operations	08/18/2015
Budget Unit: Contraband Currency Fund	08/18/2015
Budget Unit: Corrections Education Chapter One	08/18/2015
Budget Unit: County Confinement Account	08/18/2015
Budget Unit: Department of Corrections - State Criminal Alien Assistance Program	08/18/2015
Budget Unit: Federal Prisoners/Contractual Services Account	08/18/2015
Budget Unit: Inmate Tort Claims Fund	08/18/2015
Budget Unit: Iowa Civil Rights Commission	08/18/2015
Budget Unit: Iowa State Industries Revolving Fund	08/18/2015
Budget Unit: DOT - DAS Personnel and Utility Services	08/14/2015
Budget Unit: DOT - Field Facility Deferred Maintenance	08/14/2015
Budget Unit: DOT - Garage Fuel and Waste Management	08/14/2015
Budget Unit: High-Need Schools	08/14/2015

Budget Unit: Jury and Witness Fee Revolving Fund	08/14/2015
Budget Unit: Secretary of State	08/14/2015
Budget Unit: Transportation Budget - Drivers' Licenses	08/14/2015
Budget Unit: All Iowa Opportunity Scholarship Program	08/13/2015
Budget Unit: Department of Administrative Services - Utilities	08/13/2015
Budget Unit: DOT - Inventory and Equipment	08/13/2015
Budget Unit: DOT - Performance and Technology Division	08/13/2015
Budget Unit: Early Warning System for Literacy	08/13/2015
Budget Unit: School Food Service	08/13/2015
Budget Unit: State Career Planning System	08/13/2015
Budget Unit: College Student Aid Commission	08/12/2015
Budget Unit: Corrections Education	08/12/2015
Budget Unit: Corrections Training Fund	08/12/2015
Budget Unit: Iowa Grants	08/12/2015
Budget Unit: Iowa Law Enforcement Academy (ILEA)	08/12/2015
Budget Unit: Tuition Grant Program	08/12/2015
Budget Unit: Teach Iowa Scholars Program	08/11/2015
Budget Unit: ACE Infrastructure - Skilled Worker and Job Creation Fund	08/07/2015
Budget Unit: Adult Literacy for the Workforce - Skilled Worker and Job Creation Fund	08/07/2015
Budget Unit: Gap Tuition Assistance Fund - Skilled Worker and Job Creation Fund	08/07/2015
Budget Unit: National Guard Educational Assistance Program	08/07/2015
Budget Unit: PACE and Regional Sectors - Skilled Worker and Job Creation Fund	08/07/2015
Budget Unit: Regents Universities General Education	08/07/2015
Budget Unit: Skilled Workforce Shortage Grant - Skilled Worker and Job Creation Fund	08/07/2015
Budget Unit: Workbased Learning Intermediary Network - Skilled Worker and Job Creation Fund	08/07/2015

Budget Unit: Workforce Preparation Outcome Reporting System - Skilled Worker and Job Creation Fund	08/07/2015
Budget Unit: Workforce Training and Economic Development Funds - Skilled Worker and Job Creation Fund	08/07/2015
Budget Unit: Indirect Cost Recoveries (DOT)	08/06/2015
Budget Unit: Auditor of State Reimbursement (DOT)	08/05/2015
Budget Unit: Court Ordered Environmental Crime Fines	08/05/2015
Budget Unit: Newsline for the Blind	08/05/2015
Budget Unit: Office of the Consumer Advocate	08/05/2015
Budget Unit: Operations Division (DOT)	08/05/2015
Budget Unit: Tobacco Litigation Donations Fund	08/05/2015
Budget Unit: Underground Storage Tank Allocations	08/05/2015
Budget Unit: Unemployment Compensation (DOT)	08/05/2015
Budget Unit: Water Quality Protection Fund	08/05/2015
Budget Unit: Workers' Compensation (DOT)	08/05/2015
Budget Unit: Mississippi River Parkway Commission	08/05/2015
Budget Unit: Student Achievement/Teacher Quality	08/04/2015
Budget Unit: Animal Feeding Operations	08/03/2015
Budget Unit: Area Education Agencies	07/21/2015
Budget Unit: Area Education Agency Support for Teacher Leadership	07/21/2015
Budget Unit: Attendance Center/Data Systems	07/21/2015
Budget Unit: Education Council and Task Force Support	07/21/2015
Budget Unit: Online State Job Posting System	07/21/2015
Budget Unit: Administrator Mentoring	07/21/2015
Budget Unit: Department for the Blind	07/21/2015
Budget Unit: English Language Literacy Grant	07/14/2015
Budget Unit: Auditor of State	07/10/2015

Budget Unit: Governor/Lt Governor's Office	07/10/2015
Budget Unit: Department of Administrative Services - Terrace Hill Operations	07/10/2015
Budget Unit: Office of the Attorney General	07/10/2015
Budget Unit: Independent Living	06/18/2015
Budget Unit: Regional Telecommunication Councils	06/18/2015
Budget Unit: Telephone Rebate Fund	04/06/2015
Budget Unit: Department of Human Services - Field Operations	01/09/2015
Budget Unit: Department of Human Services - General Administration	01/09/2015
Budget Unit: Department of Veterans Affairs - General Administration	01/09/2015

Audio Fiscal Topics (podcasts):

March 2015	History of the Administrative Rules Process	Interview by Glen Dickinson, Director of the Legislative Services Agency, with Joe Royce upon his retirement as Administrative Rules Coordinator regarding the creation of the administrative rules process and the history of how it evolved into the Committee it is today.
March 2015	Reflections on the Legislative Process	Interview by Glen Dickinson, Director of the Legislative Services Agency, with Joe Royce upon his retirement as Administrative Rules Coordinator regarding an historical perspective on a broad range of subjects, including the Capitol restoration and the legislative process in general.

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Retirement Systems

	IPERS					
	Judicial	PORS	411 System	Regular Membership	Sheriffs and Deputies	Protection Occupation
FY 2016 Total Contribution Rate	39.95%	44.35%	37.17%	14.88%	19.76%	16.40%
Employee	9.35%	11.35%	9.40%	5.95%	9.88%	6.56%
Employer	30.60%	33.00%	27.77%	8.93%	9.88%	9.84%
FY 2017 Total Contribution Rate	39.95%	46.40%	35.32%	14.88%	19.26%	16.40%
Employee	9.35%	11.40%	9.40%	5.95%	9.63%	6.56%
Employer	30.60%	35.00%	25.92%	8.93%	9.63%	9.84%
June 30, 2015, Valuation Factors						
Actuarial Accrued Liability	\$186.3 million	\$534.6 million	\$2,770.0 million	\$31,451.9 million	\$591.0 million	\$1,327.5 million
Actuarial Value of Assets	\$156.3 million	\$393.0 million	\$2,239.5 million	\$26,003.1 million	\$567.4 million	\$1,344.9 million
Unfunded Actuarial Liability	\$29.9 million	\$141.6 million	\$530.5 million	\$5,448.7 million	\$23.6 million	\$(17.4) million
2014 Funded Ratio	77.53%	69.80%	77.81%	81.7%	94.8%	100.1%
2015 Funded Ratio	83.94%	73.51%	80.85%	82.7%	96.0%	101.3%
2014 Investment Market Rate of Return	20.12%	19.90%	18.47%	15.88%		
2015 Investment Market Rate of Return	4.80%	5.50%	3.07%	3.96%		
Coverage						
Total Members	403	1,210	8,155	293,581	2,492	10,081
Active Members	202	578	3,892	158,809	1,552	7,007
Active Member Average Age	57.4	41.6	41.1	45.8	41.4	41.9
Years of Service	11.8	16.4	13.8	11.5	14.7	11.0
Average Annual Wage	\$ 139,952	\$ 76,619	\$ 70,226	\$ 44,885	\$ 66,571	\$ 48,724
NOTES: Totals may not add due to rounding. The aggregate funded ratio for IPERS is 83.7% for 2015 and includes the regular membership, sheriffs and deputies, and protection occupation. In addition to the employer contribution for PORS, there is also an annual \$5.0 million standing limited appropriation from the General Fund.						

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The State completed negotiations with unions representing State employees for salaries and benefits for FY 2015 and FY 2016 in March of 2015. [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 neutral’s award if required.

FY 2016 Salary Expenditures

The General Assembly did not appropriate additional funds for salary expenditures for FY 2016. State agencies must use existing funds to pay the cost of salaries, including the cost to fund negotiated contracts with various bargaining units, and increases for noncontract employees.

FY 2017 Estimated Increased Salary Expenditures

The estimated total to fund salary increases for FY 2017 is \$63.2 million from the General Fund. The estimate includes \$11.8 million for the Board of Regents. The FY 2017 Department requests do not include an overall single request for salary adjustment appropriations.

The following is a summary of the union bargaining unit agreements for FY 2016 and FY 2017. The information contains only a summary of the major points. Copies of the agreements are available from the Fiscal Services Division (FSD) of the Legislative Services Agency (LSA) upon request.

FY 2016 AND FY 2017 COLLECTIVE BARGAINING UNIT AGREEMENTS**American Federation of State, County, and Municipal Employees (AFSCME) – General Government and Community-Based Corrections (CBCs)****Wages:**

- 2.50% across-the-board pay increase effective the first pay period of FY 2016.
- 2.25% across-the-board pay increase effective the first pay period of FY 2017.
- 1.25% across-the-board pay increase effective the pay period that includes January 1, 2017 (FY 2017).
- Step increases that average 4.50% for eligible employees in both years (FY 2016 and FY 2017).

Benefits:

- Beginning January 1, 2016, all employees enrolled in a single health insurance policy will pay \$20 a month toward the premium. Double spouse employees electing one family health insurance policy will contribute a total of \$20 per month toward the premium. (FY 2016 and FY 2017).
- Effective January 1, 2016, the Blue Access and Blue Advantage coinsurance will require a 10.00% copayment (FY 2016 and FY 2017).
- Effective January 1, 2016, the out of pocket maximums for Program 3 Plus and Iowa Select will increase from \$600 to \$650 for single coverage and from \$800 to \$1,450 for family coverage (FY 2016).
- Effective January 1, 2017, the out of pocket maximums for Program 3 Plus and Iowa Select will increase to \$1,000 for single coverage and to \$2,000 for family coverage (FY 2017).
- Effective January 1, 2016, the pharmacy out of pocket maximum will increase from \$250 to \$500 for single coverage and from \$500 to \$1,000 for family coverage (FY 2016 and FY 2017).

Iowa United Professionals (IUP) and United Electrical Workers (UE), Science Unit and Professional Social Services Unit**Wages:**

- 2.50% across-the-board pay increase effective the first pay period of FY 2016 (FY 2016).
- 2.25% across-the-board pay increase effective the first pay period of FY 2017 (FY 2017).
- 1.25% across-the-board pay increase effective the pay period that includes January 1, 2017 (FY 2017).
- Step increases that average 4.50% for eligible employees in both years (FY 2016 and FY 2017).

Benefits:

- Beginning January 1, 2016, all employees enrolled in a single health insurance policy will pay \$20 a month toward the premium. Double spouse employees electing one family health insurance policy will contribute a total of \$20 per month toward the premium. (FY 2016 and FY 2017).
- Effective January 1, 2016, the Blue Access and Blue Advantage coinsurance will require a 10.00% copayment (FY 2016 and FY 2017).
- Effective January 1, 2016, the out of pocket maximums for Program 3 Plus and Iowa Select will increase from \$600 to \$650 for single coverage and from \$800 to \$1,450 for family coverage (FY 2016).
- Effective January 1, 2017, the out of pocket maximums for Program 3 Plus and Iowa Select will increase to \$1,000 for single coverage and to \$2,000 for family coverage (FY 2017).

State Police Officers Council (SPOC)**Wages:**

- 2.85% across-the-board pay increase effective the first pay period of FY 2016.
- 2.00% across-the-board pay increase effective the first pay period of FY 2017.
- 1.25% across-the-board pay increase effective the pay period that includes January 1, 2017 (FY 2017).
- Maintains step increases of 3.50% for eligible employees (FY 2016 and FY 2017).
- Provides an additional 1.00% step increase for employees that receive an overall rating of “meets expectations,” “satisfactory,” or above (FY 2016 and FY 2017).

Benefits:

- Members pay 20.00% of health insurance coverage with Wellness Incentive Program participation. The incentive is changed from a fixed rate of \$62 per month to an amount resulting in an employee contribution not exceeding 15.00% of the family premium (FY 2016 and FY 2017).

Judicial AFSCME**Wages:**

- 2.50% across-the-board pay increase effective the first pay period of FY 2016.
- 2.25% across-the-board pay increase effective the first pay period of FY 2017.
- 1.25% across-the-board pay increase effective the pay period that includes January 1, 2017 (FY 2017).
- Step increases that average 4.50% for eligible employees in both years (FY 2016 and FY 2017).

Benefits:

- Beginning January 1, 2016, all employees enrolled in a single health insurance policy will pay \$20 a month toward the premium. Double spouse employees electing one family health insurance policy will contribute a total of \$20 per month toward the premium. (FY 2016 and FY 2017).
- Effective January 1, 2016, the Blue Access and Blue Advantage coinsurance will require a 10.00% copayment (FY 2016 and FY 2017).
- Effective January 1, 2016, the out of pocket maximums for Program 3 Plus and Iowa Select will increase from \$600 to \$650 for single coverage and from \$800 to \$1,450 for family coverage (FY 2016).
- Effective January 1, 2017, the out of pocket maximums for Program 3 Plus and Iowa Select will increase to \$1,000 for single coverage and to \$2,000 for family coverage (FY 2017).

Judicial Public Professional and Maintenance Employees (PPME)**Wages:**

- 1.75% across-the-board pay increase effective the first pay period of FY 2016 (FY 2016).
- 1.75% across-the-board pay increase effective the first pay period of FY 2017 (FY 2017).
- Step increases that average 1.75% for eligible employees in both years (FY 2016 and FY 2017).

Benefits:

- Effective January 1, 2016, the Blue Access and Blue Advantage coinsurance will require a 10.00% copayment (FY 2016 and FY 2017).
- Effective January 1, 2016, the out of pocket maximums for Program 3 Plus and Iowa Select will increase from \$600 to \$650 for single coverage and from \$800 to \$1,450 for family coverage (FY 2016).
- Effective January 1, 2017, the out of pocket maximums for Program 3 Plus and Iowa Select will increase to \$1,000 for single coverage and to \$2,000 for family coverage (FY 2017).
- Effective January 1, 2016, the pharmacy out of pocket maximum will increase from \$250 to \$500 for single coverage and from \$500 to \$1,000 for family coverage (FY 2016 and FY 2017).

University of Northern Iowa (UNI) – United Faculty**Wages:**

- 2.50% increase for salaries. This includes 1.00% increase to base pay, a fixed increase of 0.625% of the average salary, and 0.875% merit increase (FY 2016).
- 2.50% increase for salaries. This includes 1.00% increase to base pay, a fixed increase of 0.625% of the average salary, and 0.875% merit increase (FY 2017).
- Changes the step amounts for promotions (FY 2016 and FY 2017).
- Changes the calculation for part-time pay (FY 2016 and FY 2017).

Benefits:

- No material change (FY 2016 and FY 2017).

Committee to Organize Graduate Students – University of Iowa (COGS – SUI)**Wages:**

- 1.00% across-the-board pay increase effective the first pay period of FY 2016 (FY 2016).
- 3.00% across-the-board pay increase effective the first pay period of FY 2017 (FY 2017).
- Step increases that average 1.00% for eligible employees in FY 2016.
- Step increases that average 3.00% for eligible employees in FY 2017.

Benefits:

- No material change (FY 2016 and FY 2017).

Service Employees International Union (SEIU) – University of Iowa and University of Iowa Hospitals and Clinics (SUI/UIHC)

Wages:

- 2.75% across-the-board pay increase effective the first pay period of FY 2016.
- 2.75% across-the-board pay increase effective the first pay period of FY 2017.
- The minimum and maximum of the pay grades remain the same for both years (FY 2016 and FY 2017).

Benefits:

- No material change (FY 2016 and FY 2017).

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