[redacted]

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Sent: Tuesday, November 20, 2012 12:45 PM
To: Roederer, David [IDOM]; Hoelscher, Doug [IGOV]
Subject: FW: SNG Material: Fiscal Cliff Downside Risks Paper
Attachments: Exec Downside risks paper_final.doc

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Sent: Tuesday, November 20, 2012 12:23 PM
To: Governors Chiefs of Staff
Cc: chiefs-assists@talk.nga.org; chiefs-deputy@talk.nga.org
Subject: FW: SNG Material: Fiscal Cliff Downside Risks Paper

To: Washington Representatives and State-Federal Contacts, Chiefs of Staff (cc: Deputy Chiefs and Chiefs' Assistants)
Re: Fiscal Cliff Downside Risks Paper

Attached for your information is a paper entitled *"The Near-Term Outlook for States: A Period Full of Downside Risks."* NGA Deputy Executive Director Barry Anderson presented this document during the recent NGA Seminar for New Governors. Please feel free to contact Barry with any questions (banderson@nga.org).

Thanks,
Nikki Guilford

You are currently subscribed to [chiefs] as jeff.boeyink@iowa.gov. [redacted]
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National Governors Association

The Near-Term Outlook for States: A Period Full of Downside Risks

Even as the economy shows signs of modest growth, governors are confronted with significant downside risks that decisions made in Washington, D.C., will adversely affect their state economies and budgets. Unless Congress takes action before or shortly after the beginning of 2013, federal spending and tax policies will change with negative consequences for states. However, if action is taken to mitigate the reductions in federal spending and tax increases that will occur at the end of the year, such action could contain the first steps towards addressing the nation's fiscal imbalances. Those steps would invariably reduce the flow of funds from the federal government to states and could confront governors with the problem of adjusting their tax and spending policies to account for significant changes in the federal tax code. Regardless of the course set in Washington, governors can act together to diminish the adverse effects of federal spending and tax decisions on their state economies and budgets. This paper catalogs the imminent downside risks faced by governors and offers the beginning of a strategy to use the must-pass legislation that will be acted upon as Congress stares over the "fiscal cliff" as a vehicle to enact changes to federal law that are priorities to governors.

Introduction

At the end of the year, several major fiscal events are set to occur including: the expiration of last decade's tax cuts; a $1.2 trillion, 10-year, across-the-board "sequester;" the end of the payroll tax holiday and extended unemployment benefits; an immediate and steep reduction in Medicare physician payments; the end of a temporary "patch" to the Alternative Minimum Tax (AMT) that would result in dramatically higher taxes for more than 30 million Americans; and the need to once again raise the country's debt ceiling. Taken together, these policies—which Federal Reserve Chairman Ben Bernanke calls a "fiscal cliff"—could trigger a recession in early 2013. Although such policies over 10 years would put the debt as a percentage of gross domestic product (GDP) on a sharp downward path, they would do so in an extremely disruptive and arbitrary manner. Despite the potential economic impact of "going off the cliff," an even worse scenario might be for lawmakers to simply delay the elements of the fiscal cliff without making, or at least explicitly committing to, long-term fiscal reforms. If lawmakers were to walk away from this potentially action-forcing moment to help them put the country's debt on a sustainable path, it could lead to not just an economic downturn but also to a loss of confidence in their ability to govern that might set off a dangerous chain reaction in markets.

A far better way to put the country on a path towards fiscal sustainability would be a set of gradually phased-in and well-thought-out entitlement and tax reforms, although the downside risks to states are substantial under either scenario. Going off the cliff will hit states hard: federal grants to states will be reduced, and defense procurement and spending on bases around the country will be cut even more than federal grants. As federal income and social security taxes go up, state residents will have less income to spend, and the higher AMT will hit the disposable incomes of middle and upper middle income families, especially families in states with relatively high taxes. In addition, federal unemployment benefits will drop, and the reimbursements that doctors get from Medicare will go down by 30 percent.

But there are substantial downside risks to states even if the cliff is avoided. There is no way to address the nation's long-term fiscal problems without cutting the rates of growth in federal health programs, including Medicaid, and reforming the federal tax code, including tax provisions that benefit states. Even if the drastic sequester cuts to federal grants and defense programs are avoided, some reductions to federal programs outside of entitlements are likely.

On top of this, the uncertainty of our fiscal future itself is exacting a toll:

> "Heightened uncertainty acts like a decline in aggregate demand because it depresses economic activity and holds down inflation. Policymakers typically try to counter uncertainty's economic effects by easing the stance of monetary policy. But, in the recent recession and recovery, nominal interest rates have been near zero and couldn't be lowered further. Consequently, uncertainty has reduced economic activity more than in previous recessions. Higher uncertainty is estimated to have lifted the U.S. unemployment rate by at least one percentage point since early 2008."[1]

This paper describes the downside risks faced by governors and their states, including those from going off the fiscal cliff, from a longer-term fiscal solution that avoids the cliff, and other risks to states separate from the cliff. As gloomy as those risks are, the paper concludes with actions that governors—acting in a concerted way through the National Governors Association (NGA)—can take to avoid or mitigate at least some of the risks. In addition, the paper describes how must-pass federal legislation can be used as a vehicle to enact changes to federal laws that are priorities to governors.

[1] Federal Reserve Bank of San Francisco, *FRBSF Economic Letter*, September 17, 2012.

The Downside Risks of the Fiscal Cliff

Table 1 lists the deficit impact of the major elements of the spending, tax, and other policies that will expire or otherwise take effect at the end of the year—the fiscal cliff—unless legislation is enacted to postpone or overturn them.

Table 1. Impact on the FY2013 Deficit of the Elements of the Fiscal Cliff
(In billions of dollars)

Element	Impact
Sequester (effective 1/2/13)	**$65**
8.2% cut in nondefense discretionary programs	25
9.4% cut in defense discretionary programs	30
2.0% cut to Medicare providers	5
7.6% cut in other mandatory programs	5
WARN Act (required 60 days before layoffs)	**N/A**
Expiration of Tax Cuts (effective 1/1/13)	**112**
Increase in rates from 25/28/33/35% to 28/31/36/39.6%	40
Elimination of 10% tax bracket	30
Increase in tax on cap gains from 15 to 20% & on dividends from 15%	15
Changes to Earned Income, Child & American Opportunity Credits	10
Restore phase outs to itemized deductions & personal exemptions	6
Expiration of marriage penalty reductions	5
Increase in estate tax from 35% (over $5m) to 55% (over $1m)	5
Expiration of 2% payroll tax holiday (effective 1/1/13)	**90**
Expiration of expanded unemployment benefits (effective 1/1/13)	**25**
Higher Alternative Minimum Tax (effective 1/1/12)	**125**
Lower Medicare Reimbursements—the "Doc Fix" (effective 1/1/13)	**10**
Expired Tax Extenders (generally effective 1/1/12)	**30**
R&E tax credit	5
State & local sales tax deduction	2
New Health Care Reform Taxes (effective 1/1/13)	**25**
Increase Medicare tax .9% for high earners & apply to investment income	20
Flexible spending account limit, medical device tax	5
Debt Limit (reached in December; adjustments possible until March)	**N/A**
Total	**$482**

Source: Committee for a Responsible Federal Budget.

Below is a description of each of the bolded elements in Table 1 along with an assessment of their direct impact on states, if any.

Sequester

Nondefense programs. The January 2 sequester will cut nondefense programs by different amounts. Those programs that are funded on an annual basis (called discretionary) provide grants to states that under the law will be cut by an estimated 8.2 percent. (Note: because the sequester will be applied after a quarter of the federal fiscal year is already over, the effective rate of the sequester for the remaining nine months of the fiscal year would be nearly 11 percent.) NGA's affiliate organization, Federal Funds Information for States (FFIS), published a 50-page report in September that lists the amount of the proposed cuts by major grant program by state.

Table 2 summarizes the extent of these cuts for each state. As the table indicates, if the sequester goes into effect, the funding that states receive will be about 7 percent less than last year.

Table 2. Percentage Reduction in Federal Grants to States for Sequesterable Nondefense Programs, FY2013			
Alabama	6.7	Montana	6.7
Alaska	5.7	Nebraska	7.2
Arizona	7.0	Nevada	7.2
Arkansas	7.0	New Hampshire	7.1
California	7.1	New Jersey	7.3
Colorado	6.6	New Mexico	6.6
Connecticut	7.2	New York	7.3
Delaware	7.0	North Carolina	7.0
Florida	6.9	North Dakota	7.5
Georgia	7.0	Ohio	7.2
Hawaii	6.9	Oklahoma	7.0
Idaho	6.7	Oregon	6.8
Illinois	7.1	Pennsylvania	7.3
Indiana	7.1	Rhode Island	7.3
Iowa	7.1	South Carolina	6.7
Kansas	7.1	South Dakota	7.1
Kentucky	7.0	Tennessee	7.0
Louisiana	7.2	Texas	7.1
Maine	6.9	Utah	7.1
Maryland	7.2	Vermont	7.2
Massachusetts	7.1	Virginia	7.0
Michigan	7.2	Washington	7.0
Minnesota	7.1	West Virginia	6.6
Mississippi	6.9	Wisconsin	7.1
Missouri	7.0	Wyoming	7.7
		Total:	**7.1**

Source: FFIS, "The VIP Series: Potential Impact of FY2013 CR and BCA Sequester," Volume 12, No. 3, September 2012.

However, some nondefense programs will not be cut at all, such as Medicaid and most grants for highways, airports, and other transportation programs. Finally, Medicare payments to providers would be cut by 2 percent and a few other mandatory programs (such as direct student loans) would be cut by an estimated 7.6 percent.

Defense Programs. The January 2 sequester would cut defense spending by an estimated 9.4 percent. (Note: because the sequester will be applied after a quarter of the federal fiscal year is already over, the effective rate of the sequester for the remaining nine months of the fiscal year would be about 12.5 percent.) Moreover, these cuts would apply across the board to each "program, project, and activity" (PPA), and thus severely limit the flexibility of the Department of Defense (DoD) in applying the cuts.

Defense analysts claim that large reductions by PPA could cause entire projects to be terminated, trigger delays in schedules, and increase unit costs by scaling back quantities. In a letter to the Joint Select Committee on Deficit Reduction (the Super Committee) in 2011, Secretary of Defense Leon Panetta outlined the types of changes the sequester would require from DoD:

- Furloughs for civilian personnel;
- Reductions in contractor employees;
- A 23 percent reduction in spending on major weapons programs, including the Joint Strike Fighter, P-8 aircraft, and ground combat vehicles;
- A 23 percent reduction in ship and military construction;
- Steep reductions in investment accounts, including research, development, testing, and evaluation; and,
- Disruptions in the war effort because of reductions in base budgets.

These cuts would hit defense contractors, defense facilities, and defense employees in virtually every state.

WARN Act

Because defense contractors and their employees could be significantly affected by scheduled cuts, companies could be required by the Worker Adjustment and Retraining Notification (WARN) Act to notify employees at least 60 days in advance of expected mass layoffs. Although the U.S. Department of Labor and the White House Office of Management and Budget (OMB) have issued memoranda stating that WARN Act notices are not required because of the possibility of a sequester, some contractors have already begun scaling back operations in preparation for the sequester. Whether WARN Act notices are legally required or not, the impact of a sequester on jobs could be considerable as Table 3 indicates.

Table 3. Employment Impacts of the Sequester (Job losses*, in thousands)

State	DOD Cuts	Non-DOD Cuts	Total Cuts	State	DOD Cuts	Non-DOD Cuts	Total Cuts
Alabama	27.8	11.9	38.8	Montana	1.0	4.1	5.0
Alaska	5.9	4.5	10.4	Nebraska	2.6	4.0	6.6
Arizona	35.2	13.9	49.2	Nevada	4.3	6.2	10.4
Arkansas	3.6	5.5	9.1	New Hampshire	3.6	2.7	6.3
California	135.2	90.3	225.5	New Jersey	25.4	17.8	43.2
Colorado	18.4	24.1	42.6	New Mexico	4.9	23.5	28.4
Connecticut	36.2	5.7	41.9	New York	28.8	41.2	70.0
Delaware	0.1	2.1	2.2	North Carolina	11.9	17.4	29.3
Florida	41.9	37.6	79.5	North Dakota	1.0	2.5	3.5
Georgia	27.6	26.9	54.5	Ohio	21.3	19.1	40.4
Hawaii	7.9	2.8	10.7	Oklahoma	8.0	7.9	15.8
Idaho	1.0	9.4	10.4	Oregon	2.9	9.0	12.0
Illinois	23.2	30.4	53.7	Pennsylvania	39.9	38.5	78.5
Indiana	15.0	9.0	23.9	Rhode Island	2.6	1.9	4.5
Iowa	5.2	5.9	11.1	South Carolina	14.7	15.6	30.4
Kansas	6.2	7.7	13.9	South Dakota	2.0	2.7	4.7
Kentucky	17.0	11.6	28.6	Tennessee	10.1	29.0	39.1
Louisiana	18.9	9.6	28.4	Texas	99.0	60.5	159.5
Maine	4.3	3.0	7.3	Utah	8.3	7.7	16.0
Maryland	39.4	75.4	114.8	Vermont	2.3	1.8	4.1
Massachusetts	41.5	19.0	60.5	Virginia	136.2	71.4	207.6
Michigan	13.5	17.7	31.2	Washington	17.0	24.7	41.7
Minnesota	4.9	11.1	16.0	West Virginia	1.0	9.1	10.0
Mississippi	5.2	6.4	11.7	Wisconsin	27.6	8.9	36.6
Missouri	33.6	17.5	51.1	Wyoming	0.7	2.1	2.8
				Total:	1,090.4	1,047.3	2,137.7

Source: GMU Center for Regional Analysis; Chmura Economics & Analysis.

*Direct, indirect and induced job losses resulting from BCA mandated federal spending reductions during FY2012 and FY2013; excludes impacts from cuts in entitlement programs. Columns and rows may not add up to the totals because of rounding.

Expiration of the Tax Cuts

On December31, 2012, the set of tax cuts enacted in 2001, expanded in 2003, and extended in 2010 will expire. As a result, the top federal income tax rate will rise from 35 percent to 39.6 percent and other rates will rise in a similar fashion. The 10 percent bracket will disappear, and the child tax credit will be cut in half and no longer be refundable. Phase-outs of itemized deductions and personal exemptions will be restored. The estate tax will return to the 2001 parameters of a $1 million exemption and a 55 percent top rate. Capital gains will be taxed at a top rate of 20 percent and dividends will be taxed as ordinary income. Finally, marriage penalties will increase, and various tax benefits for education, retirement savings, and low-income individuals will disappear.

The impact of these changes on state tax collections varies considerably by state. For example, while most states with personal income taxes link to the federal tax code as a starting point for their own systems, they do so in ways that limit their exposure to many federal tax policies. According to a 2010 analysis by the Tax Foundation, the direct effect on states of expiration of these federal tax policies is as follows:

- Six states (**Alabama**, **Iowa**, **Louisiana**, **Missouri**, **Montana,** and **Oregon**) that allow a state income tax deduction for federal taxes paid would see a drop in state revenues.
- States that link to federal adjusted gross income (AGI) as a starting point for their tax systems would see slight revenue increases because expiring deductions for higher education, student loan interest, and teacher expenses would increase AGI. Most states link to federal AGI.
- The eight states (**Colorado**, **Idaho**, **Minnesota**, **North Carolina**, **North Dakota**, **Oregon**, **South Carolina,** and **Vermont)** that link to federal taxable income (FTI) rather than AGI could see revenue increases resulting from changes to federal personal exemptions and itemized deductions, which would raise FTI and thereby raise the base to which these state tax systems apply.
- States with Earned Income Tax Credits (EITCs) that link to the federal credit would see revenue increases as the federal EITC would decline and with it the value of any state EITC.
- A return of the federal estate tax would mean a return of state estate taxes in those states that link to the federal tax. More than half of the states have such a linkage.

Expiration of the 2 percent Payroll Tax Holiday and Expanded Unemployment Benefits

In February, the President signed an extension of a 2 percent payroll tax holiday and extended unemployment benefits through year's end. Under current law, both will disappear at the end of the year, causing employee payroll taxes to increase from 4.2 percent to 6.2 percent, ending the Emergency Unemployment Compensation Program, which had increased the number of weeks individuals could collect unemployment insurance from 26 to as much as 99, and replacing 100 percent federal funding of the Extended Benefit Program with a 50/50 federal/state funding formula.

Higher Alternative Minimum Tax (AMT)

Congress generally "patches" the AMT every year to help it keep pace with inflation. As a result, just more than four million households currently pay the AMT. If a new patch is not enacted retroactively for 2012, that number will increase to above 30 million for 2012 returns and would exceed 40 million by the end of the decade. The expanded AMT will primarily hit households with children who live in states with relatively high state and local taxes. It will require 45 percent of households with incomes between $75,000 and $100,000 and 81 percent of those with incomes between $100,000 and $200,000 to pay the higher AMT in 2012, where only 0.4 percent and 4 percent, respectively, of those households paid at AMT rates in 2011. Moreover, the expanded AMT will not increase taxes on most of the very rich as they pay taxes at rates higher than the AMT rates under the regular tax system. The most recent AMT patch expired last year, so taxpayers will owe much larger federal taxes this coming April unless the patch is renewed and applied retroactively by the end of this year.

Lower Medicare Reimbursements—the Doc Fix

Medicare's Sustainable Growth Rate formula calls for a substantial reduction in Medicare payments to physicians—reductions that lawmakers have deferred in the past through legislation dubbed the doc fix. At the end of the year, the current doc fix will end, leading to an immediate reduction of about 30 percent in Medicare physician payments.

Expired Tax Extenders

Sixty federal tax provisions expired at the end of 2011, including the research and experimentation tax credit and the state and local sales tax deduction. Some of these provisions, or "extenders," may be reinstated retroactively at the end of this year and have been in the past; if not, they will disappear under current law. The expiration of the state and local sales tax deduction would primarily hit residents of the seven states that levy no individual income tax: **Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.**[2]

New Health Care Reform Taxes

The Patient Protection and Affordable Care Act included several revenue measures set to go into effect in 2013. The largest of these measures is a 0.9 percent increase in the Medicare HI (hospital insurance) payroll tax for higher earners and an effective 3.8 percent tax increase on investment income. The law also calls for an increase in the floor for unreimbursed medical expense deduction, a 2.3 percent excise tax on medical devices, limits on annual contributions to Flexible Spending Accounts, and elimination of the employer deduction for Medicare Part D retiree subsidy payments.

Debt Limit

The current debt limit—$16,394,000,000,000—is now estimated to be reached in early December. However, the Treasury Department has a number of "extraordinary measures" at their disposal that have the effect of permitting continued borrowing. Thus there would not be a constraint on government finances or any risk of default until these measures were fully exhausted—probably sometime in March 2013. A political failure to take actions or at least establish a credible process to address the unsustainability of federal long-term debt could trigger a downgrade of Treasury securities by the rating agencies sometime after the election.

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[2] **Tennessee** taxes only unearned income, so many of its residents may also be hit by the expiration of this deduction.

However, strong negative market reaction to political failure could have more impact on the political process than a rating agency downgrade.

A Final Note on the CR

The estimates of the impact of the sequester are based on the levels contained in the six-month Continuing Resolution that Congress passed in late September. Whatever happens to the sequester—whether it goes into effect, or is postponed, cancelled, or otherwise modified—the new Congress will have to take action in March to fund the federal government for the last half of fiscal year 2013. The eventual final levels of funding will very much depend on the outcome of the elections and perhaps on the outcome of efforts to reach a "grand bargain" that addresses the overall fiscal problems. Thus it is far too early to make any projections as to what will be the final level of appropriations at this time, but it is important to note that this is yet another potential downside risk.

The Downside Risks of Alternatives to the Fiscal Cliff

The Congressional Budget Office (CBO), the International Monetary Fund, and others forecast that economy will return to recession in early 2013 if the increases in taxes and cuts in spending described above take effect. The economic impact on state revenues of a recession coupled with the decreases in federal grants and defense spending in states would be devastating to state finances. The uncertainty of the European fiscal situation is certainly not helping to mitigate risks of a recession in 2013 even if the cliff is avoided. A better way to put the country on a path towards fiscal sustainability would be a set of gradually phased-in and well-thought-out entitlement and tax reforms. However, such reforms also carry a set of downside risks for states—risks that result from policies to reform the tax code and entitlement programs, as well as further risks to federal grant funding and defense programs.

A Picture of Our Unsustainable Future

There are wide differences in policies to address our unsustainable fiscal future, but there is general agreement as to the causes: our complicated, inefficient, outdated, and internationally uncompetitive tax system does not come close to producing enough revenue to fund the rapid growth in entitlement spending, especially in health programs. Table 4 illustrates these problems. It reflects CBO's June 2012 projections of current policies—that is, assuming we keep the programs in place today without the scheduled fiscal cliff expirations and sequesters—for the next 25 years.

Table 4. CBO Current Policy Projections

(Percentages of GDP)

	1987-2011 Average	2012	2022	2037
Spending				
Medicare	2.5	3.7	4.5	6.7
Medicaid	1.2	1.7	3.0	3.7
Social Security	4.4	5.0	5.4	6.2
Discretionary & Other Mandatory Spending*	10.3	11.6	7.8	9.6
Nondefense	(3.7)	(4.1)	(2.8)	*
Defense	(4.2)	(4.3)	(3.2)	*
Other Mandatory	(2.4)	(3.2)	(1.8)	*
Interest	2.4	1.4	3.7	9.5
Total Spending	**20.8**	**23.4**	**24.3**	**35.7**
Revenues	**17.9**	**15.7**	**18.5**	**18.5**
Deficits	**-2.9**	**-7.7**	**-5.9**	**-17.2**
Debt	**44**	**73**	**93**	**199**

Sources: OMB, Fiscal Year 2013 Budget of the U.S. Government, Historical Tables, February, 2012, and CBO The 2012 Long-Term Budget Outlook, June, 2012.

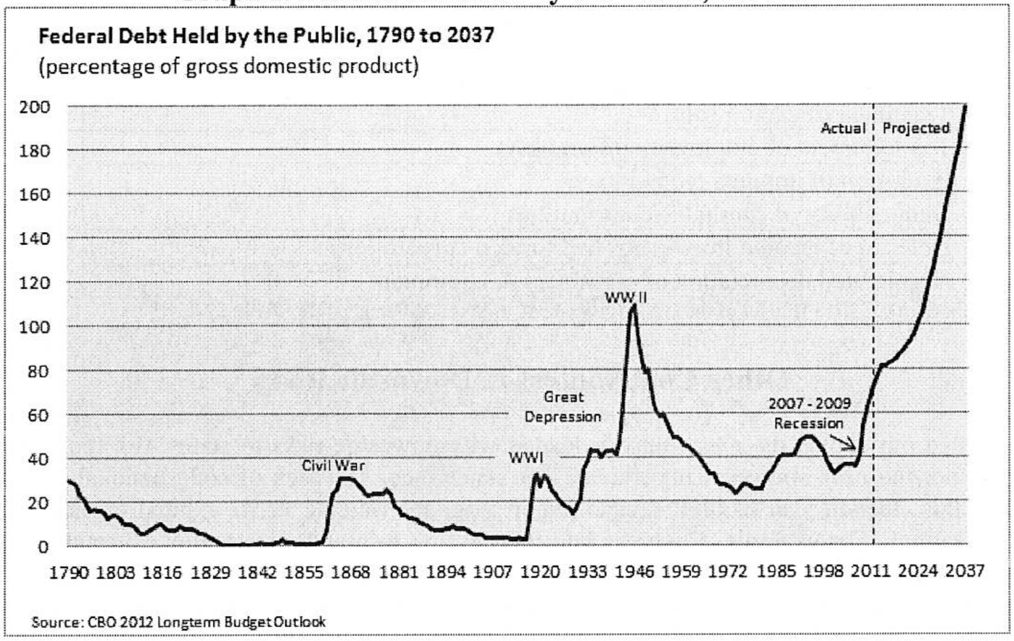
*Other Mandatory consists of: federal civilian and military retirement payments; unemployment compensation; programs for the poor; veterans' benefits; and other spending. CBO does not separately forecast Nondefense, Defense, and Other Mandatory for 2022.

The costs of Medicare and Medicaid are projected to almost double over the next quarter century, and Social Security costs would increase by nearly a quarter. Meanwhile, all other spending is projected to decline mostly because the current figures are very high—because of the carryover effects of the recession and war spending—and are not projected to continue. The recession also lowered revenues in 2012, but even as they increase with a growing economy, they are projected to be far less than spending, and the resulting deficits would add to debt and interest costs.

Table 4 lists not only the projections for the next 25 years, but also the averages for the past 25. CBO projects that real growth will push revenues to 18.5 percent of GDP in the next quarter century, a little above the average revenue of 17.9 percent of GDP over the last quarter century. Despite this projected increase in revenues, projected deficits explode as spending for Medicare, Medicaid, Social Security, and interest are all projected to climb to levels much higher than their averages over the past 25 years.

The debt projections are particularly noteworthy. A recent study suggests that countries tend to grow faster if they can keep their debt to about 60 percent of GDP, but grow much slower once their debt exceeds 90 percent of GDP. The figures in Table 4 indicate that we are already at more than 70 percent and rapidly heading towards 90 percent. Graph 1 provides an historical context to these projected debt levels.

Graph 1. Federal debt held by the Public, 1790 to 2037



There are three major implications of these projections for states:

1. **The current rate of growth in Medicaid spending is unsustainable** for federal and state governments and will be cut over the next decade.
2. There is broad agreement of the need for tax reform that lowers rates to make us more competitive, and reduces special exemptions, usually called tax expenditures. **Any review of tax expenditures will involve review of those provisions that are most beneficial to states.** Table 5 indicates that those provisions that benefit states are the second most costly to the Treasury, behind the exclusion of employer payments for health insurance and just ahead of the deductibility of mortgage interest on owner occupied homes.
3. **There are likely to be further cuts to the discretionary grant programs on which states depend** as the savings from limiting entitlement growth and reforming the tax system are unlikely to be big enough to hit debt reduction targets.

Table 5. Top 10 Tax Expenditures[3]
(2013, in billions of dollars)

Rank	Tax Expenditure	Cost
1	Exclusion of employer payments for health insurance	181
2	**Provisions that benefit states**	**105**
	Deductibility of state & local income, sales & property taxes	**(69)**
	Exclusion of interest on public purpose state & local bonds	**(36)**
3	Deductibility of mortgage interest on owner occupied homes	101
4	Tax treatments of 401(k)-type retirement plans	73
5	Treatment of capital gains	62
6	Tax treatment of employer pension plans	52
7	Exclusion of imputed rental income	51
8	Deductibility of charitable contributions	49
9	Deferral of income from controlled foreign corporations	42
10	Accelerated depreciation of machinery & equipment	33

Source: Fiscal Year 2013 Budget of the U.S. Government, Analytical Perspectives, Table 17-3.

Other Contributors to Downside Risks

As spelled out above, the near future is loaded with downside risks to states. But the fiscal cliff is not the only source of uncertainty that states face. The lack of congressional action during this election year has left several major programs running under expired or outdated authorizations. For example, Congress launched efforts to reauthorize major education and workforce programs including the Elementary and Secondary Education Act and the Workforce Investment Act. Neither was brought to a vote and will be considered again next Congress. The annual Defense Authorization bill and the longer-term Farm bill also remain on the calendar for the lame duck. And while an extension was granted for the Temporary Assistance to Needy Families (TANF) program and transportation legislation was passed over the summer, TANF will expire this coming March, and Congress will have to begin work on the next transportation bill since the current extension lasts less than two years. The trend towards shorter-term reauthorizations creates considerable uncertainty for states, especially with regard to programs which require long-term planning such as investments in infrastructure.

Nevertheless, the exact implications of this dismal picture are not pre-ordained. Changes to spending programs can be focused on what works—for both states and the feds—and combined with new flexibilities to encourage better outcomes. Tax reforms can be made that do not unfairly penalize the provisions that help states. The last section of this paper lists some areas where NGA is and will be working with governors to mitigate the worst of the impacts on states.

[3] These 10 comprise about 75 percent of the cost of all tax expenditures.

Actions to Avoid or Mitigate Downside Risks

The risks described above are considerable—there is no other way to look at it. But the same circumstances that create the risks involved in going off the fiscal cliff, or in avoiding it, also create opportunities to avoid or mitigate at least some of the risks and opportunities to use legislation that that will have to be passed over the next several months as vehicles to promote governors priorities. In this regard, we propose the following:

- Tracking and influencing the negotiations on the fiscal cliff. Our current assessment is that both sides feel that they can get a better deal early next year after going off the cliff than in the lame duck session. This view is bolstered by the belief that the worst aspects of the cliff can be delayed a few months while the new Congress negotiates. This belief is supported by the knowledge that the impacts of the sequester can be put off a few months if OMB apportions the reductions to take effect later in the fiscal year, and that the impacts of the expiration of the tax cuts can also be put off if the Secretary of the Treasury uses his power to keep withholding rates at current levels. The postponement of the impacts of the sequester and the expiration of the tax cuts is a risky game, but it may create an opportunity to articulate preferred options for states. Our work to promote governors interests on the budget for the National Guard is an example of what we might be able to accomplish.

- Tracking and influencing the negotiations of proposals and legislation that avoid the fiscal cliff. As we approach the fiscal cliff, we expect to see more efforts to avoid it, especially if there is a negative market reaction. Some discussions have already begun, and NGA has participated in them. For example, the Bipartisan Policy Center, which was founded in 2007 by former Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole and George Mitchell, recently released a "Framework for a Grand Bargain to Avoid the Fiscal Cliff." This framework, which has been discussed with current members of Congress, proposes enacting legislation in the lame duck session that would use the budget reconciliation process to:

    - Require the new Congress to produce a debt reduction package containing policies that would reduce projected federal debt by $4 trillion over a decade.
    - Allow for such a package to move through Congress using a threshold of a simple majority.
    - Turn off the fiscal cliff and impose a legislative "backstop" that would automatically become law if the new Congress failed to pass the debt reduction legislation.
    - Enact a down payment of tax and spending changes to offset some of the fiscal cliff in the lame duck and as a part of the larger comprehensive debt reduction package in 2013.

  NGA will continue to participate in any discussions of potential frameworks as well as in the implementation of legislation that results from a framework, such as that described above, designed to avoid the cliff.

- Using must-pass legislation as a vehicle for governors' priorities. The outcome of negotiations on the fiscal cliff or any grand bargain is very uncertain, but it is likely that a few bills will be passed either in the lame duck session or immediately after the new Congress is sworn in. A bill to patch the AMT is very likely (perhaps as part of a broader tax extender bill), and so are defense authorization, doc fix, and debt limit bills. NGA will look to use any one of these bill as a vehicle to pass priority legislation for NGA, such as Marketplace Fairness (legislation to grant states sales tax collection authority over remote vendors.)

- Establishing a Tax Reform Task Force. It is hard to imagine a tax reform plan that does not hit those provisions that help states at least somewhat. But governors speaking together may be able to mitigate that hit, or even promote reforms that are better targeted at those critical needs specified by governors. Such reforms include those that use credits rather than deductions or that impose general, as opposed to specific, limits on credits, exemptions, and deductions. Tax reform will not happen quickly or easily, but this means that the Task Force may have the time and ability to influence the reforms as they proceed through the legislative process.

- Advocating for flexibility from the federal government. NGA will continue to advocate for flexibility for governors no matter how severe the budget outcomes. NGA has made it clear in the past that governors support efforts by Congress and the Administration to get the federal fiscal house in order as long as deficit reduction is not done by simply shifting costs to states in the form of unfunded mandates and that states are given increased authority to use federal funds to best accomplish stated policy goals. NGA also will continue to push against the imposition of additional maintenance of effort provisions that serve to restrict governors' authority over their budgets.

- Working with the administration to promote programs that work. NGA staff has worked with OMB to establish a Collaborative Forum that is designed to promote better working relationships between the federal government and state and local governments. Following NGA's suggestions, OMB has actively sought the participation of state officials in recent meetings of the Forum. NGA will continue to promote state experiences and interests with OMB in the months ahead.

[redacted]

From:	Miller-Meeks, Mariannette [IDPH]
Sent:	Monday, December 03, 2012 8:11 AM
To:	Bousselot, Michael [IGOV]; Boeyink, Jeffrey [IGOV]; Albrecht, Tim [IGOV]
Subject:	FW: Media Issues 11.30.12

Mike, Jeff and Tim,
I am forwarding this to you to give you a heads up on the EMS article that may be printed this week and I am out of state, so I thought it would be better for you all to have information ahead of time. (See the first paragraph of Polly's summary of media calls to IDPH).

The lack of a medical director (actually it is a bureau chief) is because we have gone through several cycles now where our funding has been threatened to be reduced or cut, and we did not want to hire someone and then have to turn around a couple of months later and let them go. We are also considering merging bureaus, which would then provide a bureau chief, but the funding for that bureau is now being cut, so we are re-considering our options. As we are progressing through strategic planning in the department, there will probably be recommendations to proceed with merging of some of our bureaus.

I hope this is helpful to all of you, and I presume there will be criticism of the department not having hired a bureau chief.

Dr. Miller-Meeks

From: Carver-Kimm, Polly [IDPH]
Sent: Friday, November 30, 2012 2:18 PM
To: Carver-Kimm, Polly [IDPH]; Garvey, Ann [IDPH]; IDPH BureauChiefs; IDPH DivisionDirectors; Jenison, Jenae [IGOV]; McCormick, Don [IDPH]; Miller-Meeks, Mariannette [IDPH]; Thompson, Deborah [IDPH]
Subject: Media Issues 11.30.12

DM Register (Clark Kauffman) was provided with additional budget figures and response times requested from the EMS bureau. In addition, he interviewed Joe Ferrell about what the data means. This is part of Mr. Kauffman's continuing inquiry regarding EMS data. He is planning to finish the article in the next couple days with an intent to publish in early December. He said he will contact us next week to let us know what the article looks like. He intends to highlight issues identified by IEMSA and the Bureau concerning the EMS budget, the lack of a medical director and the vacancy of the Bureau Chief position. He will also address issues of EMS providers, disciplinary actions taken by the Bureau and legislative initiatives that IEMSA and the Department have been involved with. He also plans to track EMS related legislative initiatives during this session.

DM Register (Tony Leys), CR Gazette (Cindy Hadish) and the Center for Infectious Disease Research and Policy (Lisa Schnirring) interviewed Dr. Quinlisk about an H3N2v (variant) flu case reported in a Cedar County child with no reported livestock contact, who has now recovered. The information was included in the Friday Epi-Update (newsletter from the Center for Acute Epidemiology), which is subscribed to by some members of the media. We did not do a press release on this because there is no public health action to be taken. . H3N2v has been circulating in the US over the past year. Three cases were previously identified in Iowa last November. The seasonal influenza vaccine is not thought to provide protection against H3N2v. The H3N2v strain can be treated with Tamiflu, and causes the same symptoms and level of severity as seasonal influenza.

Ames Patch (Jessica Miller) inquired if IDPH was aware of any licensing problems with an Ames business called Electric Beach Tanning, which apparently closed without notice recently. IDPH has no information, but the reporter was directed to Hardin County Public Health, which inspects tanning facilities for Ames.

Polly Carver-Kimm

Communications Director | Iowa Department of Public Health |321 E. 12th St | Des Moines, IA 50319 | Office: 515-281-6693 | 24-hour PIO Line (after 4:30 p.m. and weekends/holidays): 515-281-6397 | Polly.Carver-Kimm@idph.iowa.gov

Promoting and Protecting the Health of Iowans

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Thursday, December 06, 2012 9:05 AM
To: Boeyink, Jeffrey [IGOV]
Subject: Re: Please call Sentor Sorenson

Done. He is pleased or so it sounds.

Mariannette

On Dec 6, 2012, at 8:56 AM, "Boeyink, Jeffrey [IGOV]" <Jeffrey.Boeyink@iowa.gov> wrote:

> MMM: thanks for the update yesterday. Would you be willing to call Senator Sorenson and give him a personal update?
>
> His phone is: 515.681.4255
>
> **Jeffrey Boeyink**
> Chief of Staff
> Office of the Governor
> State Capitol
> Des Moines, IA 50319
> 515.725.3535

[redacted]

From:	Boeyink, Jeffrey [IGOV]
Sent:	Thursday, December 06, 2012 9:16 AM
To:	Miller-Meeks, Mariannette [IDPH]
Subject:	RE: Please call Sentor Sorenson

Thank you!

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Miller-Meeks, Mariannette [IDPH]
Sent: Thursday, December 06, 2012 9:06 AM
To: Boeyink, Jeffrey [IGOV]
Subject: Re: Please call Sentor Sorenson

Done. He is pleased or so it sounds.

Mariannette

On Dec 6, 2012, at 8:56 AM, "Boeyink, Jeffrey [IGOV]" <Jeffrey.Boeyink@iowa.gov> wrote:

> MMM: thanks for the update yesterday. Would you be willing to call Senator Sorenson and give him a personal update?
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> His phone is: 515.681.4255
>
> **Jeffrey Boeyink**
> Chief of Staff
> Office of the Governor
> State Capitol
> Des Moines, IA 50319
> 515.725.3535

[redacted]

From:	Miller-Meeks, Mariannette [IDPH]
Sent:	Thursday, December 06, 2012 12:23 PM
To:	Boeyink, Jeffrey [IGOV]; Bousselot, Michael [IGOV]
Subject:	FYI regarding forum

Just wanted you to be aware:

From: Bell, Kris [LEGIS] [mailto:Kris.Bell@legis.iowa.gov]
Sent: Wednesday, December 05, 2012 9:49 AM
To: Thompson, Deborah [IDPH]
Subject: FW: Invitation to the December 14th Iowa Health Care Stakeholders Forum

Deborah, please share with your Board, e-health exec committee and Health Care Reform Councils. THANKS.

From: Martin, Rusty [LEGIS]
Sent: Wednesday, December 05, 2012 9:45 AM
To: Bell, Kris [LEGIS]
Subject: Invitation to the December 14th Iowa Health Care Stakeholders Forum

Dear Iowa Health Care Stakeholders, Iowa Legislators, and Executive Branch officials,

Many of Iowa health care stakeholders have contacted legislators and state officials about the impact of health care reform on Iowa. We believe "sooner is better than later" when it comes starting to address these complex issues.

That's why we have decided to offer Iowa health care providers, consumers, regulators, insurers, and other interested parties an opportunity to share your ideas and concerns with state officials. We are especially interested in how Iowa can help families and businesses can take advantage of new opportunities created by federal health care reform.

There will be an open forum held on Friday, December 14, in Des Moines beginning at 9 AM sharp and ending at noon in the Kelly Conference Room, part of the Des Moines training facility of Iowa Health Systems at 1400 Woodland Avenue.

If you plan to attend, please RSVP with Rusty Martin, the Communications Director of the Senate Democratic Research Staff (rusty.martin@legis.iowa.gov).

We will be in attendance and we have also invited all other members of the Iowa Legislature and relevant Executive Branch officials.

However, other than a brief introduction, the forum will consist entirely of three minute statements by health care stakeholders. **When drafting your statement, we suggest you begin with a short listing of your top three health care priorities for the 2013 session of the Iowa Legislature.**

The order of the speakers will be determined by a sign-in sheet at the event, beginning at 8:30 AM. You can also submit statements by sending links or electronic files to Mr. Martin. [redacted]

The continually updated RSVP list, the written submissions, and the video of the event will be available athttp://www.senate.iowa.gov/democrats/looking-to-2013-health-care-changes-in-iowa/.
Sincerely

Senator Amanda Ragan, Chair, Senate Health and Human Services Committee,Amanda.Ragan@legis.iowa.gov

Senator Matt McCoy, Chair, Senate Commerce Committee,Matt.McCoy@legis.iowa.gov

Senator Jack Hatch, Chair, Senate Health and Human Services Budget Appropriations Subcommittee, Jack.Hatch@legis.iowa.gov

[redacted]

From: Findley, Brenna [IGOV]
Sent: Monday, December 10, 2012 8:46 AM
To: Hunter, Caleb [DAS]
Cc: Johnson, Larry [IGOV]
Subject: Fwd: DAS Adopted rule re Confidential Employee

FYI

Sent from my iPhone

Begin forwarded message:

> **From:** "Royce, Joseph [LEGIS]" <Joe.Royce@legis.iowa.gov>
> **Date:** December 10, 2012, 7:02:22 AM CST
> **To:** /o=Iowa Legislature/ou=LEGISLATURE/cn=Recipients/cn=slerdal <IMCEAEX-_O=IOWA+20LEGISLATURE_OU=LEGISLATURE_cn=Recipients_cn=slerdal@legis.state.ia.us>, "Ashworth, Tom [LEGIS]" <tom.ashworth@legis.iowa.gov>, "Bartz, Merlin [LEGIS]" <merlin.bartz@legis.iowa.gov>, "Benson, Jess [LEGIS]" <jess.benson@legis.iowa.gov>, "Braun, Mary [LEGIS]" <mary.braun@legis.iowa.gov>, "Conway, Stephen [LEGIS]" <steve.conway@legis.iowa.gov>, "Courtney, Tom [LEGIS]" <tom.courtney@legis.iowa.gov>, "Courtney, Thomas II" <senate44@msn.com>, "Eichhorn, George (Home)" <Eichhorn@globalccs.net>, "Engel, Catherine [LEGIS]" <cathy.engel@legis.iowa.gov>, "Ewing, Jack [LEGIS]" <jack.ewing@legis.iowa.gov>, "Findley, Brenna [IGOV]" <Brenna.Findley@iowa.gov>, "Freel, Amanda [LEGIS]" <amanda.freel@legis.iowa.gov>, "Furlong, Zeke [LEGIS]" <zeke.furlong@legis.iowa.gov>, "Heaton, David [LEGIS]" <dave.heaton@legis.iowa.gov>, "Hoff, Stephanie [LEGIS]" <stephanie.hoff@legis.iowa.gov>, "Horn, Wally [LEGIS]" <wally.horn@legis.iowa.gov>, House Republican Research Staff <hrrs@legis.iowa.gov>, "Janet Metcalf (jsmetcalf@gmail.com)" <jsmetcalf@gmail.com>, John Kibbie 2 <jkkibbie@mediacombb.net>, "Kibbie, John [LEGIS]" <john.kibbie@legis.iowa.gov>, "Kozel, Debra [LEGIS]" <deb.kozel@legis.iowa.gov>, "Johnson, Larry [IGOV]" <Larry.Johnson@iowa.gov>, "Mandernach, Steven [DIA]" <Steven.Mandernach@dia.iowa.gov>, "Oldson, Joanne [LEGIS]" <jo.oldson@legis.iowa.gov>, "Olson, Rick" <brolson1969@hotmail.com>, "Olson, Rick [LEGIS]" <rick.olson@legis.iowa.gov>, "Pettengill, Dawn [LEGIS]" <dawn.pettengill@legis.iowa.gov>, "Pollak, John [LEGIS]" <john.pollak@legis.iowa.gov>, "Seymour, James [LEGIS]" <james.seymour@legis.iowa.gov>, "Todd, Aaron [LEGIS]" <aaron.todd@legis.iowa.gov>, "Vander Linden, Guy [LEGIS]" <guy.vander.linden@legis.iowa.gov>
> **Cc:** "Goettsch, Craig [IID]" <Craig.Goettsch@iid.iowa.gov>
> **Subject: FW: DAS Adopted rule re Confidential Employee**
>
> The E-mail just arrived concerning the Administrative Services rule on confidential employees
>
> **11:35 ADMINISTRATIVE SERVICES DEPARTMENT[11]**
> Definition of "confidential employee," 50.1 Filed **ARC 0460C**.................................. 11/14/12 8
>
> <image001.png>

Joe Royce
Legislative Services Agency
515.281.3084

[redacted]

--- On **Sun, 12/9/12, Craig Goettsch <*blueskyhawk@yahoo.com*>** wrote:

From: Craig Goettsch <blueskyhawk@yahoo.com>
Subject: DAS Adopted rule re Confidential Employee
To: wally.horn@legis.iowa.gov, dawn.pettengill@legis.state.ia.us, merlin.bartz@legis.iowa.gov, thomas.courtney@legis.iowa.gov, john.kibbie@legis.iowa.gov', james.seymour@legis.iowa.gov, dave.heaton@legis.state.ia.us, jo.oldson@legis.state.ia.us, rick.olson@legis.state.ia.us, Guy.VanderLinden@legis.state.ia.us
Date: Sunday, December 9, 2012, 8:17 PM

Re: DAS Adopted rule re "Confidential Employee"

Dear Administrative Rules Review Committee Member:

While I plan to testify at your meeting on Tuesday, December 11th, I wanted to share some thoughts with y beforehand. You will recall that at your October 9th meeting the committee voted to remove the 1986 objecti to the former Personnel Department definition of "confidential employee", the stated "rationale" for t proposed rule. The filed "adopted rule" is unchanged despite your removal of the rationale.

I respectfully submit that the rule is arbitrary within the meaning of Iowa Code section 17A.4(6)(a). The L! briefing regarding the October 9th meeting states that
"representatives were unable to identify the number of state employees that would be reclassified .... [and] tl decisions would be made on an agency by agency basis." DAS has essentially stated for the record that th cannot determine how to apply the rule. Asking each agency director for his or her construction will result disparate application. This means the rule is arbitrary.

The definition is also arbitrary since it defies logic. This definition is not even remotely close to the versi DAS submitted in the fall of 2011. At least that version contained a reference to information about collecti bargaining which is consistent with the definition in chapter 20 and with other state's definitions. The prong tl deals with "confidential relationship" refers to a "duty to the other not to disclose information". That phrase incredibly vague. Someone reading it cannot know what it means. The prong that requires the employee to "a part of the management team, legal team, or both of said director ...." has no logical nexus confidentiality. That part of the definition could as easily include bearded men or redheaded women. It is ji arbitrarily stuck on for effect.

I respectfully submit that the proposed rule is beyond the authority delegated to the agency within the meani of Iowa Code section 17A.4(6)(a). While "confidential employee" is a term used in chapter 8A, it is one of legislatively created exceptions to the application of the merit system. The legislature has added six exceptio just in the last decade. The fact that the Code sets out so much detail suggests that the legislature should be t policy making body to make such a substantive change. While it is unclear, the potential reach of the propos rule might be dramatic in the large number of state employees who become "at will" due to the change. Giv the magnitude of the change, I submit that a court in reviewing the proposed rule would determine it is unlawful assumption of legislative authority by DAS.

I respectfully request that the Administrative Rules Review Committee file an objection to the rule and al delay the effectiveness until the adjournment of the next session. I believe that the General Assembly is t body that should make policy of this significance.

Thank you for your consideration of this request.

Very truly yours,

Craig A. Goettsch
5700 Kingman Avenue
Des Moines, IA 50311
Blueskyhawk@Yahoo.com
515-306-9132

[redacted]

From: Roederer, David [IDOM]
Sent: Tuesday, December 11, 2012 8:57 AM
To: Boeyink, Jeffrey [IGOV]
Cc: Oakley, Lisa [IDOM]; Johnson, Carrie [IDOM]; Nellesen, Ted [IDOM]
Subject: FW: Iowa-American Water Company
Attachments: 476.6(19) amendment (01452877).DOCX; 437B Proposal (01407316-4).DOC

fyi

From: Daniels, Victoria [IDR]
Sent: Tuesday, December 11, 2012 8:18 AM
To: 'Sheila K. Tipton'
Cc: Roederer, David [IDOM]; Decker, Courtney [IDR]; Roisen, Julie [IDR]; Simmons, Roland [IDR]; Miller, James [AG]
Subject: FW: Iowa-American Water Company

Good morning.

Courtney Kay-Decker is our Director; her assistant, Kristina DeLisi can be reached at 281-3204. Dave Roederer is the Director of the Department of Management, and he can be reached at 281-3322. I have copied both of them on this e-mail for your convenience.

I also understand that the company has already spoken with Steve Evans from MidAmerican Energy, who is a key member of the Task Force.

Let us know if you need any other information.

Victoria

Victoria L. Daniels
Public Information Officer
Legislative Liaison
Division Administrator, Tax Policy & Communications
Iowa Department of Revenue
Hoover State Office Building
1305 East Walnut Street
Des Moines, IA 50319

Tel: (515) 281-8450
Fax: (515) 242-6487
e: victoria.daniels@iowa.gov

[redacted]

From: Sheila K. Tipton [mailto:SKTipton@belinmccormick.com]
Sent: Friday, December 07, 2012 12:46 PM
To: Daniels, Victoria [IDR]; Simmons, Roland [IDR]
Subject: Iowa-American Water Company

Victoria and Roland, Iowa-American Water Company wants to pursue legislation to have the replacement tax apply to it. We have a draft of the legislation, which generally mirrors Chapter 437A, but would create a new Chapter 437B applicable to rate-regulated water utilities. Section 476.6(19) of the Code (the Iowa Utilities Board statute) would also need to be amended slightly to add a reference to the new Chapter 437B. I've attached copies of both for your information.

We would like to meet with the Replacement Tax Task Force to explain the proposal and to determine whether the Task Force will support the legislation. I understand that the Task Force is headed by the Director of the Department of Management and the Director of the Department of Revenue. Is this correct? If so, will you forward contact information for these individuals so that I can make the request? I've looked online, but cannot find contact information for them. If my information is not correct, will you please let me know who heads up the Task Force and forward appropriate contact information.

Thanks for your assistance and Happy Holidays!

Sheila

Sheila K. Tipton
Belin McCormick, P.C.
666 Walnut Street Suite 2000
Des Moines, Iowa 50309
515.243.7100 Firm
515.283.4635 Direct Dial
515.558.0635 Fax
sktipton@belinmccormick.com - E-mail
www.belinmccormick.com (Firm's website)

476.6(19)

19. *Allocation of replacement tax costs.*

a. The costs of the replacement tax imposed pursuant to chapter 437A and 437B shall be reflected in the charges of utilities subject to rate regulation, in lieu of the utilities' costs of property taxes. The imposition of the replacement taxes pursuant to chapter 437A and 437B is not intended to initiate any change in the rates and charges for the sale of electricity, the sale of natural gas, or the transportation of natural gas or the sale of water that is subject to regulation by the board and in effect on January 1, 1999.

b. The cost of the replacement taxes imposed by chapter 437A and 437B shall be allocated among and within customer classes in a manner that will replicate the tax cost burden of the current property tax on individual customers to the maximum extent practicable.

c. Upon the restructuring of the electric industry in this state so that individual consumers are given the right to choose their electric suppliers, replacement tax costs shall be assigned to the service corresponding to the individual generation, transmission, and delivery taxes. In all other respects, the allocation of the replacement tax costs among and within the customer classes shall remain the same to the maximum extent practicable.

d. Notwithstanding this subsection, the board may determine the amount of replacement tax properly included in retail rates subject to its jurisdiction. The board may determine whether the base rates or some other form of rate is most appropriate for recovery of the costs of the replacement tax, subject to the requirement that utility rates be reasonable and just. The board may also determine the appropriate allocation of the tax. Any significant modification to rate design relating to the replacement tax shall be made in a manner consistent with this subsection unless made in a contested case proceeding where the impact of such modification on competition and consumer costs is considered.

CHAPTER 437B

WATER UTILITIES TAX

SUBCHAPTER I

INTRODUCTORY PROVISIONS

437B.1 Purposes.

The purposes of this chapter are to replace property taxes imposed on water utilities with a system of taxation which will eliminate the year-to-year fluctuations in property taxes by imposing a system of taxation based upon water sales, to preserve revenue neutrality and debt capacity for local governments and taxpayers, to preserve neutrality in the allocation and cost impact of any replacement tax among and upon customers of water in this state, and to provide a system of taxation which reduces existing administrative burdens on state government.

437B.2 Definitions.

As used in this chapter, unless the context otherwise requires:

1. *"Centrally assessed property tax"* means property tax imposed with respect to the value of property determined by the director pursuant to sections 428.24 and 428.29, Code 2012 and allocated to water service.

2. *"Customer"* means an end user of water used or consumed within this state. *"Customer"* includes any master-metered facility even though the water sold to such facility may ultimately be used by another person. A person to water is sold by a master-metered facility is not a customer. A *"master-metered facility"* means any multi-occupancy premises where units are separately rented or owned and where individual metering for water use is impractical, where the facility is designated for elderly or handicapped persons and utility costs constitute part of the operating cost and are not apportioned to individual units, or where submetering or resale of service was permitted prior to 1966.

3. *"Director"* means the director of revenue.

4. "Effective date" means the date upon which adoption of this Chapter 437B is made effective.

5. *"Lease"* means a contract between a lessor and lessee pursuant to which the lessee obtains a present possessory interest in tangible property without obtaining legal title in such property. A contract for water sales using operating property within this state is not a lease. *"Capital lease"* means a lease classified as a capital lease under generally accepted accounting principles.

6. *"Local taxing authority"* means a city, county, community college, school district, or other taxing authority located in this state and authorized to certify a levy on property located within such authority for the payment of bonds and interest or other obligations of such authority.

7. *"Local taxing district"* means a geographic area with a common consolidated property tax rate.

8. *"Major addition"* means either of the following: *a.* Any acquisition on or after January 1, 2012, by a taxpayer, by transfer of ownership, self-construction, or capital lease of any interest in any of the following:

(1) A building in this state where the acquisition cost of all interests acquired exceeds ten million dollars.

(2) An water treatment plant where the acquisition cost of all interests acquired exceeds ten million dollars. For purposes of this paragraph, *"water treatment plant"* means all buildings and equipment necessary to treat water obtained from wells, aquifers, lakes or rivers so as to render it suitable for human use or consumption or for manufacturing purposes and owned solely or jointly by a water utility.

(3) Water utility operating property within a local taxing district where the acquisition cost of all interests acquired exceeds one million dollars.

(4) Any water utility property described in section 437B.11 in this state acquired by a person not previously subject to taxation under this chapter.

b. Any acquisition on or after January 1, 2013, by a taxpayer, by transfer of ownership, self-construction, or capital lease of any interest in water utility operating property within a local taxing district where the acquisition cost of all interests acquired exceeds one million dollars.

For purposes of this chapter, the acquisition cost of an asset acquired by capital lease is its capitalized value determined under generally accepted accounting principles.

9. *"Operating property"* means all property owned by or leased to a water utility, not otherwise taxed separately, which is necessary to, and without which the company could not perform, the activities of a water utility.

10. *"Replacement tax"* means the excise tax imposed on the water sales under section 437B.3.

11. *"Sales"* and "*Sold*" means the physical transfer of water to a customer for compensation. Physical transfer to a customer occurs when transportation of water ends and such water becomes available for use or consumption by a customer.

12. *"Taxable value"* means as defined in section 437A.19, subsection 2, paragraph *"e"*.

13. *"Taxpayer"* means a water utility subject to the replacement tax imposed under section 437B.3.

14. *"Tax year"* means a calendar year beginning January 1 and ending December 31.

15. *"Utilities Board"* means the utilities board created in section 474.1.

16. *" Water utility"* means a person engaged primarily in the production, delivery, service, or sales of water, whether formed or organized under the laws of this state or elsewhere, and subject to rate and service regulation by the Iowa Utilities Board. *"Water utility"* does not include a cooperative or a municipal utility or other entity providing water service that is not subject to regulation by the Iowa Utilities Board.

SUBCHAPTER II

WATER UTILITY TAX

437B.3 Replacement tax imposed on water sales.

1. A replacement water sales tax is imposed on every water utility engaged in water sales to customers within this state. The replacement water sales tax imposed by this section shall be equal to the number of gallons of water sold to customers by the water utility during the tax year multiplied by the water sales tax rate in effect for the state.

2. The water sales tax rate for the state shall be calculated by the director as follows:

a. The director shall determine the average centrally assessed property tax liability allocated to water sales of each water utility operating within the state, for the assessment years 2007 through 2011 based on property tax payments made.

b. The director shall determine, for each water utility, the number of gallons of water sold to customers which would have been subject to taxation under this section in calendar year 2012 had this section been in effect for calendar year 2012.

c. The director shall determine a water sales tax rate by dividing the average centrally assessed property tax liability allocated to water service of the water utility by the number of gallons of water sold by such water utility to customers in calendar year 2012, which would have been subject to taxation under this section had such section been in effect for calendar year 2012.

3. If, for any tax year after calendar year 2012, the total number of gallons of water required to be reported by the water utility pursuant to section 437B.4, subsection 1,

paragraph *"a"*, increases or decreases by more than the threshold percentage from the average of the base year amount during the immediately preceding five calendar years, the water sales tax rate imposed under subsection 1 of this section for that tax year shall be recalculated by the director so that the total of the replacement water sales taxes required to be reported pursuant to section 437B.4, subsection 1, paragraph *"b"*, with respect to the tax imposed under subsection 1 of this section, shall be as follows:

a. If the number of gallons of water required to be reported increased by more than the threshold percentage, one hundred two percent of such taxes required to be reported by the water utility for that water service area for the immediately preceding tax year.

b. If the number of gallons of water required to be reported decreased by more than the threshold percentage, ninety-eight percent of such taxes required to be reported by the water utility for that water service area for the immediately preceding tax year.

c. For purposes of paragraphs *"a"* and *"b"* of this subsection, in computing the tax rate under subsection 1 of this section for calendar year 2012, the director shall use the average centrally assessed property tax liability allocated to water sales computed pursuant to subsection 2, paragraph *"a"* of this section, in lieu of the taxes required to be reported for the immediately preceding tax year.

d. For purposes of this subsection, *"base year amount"* means, for calendar years prior to tax year 2012, the sum of the gallons of water sold to customers by the water utility which would have been subject to taxation under this section had this section been in effect for those years; and for tax years after calendar year 2012, the taxable gallons of water required to be reported by the water utility pursuant to section 437B.4, subsection 1, paragraph *"a"*.

e. For purposes of this subsection, the threshold percentage shall be determined annually and shall be five percent for the initial three-year period.

4. The water sales tax rate shall be published by the director in the Iowa administrative bulletin on or before November 30, 2013, and annually after that date, during the last quarter of the tax year.

5. If recalculation of the water sales tax rate is required pursuant to subsection 3 of this section, the new rate shall be published in the Iowa administrative bulletin by the director by no later than May 31 following the end of the tax year. The director shall adjust the tentative replacement tax imposed by subsection 1 of this section and required to be shown on any affected water utility's return pursuant to section 437A.4, subsection 1, paragraph *"b"*, to reflect the adjusted water sales tax rate for the tax year, and report such adjustment to the affected water utility on or before June 30 following the end of the tax year. The new water sales tax rate shall apply prospectively, until such time as further adjustment is required.

[6. For initial computation of property taxes for centrally assessed regulated water utilities following the effective date, the amount assessed shall be the greater of 2010 property tax amounts or the average of 2007 – 2011 and this amount shall be guaranteed to the taxing jurisdictions for the first 3 years following adoption of this statute. After the initial 3-year period, the five year average of water sales shall be utilized.

437B.4 Return and payment requirements -- rate adjustments.

1. Each taxpayer, on or before March 31 following a tax year, shall file with the director a return including, but not limited to, the following information:

a. The total taxable gallons of water sold by the taxpayer to customers within the state during the tax year.

b. The tentative replacement taxes imposed by section 437B.3, subsection 1, due for the tax year.

2. A return shall be signed by an officer, or other person duly authorized by the taxpayer, and must be certified as correct and in accordance with forms and rules prescribed by the director.

3. At the time of filing the return required by subsection 1 with the director, the taxpayer shall calculate the tentative replacement tax due for the tax year. The director shall compute any adjustments to the replacement tax required by subsection 5 and by section 437B.3, subsection 3, and notify the taxpayer of any such adjustments in accordance with the requirements of such provisions. The director and the department of management shall compute the allocation of replacement taxes among local taxing districts and report such allocations to county treasurers pursuant to 0. Based on such allocations, the treasurer of each county shall notify each taxpayer on or before August 31 following a tax year of its replacement tax obligation to the county treasurer. On or before September 30, 2013, and on or before September 30 of each subsequent year, the taxpayer shall remit to the county treasurer of each county to which such replacement tax is allocated pursuant to section 437B.10, one-half of the replacement tax so allocated, and on or before the succeeding March 31, the taxpayer shall remit to the county treasurers the remaining replacement tax so allocated. If notification of a taxpayer's replacement tax obligation is not mailed by a county treasurer on or before August 31 following a tax year, such taxpayer shall have thirty days from the date the notification is mailed to remit one-half of the replacement tax otherwise required by this subsection to be remitted to such county treasurer on or before September 30. If a taxpayer fails to timely remit replacement taxes as provided in this subsection, the county treasurer of each affected county shall notify the director of such failure.

4. Notwithstanding subsections 1 through 3, a taxpayer shall not be required to remit any replacement tax for any tax year in which the taxpayer's replacement tax liability before credits is three hundred dollars or less, provided that the taxpayer shall file a return, regardless of the taxpayer's replacement tax liability.

5. Following the determination of the water sales tax rates by the director pursuant to section 437B.3, subsection 2, if an adjustment resulting from a taxpayer appeal is made to taxes levied and paid by a taxpayer with respect to any of the assessment years 2007 through 2011 used in determining such rates, the director shall recalculate the water sales tax rate for any affected water utility to reflect the impact of such adjustment as if such adjustment had been reflected in the initial determination of average centrally assessed property tax liability allocated to water sales pursuant to section 437B.3, subsection 2, paragraph *"a"*. Rate recalculations shall be made and published in the Iowa administrative bulletin by the director on or before March 31 following the calendar year in which a final determination of the adjustment is made. Taxpayers shall report to the director any increase or decrease in the tentative replacement tax required to be shown to be due pursuant to subsection 1, paragraph *"b"*, for any tax year with the return for the year in which the recalculated tax rates which gave rise to the adjustment are published in the Iowa administrative bulletin. The director and the department of management shall redetermine the allocation of replacement taxes pursuant to section 437B.10 for each affected tax year. If a taxpayer has overpaid replacement taxes, the overpayment shall be reported by the director to such taxpayer and to the appropriate county treasurers and shall be a credit against the replacement taxes owed by such taxpayer for the year in which the recalculated rates which gave rise to the overpayment are published in the Iowa administrative bulletin. If a taxpayer has overpaid centrally assessed property taxes for assessment years prior to tax year 2012, such overpayment shall be a credit against replacement taxes owed by such taxpayer for the year in which the overpayment is determined. Unused credits may be carried forward and used to reduce future replacement tax liabilities until exhausted.

437B.5 Failure to file return -- incorrect return.

1. As soon as practicable after a return required by section 437B.4, subsection 1, is filed, and in any event within three years after such return is filed, the director shall examine the return, determine the tax due if the return is found to be incorrect, and give notice to the taxpayer of the determination as provided in subsection 2. The period for the examination and determination of the correct amount of tax is unlimited in the case of a false or fraudulent return made with the intent to evade any tax or in the case of a failure to file a return.

2. If a return required by section 437B.4, subsection 1, is not filed, or if such return when filed is incorrect or insufficient and the taxpayer fails to file a corrected or sufficient return within twenty days after such return is required by notice from the director, the director shall determine the amount of tax due from information as the director may be able to obtain and, if necessary, may estimate the tax due on the basis of external indices. The director shall give notice of the determination to the taxpayer liable for the tax and to the county treasurers to whom the tax is owed. The determination shall fix the tax unless the taxpayer against whom it is levied, within sixty days after notice of the determination, applies to the director for a hearing. At the hearing evidence may be offered to support the determination or to prove that it is incorrect. After the hearing the director shall give notice of the decision to the person liable for the tax and to the county treasurers to whom the tax is owed.

3. The three-year period of limitation provided in subsection 1 may be extended by the taxpayer by signing a waiver agreement form provided by the department. The agreement shall stipulate the period of extension and the tax period to which the extension applies. The agreement shall also provide that a claim for refund may be filed by the taxpayer at any time during the period of extension.

437B.6 Lien -- actions authorized.

1. Whenever a taxpayer who is liable to pay a tax imposed by subchapter II refuses or neglects to pay such tax, the amount, including any interest, penalty, or addition to such tax, together with the costs that may accrue, shall be a lien in favor of the county treasurer to which the tax is owed upon all property and rights to property, whether real or personal, belonging to the taxpayer. The lien shall be prior to and superior over all subsequent liens upon any personal property within this state, or right to such personal property, belonging to the taxpayer, without the necessity of recording the lien. The requirement for recording, as applied to the tax imposed by subchapter II, shall apply only to a lien upon real property. The lien may be preserved against subsequent mortgagees, purchasers, or judgment creditors, for value and without notice of the lien, on any real property situated in a county, by the county treasurer to which replacement tax is owed by filing with the recorder of the county in which the real property is located a notice of the lien.

2. The county recorder of each county shall index each lien showing the applicable entries specified in sections 558.49 and 558.52 and showing, under the names of taxpayers arranged alphabetically, all of the following:

a. The name of the taxpayer.

b. The name of the county treasurer and county as claimant.

c. Time the notice of lien was filed for recording.

d. Date of notice.

e. Amount of lien then due.

f. Date of assessment.

g. Date when the lien is satisfied.

3. The recorder shall endorse on each notice of lien the day, hour, and minute when filed for recording and the document reference number, shall preserve such notice, shall index the notice in the index, and shall promptly record the lien in the manner provided for recording real estate mortgages. The lien is effective from the time of the indexing of the lien.

4. The county treasurer shall pay recording fees as provided in section 331.604, for the recording of the lien, or for its satisfaction.

5. Upon the payment of the replacement tax as to which a county treasurer has filed notice with a county recorder, the county treasurer shall promptly file with the recorder a satisfaction of the replacement tax. The recorder shall record the notice of satisfaction showing the applicable entries specified in sections 558.49 and 558.52.

6. Section 445.3 applies with respect to the replacement taxes and special utility property tax levies and penalties and interest imposed by this chapter, except for the provisions limiting the commencement of actions. In addition, at the county treasurer's discretion, chapters 446, 447, and 448 apply in the enforcement of the special utility property tax levies, but any tax deed issued shall not extinguish a tax lien or judgment lien for replacement taxes that has attached to the property.

437B.7 Service of notice.

1. A notice authorized or required under this chapter may be given by mailing the notice to the taxpayer, addressed to the taxpayer at the address given in the last return filed by the taxpayer pursuant to this chapter, or if no return has been filed, then to the most recent address of the taxpayer obtainable. The mailing of the notice is presumptive evidence of the receipt of the notice by the taxpayer to whom the notice is addressed. A period of time within which some action must be taken for which notice is provided under this section commences to run from the date of mailing of the notice.

2. There is no limitation for the enforcement of a civil remedy pursuant to any proceeding or action taken to levy, appraise, assess, determine, or enforce the collection of any tax or penalty due under this chapter.

437B.8 Penalties -- offenses -- limitation.

1. A taxpayer is subject to the penalty provisions in section 421.27 with respect to any replacement tax due under this chapter. A taxpayer shall also pay interest on the delinquent replacement tax at the rate in effect under section 421.7 for each month computed from the date the payment was due, counting each fraction of a month as an entire month. The penalty and interest shall be paid to the county treasurer and shall be disposed of in the same manner as other receipts under this chapter. Unpaid penalties and interest may be enforced in the same manner as provided for unpaid replacement tax under this chapter.

2. A taxpayer, or officer, member, or employee of the taxpayer, who willfully attempts to evade the replacement tax imposed or the payment of the replacement tax is guilty of a class "D" felony.

3. The issuance of a certificate by the director or a county treasurer stating that a replacement tax has not been paid, that a return has not been filed, or that information has not been supplied pursuant to this chapter is prima facie evidence of such failure.

4. A taxpayer, or officer, member, or employee of the taxpayer, required to pay a replacement tax, or required to make, sign, or file an annual return or supplemental return, who willfully makes a false or fraudulent annual return, or who willfully fails to

pay at least ninety percent of the replacement tax or willfully fails to make, sign, or file the annual return, as required, is guilty of a fraudulent practice.

5. For purposes of determining the place of trial for a violation of this section, the situs of an offense is in the county of the residence of the taxpayer, officer, member, or employee of the taxpayer charged with the offense, unless the taxpayer, officer, member, or employee of the taxpayer is a nonresident of this state or the residence cannot be established, in which event the situs of the offense is in Polk county.

6. Prosecution for an offense specified in this section shall be commenced within six years after the commission of the offense.

437B.9 Correction of errors -- refunds or credits of replacement tax paid -- information confidential -- penalty.

1. *a.* If an amount of replacement tax, penalty, or interest has been paid which was not due under this chapter, the county treasurer to whom such erroneous payment was made shall do one of the following:

(1) Credit the amount of the erroneous payment against any replacement tax due, or to become due, from the taxpayer on the books of the city or county.

(2) Refund the amount of the erroneous payment to the taxpayer.

b. (1) Claims for refund or credit of replacement taxes paid shall be filed with the director. A claim for refund or credit that is not filed with the director within three years after the replacement tax payment upon which a refund or credit is claimed became due, or one year after the replacement tax payment was made, whichever time is later, shall not be allowed. A claim for refund or credit of tax alleged to be unconstitutional not filed with the director within ninety days after the replacement tax payment upon which a refund or credit is claimed became due shall not be allowed. As a precondition for claiming a refund or credit of alleged unconstitutional taxes, such taxes must be paid under written protest which specifies the particulars of the alleged unconstitutionality. Claims for refund or credit may only be made by, and refunds or credits may only be made to, the person responsible for paying the replacement tax, or such person's successors. The director shall notify affected county treasurers of the acceptance or denial of any refund claim. Section 421.10 applies to claims denied by the director.

(2) If an amount of overpaid replacement tax is attributable to payment of excess property tax liability as described in section 437B.10, subsection 3, paragraph *"b"*, a claim for refund or credit may only be made by, and a refund or credit shall only be made to, the person who made such excess payment. Such claim shall not be made by the person who collected the tax from another person.

2. It is unlawful for any present or former officer or employee of the state to divulge or to make known in any manner to any person the gallons of water sold by a taxpayer disclosed on a tax return, return information, or investigative or audit information. A person who violates this section is guilty of a serious misdemeanor. If the offender is an

officer or employee of the state, such person, in addition to any other penalty, shall also be dismissed from office or discharged from employment. This section does not prohibit turning over to duly authorized officers of the United States or tax officials of other states such amounts pursuant to agreement between the director and the secretary of the treasury of the United States or the secretary's delegate or pursuant to a reciprocal agreement with another state.

3. Unless otherwise expressly permitted by a section referencing this chapter, the gallons of water sold by a taxpayer shall not be divulged to any person or entity, other than the taxpayer, the department, or the internal revenue service for use in a matter unrelated to tax administration. This prohibition precludes persons or entities other than the taxpayer, the department, or the internal revenue service from obtaining such information from the department. A subpoena, order, or process which requires the department to produce such information to a person or entity, other than the taxpayer, the department, or internal revenue service, for use in a nontax proceeding is void.

4. *a.* Notwithstanding subsections 2 and 3, the chief financial officer of any local taxing authority and any designee of such officer shall have access to any computations made by the director pursuant to the provisions of this chapter, and any tax return or other information used by the director in making such computations, which affect the replacement tax owed by any such taxpayer.

b. Notwithstanding this section, providing information relating to the gallons of water sold by a taxpayer to the task force established in section 437A.15, subsection 7, is not a violation of this section.

5. Local taxing authority employees are deemed to be officers and employees of the state for purposes of subsection 2.

6. Claims for refund or credit of special utility property tax levies shall be filed with the appropriate county treasurer. Subsection 1 applies with respect to the special utility property tax levy and the county treasurer shall have the same authority as is granted to the director under this section.

437B.10 Allocation of revenue.

1. The director and the department of management shall compute the allocation of all water sales replacement tax revenues among the local taxing districts in accordance with this section and shall report such allocation by local taxing districts to the county treasurers on or before August 15 following a tax year.

2. The director shall determine and report to the department of management the total replacement taxes to be collected from each taxpayer for the tax year on or before July 30 following such tax year.

3. *a.* All replacement taxes owed by a taxpayer shall be allocated among the local taxing districts in which such taxpayer's property is located in accordance with a general allocation formula determined by the department of management on the basis of general

property tax equivalents. General property tax equivalents shall be determined by applying the levy rates reported by each local taxing district to the department of management on or before June 30 following a tax year to the taxable value of taxpayer property allocated to each such local taxing district as adjusted and reported to the department of management in such tax year by the director pursuant to the requirements of section 437B.13. The general allocation formula for a tax year shall allocate to each local taxing district that portion of the replacement taxes owed by each taxpayer which bears the same ratio as such taxpayer's general property tax equivalents for each local taxing district bears to such taxpayer's total general property tax equivalents for all local taxing districts in Iowa.

b. If, during the tax year, a taxpayer transferred operating property or an interest in operating property to another taxpayer, the transferee taxpayer's replacement tax associated with that property shall be allocated, for the tax year in which the transfer occurred, under this section in accordance with the general allocation formula on the basis of the general property tax equivalents of the transferor taxpayer.

c. Notwithstanding the provisions of this section, if during the tax year a person who was not a taxpayer during the prior tax year acquires a new major addition, as defined in section 437B.2, subsection 8, paragraph *"a"*, subparagraph (4), the replacement tax associated with that major addition shall be allocated, for that tax year, under this section in accordance with the general allocating formula on the basis of the general property tax equivalents established under paragraph *"a"* of this subsection, except that the levy rates established and reported to the department of management on or before June 30 following the tax year in which the major addition was acquired shall be applied to the prorated assessed value of the major addition. For purposes of this paragraph, *"prorated assessed value of the major addition"* means the assessed value of the major addition as of January 1 of the year following the tax year in which the major addition was acquired multiplied by the percentage derived by dividing the number of months that the major addition existed during the tax year by twelve, counting any portion of a month as a full month.

4. *a.* On or before August 31 following tax years 2013, 2014, and 2015, each county treasurer shall compute a special utility property tax levy or tax credit for each taxpayer for which a replacement tax liability for each such tax year is reported to the county treasurer pursuant to subsection 1, and shall notify the taxpayer of the amount of such tax levy or tax credit. The amount of the special utility property tax levy or credit shall be determined for each taxpayer by the county treasurer by comparing the taxpayer's total replacement tax liability allocated to taxing districts in the county pursuant to this section with the anticipated tax revenues from the taxpayer for all taxing districts in the county. If the taxpayer's total replacement tax liability allocated to taxing districts in the county is less than the anticipated tax revenues from the taxpayer for all taxing districts in the county, the county treasurer shall levy a special utility property tax equal to the shortfall which shall be added to and collected with the replacement tax owed by the taxpayer to the county treasurer for the tax year pursuant to section 437B.4, subsection 3. If the taxpayer's total replacement tax liability allocated to taxing districts in the county exceeds the anticipated tax revenues from the taxpayer for all taxing districts in the

county, the county treasurer shall issue a credit to the taxpayer which shall be applied to reduce the taxpayer's replacement tax liability to the county treasurer for the tax year. If the taxpayer's total replacement tax liability allocated to taxing districts in the county equals the anticipated tax revenues from the taxpayer for all taxing districts in the county, no levy or credit is required. Replacement tax liability for purposes of this subsection means replacement tax liability before credits allowed by section 437B.4, subsection 5. A recalculation of a special utility property tax levy or credit shall not be made as a result of a subsequent recalculation of replacement tax liability under section 437B.4, subsection 5, or adjustment to assessed value determined in accordance with the procedures incorporated by section 437B.13. *"Anticipated tax revenues from a taxpayer"* means the product of the total levy rates imposed by the taxing districts and the value of taxpayer property allocated to the taxing districts and reported to the county auditor. Special utility property tax levies and credits shall be treated as replacement taxes for purposes of section 437B.6. If a special utility property tax levy payment becomes delinquent, the delinquent payment shall accrue interest and penalty in the same manner and amount as the replacement tax under section 437B.8.

5. The replacement tax, as adjusted by any special utility property tax levy or credit and remitted to a county treasurer by each taxpayer, shall be treated as a property tax when received and shall be disposed of by the county treasurer as taxes on real estate. Notwithstanding the allocation provisions of this section, nothing in this section shall deny any affected taxing entity, as defined in section 403.17, subsection 1, which has enacted an ordinance or entered into an agreement for the division and allocation of taxes authorized under section 403.19 and under which ordinance or agreement the taxes collected in respect of properties owned by any of the taxpayers remitting replacement taxes pursuant to the provisions of this chapter are being divided and allocated, the right to receive its share of the replacement tax revenues collected for any year which would otherwise be paid to such affected taxing entity under the terms of any such ordinance or agreement had this chapter not been enacted. To the extent that adjustment must be made to the allocation described in this section to give effect to the terms of such ordinances or agreements, the department of management and the county treasurer shall make such adjustments.

6. In lieu of the adjustment provided for in subsection 5, the assessed value of property described in section 403.19, subsection 1, may be reduced by the city or county by the amount of the taxable value of the property described in section 437B.11 included in such area on January 1, 2012, pursuant to amendment of the ordinance adopted by such city or county pursuant to section 403.19.

7. The task force created by section 437A.15 shall study the effects of the water sales replacement tax on local taxing authorities, local taxing districts, customers, and taxpayers through January 1, 2015. If the task force recommends modifications to the replacement tax that will further the purposes of tax neutrality for local taxing authorities, local taxing districts, taxpayers, and customers, consistent with the stated purposes of this chapter, the department of management shall transmit those recommendations to the general assembly.

437B.11 Assessment exclusive.

All operating property and all other property that is primarily and directly used in the sales of water subject to replacement tax is exempt from taxation except as otherwise provided by this chapter.

437B.12 Statutes applicable -- rate calculations.

1. The director shall administer and enforce the replacement tax imposed by this chapter in the same manner as provided in and subject to sections 422.68, 422.70, 422.71, and 422.75.

2. The calculation of tax rates and adjustments to such rates by the director pursuant to this chapter do not constitute rulemaking subject to the provisions of chapter 17A.

SUBCHAPTER III

STATEWIDE PROPERTY TAX

437B.13 Tax imposition.

An annual statewide property tax of three cents per one thousand dollars of assessed value is imposed upon all property described in sections 437B.11 on the assessment date of January 1. The director shall enforce this statewide property tax on water utilities in accordance with the procedures set out in Code sections 437A.19 through 437A.23.

SUBCHAPTER IV

GENERAL PROVISIONS

437B.14 Records.

Each water utility subject to the replacement tax or the statewide property tax shall maintain records associated with the replacement tax and the assessed value of property subject to the statewide property tax for a period of five years following the later of the original due date for filing a return pursuant to sections 437B.4 and 437B.13 in which such taxes are reported, or the date on which either such return is filed. Such records shall include those associated with any additions or dispositions of property, and the allocation of such property among local taxing districts.

437B.15 Rules.

The director of revenue may adopt rules pursuant to chapter 17A for the administration and enforcement of this chapter.

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Thursday, December 13, 2012 9:16 AM
To: Boeyink, Jeffrey [IGOV]
Subject: FW: Follow-up from Wednesday meeting

Importance: High

Jeff,
The meeting yesterday in Indianola went very well and I think all the relevant parties were pleased with the outcome.
Dr. Miller-Meeks

From: Sharp, Ken [IDPH]
Sent: Thursday, December 13, 2012 7:58 AM
To: Charles Burgin (cburgin@cityofindianola.com)
Cc: Stone, Carmily [IDPH]; Kelly, John [IDPH]; Miller-Meeks, Mariannette [IDPH]; Sorenson, Kent L [LEGIS]; curtc@co.warren.ia.us
Subject: Follow-up from Wednesday meeting
Importance: High

Hi Chuck –

I wanted to send a quick email to follow-up from yesterday's meeting.

While I'm confident we all left yesterday with a clear understanding of the next steps, I thought I would compile the key items from yesterday's meeting into an email to help provide your team guidance on addressing the waiver request. Following are the key "takeaways" from yesterday's meeting:

IDPH has expressed concern regarding the placement of the ADA ramp immediately adjacent to and along the length of the pool, more specifically regarding approximately half of the ramp located along that portion of pool that is greater than 5' in depth (deep water). There are three primary concerns that we discussed yesterday:

1. The placement of the top of the ramp immediately adjacent to 12' of water significantly increases the bather traffic near deep water, increasing the potential for accidental falls into deep water. There is an increased concern especially with the user group that the ADA ramp targets, individuals with limited mobility, who may have limited swimming abilities.
2. The placement of the ramp along the length of the pool restricts easy access to approximately 80% of the pool deck along that side of the pool. In the event of a drowning, or near drowning, this restriction places additional demands on lifeguarding staff to quickly rescue and extract victims from the pool onto the pool deck to provide necessary first aid. IDPH is concerned this restriction could double or triple the time needed to extract a victim from the pool, and in cases of drownings or near drownings, seconds count.
3. This concern was discussed briefly towards the end of the meeting, but not discussed as thoroughly. The placement of the ramp may also restrict the pool floor view (especially in deep water) by requiring lifeguards along that side of the pool to remain approximately 5-6' off the pool edge.

In addressing the variance requests, IDPH offered the following recommendations to address the above mentioned concerns. These items should be addressed in the waiver request to show that additional measures are put into place to provide for adequate safety and protection as intended by the respective pool rules.

1. In addition to the minimum lifeguarding requirements, the facility should add one additional lifeguard whose focus should be on the ramp area to help reduce or mitigate the concerns outlined above.

2. The facility should identify and describe additional lifesaving equipment that will be placed in the immediate vicinity of the ADA ramp to help reduce the response time for lifeguards to safely and qui[redacted] from the pool onto the pool deck.
3. An independent review by a pool safety consultant (Redwoods was identified yesterday). The consultant should review the pool plans and the IDPH concerns listed above and offer any additional recommendations to mitigate safety concerns. Recommendations made by the consultant should be incorporated into the variance request and become part of the operating procedures of the facility.
4. Any additional measures implemented by the facility to ensure the safety of bathers. For example, the YMCA discussed the required "swim test" procedures implemented at other facilities. This, and any other additional safety measures, should also be explained in the variance request to demonstrate equal protection.
5. I was not involved in the discussion between John and the design team after yesterday's meeting. As I understand it, there were some minor details regarding the bulkhead and railing that were ironed out. If it was determined those items also needed a variance, please include those items in your request. If there is question about this point, please have your design team connect directly with John. (John is traveling today in NE Iowa so he may not be immediately available.)

These four items should be used as guidance in preparing your response to section 3 of the variance request. The other sections of the waiver request should also be updated (if needed) based on our discussions yesterday.

If you, or any of your team, have any questions regarding these points, please do not hesitate to contact us. Thanks again to you and the entire Indianola team for addressing these items.

Thank you,
Ken

Ken Sharp, MPA, RS
Director | Division of Environmental Health | Iowa Dept. of Public Health
Lucas Building | 321 E. 12th Street | Des Moines, IA 50319
Office: 515/281-5099 | Cell: 515/321-6749 | Fax: 515/281-4529 | Email: Ken.Sharp@idph.iowa.gov

"Promoting and Protecting the Health of Iowans"

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Thursday, December 13, 2012 9:37 AM
To: Miller-Meeks, Mariannette [IDPH]
Subject: Re: Follow-up from Wednesday meeting

Thank you. Was the Senator involved with these discussions? If not, let's keep him informed.

Sent from my iPad

On Dec 13, 2012, at 9:15 AM, "Miller-Meeks, Mariannette [IDPH]" <Mariannette.Miller-Meeks@idph.iowa.gov> wrote:

> Jeff,
> The meeting yesterday in Indianola went very well and I think all the relevant parties were pleased with the outcome.
> Dr. Miller-Meeks
>
> ---
>
> **From:** Sharp, Ken [IDPH]
> **Sent:** Thursday, December 13, 2012 7:58 AM
> **To:** Charles Burgin (cburgin@cityofindianola.com)
> **Cc:** Stone, Carmily [IDPH]; Kelly, John [IDPH]; Miller-Meeks, Mariannette [IDPH]; Sorenson, Kent L [LEGIS]; curtc@co.warren.ia.us
> **Subject:** Follow-up from Wednesday meeting
> **Importance:** High
>
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> 3. This concern was discussed briefly towards the end of the meeting, but not discussed as thoroughly. The placement of the ramp may also restrict the pool floor view (especially in deep

water) by requiring lifeguards along that side of the pool to remain approximately 5-6' off the pool edge.

In addressing the variance requests, IDPH offered the following recommendations to address the above mentioned concerns. These items should be addressed in the waiver request to show that additional measures are put into place to provide for adequate safety and protection as intended by the respective pool rules.

1. In addition to the minimum lifeguarding requirements, the facility should add one additional lifeguard whose focus should be on the ramp area to help reduce or mitigate the concerns outlined above.
2. The facility should identify and describe additional lifesaving equipment that will be placed in the immediate vicinity of the ADA ramp to help reduce the response time for lifeguards to safely and quickly remove a victim from the pool onto the pool deck.
3. An independent review by a pool safety consultant (Redwoods was identified yesterday). The consultant should review the pool plans and the IDPH concerns listed above and offer any additional recommendations to mitigate safety concerns. Recommendations made by the consultant should be incorporated into the variance request and become part of the operating procedures of the facility.
4. Any additional measures implemented by the facility to ensure the safety of bathers. For example, the YMCA discussed the required "swim test" procedures implemented at other facilities. This, and any other additional safety measures, should also be explained in the variance request to demonstrate equal protection.
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Lucas Building | 321 E. 12th Street | Des Moines, IA 50319
Office: 515/281-5099 | Cell: 515/321-6749 | Fax: 515/281-4529 | Email: Ken.Sharp@idph.iowa.gov

"Promoting and Protecting the Health of Iowans"

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Thursday, December 13, 2012 1:59 PM
To: Boeyink, Jeffrey [IGOV]
Subject: RE: Follow-up from Wednesday meeting

Yes sir, he was at the meeting and was very pleased with our efforts. He said "you're not like the typical bureaucrat"
Dr. Miller-Meeks

From: Boeyink, Jeffrey [IGOV]
Sent: Thursday, December 13, 2012 9:37 AM
To: Miller-Meeks, Mariannette [IDPH]
Subject: Re: Follow-up from Wednesday meeting

Thank you. Was the Senator involved with these discussions? If not, let's keep him informed.

Sent from my iPad

On Dec 13, 2012, at 9:15 AM, "Miller-Meeks, Mariannette [IDPH]" <Mariannette.Miller-Meeks@idph.iowa.gov> wrote:

> Jeff,
> The meeting yesterday in Indianola went very well and I think all the relevant parties were pleased with the outcome.
> Dr. Miller-Meeks
>
> ---
>
> **From:** Sharp, Ken [IDPH]
> **Sent:** Thursday, December 13, 2012 7:58 AM
> **To:** Charles Burgin (cburgin@cityofindianola.com)
> **Cc:** Stone, Carmily [IDPH]; Kelly, John [IDPH]; Miller-Meeks, Mariannette [IDPH]; Sorenson, Kent L [LEGIS]; curtc@co.warren.ia.us
> **Subject:** Follow-up from Wednesday meeting
> **Importance:** High
>
> Hi Chuck –
>
> I wanted to send a quick email to follow-up from yesterday's meeting.
>
> While I'm confident we all left yesterday with a clear understanding of the next steps, I thought I would compile the key items from yesterday's meeting into an email to help provide your team guidance on addressing the waiver request. Following are the key "takeaways" from yesterday's meeting:
>
> IDPH has expressed concern regarding the placement of the ADA ramp immediately adjacent to and along the length of the pool, more specifically regarding approximately half of the ramp located along that portion of pool that is greater than 5' in depth (deep water). There are three primary concerns that we discussed yesterday:
>
> 1. The placement of the top of the ramp immediately adjacent to 12' of water significantly increases the bather traffic near deep water, increasing the potential for accidental falls into deep water. There is an increased concern especially with the user group that the ADA ramp targets, individuals with limited mobility, who may have limited swimming abilities.

2. The placement of the ramp along the length of the pool restricts easy access to approximately 80% of the pool deck along that side of the pool. In the event of a drowning, or n[redacted] this restriction places additional demands on lifeguarding staff to quickly rescue and extract victims from the pool onto the pool deck to provide necessary first aid. IDPH is concerned this restriction could double or triple the time needed to extract a victim from the pool, and in cases of drownings or near drownings, seconds count.
3. This concern was discussed briefly towards the end of the meeting, but not discussed as thoroughly. The placement of the ramp may also restrict the pool floor view (especially in deep water) by requiring lifeguards along that side of the pool to remain approximately 5-6' off the pool edge.

In addressing the variance requests, IDPH offered the following recommendations to address the above mentioned concerns. These items should be addressed in the waiver request to show that additional measures are put into place to provide for adequate safety and protection as intended by the respective pool rules.

1. In addition to the minimum lifeguarding requirements, the facility should add one additional lifeguard whose focus should be on the ramp area to help reduce or mitigate the concerns outlined above.
2. The facility should identify and describe additional lifesaving equipment that will be placed in the immediate vicinity of the ADA ramp to help reduce the response time for lifeguards to safely and quickly remove a victim from the pool onto the pool deck.
3. An independent review by a pool safety consultant (Redwoods was identified yesterday). The consultant should review the pool plans and the IDPH concerns listed above and offer any additional recommendations to mitigate safety concerns. Recommendations made by the consultant should be incorporated into the variance request and become part of the operating procedures of the facility.
4. Any additional measures implemented by the facility to ensure the safety of bathers. For example, the YMCA discussed the required "swim test" procedures implemented at other facilities. This, and any other additional safety measures, should also be explained in the variance request to demonstrate equal protection.
5. I was not involved in the discussion between John and the design team after yesterday's meeting. As I understand it, there were some minor details regarding the bulkhead and railing that were ironed out. If it was determined those items also needed a variance, please include those items in your request. If there is question about this point, please have your design team connect directly with John. (John is traveling today in NE Iowa so he may not be immediately available.)

These four items should be used as guidance in preparing your response to section 3 of the variance request. The other sections of the waiver request should also be updated (if needed) based on our discussions yesterday.

If you, or any of your team, have any questions regarding these points, please do not hesitate to contact us. Thanks again to you and the entire Indianola team for addressing these items.

Thank you,
Ken

Ken Sharp, MPA, RS
Director | Division of Environmental Health | Iowa Dept. of Public Health
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"Promoting and Protecting the Health of Iowans"

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[redacted]

From: Carroll, Mike [DAS]
Sent: Friday, December 14, 2012 5:19 PM
To: Boeyink, Jeffrey [IGOV]
Subject: Fwd: Capitol driveway

FYI

Mike

Sent from my iPhone

Begin forwarded message:

> **From:** "Carr, Brant [DAS]" <Brant.Carr@iowa.gov>
> **Date:** December 14, 2012, 2:53:37 PM CST
> **To:** "Carroll, Mike [DAS]" <Mike.Carroll@iowa.gov>
> **Subject: RE: Capitol driveway**
>
> In case you are asked about inactivity today or early next week, the contractor needs to over-excavate to prevent future settlement.
>
> Locates need performed prior to this occurring. Still scheduled to complete prior to Christmas.
>
> Thanks,
>
> Iowa Department of Administrative Services
> DAS Government's Partner in Achieving Results
>
> Brant Carr
> Administrator
> State Design & Construction Resources Bureau
> General Services Enterprise
> 109 SE 13th Street
> Des Moines, IA 50319
> 515-725-2260 PH
> 515-318-9217 Cell
> 515-281-5026 Fax
>
> ---
>
> **From:** Carr, Brant [DAS]
> **Sent:** Wednesday, December 12, 2012 1:52 PM
> **To:** Carroll, Mike [DAS]
> **Subject:** RE: Capitol driveway
>
> In addition to what we discussed yesterday, sawcutting was completed yesterday, and they are on site with a track-hoe & dump trucks removing paving today.
>
> Thanks,

[redacted]

DAS Iowa Department of Administrative Services
Government's Partner in Achieving Results

Brant Carr
Administrator
State Design & Construction Resources Bureau
General Services Enterprise
109 SE 13th Street
Des Moines, IA 50319
515-725-2260 PH
515-318-9217 Cell
515-281-5026 Fax

From: Carroll, Mike [DAS]
Sent: Tuesday, December 11, 2012 2:59 PM
To: Carr, Brant [DAS]
Subject: FW: Capitol driveway

Update, please.

DAS Iowa Department of Administrative Services
Government's Partner in Achieving Results

Mike Carroll, Director
Iowa Department of Administrative Services
Office: (515) 281-3273
Cell: (515) 868-2038
FAX: (515) 281-6140
mike.carroll@iowa.gov

From: Boeyink, Jeffrey [IGOV]
Sent: Tuesday, December 11, 2012 2:31 PM
To: Carroll, Mike [DAS]
Subject: Capitol driveway

Mike: the road has been blocked for two days and no construction activity. Any word on when they will actually start the work?

Thanks.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Friday, December 28, 2012 3:57 PM
To: Roederer, David [IDOM]
Subject: Speech and Narratives
Attachments: 2013 State of the State speech.v1.docx; 2013 Program Narrative.v1.docx

Attached is the draft of the Condition of the State speech the Governor is currently reviewing. When edits are complete I will get you the final version for inclusion in the program document. Would appreciate any comments you might have regarding its content.

Also attached are the program narratives for the 2013 budget and program book. My team is currently reviewing the document for any needed changes. But this should give your folks something from which to build the appropriate pictures, graphics, etc.

Thank you.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

GOVERNOR TERRY E. BRANSTAD
Condition of the State Address
January 15, 2013

Madam Lt. Governor, Madam President, Mr. Speaker, Leaders, justices, judges, legislators, elected officials, distinguished guests, family, friends and fellow Iowans.

Let me begin with a simple statement on which I reflect each and every day: It is an honor and a privilege to serve as YOUR Governor. I thank God, each and every day, for the opportunity that has been provided me to serve you and all the people of Iowa in this capacity.

So it is with great pride that I stand before you once again to report on the condition of our state and to outline the focused agenda my administration will bring forward to further the achievement of our ambitious goals.

In many areas I am happy to report we have made great progress. Our balanced budget, now built upon the principles of predictability and stability, is one shining example of work both done together and well done.

And in the area of job creation and economic development, I would put our efforts to successfully attract new jobs and market our state both at home and abroad up against the efforts of any state in the nation.

Yet, in other areas, an honest assessment would suggest we still have much work to do. In particular I reference our on-going efforts to reduce commercial and industrial property taxes and to adopt truly transformational educational reform as heading that list.

However, I think the one message that will be woven throughout today's talk is that Iowans are entering a period of unprecedented opportunity and that we in this chamber have it within our grasp to help foster this state's greatest economic expansion and quality of life enhancement of the last half-century.

For too long, Iowa's treasures – that of our strong families, affordable cost of living, good schools, low crime, and remarkable quality of life -- have been our best kept secret.

Suddenly, however, the world is now looking to us, and is becoming keenly aware of the attributes and advantages we have long-known to exist in Iowa.

We are positioned for dynamic growth and opportunity on the national and international stage.

Thanks to the cooperation of many of you in this great chamber, Iowa has found success in the past two years we could have only dreamed of in recent decades. We find ourselves in this enviable position because we made the tough choices to get Iowa back on track.

Perhaps the heaviest lift over the past two years was restoring proper budget practices and insisting on strict fiscal discipline. I insisted on a two year budget and to measure all tax and spending decisions through the lens of a five year budget projection.

And today, I am once again submitting a biennial budget for fiscal years 2014 and 2015 and ask you to commit to joining me in making this sound budgeting practice a reality so those most dependent on the vital services we deliver can trust that promises made are promises kept.

Much has been made in recent weeks about Iowa's impending budget surplus and how we as the state's elected leaders should respond. Our first response should be a reminder about how we generated this surplus in the first place.

We made strategic reductions in state spending and the size of our state workforce, nearly eliminated the use of one-time revenue for on-going expenses, and put most of state spending on a two-year budget.

I am proud to report, that as a result of this difficult but necessary work, Iowa is currently in the best financial position in our state's long and proud history.

This is not about good luck. This didn't just happen. We made our own luck through hard work and we can never ever return to those reckless and irresponsible budgeting practices of the past.

Our successes do not end with the state budget. We also completely redesigned our state's economic development efforts through the creation of the new Iowa Economic Development Authority, the Iowa Innovation Council, and the Iowa Partnership for Economic Progress.

These efforts have paid immediate dividends and led to not one but the two largest private capital investments in Iowa history with the announced plans to build massive fertilizer facilities and Lee and Woodbury counties.

All totaled, in the two years since this administration took office, our efforts have landed more than $5.3 billion in capital investments in Iowa. These investments translate into jobs for thousands of Iowans and higher incomes for so many Iowa families.

When I stood before you two years ago Iowa's unemployment rate stood at six point one percent. Today our unemployment rate is at four point nine percent, the lowest it has been in over four years.

In addition, through the efforts of Lt. Governor Reynolds and University of Northern Iowa president Ben Allen, we launched the Governor's science, technology, engineering and math, or STEM, initiative. This initiative is already enhancing learning opportunities for Iowa children through the implementation of nearly 1,000 STEM programs located in nearly every legislative district represented in this chamber.

All across the state, Iowans have been awakened to the significant need for more science, technology, engineering and math education. I have been excited and inspired by the young boys and girls in our schools who have a genuine passion for these fields, and their excitement only continues to grow. We owe it to our children to give them the best education possible in the very fields that are critical to their economic future.

But our work on education reform has not gone nearly far enough. We were reminded of this yet again last month when a new study showed our students' ranking on vocabulary tests had slipped into mediocrity.

Unfortunately, this is just another drop in the bucket of bad news regarding where our Iowa students rank among their peers both nationally and internationally on key measures of educational achievement.

Let me ask you this very hard question: when did we decide that middle of the pack was good enough when it came to our children's education? Did we really make that decision or have we simply allowed it to happen through our inaction?

I say enough. I say middle of the pack isn't good enough. I say our children will never reach their full potential or grasp the incredible opportunities available in this state if we don't get serious about truly transformational education reform.

Let's take the same serious approach we took to solving our budget problems and reshaping our economic development efforts to making our schools the best in the world.

We know what we have accomplished. We know the positive results that have stemmed from those decisions. More importantly, we know what work remains undone. So let's talk about our future.

And when it comes to Iowa's future, I am more optimistic than at any time in my public service career. The opportunities sitting on our doorstep are extraordinary, if we are only willing to open that door and take just a small leap of faith.

To those legislators who return to this great chamber, we have walked this path together already, so let us continue our positive efforts and work together on behalf of Iowa's families. To those new faces who took their solemn oath just yesterday, I look forward to working with each of you on helping Iowa families achieve economic success.

For too many years our young people have looked to the coasts, west and east, in search of career opportunities, financial success, and a vibrant quality of life. Be it financial industry prospects in the East or the booming tech sector in the West, Iowa was relegated to a status some disparagingly called flyover country.

Today, we are living an entirely different story and people both within and outside our borders are looking at Iowa and the opportunities this state now represents in an entirely different way.

In fact, within the last year Iowa has gotten a serious look from the more than 1.3 billion residents of China—many of whom are now very familiar with our state as a result of our special relationship with their incoming president.

It was just last year I stood before you in my Condition of the State Address to announce I had invited China's next President, Xi Jinping, to visit our great state.

As you know, he accepted my invitation and many of you were in attendance at the dinner we hosted in his honor at the State Capitol.

It was on that trip Iowa shook off its "flyover" status and became the envy of nearly every other state in this country when we hosted the next leader of the world's second-biggest economy and home to a people eager to purchase our products for its rapidly-expanding middle class.

Iowa's emerging role in the world economy really struck home to me at the dinner we hosted for Vice President Xi and his delegation. He said Iowa was the first place in the United States he had ever visited and then said in reference to the wonderful Iowans he met on that trip: "to me, you are America."

The next day, fittingly, at the World Food Prize building, our state signed an agreement with China to provide more than $4.3 billion in soybeans to their growing country, with one out of every four rows of Iowa soybeans directly traded with China – more than any other country.

Iowa no longer merely feeds the world--it also feeds the world economy. Vice President Xi and his delegation's visit made clear that Iowa is flyover country no more.

Today, Iowa-produced aeronautics fly through the skies in Brazil, Iowa tractor technology ploughs the ground in Russia, and Iowa lighting illuminates growth around the world.

Innovation is propelling Iowa forward, both home and abroad. The coming decades can be ours if we are bold enough, have enough faith in ourselves, and dedicate enough effort to make these incredible opportunities our new Iowa reality.

This year, I bring to you a bold plan of action focusing specifically on three goals:

- First--job creation and expanding opportunity for Iowa's middle class families to succeed in the new economy;
- Second--improving educational opportunities for Iowa's children as both an economic and moral imperative; and
- Third--improving the health of our citizens and the quality of life in Iowa.

These are opportunities that not only benefit us, but will benefit our children and grandchildren, who will eventually lead Iowa's revitalization well beyond our years.

It is our responsibility—mine and yours--to work together to offer these generational gifts:

- the best education,
- a thriving marketplace where start-ups are competing to create jobs for all Iowans,
- coupled with responsible and measured leadership from each of us to promote and enhance what is right with Iowa and reach our full potential.

This is our opportunity. This is our Iowa.

In the past two years, Iowa has experienced some nice success. Family incomes in Iowa have grown at the second highest rate in the nation at nearly seven percent. The only state that has exceeded that growth is North Dakota and I like to say that while we have agriculture to help drive our growth, they have agriculture AND oil to drive theirs.

And as I mentioned before, our unemployment rate has dropped to its lowest level in over four years while our economy has created 100,000 jobs in the last two years.

These are nice success stories, but they are only the first chapters in a book of accomplishments that we are still writing. There is more to do because this is our opportunity. This is our Iowa.

When we consider strategies for stimulating our economy to encourage job creation we look to find ways to lower the cost of doing business in this state to improve our ability to compete as well as getting more dollars into the hands of consumers to purchase Iowa goods and services.

Both of these objectives can be accomplished by returning a significant portion of our state's budget surplus to the taxpayers who made that surplus possible in the first place.

This year I am proposing a significant plan to reform our property tax system to make it world class competitive and provide nearly $400 million in actual property tax relief to Iowa's hardworking taxpayers.

The principles guiding my property tax plan are simple.

- The plan must provide for permanent property tax relief.

- The plan must not shift the tax burden between classes of property.
- And the plan must help taxpayers amongst all classes of property.

My plan has three significant components.

First, my budget fully funds the Homestead Tax Credit and the Elderly and Disabled Tax Credit in fiscal year 2014 with an additional appropriation of $33 million. Last year we made a down payment on this funding gap and I intend to close that gap this year once and for all.

Second, I will propose legislation to permanently change the school finance formula such that any additional resources that are provided through what is currently known as "allowable growth" will be paid 100% through additional state aid. No longer will state spending increases on K-12 education trigger automatic increases in local property taxes.

Third, I will bring forward legislation designed to stop any future tax shifts between classes of property by tying the classes together in one combined rollback. The first order of business with any property tax reform should be to do no further harm. With this proposal we correct a mistake made when the original rollback formula was implemented back in the 1970s.

Additionally, this legislation will take the current four percent cap on valuation growth for residential property and agricultural land, cut it in half to two percent, and apply it to all classes of property. If left unchecked, current law will allow property taxes to grow by over $2 billion in the next eight years and half of that increase will fall directly on Iowa homeowners. I find that prospect terrifying and ask you to work with me to ensure property taxpayers are protected from this unprecedented property tax increase.

My plan will also permanently reduce commercial and industrial property tax values by 20% over a four year period and will provide direct funding to local governments to replace 100% of the property tax revenue they will lose as a result of this reduction in tax value.

My biennial budget provides the resources to make this possible and my five year budget projection accounts for the nearly $350 million in property tax relief this part of my plan provides.

Small businesses in Iowa have paid some of the highest property tax rates in the nation for far too long. These high taxes mean less money for businesses to hire new employees or provide salary increases to their current employees.

The businesses pay the taxes yes, but it is our middle class families who truly feel the pain. And it is those same middle class families who will reap the benefits of a competitive property tax structure that makes it easier for us to recruit, retain, and grow those companies that create the new jobs our families need.

My plan to reform and reduce property taxes is an investment in Iowa families and small businesses, but not at the expense of local Iowa governments.

In addition to lowering and reforming property taxes, I am committed to enhancing the skills of our state's workforce as a critical investment in meeting the needs of Iowa's job creators over the next decade.

Our workforce must have the vital skills needed to find careers in the twenty-first century and I think that is something on which everyone in this chamber can find agreement.

To that end our administration has embarked on an ambitious effort called Skilled Iowa to bring new workforce skills to our unemployed, under-employed, and those simply seeking better long-term careers.

The impetus for the Skilled Iowa initiative began with conversations I had with great Iowans like Bill Knapp, Jim Cownie, and Teresa Wahlert on how to best bridge the skills gap so many employers have articulated as being an impediment to bringing even more high quality jobs to Iowa.

Our Skilled Iowa initiative builds upon the STEM program to ensure workers in Iowa get the skills they need to fill the high-paying jobs of today and tomorrow. It is simply unacceptable for me to hear time and again as I travel throughout all 99 counties of this state that employers are ready to hire, but our workers aren't prepared with the necessary skillset to fill these jobs.

Skilled Iowa is helping to change this and bring new hope to Iowans needing new skills to transition to the 21st century economy.

We have already had 2,400 Iowa businesses sign up as Skilled Iowa members and 18,000 Iowans have used Skilled Iowa resources to certify their skills with the National Career Readiness Certificate. These are now 18,000 Iowans with a renewed purpose in life. Eighteen thousand Iowans who have been shown a new path to providing for their families. Eighteen thousand Iowans who improved their skills and are ready for new careers in Iowa.

My hope is to grow this program and work with new employers seeking a skilled workforce while also working with more Iowans. More training will mean more skilled workers ready to fill the twenty-first century jobs being created in Iowa, the careers that will pay well and keep our children in Iowa.

Through lower property taxes and a more highly skilled workforce, in addition to our successful economic development efforts, we have an opportunity to truly stimulate this state's economy and provide our citizens with the high quality careers they so clearly desire.

This is our opportunity. This is our Iowa.

And speaking of our Iowa, today in the balconies of this chamber are school children from across Iowa. They are our children. They are our grandchildren. Quite literally, they are our future.

Today they get a ring side seat to watch democracy in action. I hope they will leave this building with the knowledge that each of us here shares an absolute commitment to making Iowa a better place for them and their families.

Earlier I posed the question concerning when we as a state decided to accept middle of the road as good enough when it comes to our children's education. The question wasn't intended to offend. The question was intended to provoke serious thought regarding the future of education in this state.

A world-class education is the ticket to opportunity for Iowa's next workforce, our children.

In today's knowledge-based, global economy, youngsters must finish high school ready for college or career training.

This is an economic and moral imperative.

Just as we were honest with each other about the challenges we faced with our budget two years ago, we must also be honest with each other about the performance of our children in Iowa schools. We owe these young people so much more than just good enough.

We cannot continue to be complacent:

- Nearly a quarter of third-graders did not read proficiently on state tests last school year, which will make it tough for them to ever catch up in the years that follow.

- Iowa eighth-graders led the nation in math skills in 1992. Now, they rank 25th–not because their scores have slipped, but because their scores have been stagnant while other states' improved and leaped ahead of us.

  We are shortchanging some of our best students, too. Just eight percent of Iowa eighth-graders scored at the advanced level in math on the national test compared to 15 percent in Massachusetts, which is number one in the nation.

- Among Iowa's high school class of 2012 who went directly to a community college, more than 36 percent are enrolled in a remedial class.

Let me be perfectly clear to the teachers here today and teachers in classrooms across Iowa, you are NOT the problem. Iowa is fortunate to have many dedicated educators who work incredibly hard. I know this from visiting Iowa's schools, and because my daughter Allison teaches in Waukee and the Lt. Governor's daughter Jessica teaches in Creston.

The problem is Iowa has been slow to adopt reforms to help students learn the knowledge and skills needed to compete, not just with their peers in other states, but with young people around the world.

We must have higher expectations for all children, not just some. But higher expectations for children means we must also better support their teachers. Right now, they are stuck in a system designed for the mid-20th century.

We must work together to transform Iowa's schools for the 21st century.

Let's establish new roles for top teachers who will provide instructional leadership alongside principals to better meet the needs of every student.

That is why elevating the teaching profession is at the heart of our 2013 education plan. It has three key pieces.

The centerpiece of our plan to revitalize Iowa schools is creating a new teacher leadership and compensation structure. Relying on teacher leadership is a hallmark of high-performing school systems around the country and around the world.

Iowa has embraced paying teachers in innovative ways before. In 2001, the Iowa legislature passed and Governor Vilsack signed a law establishing a teacher career ladder – but it was never funded.

Establishing new career pathways promises to do more than raise student achievement. It will offer outstanding teachers new professional opportunities.

Governor Vilsack and the Iowa Legislature recognized we were losing teachers who were frustrated by seeing their only opportunity for advancement was to leave the teaching profession altogether.

Our plan honors teaching by recognizing how vitally important it is and provides six career pathways teachers may pursue. Those pathways are initial, career, model, mentor, lead, and emeritus teachers.

Educators will be able to advance their careers in the classroom through these numerous pathways. Our plan gives teachers the opportunity to have a meaningful impact in their schools and districts while also giving our children better educators and a better education. The end result for Iowa children will be better performance in the classroom and better opportunities for their future.

This kind of reform does come with significant cost, but it is a cost I believe to be a true investment in educational excellence. I am recommending a $160 million state investment in this new teacher compensation model to keep our best high performing teachers in the class rooms and in their school buildings throughout the entirety of their career.

And, I believe we should resolve the issue of what we are collectively willing to invest in achievement-driven reform before we spend one minute discussing additional resources to support our existing educational system.

The second piece of our education reform plan addresses another key problem: attracting top students to become teachers. The simple truth is we must attract more of our best students into the teaching profession.

Today, I propose boosting beginning minimum teacher pay from $28,000 to $35,000 a year – a 25 percent increase to help reduce the amount of financial sacrifice high performing students have to make in order to choose to enter the teaching profession.

Additionally, I propose a significant expansion of the Teach Iowa

Initiative that is administered by our Iowa College Student Aid Commission. This initiative attempts to attract more top students into teaching by offering two years' tuition reimbursement for highly talented new graduates who teach in Iowa schools for five years.

Our proposal expands this opportunity to at least 500 students at Iowa's public and private colleges each year. Priority will be placed on students majoring in hard-to-hire subjects, such as math and science, but awards will also go to future teachers in other majors as well.

And the Teach Iowa Initiative includes a pilot to expand the traditional one-semester of student-teaching to a year-long apprenticeship in partner schools. Stronger clinical experiences stand to better prepare future teachers. The Teach Iowa Initiative will let us bring excellence to every part of Iowa.

The third key piece of this plan to revitalize education in Iowa is proposing a new college or career-ready certificate program and allowing all Iowa students the option, at the state's expense, to take a college-entrance or workforce readiness test.

Colleges and businesses need to know the strengths and weaknesses of our high school graduates. More importantly, Iowa students need to know their own strengths and weaknesses.

Our plan gives students in Iowa the opportunity to learn their strengths, build on them and be recognized. Our program will make it clear what it means to be college or career ready based on the real world expectations of Iowa education and business leaders.

Look around and you will see that many other states and nations today provide their children with a better education than Iowa does – whether those children are from low income or more affluent families.

This tells me that putting in place the right education policies, strategies and practices can dramatically raise student achievement. Let's work together to make those changes with a sense of purpose, so all of our children have abundant opportunities when they grow up.

Our plan is meant to strengthen the profession of teaching because we recognize a world class education depends on whether or not Iowa has world class teachers.

And the future success and prosperity of Iowa students, and the outlook for Iowa's economic vitality in the decades ahead, depends on whether or not our students have access to a world class education.

When Iowa can brag about having the best-educated workforce anywhere, more businesses will locate and expand in Iowa. As a result, more young people will stay in Iowa because they can land good jobs that pay well, and allow them to enjoy a great quality of life.

Our children deserve our best efforts because this is our opportunity. This is our Iowa.

Lastly, I wish to speak to you about an issue that stands at the heart of our Iowa quality of life and is so personally important to me. That issue is the health and well-being of each and every Iowan and my desire to make Iowa the healthiest state in the nation.

As a former President of one of Iowa's medical teaching universities, I marveled at the progress modern medicine has made to save and lengthen lives. It is truly astounding of what our medical professionals are capable.

Yet, while we are living longer lives I have to ask are we living better lives? The obesity epidemic and onset of more and more chronic disease stretches the capacity of our medical system to meet our needs and stretches the ability of taxpayers to support programs such as Medicaid.

This is why I have embarked on the ambitious goal to make Iowa the healthiest state in the nation. To that end I have developed a plan to take a first step toward keeping more medical professionals living and working in Iowa.

We have an opportunity to make Iowa communities vibrant not only through better jobs, higher family incomes, better education and training, but also by ensuring Iowa communities have the health care professionals needed to keep their residents healthy. And why shouldn't doctors want to live and work in Iowa?

Yet, in the past decade Iowa has fallen further and further behind in active physicians per 100,000 residents. Sure, we are behind states like Massachusetts and Michigan. But we are also trailing neighboring states South Dakota, North Dakota and Nebraska. Iowa is 46th in the nation in internal medicine, 47th in the nation in pediatric doctors, 48th in psychiatry and last in both emergency medicine doctors and obstetrics and gynecology doctors.

We are home to two great medical schools—the University of Iowa and Des Moines University. In fact, we have over 1,500 medical students currently enrolled in these institutions. But we are not doing enough to keep them here and, if this continues, I believe we will not only see the Iowa quality of life suffer, we will also see the Iowa way of life erode.

Today, I am proposing three initiatives intended to help keep Iowa and Iowans healthy by keeping doctors in our communities. First, my budget proposes two million dollars to support medical residency programs in Iowa through an existing state matching grants program. This program was created years ago in order to increase our ability to train doctors in Iowa and it is time we funded it.

Last year, we came together and created a public-private partnership to help doctors serving rural areas repay their costly loans called PrimeCare. My second proposal for keeping doctors throughout Iowa is to provide more funding for this program and expand it to allow more types of doctors and specialists to take part in its benefits.

And while having more doctors remaining to practice in Iowa is a good first step, it is not by itself the solution. We must also ensure these gifted medical professionals serve communities throughout our state. While president of Des Moines University, I learned keeping our doctors and health care professionals here in Iowa means committing to helping them stay in Iowa. Let's come together and make that commitment.

My third proposal to protect the Iowa way of life and keep doctors in communities is for us to come together and pass a Certificate of Merit law and a cap on non-economic damages. Keeping doctors in Iowa requires we make our state a place that is friendly to those who practice medicine.

The first oath taken by a doctor is to do no harm. No group of people is more committed to protecting patients than our Iowa doctors and no one believes in protecting Iowans more than me.

Frivolous lawsuits are harming our ability to recruit and retain doctors and I am asking you to work with me on responsible tort reforms that will help keep doctors practicing in Iowa.

A Certificate of Merit simply requires a medical expert review the facts of a case when a lawsuit is filed and verify that the injuries could have come from substandard care. This lets real claims move forward and takes the weight of bad claims off of our health care and judicial systems.

These are sensible reforms. And we know they work because states with these laws have more doctors and lower costs than we do here in Iowa.

This is our opportunity. This is our Iowa.

Since the founding of our great state, Iowa has always been a place where anyone, regardless of their background or circumstances, could find endless opportunities to better themselves and provide their family with a high quality of life.

These are not the fleeting traits of an Iowa decades ago. Rather they are the very real promise of an Iowa that is here and now and ready to welcome those who wish to both share in and add to our bounty.

It is the promise of a good people, who demand a good government, and expect the men and women serving in that government to put aside their dividing differences and come together to make good public policy.

It is the promise of providing hardworking parents the ability to give their children the generational gift of a world-class education.

It is the promise of a way of life that provides opportunities to thrive in the heartland of America.

We stand at a place in history where many other states are burdened with debt and looming uncertainty while Iowa remains well positioned for unprecedented growth.

While states across this country are choking the opportunities right out of their states through over-taxation and over-regulation, Iowa is like a lighthouse, beaming a bright light of opportunity to those seeking a better life within our borders.

Future Iowans will ask of us--did we do all we could to advance and improve our people at such a critical time?

Did we do enough to prevent the costs of soaring property tax increases from crashing down on middle-class Iowans?

Did we do enough to prepare our children for the challenges they will face with the demands of an increasingly global economy?

Did we do enough to ensure our Iowa way of life endures in the decades to come such that it can be enjoyed by the generations who follow?

I am confident the policies I have outlined today will answer those questions in the affirmative.

With a laser- like focus on permanent property tax relief, world-class education reform, and healthy living, we have the opportunity to decidedly improve the quality of life for all Iowans now and in the years that come.

If I have learned one thing in my 18 years of serving as your Governor, it's that together we can positively impact the lives of Iowans in unimaginable ways.

Together, we have accomplished much these past two years.

And together, we can finish the work that needs to be done for all Iowans.

My energy and passion for serving Iowa is as strong as ever. And my desire to do all in my power to improve the lives of our citizens burns hotter than ever.

Every day we see progress being made, but I know we can do more, and know we must do more.

So today, let us recognize that we have a solemn obligation to the people of Iowa to provide results.

The condition of our state is strong and is growing stronger by the day.

But our work here is far from done.

Let us turn the page and write a new chapter in Iowa's history.

A chapter which reflects how a people of good character and a common purpose, who were genuinely committed to working together, provided the dynamic solutions that led to the brightest and best of times in our state's long and proud history.

- A chapter that will hail the unprecedented growth of job opportunities and rise in family incomes for all Iowans.
- A chapter that celebrates the fact every Iowa child has access to the best education in the world.

- A chapter that affirms how Iowans' quality of life reached new plateaus as our citizens became the healthiest in the United States.

This is the chapter in our history that you and I, each and every one of us in this chamber, have been provided the opportunity to write. So let's write it well and write it together.

This is our opportunity. This is our Iowa.

Thank you.

God bless you and God bless the great State of Iowa.

Governor Branstad's Budget and Program for 2013

From the day he took office on January 14, 2011, Governor Branstad has focused the work of his administration on the accomplishment of his key four goals. To that end, the 2013 Budget and Program are designed to continue his pursuit of these ambitious goals and provide Iowans with a road map on how he intends to foster this state's greatest economic expansion and quality of life enhancement of the last half-century.

Goal 1: Create 200,000 new jobs for Iowans

Goal 2: Raise family incomes by 25%

Goal 3: Restore Iowa's educational system to #1 in the nation

Goal 4: Reduce the cost of government by 15%

This is our opportunity. This is our Iowa.

Excerpt from Governor Branstad's 2013 State of the State address to the General Assembly:

"Since the founding of our great state, Iowa has always been a place where anyone, regardless of their background or circumstances, could find endless opportunities to better themselves and provide their family with a high quality of life.

These are not the fleeting traits of an Iowa of decades ago. Rather they are the very real promise of an Iowa that is here and now and ready to welcome those who wish to both share in and add to our bounty.

It is the promise of a good people, who demand a good government, and expect the men and women serving in that government to put aside their dividing differences and come together to make good public policy.

We stand at a place in history where many other states are burdened with debt and looming uncertainty while Iowa remains well positioned for unprecedented growth.

While states across this country are choking the opportunities right out of their states through over-taxation and over-regulation, Iowa is like a lighthouse, beaming a bright light of opportunity to those seeking a better life within our borders."

--Terry E. Branstad, Governor of Iowa, January 15, 2013

CREATING JOBS AND GROWING FAMILY INCOMES

Despite the meager economic recovery seen throughout most of the nation, the Branstad Administration continues to make steady progress toward its five-year goal of creating 200,000 new Iowa jobs and increasing family incomes by 25%. Implementation and continuation of Governor Branstad's priorities will keep Iowa's economy on the path toward recovery.

Property Tax Reform and Relief

Iowa's commercial and industrial property taxes are amongst some of the highest in the nation and have long served as an impediment to job creation. Governor Branstad is proposing a $400 million comprehensive program to reform and reduce property taxes for all classes of property.

The Governor's plan will provide a permanent reduction in commercial and industrial property taxes, while ensuring the tax burden is not shifted among different classes of property. In addition, Governor Branstad intends to provide significant tax relief to all classes of property and has committed nearly $400 million in direct property tax relief.

To address concerns raised by local governments, all the lost revenue resulting from the tax cut will be replaced with state dollars. Governor Branstad will provide further property tax relief by fully funding property tax credits and ending automatic property tax increases which result from the current school finance formula.

Reforming our property tax system will unleash Iowa's job creators, trigger new investment, and make Iowa more competitive in the global economy.

Iowa Partnership for Economic Progress / Iowa Economic Development Authority

Governor Branstad's innovative public-private partnership model for promoting economic development continues to reap dividends. Created through bipartisan cooperation during the 2011 legislative session, the new structure has allowed Director Debi Durham more flexibility to pursue new opportunities for our state. Since Governor Branstad took office in 2011, the Economic Development Authority has secured more than $5.2 billion in capital investments with over 14,000 jobs tied to those projects alone.

Record levels of investment in Iowa are being routinely exceeded. For example, the $1.4 billion Orascom fertilizer plant in Lee County was the largest capital project in the history of the state at the time. However, just a few weeks later, that record was exceeded by the $1.7 billion investment by CF Industries in Woodbury County. Continued expansion from past incentive recipients has also created new opportunities for Iowans. For example, in November 2012 Google announced additional expansion in Council Bluffs which will bring their total investment in Iowa to over $1 billion.

During the 2013 legislative session, the Branstad Administration will champion proposals which ensure the Economic Development Authority has the capacity to pursue and support new opportunities for increased investment in Iowa. The Governor will support legislation returning the tax credit cap to its original level of $185 million, while moving the Economic Development Authority toward self-funding, which would reduce the requirement of annual support from appropriations of taxpayer dollars.

Connecting Employers and Skilled Workers

As Governor Branstad and Lt. Governor Reynolds visited all 99 counties, employers continually expressed concern about their difficulties in matching their workforce needs with employees who have the appropriate training and skills. A recent study by Iowa Workforce Development specifically identified the problem – though half of all jobs in the Iowa economy are middle skill jobs, only one-third of our workers are middle skill workers. Further, while only 18% of Iowa jobs are low-skill, 38% of our workers are low-skill workers.

Two Branstad Administration programs in particular are aimed at addressing this problem – the STEM Advisory Council and the Skilled Iowa initiative. The STEM Advisory Council is designed to increase interest and opportunities for students in the fields of science, technology, engineering, and mathematics. At the core of the initiative is a focus on aligning STEM education with workforce needs. The Skilled Iowa program is a public-private partnership which will allow workers to demonstrate and certify their skills, and allow employers to more reliably evaluate applicants. Since the launch of the Skilled Iowa program, 2,400 companies have become Skilled Iowa employers, and over 18,000 workers have certified their skills.

The Branstad Administration is also more efficiently meeting workforce needs. Though there are fewer brick-and-mortar Workforce Development office locations, access to services has been expanded through the creation of 970 virtual access points. 50,000 workers have used virtual access to obtain Workforce Development services.

Retaining Iowa Jobs by Encouraging Employee Ownership

As many Iowa business owners approach retirement age or otherwise consider their financial exit strategy, there is a risk that their business could be purchased by out-of-state investors who may not keep the business in operation. Governor Branstad and Lt. Governor Reynolds support policies which make it more likely for such businesses to stay in operation – and in Iowa. During the 2012 legislative session, the Branstad Administration successfully championed legislation which provided business owners a 50% tax deduction on capital gains resulting from the sale to an Employee Stock Ownership Plan (ESOP). During the 2013 legislative session, the Branstad Administration will seek $1 million in funding for ESOP formation assistance. The funds will be used to encourage the formation of ESOPs and educate business owners on the advantages ESOPs can provide.

Making it Easier to Start a Business in Iowa

Governor Branstad is committed to making it easier to start a business in Iowa. Small businesses in Iowa account for 51 percent of private sector jobs. Last year, Governor Branstad and the Iowa Economic Development Authority announced the creation of IASourceLink.com, a web-based platform empowering entrepreneurs and small businesses with technical and financial resources to meet their specific business needs. This site will give Iowans seeking to start or expand a business a simple, streamlined entry to existing organizations and assets that best meet their needs. Governor Branstad seeks to expand the use of innovation in state government and make it easier for job creators to start and succeed in Iowa.

Reducing the Burdens on Iowa Businesses – Reducing the Unemployment Trust Fund Tax

Businesses across Iowa pay into the Iowa Unemployment Trust Fund. Due to diligent management of the fund and our improving economy, Iowa's businesses will see nearly $100 million dollars in tax savings for reduced unemployment tax rates in 2013. States across the country have struggled with the stability of their Unemployment Trust Funds, yet Iowa has been able to reduce rates for the past two years. Governor Branstad is committed to helping business create job. Continuing the diligent management of the Trust Fund ensures a lower tax burden for businesses making Iowa more attractive for job creation.

ACHIEVEMENT-FOCUSED EDUCATIONAL TRANSFORMATION

Governor Branstad and Lt. Governor Reynolds are committed to giving all Iowa children a world-class education. Our state has a proud education tradition, but troubling trends in math and reading test scores over two decades are among the evidence that we must better prepare youngsters for a knowledge-based, global economy. That's why they want to target spending to accelerate student learning across the state in their 2013 education package.

Higher academic expectations call for transforming Iowa schools to better support the more complex work teachers are being asked to do in the 21st century. In the 20th century, the goal was for all students to learn basic skills, and for some students to excel. Today, virtually all students need more than basic skills so they are ready for college or career training after graduation.

Iowa can't afford to continue to be complacent about the need to dramatically improve our schools over the next decade.

Here is just some of the evidence that we need to do that:

- Nearly a quarter of third-graders did not read proficiently on state tests last school year. And Iowa's proficiency level is set relatively low compared to the level on national tests.
- Iowa eighth-graders led the nation in math in 1992. Now, they rank 25th because their scores have been stagnant, while other states' improved. Iowa also has a smaller share of advanced eighth-grade math students than some states.
- Among Iowa's class of 2012 who went to a community college, more than 36 percent enrolled in a remedial class.

Unless more Iowa students are better prepared, they will be at a disadvantage all their lives. Test scores are just one indication that change is needed. All youngsters deserve an engaging, rigorous education that helps them make their way in the world, and that prepares them for an increasingly demanding workforce.

Teacher Leadership and Compensation Structure

Governor Branstad believes we can transform schools by adopting a new teacher leadership and compensation structure. The goal is improving learning by recruiting some of our best teachers to serve on instructional leadership teams with principals. It's no longer realistic to think that principals can provide all the instructional leadership throughout each building to meet the needs of every student.

Making the most of teacher leadership is a hallmark of high-performing school systems around the world – and some Iowa districts have moved in this direction, including Des Moines. Iowa embraced this idea before, with a 2001 law establishing a teacher career ladder – be we failed to fund it. Now, the state is in a position to fund new career pathways in a sustainable fashion.

The six career pathways are as follows: initial, career, model, mentor, lead and emeritus teachers.

Initial teachers in their first year teach about three-quarters of the time and the rest of the time observe outstanding teachers and work with mentors. This first year is known as a residency year. Most new teachers will be initial teacher for two to three years.

Success as an initial teacher is followed by becoming a career teacher. Career teachers may earn a stipend for teaching in Iowa's highest-poverty schools because the work is so challenging. Career teachers may become model teachers who open their classrooms to other teachers to observe their work.

Some career teachers will become mentor teachers, who teach in their own classrooms most of the time and otherwise mentor new and veteran teachers. They will work with student-teachers, too.

And some career teachers will become lead teachers, who split their time between teaching in their own classrooms and spreading their expertise across the building. Analyzing data, fine tuning instructional strategies, coaching and co-teaching are among the roles they will take on.

Emeritus teachers may fill in when mentor and lead teachers are released from their classrooms for those other responsibilities.

In exchange for taking on additional responsibilities, model, mentor and lead teachers receive additional pay and Governor Branstad has committed a $160 million investment to fund this new compensation model.

Raise Beginning Teacher Salaries

Another key proposal in the governor's and lt. governor's 2013 education package promises to attract more top students into teaching. They propose raising the beginning minimum teacher salary to $35,000 a year from the current $28,000.

Attract Top Performing Students into Teaching

Governor Branstad proposes expanding the **Teach Iowa Initiative**, which includes a Teach Iowa Scholar Program to reward top-performing students with tuition reimbursement if they teach in Iowa schools for five years following college graduation. It will target majors in hard to hire subjects, such as math and science, but will go to students majoring in other areas as well. It expands an existing program.

College Ready and Career Ready Diploma Seals

The Governor supports the development of college- and career-ready seals that students would voluntarily earn in addition to their local high school diploma. Higher education institutions say many students need remedial help to catch up. And employers often say recent graduates lack the skills they are need. A commission of education and business leaders would set clearer standards for what it means to be ready for the next steps after high school graduation, though it may take several years to put them in place. In the meantime, high school students would have the option of taking a college-entrance exam or a workforce readiness exam at no charge to families.

SUPPORTING STRONG AND HEALTH FAMILIES

Healthiest State Initiative

In August 2011, Governor Branstad set the ambitious goal of making Iowa the healthiest state in the nation by 2016. Our need as a state to become healthier is undeniable. Poor health behaviors, which often result in obesity and ultimately chronic conditions like diabetes, heart disease, cancer or depression, are significant drivers of health care costs and productivity loss. These conditions result in higher health care costs, lower quality of life and lost productivity for our economy. According to the Center for Disease Control (CDC), 29.1 percent of Iowans are obese and the prevalence of obesity in Iowa has increased 66 percent since 1995. The simple truth is, if Iowa can begin to address well-being in our state and empower Iowans to take ownership over their health decisions, lives will be improved and billions of dollars will be saved.

The publicly endorsed, privately led Healthiest State Initiative has come together to engage Iowans person by person and community by community to embrace our goal. (http://www.IowaHealthiestState.com) Over the past two years, hundreds of thousands of Iowans have come together to walk, embrace the initiative and learn about the differences that can be made in their own communities. Part of the initiative is the Blue Zones Project. The Blue Zones Project is helping people transform their communities to live longer, healthier lives. (http://www.BlueZonesProject.com)

Governor Branstad looks to build on the successful start we have already experienced. Iowa's score on the Gallup-Healthways Well-Being Index has moved up from 19^{th} to 16^{th}, we have set world-records for statewide Healthiest State walks and the first Blue Zones communities have begun their transformations. The Healthiest State Initiative will continue working to empower Iowans, make our state more economically viable and lead Iowans to live healthier lives.

MHDS Redesign

Mental health and disability services (MHDS) redesign was signed into law by Governor Branstad last year. Redesign created a regional-based system for delivering MHDS care. This redesigned system replaced the outdated "durational legal settlement" county-by-county means for determining financial responsibility. The newly designed system will be managed at the state level, administered by regions while still delivering care locally. Regions will enter into performance-based contracts to administer and deliver services, including a set of core services that will be consistent across the state.

Iowa's newly redesigned system is based on a successful existing regional system that is thriving around Waterloo. The new system will be financially sustainable and predictable for the state.

Governor Branstad believes, most importantly, the redesigned system will advance care and accountability for families and ensure more consistent and high quality care across the state.

Helping Keep Doctors in Iowa

Iowa is home to two medical schools and more than 1,500 medical students. Communities throughout Iowa depend on health care professionals needed to stay vibrant. Yet, in the past decade, Iowa has fallen further and further behind in active physicians per 100,000 residents. Iowa is 46^{th} in the nation in internal medicine doctors, 47^{th} in the nation in pediatric doctors, 48^{th} in psychiatrists and last in both emergency medicine doctors and obstetrics and gynecology doctors.

This session, Governor Branstad is proposing three initiatives intended to help keep Iowans healthy by keeping doctors in Iowa. First, the budget proposed by Governor Branstad includes two million dollars to support medical residency programs in Iowa. Second, Governor Branstad supports further funding and an expansion to other specialty areas for the public-private partnership created in 2012 to help rural doctors repay their costly student loans. Finally, Governor Branstad proposes a Certificate of Merit and a cap on non-economic damages in medical malpractice lawsuits. While president of Des Moines University, Governor Branstad learned keeping doctors in Iowa meant committing to helping them stay in Iowa. Other states have enacted similar reforms and had success in keeping doctors in their states and reducing the cost of care.

Health Care Reform & Iowa's Health Benefits Exchange

Iowans deserve health care reform that improves care, lowers cost and most of all makes people healthier. These principles guide Governor Branstad on all health care issues.

Governor Branstad believes a completely federal exchange would raise costs on individuals and businesses, making it harder for them to create jobs and raise family incomes in Iowa. Instead, Governor Branstad intends to minimize the federal government's intrusion into the regulation of insurance in Iowa. Iowa will continue to regulate insurance plans in Iowa and will also retain control over our Medicaid and Children's Health Insurance Plan eligibility. Maintaining control over these areas is critical to health care for Iowans, stability for job creators and the fiscal bottom line for our state. Maintaining responsibility and operational control will also enable our efforts to modernize health care and to change our payment methods to reward quality and improve Iowans' health instead of procedure volume. Iowa will partner with the federal government in the areas of insurance regulation and Medicaid eligibility for the operation of the health benefits exchange in Iowa.

Iowa's Medicaid Program

The report confirms what past experience has already shown us, the common sense notion that when you add thousands of people to Medicaid it costs more money. Since 2000, Iowa has expanded Medicaid coverage for adults by more than 65 percent, from less than 250,000 covered Iowans to now covering more than 400,000 Iowans. During that time, the total cost of Medicaid has risen 129 percent, with a current total cost of more than $3.5 billion.

Medicaid has become one of the largest spending areas and the fastest growing General Fund budget driver. This program, with its federal funding component, is a large and complex funding source of health care for vulnerable and needy Iowans. More than 35,000 providers participate in Medicaid. Effective management of this program is critical for stability and predictability in this program so many Iowans find critically important.

FEEDING THE WORLD WHILE PROMOTING CONSERVATION

Strengthen Iowa's Leadership in Agriculture

Iowa is a proud leader in agriculture and agribusiness. Every year, Iowa agriculture and agribusiness adds $72 billion into our state's economy and supports one in six careers. Our state's safe and reliable food and products not only supports local families, but feeds families around the world. As a vital component to our state, and Iowa's future, the Governor and Lt. Governor support Iowa farmers and the agribusiness industry in their continued efforts to feed a growing world population.

Through research, innovation and strategic partnerships, Iowa farmers have and will continue to make advancements for the betterment of the industry and our state. Today, each Iowa farmer produces enough food to feed about 155 people worldwide, and in 1970, the Iowa farmer produced enough food to feed 73 people worldwide. With 30.7 million acres of farmland in Iowa, and a world population continuing to grow, Iowa farmers will be asked to produce more food and products with the same amount of land. The Governor and Lt. Governor support agriculture and agribusiness efforts to foster innovation and growth, while taking proactive steps to protect our natural resources for future generations. In addition, the Governor and Lt. Governor will promote opportunities that assist young farmers and family farms in their efforts in the agriculture industry.

Promoting a Culture of Conservation

Iowa farmers and landowners are good stewards of the land and understand the importance of protecting our vital natural resources of land, air and water for future generations. Currently, 90% of all Iowa cropland is farmed using conservation practices. In partnership with the Secretary of Agriculture, Bill Northey, the Governor and Lt. Governor will continue to encourage Iowa farmers and landowners to build on Iowa's culture of conservation through voluntary and proactive methods that prevent topsoil runoff and protect our waterways. Specifically, the Governor's budget proposes full funding for Secretary Northey's proposed program for Water Quality Nutrient Management with $2.4 million in fiscal year 14 and $4.4 million in fiscal year 15 from the Environment First Fund.

Growing Iowa's Global Partnership Aboard

To feed a growing world population, Iowa must expand upon our international partnerships aboard. In 2012, all eyes were on Iowa, as the Governor and Lt. Governor hosted China's expected next President, Xi Jinping, for a historic visit to our state. This visit, and our unique partnership to China, catapulted Iowa onto the world stage, which has yielded many economic benefits. The world saw that Iowans are sincere, hardworking people who take pride in the food and products they produce. And, during Vice President Xi Jinping's visit to Iowa, $4.3 billion in soybeans were purchased, which will help Iowa farmers, the agriculture industry and their local communities.

Next year, the state of Iowa will celebrate the 30^{th} Anniversary of the Iowa's sister state relationship with the Hebei Province in China. This sister state relationship helped to bring Xi Jinping to Iowa in 1985 for a two week agriculture research visit and has been extremely important for economic, cultural and educational exchanges. The Governor and Lt. Governor look forward to continued efforts to enhance strategic partnerships with China for the betterment of the people of Iowa and the people of China.

With Iowa products being exported to 192 countries around the world, the Governor and Lt. Governor will continue to advance Iowa's global partnerships in other areas of the world. In addition to a successful trade mission to Chile and Brazil in 2012, the Governor will lead a trade mission, with strategic business meetings, to Europe in 2013. And, in February, the Lt. Governor will lead an Iowa business delegation to Vietnam and the Philippines to promote Iowa's agriculture exports to Southeast Asia. These trade missions promote Iowa's safe and reliable products and help educate the world about the many economic opportunities in our state.

TRANSPORTATION IN THE 21ST CENTURY

Maximize Transportation Funding through Road Use Tax Fund Efficiencies

In 2011, Governor Branstad created and appointed a Transportation 2020 Citizen Advisory Commission (CAC) to provide an independent review of transportation needs and revenue. The CAC submitted their report to Governor Branstad and the Iowa Department of Transportation (DOT) on November 8, 2011. As a result of the Transportation 2020 CAC recommendations, Governor Branstad directed the Iowa DOT to identify $50 million in efficiency savings from the over $1 billion of state revenue already provided to the Iowa DOT and Iowa's cities and counties to administer, maintain and improve Iowa's public roadway system.

In 2012, the Iowa DOT reported $33 million of efficiency savings have been implemented. As a result, the Transportation Commission was able to program an additional $33 million in transportation improvement projects when they approved the 2013-2017 Iowa Transportation Improvement Program in June 2012. In addition, the Iowa DOT began development of a Transportation Asset Management Plan (TAMP). The TAMP, when fully implemented, will help the Iowa DOT, along with cities and counties, operate, maintain, and modernize the transportation system in the most cost effective manner.

Iowa Department of Transportation: Smarter, Simpler, and Customer Driven

Transportation powers the creation of wealth in our nation and state unleashing opportunity for economic activity. Iowa's economy is dependent on a robust and diverse transportation system to move products to a global marketplace. Iowa's transportation system has long provided our state's businesses a competitive advantage and that remains true today in the global economy.

As a producer-state, Iowa needs transportation funding flexibility. Iowa's predominate product movement is bulk in nature and requires transfer across transportation modes for delivery and consumption in the global marketplace. A critical revenue need has emerged for a dedicated stream of funding geared to improve modal connections. This will significantly enhance the ability of Iowa producers to have competitive transportation options when shipping products to global marketplaces.

In 2012, Iowa DOT implemented a business-focused Freight Advisory Council. The purpose and mission is to provide a forum for the exchange of ideas and help the Iowa DOT better understand the complexities associated with freight movement to more effectively guide public investment in transportation infrastructure. This council will serve a vital role to the Iowa DOT and other state agencies so we most effectively serve the movement of freight on Iowa's transportation system. This has taken on increasing importance as freight volumes continue to increase and require a reliable and predictable transportation system.

The Iowa DOT places an emphasis on improving the delivery of transportation services and products by improved means focused on efficiency, convenience, and cost reduction. A better transportation system requires more than funding for infrastructure – it requires easy and accessible information and, the provision of services directly to the customer. The Iowa DOT will be bringing an array of electronic services to customers and businesses which will reduce costs, be web accessible, and delivered conveniently on-demand and unbundled from long-standing Iowa DOT practices. These service enhancements along with strategic investments in the transportation system will deliver improvements in safety, mobility and economic development for the State of Iowa.

The Iowa DOT has integrated operations with many partner agencies. These integrated operations are focused on improving effectiveness and efficiency of shared missions to improve overall respective agency performance and the performance of the transportation system.

This integrated operation has most notably been done with the Department of Public Safety (DPS). The Iowa DOT and DPS have created an ongoing shared leadership team for joint oversight on programs and operations to improve safety and efficiency on Iowa's transportation system as well as strengthening homeland security. This past year, the agencies have begun joint training through the first-ever joint State Peace Officer Academy and first-ever joint statewide tabletop exercise. We have implemented a common presence in vehicles for the DPS – Iowa State Patrol and DOT – Motor Vehicle Enforcement. We continue to coordinate on communications and interoperability issues. For the first time, we have shared communication infrastructure and begun plans to develop a joint communications center to further enhance our ability to effectively manage our joint resources and significantly enhance traffic operations and safety across Iowa.

A SAFE AND SECURE IOWA

Governor Branstad believes that safe communities serve as a foundation for growth in our state. To that end, last session significant progress was made in the public safety arena. Governor Branstad signed into law legislation that strengthened Iowa's human trafficking and child pornography laws. In addition, Governor Branstad signed Kaydn's Law, a bill designed to enhance child safety at school bus drop-off and pick-up locations. Lastly, Governor Branstad signed into law legislation that made Iowa's synthetic drug laws the strongest and most comprehensive in the nation.

To build on the success of last year, Governor Branstad is proposing the following measures to enhance public safety in Iowa.

Strengthening DNA Program

Strengthening the DNA (Deoxyribonucleic Acid) profiling program will provide public safety officials with the tools they need to help solve egregious crimes. A growing number of jurisdictions across the country are utilizing modern technology to take advantage of DNA that is left at a crime scene. Current Iowa law requires DNA samples from individuals convicted of a felon.

Governor Branstad is proposing a balanced approach to strengthening the current program by requiring DNA samples to be taken from individuals convicted of aggravated misdemeanors. Aggravated misdemeanors such as assaults causing injury to a peace officer and first offense stalking are not currently in the CODIS (Combined DNA Index System). The expansion of the database to include those convicted of an aggravated misdemeanor will lead to more DNA matches in criminal cases.

Crackdown on Elusive and Dangerous Synthetic Drugs

In order to ensure Iowa's synthetic drug laws remain one of the toughest in the nation, Governor Branstad is proposing to expand the definition of synthetic drugs in order to cover three new synthetic cannabinoid classes and enhance criminal penalties for synthetic drugs violations.

SUPPORTING OUR MILITARY AND VETERANS

Governor Branstad is incredibly proud of the rich tradition and commitment the State of Iowa has shown serving our nation. From having the largest commitment of troops per capita in the civil war, to the Iowa National Guard seeing their largest deployment since World War Two fighting in the war on terrorism, Iowans have always answered the call of duty.

With the dedication our veterans have shown over the years, Governor Branstad is committed to ensuring that Iowa's veterans receive the benefits and access to support they deserve.

Maintaining Stability in the Veterans Trust Fund

With the Veterans Trust Fund facing a severe backlog, last year Governor Branstad signed into law legislation that took swift action to fix the trust fund so that the backlog was eradicated and provided funding stability for future approved applications.

With the Trust Fund in sound fiscal health, the Governor remains committed to ensuring the Fund is not diverted by the Iowa legislature for General Fund purposes.

Transition Home Programs

With more and more of Iowa's veterans seeking to transition home, the Governor supports the continuation of the following two programs to our veterans.

Military Homeownership Assistance Program

The Military Homeownership Assistance (MHOA) Program provides eligible service members and veterans with a $5,000 tax free matching grant that may be used toward the down payment and closing cost assistance on a qualifying home purchase in Iowa.

This program has served as a great benefit to Iowa veterans and to also serves as a tool to attract other veterans to locate and make Iowa their permanent place of residence. Governor Branstad is recommending $1.6 million to be appropriated for FY 14 and FY 15 to ensure this program is continued.

Iowa National Guard Education Assistance Program

Governor Branstad believes that education serves as the pathway to upward mobility and community growth. To that end, Governor Branstad is recommending $5.2 million in order to reach the 100% reimbursement level for Iowa National Guard members who attend eligible Iowa colleges and universities and who are working toward their first bachelor's degree or two-year degree.

SUPPORTING OUR OLDER IOWANS

Empowering Older Iowans

Iowa, like many states, has an aging population. More than half of Iowa children five years old and under live in only 13 counties. In fact, right now there is one county in Iowa that has more people over 65 years old than under 18. However, by 2040, Iowa is expected to have 60 counties with more residents aged 65 and over than 18 and under. Governor Branstad recognizes these demographic changes and wants our state to help empower aging Iowans.

Aging System Redesign

Governor Branstad signed into law a redesign of the Aging Network in Iowa. After tremendous input from consumers and stakeholders, including townhall meetings across the state, the Iowa Department on Aging proposed the creation of a redesigned Aging Network. The redesign is the most comprehensive modernization of the network since the 1970s. Governor Branstad is committed to a successful implementation of this network. Iowa will continue to develop a statewide system of protections and services supporting aging Iowans.

Care in Your Community

The need for community-based care as our population ages is critically important. Last year, Iowa qualified for a program designed to balance states' spending on long-term care between community-based settings and institutional setting. Governor Branstad is committed to providing Iowans with greater access to home and community based services and reducing the reliance on institutional settings for those on Medicaid in Iowa. Iowa will continue to work through our Aging Network to streamline and simply access to aging services through a coordinated network, provide case management services to ensure community-based care and ensure consistent care across Iowa.

REGULATORY REFORM THAT WORKS FOR IOWANS

Regulatory reform has been a priority of the Branstad-Reynolds administration. State agencies should seek to achieve statutory goals as effectively and efficiently as possible without imposing unnecessary burdens that reduce jobs and hurt job growth. All rules are now cleared by the governor's office, so as to ensure Iowa's employers are not adversely affected.

Jobs Impact Statement for New Administrative Rules

There is now a Jobs Impact Statement on every new proposed rule and regulation in order to better maximize job growth and reduce adverse impacts on small businesses in Iowa.

Stakeholder Groups to involve Iowans in the rulemaking process

Governor Branstad signed Executive Order Eighty calling for the formation of stakeholder groups. Stakeholder groups give Iowans an extra voice in the rulemaking process by allowing impacted citizens a chance to advise government and hold the bureaucracy accountable. Public participation in the formulation of administrative rules will help our state to reform burdensome rules and prevent overregulation or red tape, encouraging efficiency, economic growth and job creation.

Rolling Sunset of Existing Rules

Governor Branstad is asking all state agencies to review existing administrative rules to identify those regulations that adversely and unnecessarily impact job creation in Iowa.

Development of a user-friendly website for members of the public to search for administrative rules

Governor Branstad tasked the Department of Administrative Services – Information Technology Enterprise to develop a cutting-edge website to make searching for administrative website easier for Iowans. Iowa will be one of the only states in the country with technology that makes it possible for its citizens to know what rules impact them and how to get involved in the process to make their voice heard.

OPEN AND TRANSPARENT GOVERNMENT

Governor Branstad's desire for open, honest government supports the enactment of several proposals that have been brought forth to ensure that Iowa government is truly transparent.

Governor Branstad has made himself one of the most open and accessible governors in the nation. He and Lt. Governor Reynolds have reinstated a weekly news conference that provides members of the media unprecedented access and a regular opportunity to ask questions on any subject matter. They reinstated budget hearings open to the public and the media in order to ensure Iowans know how their government operates. In 2011 and 2012, the Governor and Lt. Governor each visited all 99 Iowa counties – and will do so again in 2013. In 2012, 644 events were held that were open to the public and 1,393 events public events were held since the Governor and Lt. Governor took office.

Additionally, the Office of the Governor started a transparency website. The transparency website posts all open records requests received by the Governor's Office and includes the information requested, the number of days it took to complete the request, and the cost to the requestor, if any. Also, Governor Branstad named Bill Monroe, former head of the Iowa Newspaper Association, as his special advisor for government transparency. They meet regularly to discuss ongoing issues to ensure his administration remains on the cutting edge of open government initiatives.

To encourage even greater transparency at all levels of government, Governor Branstad proposes several initiatives.

Establish the Iowa Public Information Board

In 2012, Governor Branstad signed one of his priorities into law, Senate File 430, creating the Iowa Public Information Board. Due to the early appointments made by Governor Branstad, the Public Information Board will be able to achieve its goal and be effective by July 1, 2013. This agency is given the enforcement authority to enforce Iowa's open records and open meetings laws. The agency will continue to work to continuously identify areas in the open meetings and open records laws that need to be addressed. The board will be a one-stop-shop where Iowans, local government officials, and media can go to get quick, reliable answers.

Mandate Training for Keepers of Public Records

Many open meetings and open records violations occur due to a lack of knowledge and inadequate training of elected officials and government employees. For that reason, Governor Branstad proposes that the Iowa Public Information partner with the Iowa Newspaper

Association and the Iowa Freedom of Information Council to provide mandatory training for public officials and public employees in all levels of government.

[redacted]

From: Roederer, David [IDOM]
Sent: Sunday, December 30, 2012 12:12 PM
To: Hunter, Caleb [DAS]; Albrecht, Tim [IGOV]
Subject: FW: Employee question

I have received nothing as of today. We have to get this done ASAP. I must call him on Monday.

From: Clayworth, Jason [mailto:jclaywor@desmoine.gannett.com]
Sent: Sunday, December 30, 2012 12:09 PM
To: Roederer, David [IDOM]
Subject: RE: Employee question

Hey Dave,
I'm really sorry we weren't able to connect last week.

But, unfortunately, I've got to get this story to my editor by the end of the workday on Monday..... So, if at all possible, please call me today (Sunday) or tomorrow if you can even if we must talk in generalities about some of these issue.

And, of course, I still very much would appreciate the decisions you are collecting in each case. (I can/will update the story prior to publication with that information... but my first draft must be turned in Monday.)

Here are some of the general questions I have.

- I've been reviewing the union contracts and 8A.415 in Iowa law. The union contract clearly says that the arbitrator's decision is final. Is that correct? Can a union-covered employee further appeal to PERB, an administrative law judge or district court? (It appears that other public employees can, right?)

- Just so I'm clear: If the state is, by chance, unhappy with the GRIP decision can it appeal for arbitration the same as an employee?

- What is the typical cost of arbitration? Likewise, if these cases were to go through the courts, what might litigation cost the state? (I'm trying to get a sense of what arbitration saves the state since I've had several Democrats insist this process saves the state money.)

- Section 9 of the AFSCME contract (page 26) says that written reprimands shall be removed from personnel files within a year. I'd like to talk with you about the reasoning for this and whether or not this makes it more difficult to fire incompetent employees. (For example, I have seen multiple unemployment appeals based on chronic absenteeism. Does this mean an employee who goes a year without being written up has a completely clean slate?)

- Can you please outline the general warnings the state must provide an employee before terminating their employment? (For example, must the state provide so many warnings before firing an employee for being late? What about more serious offenses like theft or vandalism? Those are automatic, right?)

I'm working from home today. The best way to reach me today (Sunday) is on my cell: 515-360-3237.

If you have a moment to talk, that would be greatly appreciated.

And please know that I am sincerely/deeply appreciative of you and your team's review of this issue. I realize it's a lot of work. [redacted]

Sincerely,
Jason

From: Roederer, David [IDOM] [mailto:David.Roederer@iowa.gov]
Sent: Friday, December 28, 2012 11:21 AM
To: Clayworth, Jason
Cc: Albrecht, Tim [IGOV]
Subject: RE: Employee question

I have no information yet so not sure I can comment.

From: Clayworth, Jason [mailto:jclaywor@desmoine.gannett.com]
Sent: Friday, December 28, 2012 10:14 AM
To: Roederer, David [IDOM]
Subject: RE: Employee question

Hey Dave,
Any chance we can touch base yet today? ☺

Sincerely,
Jason

699-7058

From: Roederer, David [IDOM] [mailto:David.Roederer@iowa.gov]
Sent: Wednesday, December 26, 2012 10:55 AM
To: Clayworth, Jason
Subject: RE: Employee question

Jason,
Sure. I have "encouraged" DAS to get the information quicker than Jan 1. I won't have any additional information until I see the data. It appears the data you have been provided is not completely accurate. We has asked DAS for an explanation. You will know as soon as I get it..
Dave

From: Clayworth, Jason [mailto:jclaywor@desmoine.gannett.com]
Sent: Wednesday, December 26, 2012 10:17 AM
To: Roederer, David [IDOM]
Subject: Employee question

Hey Dave,
I know DAS is still collecting the settlement agreements with employees who have been rehired. Caleb said Friday that he thinks those might not be completely available until after Jan. 1.

The article runs Jan. 6 but we will still make this work, of course. I'm wondering – for the sake of writing – If you would be available for a follow-up interview. (I know we spoke very briefly about this a few weeks ago but that was before you had a chance to look at the list.)

If that's OK, I'd really like to touch base with you today or tomorrow if we can.

My desk number is 515-699-7058 but if you get thrown into voicemail, please feel free to try my cell: 515-360-3237.

Sincerely,
Jason

Jason Clayworth, reporter
The Des Moines Register
715 Locust St.
Des Moines, IA 50309

Ph: 515-699-7058

[redacted]

From:	Roederer, David [IDOM]
Sent:	Sunday, December 30, 2012 12:14 PM
To:	Minnehan Golightly, Michelle [DAS]; Lamb, T. Ryan [DAS]
Cc:	Hunter, Caleb [DAS]; Albrecht, Tim [IGOV]
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Can you folks answer these questions?

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Sincerely,
Jason

Jason Clayworth, reporter
The Des Moines Register
715 Locust St.
Des Moines, IA 50309

Ph: 515-699-7058

[redacted]

From: Roederer, David [IDOM]
Sent: Monday, December 31, 2012 2:56 PM
To: Carlson, Paul [DAS]
Cc: Hunter, Caleb [DAS]; Albrecht, Tim [IGOV]
Subject: FW: Rehire Request

Any update?

From: Roederer, David [IDOM]
Sent: Monday, December 31, 2012 2:10 PM
To: Carlson, Paul [DAS]
Subject: RE: Rehire Request

Do you have the breakdown for gripe, settlement, arbitration?

From: Carlson, Paul [DAS]
Sent: Monday, December 31, 2012 9:22 AM
To: Roederer, David [IDOM]; Hunter, Caleb [DAS]
Cc: Lamb, T. Ryan [DAS]
Subject: RE: Rehire Request

Dave,
I have collected all the "settlement" documents we can find. How do you want to proceed? Thanks.
Paul

From: Roederer, David [IDOM]
Sent: Monday, December 31, 2012 9:16 AM
To: Hunter, Caleb [DAS]; Carlson, Paul [DAS]
Subject: RE: Rehire Request

Have to wrap this up at our 11 meeting today. I had asked to meet with you at 11? Can you call in 11?

From: Hunter, Caleb [DAS]
Sent: Monday, December 31, 2012 9:12 AM
To: Roederer, David [IDOM]
Subject: Re: Rehire Request

We have the files compiled and Paul Carlson is bringing them over this morning.

I'm out today. If needed, I could be available for a call at your convenience.

Thanks,
Caleb

From: Roederer, David [IDOM]
Sent: Friday, December 28, 2012 01:27 PM
To: Hunter, Caleb [DAS]; Timmins, Steve [IDOM]

Subject: Rehire Request

[redacted]

When: Monday, December 31, 2012 11:00 AM-11:30 AM (UTC-06:00) Central Time (US & Canada).

Where: Daves Office

Note: The GMT offset above does not reflect daylight saving time adjustments.

~~*~*~*~*~*~*~*~*

[redacted]

From:	Roederer, David [IDOM]
Sent:	Monday, December 31, 2012 4:24 PM
To:	Hunter, Caleb [DAS]
Cc:	Albrecht, Tim [IGOV]
Subject:	RE: Rehire Request

I'm told 5:00 It is taking 40 names and putting them in one of 4 categories..............

From: Hunter, Caleb [DAS]
Sent: Monday, December 31, 2012 4:06 PM
To: Roederer, David [IDOM]
Subject: Re: Rehire Request

I followed up. Should be on its way shortly.

From: Roederer, David [IDOM]
Sent: Monday, December 31, 2012 02:56 PM
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Cc: Hunter, Caleb [DAS]; Albrecht, Tim [IGOV]
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Where: Daves Office

Note: The GMT offset above does not reflect daylight saving time adjustments.

~~*~*~*~*~*~*~*~*

[redacted]

From:	Granger, Tera [DAS] on behalf of Carroll, Mike [DAS]
Sent:	Wednesday, January 02, 2013 10:16 AM
To:	IA Dept Directors - Executive Branch
Cc:	IA Dept Directors Assistants; Boeyink, Jeffrey [IGOV]
Subject:	DAS - Implementation of Definition of Confidential Employee (11 IAC 50.1)
Attachments:	Memo to Directors - Implementation of Confidential Definition.pdf; Instructions for Completing Merit Exemption Requests for Implementation of Definition of Confidential Employee.pdf; M-0765 Merit Exemption Request for Change to Administrative Rule Regarding Definition of Confidential Employee.docx; Positions Impacted by Administrative Rule Change.xlsx

TO: Department Directors

FR: Mike Carroll

RE: Implementation of Definition of Confidential Employee (11 IAC 50.1) effective December 19, 2012

The Department of Administrative Services (DAS) has amended the definition of *confidential employee* for purposes of merit system coverage. In an effort to facilitate the implementation of this change in an efficient manner, DAS has developed a separate process for existing positions within your agency. The first step is to begin to identify positions impacted by the administrative rule change. Refer to the attachment titled, *Instructions for Completing Merit Exemption Request,* for instructions on identifying these positions. Once these positions have been identified, your agency will need to complete the attached forms and send them to DAS for review:

- Merit Exemption Request for Change to Administrative Rule Regarding Confidential Employee Form
- Positions Impacted by Change to Administrative Rule Regarding Confidential Employee (spreadsheet)

The DAS personnel officer assigned to your agency is available to consult with you to identify positions impacted.

Please submit completed documents via email to chris.peden@iowa.gov. Following submission of completed documents, the DAS personnel officer assigned to your agency will work with you through the implementation process. Please contact the

Iowa Department of Administrative Services
DAS
Government's Partner in Achieving Results

Mike Carroll, Director
Iowa Department of Administrative Services
Office: (515) 281-3273
Cell: (515) 868-2038
FAX: (515) 281-6140
mike.carroll@iowa.gov

Iowa Department of Administrative Services
Government's Partner in Achieving Results
DAS

Governor Terry E. Branstad
Lt. Governor Kim Reynolds
Mike Carroll, Director

January 2, 2013

MEMORANDUM

TO: Department Directors

FR: Mike Carroll

RE: Implementation of Definition of Confidential Employee (11 IAC 50.1) effective December 19, 2012

The Department of Administrative Services (DAS) has amended the definition of *confidential employee* for purposes of merit system coverage. In an effort to facilitate the implementation of this change in an efficient manner, DAS has developed a separate process for existing positions within your agency. The first step is to begin to identify positions impacted by the administrative rule change. Refer to the attachment titled, *Instructions for Completing Merit Exemption Request,* for instructions on identifying these positions. Once these positions have been identified, your agency will need to complete the attached forms and send them to DAS for review:

- Merit Exemption Request for Change to Administrative Rule Regarding Confidential Employee Form
- Positions Impacted by Change to Administrative Rule Regarding Confidential Employee (spreadsheet)

The DAS personnel officer assigned to your agency is available to consult with you to identify positions impacted.

Please submit completed documents via email to chris.peden@iowa.gov. Following submission of completed documents, the DAS personnel officer assigned to your agency will work with you through the implementation process. Please contact the DAS personnel officer assigned to your agency if you have any questions concerning this process.

cc: Personnel Officers

Attachments: Merit Exemption Request for Administrative Rule Change Form
Positions Impacted by Administrative Rule Change
Instructions for Completing Merit Exemption Request

MERIT EXEMPTION REQUEST FOR CHANGE TO ADMINISTRATIVE RULE REGARDING DEFINITION OF CONFIDENTIAL EMPLOYEE

This request is to be completed to determine exclusion from the merit system provisions in accordance with 8A.412(16) of the Iowa Code for existing positions within an agency. Submit this completed form with the form titled, *Positions Impacted by Administrative Rule Change*, to chris.peden@iowa.gov. Only one form needs to be submitted for all affected positions.

Note: This form is not required for new positions. Please submit the Merit Exemption Questionnaire form to request exclusion from the merit system provisions for newly established positions.

Department Name ______________________________

Number of Positions to be Exempted: ____________________

Department Director: __________________________

____________________ ______________
Signature Date

DEPARTMENT OF ADMINISTRATIVE SERVICES ONLY:

☐ Excluded

☐ Covered

Comments:

____

____________________ ______________
Signature Date

Implementation of Definition of Confidential Employee (11 IAC 50.1)
Instructions for Completing Merit Exemption Requests

The definition of *confidential employee* for purposes of merit system coverage in Administrative Rule 11 IAC 50.1 has been amended. Refer to the revised administrative rule below. The process outlined below has been developed specifically for implementing this change to existing positions. Please submit the *Merit Exemption Questionnaire form* to request exclusion from the merit system provisions for newly established positions.

The following documents will need to be completed, submitted to and reviewed by the Department of Administrative Services (DAS):

- Merit Exemption Request for Change to Administrative Rule Regarding Confidential Employee Form
- Positions Impacted by Change to Administrative Rule Regarding Confidential Employee (spreadsheet)

The DAS personnel officer assigned to the agency is available to answer any questions and to provide consultation in order to identify positions that may be impacted by the rule change.

The suggested method for identifying the impact to positions is as follows:

1. Start at the director level. Identify positions that serve on the director's management and legal teams.
2. Review the job function/title (e.g., deputy director, division administrator, general counsel, public information officer, legislative liaison, etc.).
3. Determine whether there is an on-going confidential relationship with the director, and whether each position serves on the management or legal team of the director.
4. Repeat steps 1-3 for the deputy, division administrator(s), and board/commission levels.
5. Complete the spreadsheet by documenting the positions identified in steps 1-4 above. Ensure that completed forms are signed by the Director, as required.

Submit completed documents via email to Chris Peden at chris.peden@iowa.gov. After the documents are reviewed, the DAS personnel officer will contact the agency if there are further questions. When a final determination is made, the DAS personnel officer will advise the agency and work with the agency through the implementation process, including drafting notice to affected employees.

Revised Administrative Rule 11 IAC 50.1:

> *"Confidential employee"* means, for purposes of merit system coverage, the personal secretary of: an elected official of the executive branch or a person appointed to fill a vacancy in an elective office, the chair of a full-time board or commission, or the director of a state agency; as well as the nonprofessional staff in the office of the auditor of state, and the nonprofessional staff in the department of justice except those reporting to the administrator of the consumer advocate division. "Confidential employee" also means an employee who is in a confidential relationship with a director, chief deputy administrative officer, a division administrator, or a similar position, and at the same time is a part of the management team, legal team, or both of said director, chief deputy administrative officer, a division administrator, or similar position. For purposes of this rule, a confidential relationship means a relationship in which one person has a duty to the other not to disclose information. (Emphasis added.)

DAS

POSITIONS IMPACTED BY ADMINISTRATIVE RULE CHANGE

DEPARTMENT NAME: ______________________________ DEPARTMENT #: ______________

FIRST AND LAST NAME or VACANT	JOB CLASS CODE	JOB CLASS TITLE (e.g., Public Service Executive 4)	JOB FUNCTION/TITLE (e.g., Deputy Director, Bureau Chief, General Counsel, Legislative Liaision, etc.)	MANAGEMENT or LEGAL TEAM (M OR LT)	CONFIDENTIAL RELATIONSHIP (YES or NO)	CONFIDENTIAL RELATIONSHIP TO (NAME)	CONFIDENTIAL RELATIONSHIP TO (JOB CLASS TITLE)	CONFIDENTIAL RELATIONSHIP TO (JOB FUNCTION/TITLE)

Submit completed form to chris.peden@iowa.

Kozel, Deb [LEGIS]

From:	Boeyink, Jeffrey [IGOV]
Sent:	Wednesday, January 02, 2013 2:24 PM
To:	Roederer, David [IDOM]
Cc:	Hoelscher, Doug [IGOV]; Bartel, Christine [IGOV]
Subject:	FW: NGA Review of the "American Taxpayer Relief Act"
Attachments:	Fiscal Cliff Averted for Now, but Significant Risks for States Remain.pdf; Suggested Talking Points_Fiscal Cliff.docx

FYI in case you don't already receive this.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Quam, David [mailto:DQuam@NGA.ORG]
Sent: Wednesday, January 02, 2013 2:22 PM
To: Governors Chiefs of Staff
Subject: NGA Review of the "American Taxpayer Relief Act"

To: Washington Representatives and State-Federal Contacts
Re: Effect of the American Taxpayer Relief Act on states
Date: 1-2-2012

Attached please find a memo describing the key consequences for states stemming from the American Taxpayer Relief Act that passed the House last night. We have also included brief talking points for your review and use.

NGA will review the memo and the details of the legislation during Wash Reps on Monday, January 7. In the meantime, if you have any questions please do not hesitate to contact Barry Anderson (banderson@nga.org) or David Quam (dquam@nga.org).

--DCQ

To post questions/comments to subscribed members, email: chiefs@talk.nga.org
(This listserv is moderated; submitted messages are first received by the NGA moderator and then posted to the full list.)

For more information on OMCT resources: www.nga.org/omct

You are currently subscribed to [chiefs] as jeff.boeyink@iowa.gov.
To unsubscribe, send a blank email to leave-218044-153598.8c7686c55111cac3e46d018e8e7f175b@talk.nga.org.

NATIONAL GOVERNORS ASSOCIATION

Fiscal Cliff Averted for Now, but Significant Risks for States Remain

January 2, 2013

The "American Taxpayer Relief Act of 2012"—the bill passed by Congress yesterday—avoided or postponed those elements of the fiscal cliff that matter most to states; nevertheless, significant fiscal (and economic) risks remain in the months ahead. Specifically, changes in the Relief Act to the federal tax provisions that benefit states were small. But the Relief Act only postponed the sequester that would have reduced federal grants to states, and fundamental entitlement and tax reform were not addressed. Until these issues are resolved, states will not be able to make fully informed fiscal plans to address the needs of their citizens.

The effect of the Relief Act on items of most concern to states is described below.

Revenues

- **Exclusion of interest on state and local bonds: no change.** In fact, the increase in the top tax rate from 35 percent to 39.6 percent for families with incomes of $450,000 or more will make municipal bonds more attractive to them and, thus, should reduce lower state and local borrowing costs by a small amount.
- **Deductibility of state and local income and property taxes: reduced for upper income households.** The "Pease limitation" on the amount of itemized deductions that families with incomes over $300,000 can claim was reinstated. Families will have their itemized reductions reduced by 3 percent of their adjusted gross income over $300,000, not to exceed 80 percent of the deductions.
- **Deductibility of state and local sales taxes: provision made permanent (subject to Pease limitation).** The provision that allows residents of states without income taxes to deduct sales taxes imposed at the state and local levels is now permanently in law.
- **Production tax credit for wind facilities: extended until 1/1/14.**
- **Alternative Minimum Tax (AMT): permanently patched and indexed.** Without a patch, the AMT would have imposed higher taxes especially on residents of states with relatively high state and local income, property, or sales taxes.
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Risks

- **Sandy Supplemental.** Supplemental appropriations for the devastation caused by hurricane Sandy were not provided in the Relief Act, and the timing and amount of that assistance is obviously important to the several states hardest hit by Sandy.
- **Sequester.** Federal grants funding for states and defense programs are not resolved, and future cuts could greatly affect state programs and economies. The current CR expires on March 27th and the Relief Act did not change the date.
- **Debt limit.** The actions that the Treasury Department can take to extend its ability to borrow are currently estimated to last until the beginning of March. If the debt limit is not increased before then, disruptions in federal funding or in capital markets could greatly impact state operations.
- **Entitlement and tax reform.** Fundamental reforms of entitlement programs and our tax system are presumably needed to put the nation on a path towards long-term fiscal sustainability. Although such reforms—which will affect Medicaid and tax provisions important to states—were not included in the Relief Act, such reforms are at the heart of every comprehensive deficit reduction plan.
- **The Economy.** The rate of economic growth is beginning to improve, helping states and their residents recover from the economic downturn of the last several years. Federal actions and inactions could dampen this recovery just as it is getting started. Any reduction in economic growth could impact state budgets more than any other factor.

Suggested Talking Points: Fiscal Cliff

- States biggest concerns with the fiscal cliff involved the potential impact on economic growth…states are only now returning to the revenues they collected in 2008.

- The deal struck over New Year's focuses primarily on federal taxes rather than spending, so there is less direct impact on states.

- Issues regarding federal spending levels, tax reform and entitlement reform remain.

- Governors will continue to work with Congress and the Administration to stress the following principles for deficit reduction:

    1. Federal reforms should produce savings for both the federal government and states;
    2. Deficit reduction should not be accomplished by merely shifting costs to states or imposing unfunded mandates;
    3. States should be given increased flexibility to create efficiencies and achieve results; and
    4. Congress should not impose maintenance of effort (MOE) provisions on states as a condition of funding.

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[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, January 02, 2013 2:26 PM
To: LG.KKR
Subject: FW: NGA Review of the "American Taxpayer Relief Act"
Attachments: Fiscal Cliff Averted for Now, but Significant Risks for States Remain.pdf; Suggested Talking Points_Fiscal Cliff.docx

This is also a helpful document.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Quam, David [mailto:DQuam@NGA.ORG]
Sent: Wednesday, January 02, 2013 2:22 PM
To: Governors Chiefs of Staff
Subject: NGA Review of the "American Taxpayer Relief Act"

To: Washington Representatives and State-Federal Contacts
Re: Effect of the American Taxpayer Relief Act on states
Date: 1-2-2012

Attached please find a memo describing the key consequences for states stemming from the American Taxpayer Relief Act that passed the House last night. We have also included brief talking points for your review and use.

NGA will review the memo and the details of the legislation during Wash Reps on Monday, January 7. In the meantime, if you have any questions please do not hesitate to contact Barry Anderson (banderson@nga.org) or David Quam (dquam@nga.org).

--DCQ

To post questions/comments to subscribed members, email: chiefs@talk.nga.org
(This listserv is moderated; submitted messages are first received by the NGA moderator [redacted] full list.)

For more information on OMCT resources: www.nga.org/omct

You are currently subscribed to [chiefs] as jeff.boeyink@iowa.gov.
To unsubscribe, send a blank email to leave-218044-153598.8c7686c55111cac3e46d018e8e7f175b@talk.nga.org.

Fiscal Cliff Averted for Now, but Significant Risks for States Remain

January 2, 2013

The "American Taxpayer Relief Act of 2012"—the bill passed by Congress yesterday—avoided or postponed those elements of the fiscal cliff that matter most to states; nevertheless, significant fiscal (and economic) risks remain in the months ahead. Specifically, changes in the Relief Act to the federal tax provisions that benefit states were small. But the Relief Act only postponed the sequester that would have reduced federal grants to states, and fundamental entitlement and tax reform were not addressed. Until these issues are resolved, states will not be able to make fully informed fiscal plans to address the needs of their citizens.

The effect of the Relief Act on items of most concern to states is described below.

Revenues

- **Exclusion of interest on state and local bonds: no change.** In fact, the increase in the top tax rate from 35 percent to 39.6 percent for families with incomes of $450,000 or more will make municipal bonds more attractive to them and, thus, should reduce lower state and local borrowing costs by a small amount.
- **Deductibility of state and local income and property taxes: reduced for upper income households.** The "Pease limitation" on the amount of itemized deductions that families with incomes over $300,000 can claim was reinstated. Families will have their itemized reductions reduced by 3 percent of their adjusted gross income over $300,000, not to exceed 80 percent of the deductions.
- **Deductibility of state and local sales taxes: provision made permanent (subject to Pease limitation).** The provision that allows residents of states without income taxes to deduct sales taxes imposed at the state and local levels is now permanently in law.
- **Production tax credit for wind facilities: extended until 1/1/14.**
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[redacted]

From:	Boeyink, Jeffrey [IGOV]
Sent:	Wednesday, January 02, 2013 2:26 PM
To:	LG.KKR
Subject:	FW: Fiscal Cliff package
Attachments:	American Taxpayer Relief Act.pdf; 1 Side-by-Side on Cliff Agreement 123112.docx; 2 One-Pager on Cliff Agreement 123112.docx; 3 Summary of final deal -- TAX.DOCX; 4 Health Extender Summaries - Final.docx; 5 Health Offsets Summaries - Final.docx

FYI. Think you will find these useful regarding the final deal.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

-----Original Message-----
From: Marie Sanderson [mailto:msanderson@rgppc.org]
Sent: Tuesday, January 01, 2013 10:00 AM
To: Marie Sanderson
Cc: debbie@hohlt.com; Seth Levey; Dustin Huffman
Subject: Fiscal Cliff package

Attached you will find the legislative text of the Fiscal Cliff package that passed the Senate 89 to 8. Also attached is the legislative summaries that have been provided by the Senate.

Happy New Year!

Marie Thomas Sanderson
Policy Director
Republican Governors Association (RGA)
MSanderson@rga.org
Republican Governors Public Policy Committee (RGPPC) MSanderson@rgppc.org Office (202) 464- 8556 Cell (601) 946-4529

Comparison of the Geithner/Obama Proposal and the Senate Compromise

The President's initial proposal to Senate Republicans included a $1.6 trillion tax increase, a permanent increase in the nation's debt limit, and billions in new stimulus spending. By contrast, the current proposal stops a tax increase for 99 percent of taxpayers and makes permanent nearly 90 percent of the tax policy enacted during the George W. Bush administration. It protects tens of millions of families and small businesses from a tax hike. It permanently protects tens of thousands of farmers, ranchers, and family businesses from needing to visit the IRS upon the death of a loved one. And it protects the bipartisan spending cuts enacted into law in 2011 without raising the nation's debt limit.

Policy	Current Law	Obama/Geithner Proposal	Senate Compromise
Marginal Rates/Credits	Taxes increase on all Americans on January 1st	Tax hike beginning at $200,000 (singles), $250,000 (married) -- tax increase of $1.6T	Permanent extension of current policy up to $400,000 (single), $450,000 (married)
Deduction Cap	No cap on deductions	28% cap on deductions including charitable donations and mortgage interest	No cap on deductions
Cap Gains / Dividends	On January 1st the top dividend rate goes from 15% back to a taxpayer's marginal rate; top capital gains rate goes from 15% to 20%	Permanent: Above $200k/$250 dividends taxed as ordinary income (top rate of 39.6%); Cap Gains taxed at 20%	Permanent: 15% top capital gains and dividends rate up to $400k (singles), $450k (married); 20% rate for both above threshold
Death Tax	$5M/35% expires at end of 2012 and returns to $1m (indexed) and 55% rate	45% rate with a $3.5 million exemption	Permanent extension of current policy (portability and unification) with $5M exemption indexed for inflation and 40% top rate
PEP / Pease	On January 1st PEP & Pease reinstated and begin to bite at $174,000 (singles), $261,000 (married)	PEP & Pease reinstated at $209,000 (single) and $261,000 (married)	Permanent relief from PEP & Pease under $250,000 (single), $300,000 (married)
AMT	Patched through 2011	Permanently index AMT for inflation	Permanently index AMT for inflation
Tax Extenders	Expire at end of 2011 and 2012	Extends some through 2013 /others permanent	2 year extension through 2013 (Finance Committee Package)
Payroll	Expires at end of 2012	1 Year Extension through 2013	Expires at the end of 2012
Stimulus Tax Credits	Expire at end of 2012	Permanent Extension	5 year extension
Bonus Depreciation	Expires at end of 2012	1 year extension of 100% Bonus Depreciation	1 year Extension of 50% Bonus Depreciation
SGR / Health Extenders	Current paid-for fix expires end of 2012	1 Year Extension (Unpaid for)	1 Year Extension (Paid for by reducing Medicare spending)
UI	Extended weeks of unemployment insurance expires at end of 2012	Extend current extended weeks of unemployment insurance for one year	Extend current extended weeks of unemployment insurance for one year
Debt Limit	Statutory debt limit of $16.394 trillion	Gives President permanent unilateral authority to Increase Debt Limit	NONE – debt limit remains $16.394 trillion
New Stimulus Spending	NONE	Billions new infrastructure and stimulus spending	NONE
Sequester	$110 billion cut scheduled for 2013	Turn off $1.2 trillion sequester to take place between 2013-2021 paid for with tax increases and budget gimmicks	Replace 2 months of sequester by reducing discretionary caps and expanding eligibility for Roth conversion. It assumes that the remaining sequester for FY 2013 occurs on March 1, 2013

The American Tax Relief Act of 2012

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Tax Policy

- **Marginal Rates:** Permanent extension of current policy up to $400,000 for singles, $450,000 for married couples.

- **Capital Gains & Dividends:** Permanent: 15% top capital gains and dividends rate up to $400k (singles), $450k (married); 20% rate for both above threshold.

- **Death Tax:** Permanent extension of current policy on portability and unification with a $5M exemption indexed for inflation and a 40% top rate.

- **PEP & Pease:** Permanent relief from PEP & Pease under $250,000 (single), $300,000 (married).

- **AMT:** Permanently index AMT for inflation.

- **Tax Extenders:** Adopts package reported by Finance Committee in 2012, with a 2 year extension through 2013.

- **Temporary Payroll Tax Cut:** Allowed to expire.

- **Bonus Depreciation:** 1 year extension of 50% Bonus Depreciation.

- **Stimulus Tax Credits:** 5 year extension.

- **Deduction Cap:** There is no cap on deductions.

Spending Policy

- **Debt Limit:** No increase in the debt limit -- remains at $16.394 trillion.

- **Sequester:** sequester is turned off for two months and paid for with a reduction in discretionary spending cap for 2013 and 2014, and expanding eligibility for Roth conversion.

- **CLASS Act:** CLASS Act entitlement repealed.

- **Doc Fix:** 1 year extension paid for by reducing Medicare spending.

- **Unemployment Insurance:** 1 year extension of current extended weeks of UI.

- **Farm Bill:** Provides for a one year extension of the Food, Conservation and Energy Act of 2008 at no additional cost to the taxpayer.

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SUMMARY OF TAX PROVISIONS IN

The American Taxpayer Relief Act of 2012

PRELIMINARY AND SUBJECT TO CHANGE

I. Permanent Extension of Tax Relief

Reductions in Individual Income Tax Rates

Permanently extend the 10% bracket. Under current law, the 10% individual income tax bracket expires at the end of 2012. Upon expiration, the lowest tax rate will be 15%. The bill extends the 10% individual income tax bracket for taxable years beginning after December 31, 2012.
This provision is estimated to cost[1] $442.641 billion over ten years.

Permanently extend the 25%, 28%, and 33% income tax rates for certain taxpayers. Under current law, the 25%, 28%, 33%, and 35% individual income tax brackets expire at the end of 2012. Upon expiration, the rates become 28%, 31%, 36%, and 39.6% respectively. The bill extends the 25%, 28%, 33% rates on income at or below $400,000 (individual filers), $425,000 (heads of households) and $450,000 (married filing jointly) for taxable years beginning after December 31, 2012.
This provision is estimated to cost $319.711 billion over ten years.[2]

Permanently repeal the Personal Exemption Phaseout for certain taxpayers. Personal exemptions allow a certain amount per person to be exempt from tax. Due to the Personal Exemption Phase-out ("PEP"), the exemptions are phased out for taxpayers with AGI above a certain level. The *Economic Growth and Tax Relief Reconciliation Act of 2001* (EGTRRA) repealed PEP for 2010. The *Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010* (TRUIRJCA) extended the repeal through 2012. The bill extends the repeal of PEP on income at or below $250,000 (individual filers), $275,000 (heads of households) and $300,000 (married filing jointly) for taxable years beginning after December 31, 2012.
The combined cost of this provision and the one described below is estimated to be $10.514 billion over ten years.[3]

Permanently repeal the itemized deduction limitation for certain taxpayers. Generally, taxpayers itemize deductions if the total deductions are more than the standard deduction amount. Since 1991, the amount of itemized deductions that a taxpayer may claim has been reduced, to the extent the taxpayer's AGI is above a certain amount. This limitation is generally known as the "Pease limitation." The EGTRRA repealed the Pease limitation on itemized deductions for 2010. The TRUIRJCA extended the repeal through 2012. The bill extends the repeal of the Pease limitation on income at or below

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[1] The Joint Committee on Taxation estimates the budgetary cost of tax provisions – reflecting both the revenue loss and outlay effects associated with those provisions – relative to current law. Where applicable, savings relative to current policy (extension of tax laws in effect during 2012) are noted in footnotes.

[2] The provision raises $396.889 billion relative to current policy.

[3] The provisions raise $152.186 billion relative to current policy.

$250,000 (individual filers), $275,000 (heads of households) and $300,000 (married filing jointly) for taxable years beginning after December 31, 2012.

The combined cost of this provision and the one described above is estimated to be $10.514 billion over ten years.[4]

Capital Gains and Dividends

Permanently extend the capital gains and dividend rates. Under current law, the capital gains and dividend rates for taxpayers below the 25% bracket is equal to zero percent. For those in the 25% bracket and above, the capital gains and dividend rates are currently 15%. These rates expire at the end of 2012. Upon expiration, the rates for capital gains become 10% and 20%, respectively, and dividends are subject to the ordinary income rates. The bill extends the current capital gains and dividends rates on income at or below $400,000 (individual filers), $425,000 (heads of households) and $450,000 (married filing jointly) for taxable years beginning after December 31, 2012. For income in excess of $400,000 (individual filers), $425,000 (heads of households) and $450,000 (married filing jointly), the rate for both capital gains and dividends will be 20%.

This provision is estimated to cost $289.920 billion over ten years.[5]

Tax Relief for Families and Children

Permanently extend marriage penalty relief. The bill extends the marriage penalty relief for the standard deduction, the 15% bracket, and the EITC for taxable years beginning after December 31, 2012.

This provision is estimated to cost $84.630 billion over ten years.

Permanently extend the expanded dependent care credit. The dependent care credit allows a taxpayer a credit for an applicable percentage of child care expenses for children under 13 and disabled dependents. The EGTRRA increased the amount of eligible expenses from $2,400 for one child and $4,800 for two or more children to $3,000 and $6,000, respectively. The EGTRRA also increased the applicable percentage from 30% to 35%. The bill extends the changes to the dependent care credit made by EGTRRA for taxable years beginning after December 31, 2012.

This provision is estimated to cost $1.791 billion over ten years.

Permanently extend the increased adoption tax credit and the adoption assistance programs exclusion. Taxpayers that adopt children can receive a tax credit for qualified adoption expenses. A taxpayer may also exclude from income adoption expenses paid by an employer. The EGTRRA increased the credit from $5,000 ($6,000 for a special needs child) to $10,000, and provided a $10,000 income exclusion for employer-assistance programs. The Patient Protection and Affordable Care Act of 2010 extended these benefits to 2011 and made the credit refundable. The bill extends for taxable years beginning after December 31, 2012, the increased adoption credit amount and the exclusion for employer-assistance programs as enacted in EGTRRA.

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[4] The provisions raise $152.186 billion relative to current policy.

[5] The provision raises $56.180 billion relative to current policy.

This provision is estimated to cost $5.580 billion over ten years.

Permanently extend the credit for employer expenses for child care assistance. The EGTRRA provided employers with a credit of up to $150,000 for acquiring, constructing, rehabilitating or expanding property which is used for a child care facility. The bill extends this provision for taxable years beginning after December 31, 2012.
This provision is estimated to cost $209 million over ten years.

Permanently extend the 2001 modifications to the child tax credit. Generally, taxpayers with income below certain threshold amounts may claim the child tax credit to reduce federal income tax for each qualifying child under the age of 17. The EGTRRA increased the credit from $500 to $1,000 and expanded refundability. The amount that may be claimed as a refund was 15% of earnings above $10,000. The bill extends this provision for taxable years beginning after December 31, 2012.
This provision is estimated to cost $354.493 billion over ten years.

Temporarily extend the 2009 modifications to the child tax credit. The *American Recovery and Reinvestment Act of 2009* (ARRA) provided that earnings above $3,000 would count towards refundability. The bill extends the ARRA child tax credit expansion for five additional years, through 2017.
This provision is estimated to cost $50.518 billion over ten years.

Temporarily extend third-child EITC. Under current law, working families with two or more children currently qualify for an earned income tax credit equal to 40% of the family's first $12,570 of earned income. The ARRA increased the earned income tax credit to 45% for families with three or more children and increased the beginning point of the phase-out range for all married couples filing a joint return (regardless of the number of children) to lessen the marriage penalty. The bill extends for five additional years, through 2017, the ARRA expansions that increased the EITC for families with three or more children and increased the phase-out range for all married couples filing a joint return.
This provision is estimated to cost $16.446 billion over ten years.

Education Incentives

Permanently extend expanded Coverdell Accounts. Coverdell Education Savings Accounts are tax-exempt savings accounts used to pay the higher education expenses of a designated beneficiary. The EGTRRA increased the annual contribution amount from $500 to $2,000 and expanded the definition of education expenses to include elementary and secondary school expenses. The bill extends the changes to Coverdell accounts for taxable years beginning after December 31, 2012.
This provision is estimated to cost $271 million over ten years.

Permanently extend the expanded exclusion for employer-provided educational assistance. An employee may exclude from gross income up to $5,250 for income and employment tax purposes per year of employer-provided education assistance. Prior to 2001, this incentive was temporary and only applied to undergraduate courses. The EGTRRA expanded this provision to graduate education and extended the provision for undergraduate and graduate education. The bill extends the changes to this provision for taxable years beginning after December 31, 2012.

This provision is estimated to cost $11.477 billion over ten years.

Permanently extend the expanded student loan interest deduction. Certain individuals who have paid interest on qualified education loans may claim an above-the-line deduction for such interest expenses up to $2,500. Prior to 2001, this benefit was only allowed for 60 months and phased-out for taxpayers with income between $40,000 and $55,000 ($60,000 and $75,000 for joint filers). The EGTRRA eliminated the 60-month rule and increased the income phase-out to $55,000 to $70,000 ($110,000 and $140,000 for joint filers). The bill extends the changes to this provision for taxable years beginning after December 31, 2012.
This provision is estimated to cost $9.676 billion over ten years.

Permanently extend the exclusion from income of amounts received under certain scholarship programs. Scholarships for qualified tuition and related expenses are excludible from income. Qualified tuition reductions for certain education provided to employees are also excluded. Generally, this exclusion does not apply to qualified scholarships or tuition reductions that represent payment for teaching, research, or other services. The National Health Service Corps Scholarship Program and the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program provide education awards to participants on the condition that the participants perform certain services. The EGTRRA allowed the scholarship exclusion to apply to these programs. The bill extends the changes to this provision for taxable years beginning after December 31, 2012.
This provision is estimated to cost $1.501 billion over ten years.

Arbitrage rebate exception for school construction bonds. Under current law, issuers of tax-exempt bonds must rebate to the U.S. Treasury arbitrage (excess interest income) earned from the investment of tax-exempt bond proceeds in higher-yielding taxable securities. The calculation of excess interest income can be complex, and as a result, many governments incur large costs to comply with the requirements. To ease the burden on small issuers, the federal tax code exempts governments that issue a relatively small number of tax-exempt bonds in a given year from the requirement. In general, the small issuer rebate exception can only be used by state and local governments that issue less than $5 million in governmental and 501(c)(3) bonds annually. This exception is $10 million for bonds issued for qualified educational facilities. The EGTRRA increased the small-issuer arbitrage rebate exception for school construction from $10 million to $15 million. The bill extends the $15 million arbitrage rebate exception for school construction for taxable years beginning after December 31, 2012.
This provision is estimated to cost $72 million over ten years.

Tax-exempt private activity bonds for qualified education facilities. Under current law, proceeds from private activity bonds issued by a state or local government qualify as tax-exempt if 95% or more of the net bond proceeds are used for a qualified purpose as defined by the Internal Revenue Code. The EGTRRA expanded the definition of a private activity for which tax-exempt bonds may be issued to include bonds for qualified public educational facilities. Bonds issued for qualified educational facilities are not counted against a state's private-activity volume cap. Instead, these bonds have their own volume capacity limit equal to the lesser of $10 per resident or $5 million. The bill extends the allowance to issue tax-exempt private activity bonds for public school facilities for taxable years beginning after December 31, 2012.
This provision is estimated to cost $152 million over ten years.

Temporarily extend the American Opportunity Tax Credit. Created under the ARRA, the American Opportunity Tax Credit is available for up to $2,500 of the cost of tuition and related expenses paid during the taxable year. Under this tax credit, taxpayers receive a tax credit based on 100% of the first $2,000 of tuition and related expenses (including course materials) paid during the taxable year and 25% of the next $2,000 of tuition and related expenses paid during the taxable year. Forty percent of the credit is refundable. This tax credit is subject to a phase-out for taxpayers with adjusted gross income in excess of $80,000 ($160,000 for married couples filing jointly). The bill extends the American Opportunity Tax Credit for five additional years, through 2017.

This provision is estimated to cost $67.280 billion over ten years.

Other Provisions

Permanently extend tax relief for Alaska settlement funds. The EGTRRA allowed an election in which Alaska Native settlement trusts can elect to pay tax at the same rate as the lowest individual marginal rate, rather than the higher rates that generally apply to trusts. Beneficiaries of the trust do not pay tax on the distributions of an electing trust's taxable income. Finally, contributions by an Alaska Native corporation to an electing trust will not be deemed distributions to the corporation's shareholders. The bill extends the elective tax treatment for Alaska Native settlement trusts for taxable years beginning after December 31, 2012.

This provision is estimated to cost $46 million over ten years.

Permanently extend refund and tax credit disregard for means-tested programs

Current law ensures that the refundable components of the EITC and the Child Tax Credit do not make households ineligible for means-tested benefit programs and includes provisions stating that these tax credits do not count as income in determining eligibility (and benefit levels) in means-tested benefit programs, and also do not count as assets for specified periods of time. Without them, the receipt of a tax credit would put a substantial number of families over the income limits for these programs in the month that the tax refund is received. A provision enacted as part of the TRUIRJCA, disregarded all refundable tax credits and refunds as income for means-tested programs through 2012. The bill permanently extends the provision for any amount received after December 31, 2012.

A score for this provision will be provided by the Congressional Budget Office.

II. Permanent Individual Alternative Minimum Tax (AMT) Relief

Permanent AMT patch. Currently, a taxpayer receives an exemption of $33,750 (individuals) and $45,000 (married filing jointly) under the AMT. Current law also does not allow nonrefundable personal credits against the AMT. The bill increases the exemption amounts for 2012 to $50,600 (individuals) and $78,750 (married filing jointly) and indexes the exemption and phaseout amounts thereafter. The bill also allows the nonrefundable personal credits against the AMT. The bill is effective for taxable years beginning after December 31, 2011.

This provision is estimated to cost $1,815.6 billion over ten years.

III. Permanent Estate Tax Relief

Permanent estate, gift and generation skipping transfer tax relief. The EGTRRA phased-out the estate and generation-skipping transfer taxes so that they were fully repealed in 2010, and lowered the gift tax rate to 35 percent and increased the gift tax exemption to $1 million for 2010. In 2010, the TRUIRJCA set the exemption at $5 million per person with a top tax rate of 35 percent for the estate, gift, and generation skipping transfer taxes for two years, through 2012. The exemption amount was indexed beginning in 2012. The bill makes permanent the indexed TRUIRJCA exclusion amount and indexes that amount for inflation going forward, but sets the top tax rate to 40 percent for estates of decedents dying after December 31, 2012.
This provision is scored in combination with the two provisions below. Together these provisions are estimated to cost $396.068 billion over ten years.[6]

Portability of unused exemption. The TRUIRJCA allowed the executor of a deceased spouse's estate to transfer any unused exemption to the surviving spouse for estates of decedents dying after December 31, 2010 and before December 31 2012. The bill makes permanent this provision and is effective for estates for decedents dying after December 31, 2012.

Reunification. Prior to the EGTRRA, the estate and gift taxes were unified, creating a single graduated rate schedule for both. That single lifetime exemption could be used for gifts and/or bequests. The EGTRRA decoupled these systems. The TRUIRJCA reunified the estate and gift taxes. The bill permanently extends unification and is effective for gifts made after December 31, 2012.

IV. Tax Extenders

Individual Provisions

Deduction for certain expenses of elementary and secondary school teachers. The bill extends for two years the $250 above-the-line tax deduction for teachers and other school professionals for expenses paid or incurred for books, supplies (other than non-athletic supplies for courses of instruction in health or physical education), computer equipment (including related software and service), other equipment, and supplementary materials used by the educator in the classroom.
This provision is estimated to cost $406 million over ten years.

Mortgage Debt Relief. Under current law, taxpayers who have mortgage debt canceled or forgiven after 2012 may be required to pay taxes on that amount as taxable income. Under this provision, up to $2 million of forgiven debt is eligible to be excluded from income ($1 million if married filing separately) through tax year 2013. This provision was created in the Mortgage Debt Relief Act of 2007 to prevent the taxation of so-called "shadow income" from foreclosures and cancelled debts through 2010. It was extended through 2012 by the Emergency Economic Stabilization Act of 2008.
This provision is estimated to cost $1.327 billion over ten years.

[6] These provisions save $19.132 billion relative to current policy.

Parity for exclusion from income for employer-provided mass transit and parking benefits. This provision would extend through 2013 the increase in the monthly exclusion for employer-provided transit and vanpool benefits from $125 to $240, so that it would be the same as the exclusion for employer-provided parking benefits.
This provision is estimated to cost $220 million over ten years.

Premiums for mortgage insurance deductible as interest that is qualified residence interest. The provision extends the ability to deduct the cost of mortgage insurance on a qualified personal residence. The deduction is phased-out ratably by 10% for each $1,000 by which the taxpayer's AGI exceeds $100,000. Thus, the deduction is unavailable for a taxpayer with an AGI in excess of $110,000. The bill extends this provision for two additional years, through 2013.
This provision is estimated to cost $1.297 billion over ten years.

Deduction for state and local general sales taxes. The bill extends for two years the election to take an itemized deduction for State and local general sales taxes in lieu of the itemized deduction permitted for State and local income taxes.
This provision is estimated to cost $5.538 billion over ten years.

Special rules for contributions of capital gain real property made for conservation purposes. The bill extends for two years the increased contribution limits and carryforward period for contributions of appreciated real property (including partial interests in real property) for conservation purposes.
This provision is estimated to cost $254 million over ten years.

Above-the-line deduction for qualified tuition related expenses. The Economic Growth and Tax Relief Reconciliation Act (EGTRRA) created an above-the-line tax deduction for qualified higher education expenses. The maximum deduction was $4,000 for taxpayers with AGI of $65,000 or less ($130,000 for joint returns) or $2,000 for taxpayers with AGI of $80,000 or less ($160,000 for joint returns). The proposal extends the deduction to the end of 2013.
This provision is estimated to cost $1.706 billion over ten years.

Tax-free distributions from individual retirement plan for charitable purposes. The bill extends for two years the provision that permits tax-free distributions to charity from an Individual Retirement Arrangement (IRA) held by someone age 70½ or older of up to $100,000 per taxpayer, per taxable year. The provision contains a transition rule under which an individual can make a rollover during January of 2013 and have it count as a 2012 rollover. Also, individuals who took a distribution in December of 2012 will be able to contribute that amount to a charity and count as an eligible charitable rollover to the extent it otherwise meets the requirements for an eligible charitable rollover.
This provision is estimated to cost $1.280 billion over ten years.

Disclosure of prisoner return information to certain prison officials. The IRS is authorized to disclose certain limited return information about tax violations identified by the IRS, so that prison officials could punish and deter the prisoner's conduct through administrative sanctions. The provision expired on December 31, 2011. The proposal would make the provision permanent. It would also modify and expand the provision to permit disclosure of the actual tax return as well as tax return information, allow disclosure to prison officials directly, expand disclosure to include private contractors administering prisons, and provide disclosure to representatives of the prisoners. The proposal would make the provision permanent.

This provision is estimated to raise $12 million over ten years.

Business Provisions

Tax credit for research and experimentation expenses. The bill extends for two years, through 2013, the research tax credit equal to 20 percent of the amount by which a taxpayer's qualified research expenses for a taxable year exceed its base amount for that year and provides an alternative simplified credit of 14 percent. The bill also modifies rules for taxpayers under common control and rules for computing the credit when a portion of a trade or business changes hands.

This provision is estimated to cost $14.324 billion over ten years.

9% Credit Rate Freeze for the Low-Income Housing Tax Credit Program. The low-income housing tax credit program provides a tax credit over a period of ten years after the housing facility is placed-in-service. The credit provided each year is determined by present-value formula based on the federal cost of borrowing. Over the past few years, as the federal cost of borrowing has declined, so has the amount of tax credits that can be used to build a LIHTC project. To deal with this, in 2008, Congress adjusted the formula and set a minimum credit amount of 9%, which is based on the original credit rate when the program was created. The provision is effective for facilities placed-in-service before December 31, 2013. This proposal would extend the expiration date by changing the deadline to projects that have received an allocation before January 1, 2014.

This provision is estimated to cost $8 million over ten years.

Treatment of military basic housing allowances under low-income housing credit. The bill extends a provision whereby a member of the military's basic housing allowance is not considered income for purposes of calculating whether the individual qualifies as a low-income tenant for the low income housing tax credit program. The provision expired at the end of 2011. The current proposal would continue this treatment for two additional years.

This provision is estimated to cost $37 million over ten years.

Indian employment tax credit. The bill extends for two years, through 2013, the business tax credit for employers of qualified employees that work and live on or near an Indian reservation. The amount of the credit is 20 percent of the excess of wages and health insurance costs paid to qualified employees (up to $20,000 per employee) in the current year over the amount paid in 1993.

This provision is estimated to cost $119 million over ten years.

New Markets Tax Credit. Through the New Markets Tax Credit (NMTC) program, the federal government is able to leverage federal tax credits to encourage significant private investment in businesses in low-income communities. The program provides a 39 percent tax credit spread over 7 years. The bill extends for two years the new markets tax credit, permitting a maximum annual amount of qualified equity investments of $3.5 billion each year.

This provision is estimated to cost $1.794 billion over ten years.

Credit for certain expenditures for maintaining railroad tracks. The bill extends for two years, through 2013, the railroad maintenance credit that provides Class II and Class III railroads (generally, short-line and regional railroads) with a tax credit equal to 50 percent of gross expenditures for maintaining railroad tracks that they own or lease. This credit is allowable against the AMT.
This provision is estimated to cost $331 million over ten years.

Mine rescue team training credit. The bill extends for two years, through 2013, a credit of up to $10,000 for the training of mine rescue team members.
This provision is estimated to cost $5 million over ten years.

Employer wage credit for activated military reservists. The bill extends for two years, through 2013, the provision that provides eligible small business employers with a credit against the employer's income tax liability for a taxable year in an amount equal to 20 percent of the sum of differential wage payments to activated military reservists.
This provision is estimated to cost $7 million over ten years.

Work opportunity tax credit. This bill extends for two years, through 2013, the provision that allows businesses to claim a work opportunity tax credit equal to 40 percent of the first $6,000 of wages paid to new hires of one of eight targeted groups. These groups include members of families receiving benefits under the Temporary Assistance to Needy Families (TANF) program, qualified ex-felons, designated community residents, vocational rehabilitation referrals, qualified summer youth employees, qualified food and nutrition recipients, qualified SSI recipients, and long-term family assistance recipients.
This provision is estimated to cost $1.773 billion over ten years.

Returning Heroes and Wounded Warriors Work Opportunity Tax Credits. Currently businesses are allowed to claim a work opportunity tax credit (WOTC) for hiring qualified veterans in the following targeted groups and up to the following credit amounts:

- Veterans in a family receiving supplemental nutrition assistance: $2,400
- Short-term unemployed veterans: $2,400
- Service-related disabled veterans discharged from active duty within a year: $4,800
- Long-term unemployed veterans: $5,600
- Long-term unemployed service-related disabled veterans: $9,600

A credit against Social Security taxes is also available to tax-exempt employers. Transfers are made from general revenues to make the Social Security trust fund whole. The provision expires on December 31, 2012. The proposal would extend these credits for an additional year, though 2013.
This provision is estimated to cost $125 million over ten years.

Qualified zone academy bonds (QZABs) - allocation of bond limitation. QZABs are a form of tax credit bond which offer the holder a Federal tax credit instead of interest. QZABs can be used to finance renovations, equipment purchases, developing course material, and training teachers and personnel at a qualified zone academy. In general, a qualified zone academy is any public school (or academic program within a public school) below college level that is located in an empowerment zone or enterprise community and is designed to cooperate with businesses to enhance the academic

curriculum and increase graduation and employment rates. The provision extends the QZAB program for 2012 and 2013 providing $400 million in bond volume per year.
This provision is estimated to cost $235 million over ten years.

15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements. The bill extends for two years, through 2013, the temporary 15-year cost recovery period for certain leasehold, restaurant, and retail improvements, and new restaurant buildings, which are placed in service before January 1, 2014. The extension is effective for qualified property placed in service after December 31, 2011.
This provision is estimated to cost $3.717 billion over ten years.

Seven-year recovery period for motorsports entertainment complexes. The bill extends for two years, through 2013, the special seven year cost recovery period for property used for land improvements and support facilities at motorsports entertainment complexes.
This provision is estimated to cost $78 million over ten years.

Accelerated depreciation for business property on Indian reservation. The bill extends for two years, through 2013, the placed-in-service date for the special depreciation recovery period for qualified Indian reservation property. In general, qualified Indian reservation property is property used predominantly in the active conduct of a trade or business within an Indian reservation, which is not used outside the reservation on a regular basis and was not acquired from a related person.
This provision is estimated to cost $222 million over ten years.

Enhanced charitable deduction for contributions of food inventory. The bill extends for two years the provision allowing businesses to claim an enhanced deduction for the contribution of food inventory.
This provision is estimated to cost $314 million over ten years.

Temporarily extend increase in the maximum amount and phase-out threshold under section 179. Under current law, a taxpayer with a sufficiently small amount of annual investment may elect to deduct the cost of certain property placed in service for the year rather than depreciate those costs over time. The 2003 tax cuts temporarily increased the maximum dollar amount that may be deducted from $25,000 to $100,000. The tax cuts also increased the phase-out amount from $200,000 to $400,000. These amounts have been further modified and extended several times on a temporary basis, increasing up to a high of $500,000 and $2 million respectively for taxable years beginning in 2010 and 2011, and then to $125,000 and $500,000 respectively for taxable years beginning in 2012, before reverting to the permanent amounts of $25,000 and $200,000 respectively for taxable years beginning in 2013 and thereafter. The modified proposal would increase the maximum amount and phase-out threshold in 2012 and 2013 to the levels in effect in 2010 and 2011 ($500,000 and $2 million respectively). Within those thresholds, the proposal would also allow a taxpayer to expense up to $250,000 of the cost of qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property. This proposal expires at the end of 2013 and the amounts revert to $25,000 and $200,000, respectively.
This provision is estimated to cost $2.352 billion over ten years.

Election to expense advanced mine safety equipment. The bill extends for two years, through 2013, the provision that allows a 50 percent immediate expensing for the following advanced underground mine safety equipment: (1) communications technology enabling miners to remain in constant contact with individuals above ground; (2) electronic tracking devices that enable individuals above ground to locate miners in the mine at all times; (3) self-rescue emergency breathing apparatuses carried by the miners and additional oxygen supplies stored in the mine; and (4) mine atmospheric monitoring equipment to measure levels of carbon monoxide, methane, and oxygen in the mine.
This provision is estimated to have a negligible cost over ten years.

Special expensing rules for certain film and television productions. The bill extends for two years, through 2013, the provision that allows film and television producers to expense the first $15 million of production costs incurred in the United States ($20 million if the costs are incurred in economically depressed areas in the United States).
This provision is estimated to cost $248 million over ten years.

Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico. The bill extends for two years the provision extending the section 199 domestic production activities deduction to activities in Puerto Rico.
This provision is estimated to cost $358 million over ten years.

Modification of tax treatment of certain payments to controlling exempt organizations. In general, interest, rent, royalties, and annuities paid to a tax–exempt organization from a controlled entity are treated as unrelated business income of the tax-exempt organization. The Pension Protection Act (PPA) provided that if a payment to a tax-exempt organization by a controlled entity is no more than fair market value, then the payment is excludable from the tax-exempt organization's unrelated business income. The bill extends the provision two years to the end of 2013.
This provision is estimated to cost $40 million over ten years.

Treatment of certain dividends of regulated investment companies (RIC's). The bill extends a provision allowing a RIC, under certain circumstances, to designate all or a portion of a dividend as an "interest-related dividend," by written notice mailed to its shareholders not later than 60 days after the close of its taxable year. In addition, an interest-related dividend received by a foreign person generally is exempt from U.S. gross-basis tax under sections 871(a), 881, 1441 and 1442 of the Code. The proposal extends the treatment of interest-related dividends and short-term capital gain dividends received from a RIC to taxable years of the RIC beginning before January 1, 2014.
This provision is estimated to cost $151 million over ten years.

RIC qualified investment entity treatment under FIRPTA. The bill extends the inclusion of a RIC within the definition of a "qualified investment entity" under section 897 of the Tax Code through December 31, 2013.
This provision is estimated to cost $60 million over ten years.

Exceptions under subpart F for active financing income. The U.S. parent of a foreign subsidiary engaged in a banking, financing, or similar business is eligible for deferral of tax on such subsidiary's earnings if the subsidiary is predominantly engaged in such business and conducts substantial activity with respect to such business. The subsidiary must pass an entity level income test to demonstrate that the income is active income and not passive income. The proposal extends the provision to the end of 2013.

This provision is estimated to cost $11.225 billion over ten years.

Look-through treatment of payments between related controlled foreign corporations under the foreign personal holding company rules. The bill allows deferral for certain payments (interest, dividends, rents and royalties) between commonly controlled foreign corporations (CFC). This provision allows U.S. taxpayers to deploy capital from one CFC to another without triggering U.S. tax. The proposal extends present law to the end of 2013. The proposal is effective for tax years beginning after December 31, 2011.

This provision is estimated to cost $1.503 billion over ten years.

Special rules for qualified small business stock. Generally, non-corporate taxpayers may exclude 50 percent of the gain from the sale of certain small business stock acquired at original issue and held for more than five years. For stock acquired after February 17, 2009 and on or before September 27, 2010, the exclusion is increased to 75 percent. For stock acquired after September 27, 2010 and before January 1, 2012, the exclusion is 100 percent and the AMT preference item attributable for the sale is eliminated. Qualifying small business stock is from a C corporation whose gross assets do not exceed $50 million (including the proceeds received from the issuance of the stock) and who meets a specific active business requirement. The amount of gain eligible for the exclusion is limited to the greater of ten times the taxpayer's basis in the stock or $10 million of gain from stock in that corporation. The provision extends the 100 percent exclusion of the gain from the sale of qualifying small business stock that is acquired before January 1, 2014 and held for more than five years. The bill also clarifies that in the case of stock acquired after February 17, 2009, and before January 1, 2014, the date of acquisition for purposes of determining the percentage exclusion is the date the holding period for the stock begins.

This provision is estimated to cost $954 million over ten years.

Basis adjustment to stock of S corporations making charitable contributions of property. The bill extends for two years the provision allowing S corporation shareholders to take into account their pro rata share of charitable deductions even if such deductions would exceed such shareholder's adjusted basis in the S corporation.

This provision is estimated to cost $225 million over ten years.

Reduction in S corporation recognition period for built-in gains tax. If a taxable corporation converts into an S corporation, the conversion is not a taxable event. However, following such a conversion, an S corporation must hold its assets for a certain period in order to avoid a tax on any built-in gains that existed at the time of the conversion. The American Recovery and Reinvestment Act reduced that period from 10 years to 7 years for sales of assets in 2009 and 2010. The Small Business Jobs Act reduced that period to 5 years for sales of assets in 2011. The bill extends the reduced 5-year holding period for sales occurring in 2012 and 2013. In addition, this bill clarifies rules for carryforwards and installment sales.

This provision is estimated to cost $256 million over ten years.

Empowerment zone tax incentives. The bill extends for two years the designation of certain economically depressed census tracts as Empowerment Zones. Businesses and individual residents within Empowerment Zones are eligible for special tax incentives.

This provision is estimated to cost $450 million over ten years.

Extension of tax incentives for the New York Liberty Zone. The bill extends through 2013 the time for issuing New York Liberty Zone bonds effective for bonds issued after December 31, 2009.

This provision is estimated to have no cost over ten years.

Temporary increase in limit on cover over of rum excise tax revenues (from $10.50 to $13.25 per proof gallon) to Puerto Rico and the Virgin Islands. The bill extends for two years the provision providing for payment of $13.25 per gallon to cover over a $13.50 per proof gallon excise tax on distilled spirits produced in or imported into the United States.

This provision is estimated to cost $222 million over ten years.

American Samoa economic development credit. Certain domestic corporations operating in American Samoa are eligible for a possessions tax credit, which offsets their U.S. tax liability on income earned in American Samoa from active business operations, sales of assets used in a business, or certain investments in American Samoa. Further, the credit is subject to an economic activity-based limitation, and is based on the taxpayers', depreciation, and American Samoa income taxes. The bill extends the provision two years to the end of 2013 and modifies the credit to make it available to all qualifying manufacturing businesses operating in American Samoa.

This provision is estimated to cost $62 million over ten years.

Bonus depreciation. Under current law, businesses are allowed to recover the cost of capital expenditures over time according to a depreciation schedule. For 2008 through 2010, Congress allowed businesses to take an additional depreciation deduction allowance equal to 50 percent of the cost of the depreciable property. The TRUIRJCA expanded this provision to allow 100 percent bonus depreciation for investments placed in service after September 8, 2010 and before 2012 and 50 percent bonus depreciation for investments placed in service during 2012. This provision would extend the current 50 percent expensing provision for qualifying property purchased and placed in service before January 1, 2014 (before January 1, 2015 for certain longer-lived and transportation assets) and also allow taxpayers to elect to accelerate some AMT credits in lieu of bonus depreciation. This provision also decouples bonus deprecation from allocation of contract costs under the percentage of completion accounting method rules for assets with a depreciable life of seven years or less that are placed in service in 2013. For regulated utilities, the provision clarifies that it is a violation of the normalization rules to assume a bonus depreciation benefit for ratemaking purposes when a utility has elected not to take bonus depreciation.

This provision is estimated to cost $4.956 billion over ten years.

Energy Provisions

Credit for certain nonbusiness energy property (25C). The bill extends for two years, through 2013, the credit under Section 25C of the Code for energy-efficient improvements to existing homes, reinstating the credit as it existed before passage of the American Recovery and Reinvestment Act.

Standards for property eligible under 25C are updated to reflect improvements in energy efficiency. The provision also updates the energy efficiency requirements from the 2003 International Energy Conservation Code to the 2006 International Energy Conservation Code.

This provision is estimated to cost $2.446 billion over ten years.

Alternative fuel vehicle refueling property (non-hydrogen refueling property). The bill extends for two years, through 2013, the 30% investment tax credit for alternative vehicle refueling property.

This provision is estimated to cost $44 million over ten years.

Plug-in electric motorcycles and highway vehicles. The provision reforms and extends for two years, through 2013, the individual income tax credit for highway-capable plug-in motorcycles and 3-wheeled vehicles. This proposal replaces a 10 percent tax credit that expired at the end of 2011 for plug-in electric motorcycles, three-wheeled vehicles and low-speed vehicles. Thus it repeals the ability for golf carts and other low-speed vehicles to qualify for the credit.

This provision is estimated to cost $7 million over ten years.

Cellulosic biofuels producer tax credit. Under current law, facilities producing cellulosic biofuel can claim a $1.01 per gallon production tax credit on fuel produced before the end of 2012. This provision was created in the 2008 Farm Bill. The provision would extend this production tax credit for one additional year, for cellulosic biofuel produced through 2013. The proposal also expands the definition of qualified cellulosic biofuel production to include algae-based fuel.

This provision is estimated to cost $59 million over ten years.

Incentives for biodiesel and renewable diesel. The bill extends for two years, through 2013, the $1.00 per gallon tax credit for biodiesel, as well as the small agri-biodiesel producer credit of 10 cents per gallon. The bill also extends through 2013 the $1.00 per gallon tax credit for diesel fuel created from biomass.

This provision is estimated to cost $2.181 billion over ten years.

Indian country coal production tax credit. Under the 2005 Energy Policy Act, coal produced on land owned by an Indian tribe qualifies for a production tax credit equivalent to $2 per ton through 2012. This provision would extend the tax credit through 2013.

This provision is estimated to cost $1 million over ten years.

Extension and modification of incentives for renewable electricity property wind production tax credit and modification of other renewable energy credits. Under current law, taxpayers can claim a 2.2 cent per kilowatt hour tax credit for wind electricity produced for a 10-year period from a wind facility placed-in-service by the end of 2012 (the wind production tax credit). The bill extends through 2013 the production tax credit for wind. The provision also modifies section 45 to allow renewable energy facilities that begin construction before the end of 2013 to claim the 10-year credit, and amends section 45 to clarify that commonly recycled paper is excluded from qualifying from the production tax credit.

This provision is estimated to have a net of cost $12.109 billion over ten years.

Investment tax credit in lieu of production tax credit. Under current law, facilities that produce electricity from solar facilities are eligible to take a thirty percent (30%) investment tax credit in the year that the facility is placed-in-service. Facilities that produce electricity from wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy, and marine renewable facilities are eligible for a production tax credit for electricity produced over a ten-year period. The investment tax credit is better for small and offshore wind facilities. The bill would allow facilities qualifying for the production tax credit to elect to take the investment tax credit in lieu of the production tax credit for facilities that begin construction by the end of 2013.
This provision is estimated to cost $135 million over ten years.

Credit for construction of new energy efficient homes. The bill extends for two years, through 2013, the credit for the construction of energy-efficient new homes that achieve a 30% or 50% reduction in heating and cooling energy consumption relative to a comparable dwelling constructed per the standards of the 2003 International Energy Conservation Code (including supplements).
This provision is estimated to cost $154 million over ten years.

Credit for energy efficient appliances. The bill extends for two years, through 2013, the tax credit for US-based manufacturers of energy-efficient clothes washers, dishwashers and refrigerators.
This provision is estimated to cost $650 million over ten years.

Cellulosic biofuels bonus depreciation. Under current law, facilities producing cellulosic biofuel can expense 50 percent of their eligible capital costs in the first year for facilities placed-in-service by the end of 2012. This provision was created in the 2008 Farm Bill. The provision would extend this bonus depreciation for one additional year for facilities placed-in-service before the end of 2013. The proposal also expands the definition of qualified cellulosic biofuel production to include algae-based fuel.
This provision is estimated to cost less than $500,000 over ten years.

Special rule for sales or dispositions to implement Federal Energy Regulatory Commission or State electric restructuring policy. The bill extends for two years, for sales prior to January 1, 2014, the present law deferral of gain on sales of transmission property by vertically integrated electric utilities to FERC-approved independent transmission companies. Rather than recognizing the full amount of gain in the year of sale, this provision would allow gain on such sales to be recognized ratably over an eight-year period.
This provision has a negligible cost over ten years.

Incentives for alternative fuel and alternative fuel mixtures (other than liquefied hydrogen). The bill extends through 2013 the $0.50 per gallon alternative fuel tax credit and alternative fuel mixture tax credit. This credit can be claimed as a nonrefundable excise tax credit or a refundable income tax credit. Due to claims of abuse in the alternative mixture tax credit, the Committee adopted an amendment denying taxpayers from claiming the refundable portion of the alternative fuel mixture tax credit.
This provision is estimated to cost $360 million over ten years.

V. Revenue Offset for Sequester

Roth conversions for retirement plans. Under current law, a deferral plan under section 401(k) (including the Thrift Savings Plan), 403(b) or 457(b) governmental plan can have Roth accounts that allow participants to save on a Roth basis. That is, they can make after-tax contributions to the plan and all the principal and earnings are tax-free when distributed. Plans can currently allow participants to convert their pre-tax accounts to Roth accounts, but only with respect to money they have a right to take out of the plan, usually because they have reached age 59½ or separated from service. This proposal would allow any amount in a non-Roth account to be converted to a Roth account in the same plan, whether or not the amount is distributable. The amount converted would be subject to regular income tax.

This provision is estimated to raise $12.2 billion over ten year.

Title —Medicare and Other Health Provisions

Subtitle A - Medicare Extensions

Medicare Physician Payment Update. This provision guarantees seniors have continued access to their doctors by fixing the Sustainable Growth Rate (SGR) through the end of 2013. Medicare physician payment rates are scheduled to be reduced by 26.5 percent on December 31, 2012. This provision would avoid that reduction and extend current Medicare payment rates through December 31, 2013.

Work Geographic Adjustment. Under current law, the Medicare fee schedule is adjusted geographically for three factors to reflect differences in the cost of resources needed to produce physician services: physician work, practice expense, and medical malpractice insurance. This provision extends the existing 1.0 floor on the "physician work" index through December 31, 2013.

Payment for Outpatient Therapy Services. Current law places annual per beneficiary payment limits of \$1,880 for all outpatient therapy services provided by non-hospital providers, but includes an exceptions process for cases in which the provision of additional therapy services is determined to be medically necessary. This provision extends the exception process through December 31, 2013. The provision also extends the cap to services received in hospital outpatient departments only through December 31, 2013.

Ambulance Add-On Payments. Under current law, ground ambulance transports receive add-on to their base rate payments of 2% for urban providers, 3% for rural providers, and 22.6% for super-rural providers. The air ambulance temporary payment policy maintains rural designation for application of rural air ambulance add-on for areas reclassified as urban by OMB in 2006. This provision extends the add-on payment for ground including in super rural areas, through December 31, 2013, and the air ambulance add-on until June 30, 2013.

Extension of Medicare inpatient hospital payment adjustment for low-volume hospitals. Qualifying low-volume hospitals receive add-on payments based on the number of Medicare discharges. To qualify, the hospital must have less than 1,600 Medicare discharges and be 15 miles or greater from the nearest like hospital. This provision extends the payment adjustment until December 31, 2013.

Extension of the Medicare-Dependent hospital (MDH) program. The Medicare Dependent Hospital (MDH) program provides enhanced reimbursement to support rural health infrastructure and to support small rural hospitals for which Medicare patients make up a significant percentage of inpatient days or discharges. This greater dependence on Medicare may make these hospitals more financially vulnerable to prospective payment, and the MDH designation is designed to reduce this risk. This provision extends the MDH program until October 1, 2013.

Extension for specialized Medicare Advantage plans for special needs individuals. Extends the authority of specialize plans to target enrollment to certain populations through 2015.

Extension of Medicare Reasonable Cost Contracts. This provision allows Medicare cost plans to continue to operate through 2014 in an area where at least two Medicare Advantage coordinated care plans operate.

Performance Improvement. Under the Medicare Improvement for Patients and Providers Act of 2008, HHS entered into a five year contract with a consensus-based entity for certain activities relating to health care performance . . This provision continues this funding through 2013.

This provision also requires HHS to develop a strategy for providing data on performance improvement in a timely manner.

Extension of funding outreach and assistance for low-income programs. This provision extends the funding for one year for State Heath Insurance Counseling Programs (SHIPs), Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs), and The National Center for Benefits Outreach and Enrollment.

<u>Subtitle B - Other Health Provisions</u>

Extension of the Qualifying Individual Program. The Qualifying Individual (QI) program allows Medicaid to pay the Medicare Part B premiums for low-income Medicare beneficiaries with incomes between 120 percent and 135 percent of poverty. Under current law, QI expires December 31, 2012. This provision extends the QI program until December 31, 2013.

Extension of Transitional Medical Assistance. Transitional Medical Assistance (TMA) allows low-income families to maintain their Medicaid coverage as they transition into employment and increase their earnings. Under current law, TMA expires December 31, 2012. This provision extends TMA until December 31, 2013.

Extension of Medicaid and CHIP Express Lane option. The CHIP Reauthorization Act of 2009 created a new option that allows state Medicaid and CHIP offices to rely on data from other state offices, like SNAP and school lunch programs, in making income eligibility determinations for children, called Express Lane Eligibility (ELE). The authority to use ELE expires on September 30, 2013. This provision would extend ELE authority through September 30, 2014.

Extension of Family-to-Family Health Information Centers. This provision continues the Family to Family Health Information Centers (F2F HIC) to assist families of children/youth with special health care needs in making informed choices about health care in order to promote good treatment decisions, cost-effectiveness and improved health outcomes. This provision will help families navigate the health care system so that their children can get the care and benefits they need through Medicaid, SCHIP, SSI, early intervention services, private insurance and other programs. In addition, F2F HICs provide leadership and training for health care providers and policymakers to promote family-centered "medical home" for every child. There is one F2F HIC in every state and the District of Columbia. The total cost of this provision is $5 million per year.

Extension of Special Diabetes Program for Type 1 diabetes and for Indians. Funds research for type I diabetes and supports diabetes treatment and prevention initiatives for American Indians and Alaska Natives. The Special Diabetes Program (SDP) expires at the end of 2013, but early reauthorization is critical to the continuation of the existing research initiatives. This provision would extend the SDP for one year.

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, January 02, 2013 2:26 PM
To: LG.KKR
Subject: FW: Fiscal Cliff package
Attachments: American Taxpayer Relief Act.pdf; 1 Side-by-Side on Cliff Agreement 123112.docx; 2 One-Pager on Cliff Agreement 123112.docx; 3 Summary of final deal -- TAX.DOCX; 4 Health Extender Summaries - Final.docx; 5 Health Offsets Summaries - Final.docx

FYI. Think you will find these useful regarding the final deal.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

-----Original Message-----
From: Marie Sanderson [mailto:msanderson@rgppc.org]
Sent: Tuesday, January 01, 2013 10:00 AM
To: Marie Sanderson
Cc: debbie@hohlt.com; Seth Levey; Dustin Huffman
Subject: Fiscal Cliff package

Attached you will find the legislative text of the Fiscal Cliff package that passed the Senate 89 to 8. Also attached is the legislative summaries that have been provided by the Senate.

Happy New Year!

Marie Thomas Sanderson
Policy Director
Republican Governors Association (RGA)
MSanderson@rga.org
Republican Governors Public Policy Committee (RGPPC) MSanderson@rgppc.org Office (202) 464- 8556 Cell (601) 946-4529

Title —Medicare and Other Health Provisions

<u>Subtitle A - Medicare Extensions</u>

Medicare Physician Payment Update. This provision guarantees seniors have continued access to their doctors by fixing the Sustainable Growth Rate (SGR) through the end of 2013. Medicare physician payment rates are scheduled to be reduced by 26.5 percent on December 31, 2012. This provision would avoid that reduction and extend current Medicare payment rates through December 31, 2013.

Work Geographic Adjustment. Under current law, the Medicare fee schedule is adjusted geographically for three factors to reflect differences in the cost of resources needed to produce physician services: physician work, practice expense, and medical malpractice insurance. This provision extends the existing 1.0 floor on the "physician work" index through December 31, 2013.

Payment for Outpatient Therapy Services. Current law places annual per beneficiary payment limits of $1,880 for all outpatient therapy services provided by non-hospital providers, but includes an exceptions process for cases in which the provision of additional therapy services is determined to be medically necessary. This provision extends the exception process through December 31, 2013. The provision also extends the cap to services received in hospital outpatient departments only through December 31, 2013.

Ambulance Add-On Payments. Under current law, ground ambulance transports receive add-on to their base rate payments of 2% for urban providers, 3% for rural providers, and 22.6% for super-rural providers. The air ambulance temporary payment policy maintains rural designation for application of rural air ambulance add-on for areas reclassified as urban by OMB in 2006. This provision extends the add-on payment for ground including in super rural areas, through December 31, 2013, and the air ambulance add-on until June 30, 2013.

Extension of Medicare inpatient hospital payment adjustment for low-volume hospitals. Qualifying low-volume hospitals receive add-on payments based on the number of Medicare discharges. To qualify, the hospital must have less than 1,600 Medicare discharges and be 15 miles or greater from the nearest like hospital. This provision extends the payment adjustment until December 31, 2013.

Extension of the Medicare-Dependent hospital (MDH) program. The Medicare Dependent Hospital (MDH) program provides enhanced reimbursement to support rural health infrastructure and to support small rural hospitals for which Medicare patients make up a significant percentage of inpatient days or discharges. This greater dependence on Medicare may make these hospitals more financially vulnerable to prospective payment, and the MDH designation is designed to reduce this risk. This provision extends the MDH program until October 1, 2013.

Extension for specialized Medicare Advantage plans for special needs individuals. Extends the authority of specialize plans to target enrollment to certain populations through 2015.

Extension of Medicare Reasonable Cost Contracts. This provision allows Medicare cost plans to continue to operate through 2014 in an area where at least two Medicare Advantage coordinated care plans operate.

Performance Improvement. Under the Medicare Improvement for Patients and Providers Act of 2008, HHS entered into a five year contract with a consensus-based entity for certain activities relating to health care performance . . This provision continues this funding through 2013.

This provision also requires HHS to develop a strategy for providing data on performance improvement in a timely manner.

Extension of funding outreach and assistance for low-income programs. This provision extends the funding for one year for State Heath Insurance Counseling Programs (SHIPs), Area Agencies on Aging (AAAs), Aging and Disability Resource Centers (ADRCs), and The National Center for Benefits Outreach and Enrollment.

Subtitle B - Other Health Provisions

Extension of the Qualifying Individual Program. The Qualifying Individual (QI) program allows Medicaid to pay the Medicare Part B premiums for low-income Medicare beneficiaries with incomes between 120 percent and 135 percent of poverty. Under current law, QI expires December 31, 2012. This provision extends the QI program until December 31, 2013.

Extension of Transitional Medical Assistance. Transitional Medical Assistance (TMA) allows low-income families to maintain their Medicaid coverage as they transition into employment and increase their earnings. Under current law, TMA expires December 31, 2012. This provision extends TMA until December 31, 2013.

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Other Health Provisions

Documentation and Coding (DCI) adjustment. This provision will phase in the recoupment of past overpayments to hospitals made as a result of the transition to Medicare Severity Diagnosis Related Groups (MS-DRGs). Savings: $10.5 billion.

Rebase End Stage Renal Disease (ESRD) payments. This provision incorporates recommendations from the General Accountability Office by re-pricing the bundled payment to take into account changes in behavior and utilization of drugs for dialysis. Savings: $4.9 billion.

Therapy Multiple Procedure Payment reduction. This provision further reduces payment for subsequent therapies when therapies are provided on the same day. Savings: $1.8 billion.

Payment for Certain Radiology Services. This provision would equalize payments for stereotactic radiosurgery services provided under Medicare hospital outpatient payment system. Savings: $0.3 billion.

Adjustment of Equipment Utilization Rate for Advance Imagining Services. This policy would increase the utilization factor used in the setting of payment for imaging services in Medicare from 75% to 90%. Savings: $0.8 billion.

Competitive Prices for Diabetic Supplies. This proposal would apply competitive bidding to diabetic test strips purchased at retail pharmacies. Savings: $0.6 billion.

Adjust Payment Adjustment for Non-Emergency Ambulance Transports For ESRD Beneficiaries. This provision reduces the payment rates for ambulance services by 10% for individuals with ESRD obtaining non-emergency basic life support services involving transport, based on a recent General Accountability Office report. Savings: $0.3 billion

Increase statute of limitations for recovering overpayments. This provision increases the statute of limitations to recover overpayments from three to five years, based on recommendations from the Office of Inspector General at the Department of Health and Human Services. Savings: $0.5 billion.

Medicare Improvement Fund. This provision eliminates funding for the Medicare Improvement Fund. Savings: $1.7 billion.

Rebase Medicaid Disproportionate Share Hospital (DSH) payments to extend the changes from the Affordable Care Act (ACA) for an additional year. This proposal rebases DSH allotments to maintain the level of changes achieved in the ACA, and determines future allotments off of the rebased level using current law methodology. Savings: $4.2 billion.

Repeal of Class Program. The provision repeals the Community Living Assistance Services and Supports (CLASS) program established by the Affordable Care Act. This provision has no scoring implications.

Commission on Long Term Care. The provision establishes the Commission on Long Term Care to develop a plan for the establishment, implementation, and financing of a high quality system that ensures the availability of long-term services and supports for individuals. This provision has no scoring implications.

Coding Intensity Adjustment. Under current law, Medicare Advantage plans receive risk-adjustment payments that are further adjustment to reflect differences in coding practices between Medicare fee-for-service and Medicare Advantage. This provision increases this coding intensity adjustment. Savings: $2 billion.

Consumer Operated and Oriented Plan (CO-OP). This provision will rescind all unobligated CO-OP funds under section 1332(g) of the Affordable Care Act. This provision also creates a contingency fund of 10 percent of the current unobligated funds to be used to further assist currently approved co-ops that have already been created. The provision does not take away any obligated CO-OP funds. Savings: $2.3 billion

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[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, January 02, 2013 4:45 PM
To: IA Cabinet
Subject: FW: Fiscal Cliff Memo
Attachments: Fiscal Cliff Agreement First Round.1.2.13.FINAL.docx; Fact Sheet No. 112-34 January 1 2012 -- Fiscal Cliff Agreement HR 8.pdf; Legislative Text.pdf; Revenue Effects for Individual Provisions.pdf

Importance: High

Good afternoon, team. Suspect many of you have already been reading about the details regarding the legislation passed by Congress that last two days.

Our federal relations team has put together the attached materials for your reference.

In regards to the tax changes and how they might impact state revenue, please remember that the current REC revenue estimate assumes all of the Bush-era tax cuts would NOT be extended for ANY taxpayer. Thus, the tax provisions in this legislation that make permanent the Bush-era tax cuts for most Americans will actually result in a NET increase in estimated revenue to the state treasury.

That said, state law requires we budget on the December revenue estimate (or the March estimate if it is LOWER). If the March estimate comes in higher due to these changes, state law still requires the use of the December estimate and the additional revenue will flow into our ending balance and be available in the out years.

Hope you find this helpful.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Hoelscher, Doug [IGOV]
Sent: Wednesday, January 02, 2013 4:22 PM
To: IGOV-Branstad All Staff [IGOV]; Roederer, David [IDOM]; Lunde, Joel [IDOM]; Mabie, Kathy [IDOM]
Cc: Bartel, Christine [IGOV]
Subject: Fiscal Cliff Memo
Importance: High

Hi all,

Attached please find a memo regarding the fiscal cliff legislation that President Obama is expected to sign. A copy of this will also be shared with Iowa agency heads and state-federal liaisons yet today. Please let me know if you have any questions or would like further information on any particular provision. Additional resources are also outlined in the memo and attached.

Discussion Points:

- The deal struck over New Year's focuses primarily on federal taxes rather than spending.

- Issues regarding federal spending levels and entitlement reform remain. Governor Branstad recognizes the need for the Federal government to reduce spending levels.

- Governor Branstad will work with his fellow governors from across the country to encourage Congress and the Administration to stress the following principles for deficit reduction:

  1. Federal reforms should produce savings for both the federal government and states;
  2. Deficit reduction should not be accomplished by merely shifting costs to states or imposing unfunded mandates;
  3. States should be given increased flexibility to create efficiencies and achieve results; and
  4. Congress should not impose maintenance of effort (MOE) provisions on states as a condition of funding.

Sincerely,

Doug Hoelscher
State of Iowa,
Office of State-Federal Relations
Phone: 202-624-5479
Hall of States, Suite 359
444 North Capitol Street
Washington, DC 20001

MEMORANDUM

TO:	Interested Stakeholders
FROM:	Doug Hoelscher and Christie Bartel
RE:	Summary of Fiscal Cliff Agreement with Iowa Focus
DATE:	Wednesday, January 2, 2013

This memo provides a quick summary of the House and Senate passed fiscal cliff bill, which is expected to be signed by President Obama. This memo does not entail an exhaustive or all-inclusive listing of provisions in the legislation; instead, it is intended to highlight significant provisions with a particular focus on those impacting the Iowa economy and the Governor's goals. The increased Federal taxes will result in decreased State revenues due to the State deduction of Federal tax liabilities.

High Level Summary:

- Permanently extends significant Bush-era **income tax cuts** up to $400,000 for individuals and $450,000 for couples — allows tax rates to rise to 39.6% for incomes above that level.
- Permanently extends Bush-era **tax rates on capital gains and dividends**, but increases rates for above outlined income levels.
- Includes a permanent "patch" for the **alternative minimum tax** which was estimated to impact approximately 25 million Americans.
- Postpones **sequestration** automatic cuts for two months and replaces the cuts for those two months with a combination of other spending cuts and new revenue measures. The White House is also required to release a sequester report and order the cuts on March 1, 2013 (although cuts would not be enacted until March 27, 2013). The amount to be sequestered is reduced to $85 billion ($24 billion less than before this legislation) with $12.2 billion offset by increased Roth IRA transfer revenues and a $12 billion reduction in discretionary spending caps in Fiscal Year 2013 and FY 2014 (reduced by $4 billion and $8 billion respectively). Until the spending side of the debate is fully resolved there will remain uncertainty on Federal funds flowing to the State.
- Permanently extends the basic **deductions for married couples**.
- Extends **wind energy construction tax credit** for one year.
- Extends **research and development tax credit** for two years.
- Extends various **education- and family-related tax credits**.
- Extends the **credit for alternative fuel vehicle refueling property**.
- Extends **credit for production of cellulosic biofuel** and includes fuel from algae.
- Includes 50% **business bonus depreciation rules for property** placed in service before the end of 2013 (and through 2014 for certain transportation property and certain longer-lived items).
- Extends through 2017, the 2009 stimulus law income calculations and certain 2001 tax law provisions for the **Earned Income Tax Credit**.

Iowa Highlight

With more wind energy manufacturing than any other State and extensive wind energy resources, this one-year extension was very important to the Iowa economy. The tax credit was retooled thanks to the efforts of Senator Grassley so they can be applied upon the start of manufacturing rather than the start of energy production, which should amplify the credit's positive impact.

- Reinstates the Clinton-era **limits on high-income tax benefits**, the phaseout of itemized deductions ("Pease") including state and local income and property tax deductions and the Personal Exemption Phaseout ("PEP") for couples with incomes over $300,000 and singles with incomes over $250,000.
- The bill extends **long-term unemployment benefits**, maintaining current benefit tiers (73 weeks-the maximum number of weeks an individual can receive benefits); imposed job search requirements on beneficiaries; and, authorized states to conduct drug tests on beneficiaries who have been fired for drug use. Moreover, the bill extended railroad extended unemployment benefits and also extended federal aid to states for re-employment services through fiscal year 2014 (rate is $85 per individual receiving re-employment services).
- Allows the temporary 2 percentage point reduction in the **payroll tax** to expire.
- Permanently extends **estate tax exemption** amount, exempting estates up to $5.12 million (and indexes henceforth). Increases the maximum rate to 40% — an increase from the current 35% rate — for estate values above the exemption amount. Without action, the estate tax would have reverted to pre-2001 levels of a 55% top rate and just $1 million exemption. With current farm values in Iowa, a $1 million exemption would be surpassed with a farm of approximately 135 acres.

Iowa Highlight

The provisions extending the Farm Bill and permanency for the estate tax exemption level should reduce some uncertainty in Iowa's agricultural economy. The bill authorizes disaster assistance programs that should help Iowa livestock producers hard hit by the drought.

- Extends a majority of programs authorized in the 2008 **Farm Bill** retroactively and through the end of 2013, preventing some farm policy from defaulting to the underlying 1949 farm policy law. Conservation programs reauthorized through FY2014 are not impacted by this legislation. It ends mandatory funding for several programs, including two Supplemental Nutrition Assistance Programs and the biomass crop assistance program, among others. The legislation reduced funding for certain programs and did not provide funding for other programs, including pending rural development loan and grant applications and the value-added agricultural market development program. Authorizes funding for the agricultural disaster assistance programs that expired at the end of fiscal year 2011 including the livestock indemnity payments, livestock forage disaster program, emergency assistance for livestock, and the tree assistance program. Finally, several bioenergy programs were authorized.
- Extends **Medicare reimbursements** (the "doc fix") which prevents a 27% reduction in the Medicare reimbursement rate.
- Also extends several **other health programs**, including the Low-Volume Hospital Program, the Medicare-Dependent Hospital Program, the Childrens Health Insurance Program (CHIP) Express Lane Program, and the Special Diabetes Program, among others. One of the offsets for these health program authorizations comes from extending the reduction in payments to hospitals that treat unusually large numbers of patients with little or no health insurance, sometimes referred to as the Medicaid Disproportionate Share Hospital Allotments.
- The measure repeals the **Community Living Assistance Services and Supports (CLASS) Program**, which was part of the 2010 health care bill and which the Obama Administration had subsequently told Congress that it did not see a path

Iowa Highlight

There were significant concerns that the Internal Revenue Service and Iowa Department of Revenue would have to delay the tax filing season if tax provisions had not been settled by January 15, 2013. This would have burdened taxpayers and negatively impacted the State's tax collection accuracy and efficiency.

for the program's long-term solvency.

- Extends ability of financial services companies and manufacturers with financing arms to **defer taxes on income earned overseas from active financing operations**.
- Approves **accelerated capital recovery cost provisions** for small businesses.
- Extends the **work opportunity tax credit** for qualified wages paid to members of targeted groups, such as food stamp recipients or individuals receiving supplemental security income benefits as well as an employer wage credit for activated military reservists.
- Extends a 50% **credit for certain railroad maintenance** expenses.
- Extends for one year the **accelerated depreciation write-off for motorsports complexes**. Relevant to the Iowa Speedway in Newton.
- Maintains current law on **exclusion of interest on state and local bonds** which may make such bonds more attractive to higher-income individuals.

<u>Unresolved Issues – Fiscal Cliff Part 2:</u>

There were significant concerns that this legislation focused only on the revenue side of the long-term fiscal solvency debate and did not tackle the spending side of the equation. Until entitlement reforms are enacted, discretionary programs will likely continue to be disproportionately targeted for reductions. The following three milestones will all provide opportunities to further discuss spending cuts:

- End of Treasury Department Extraordinary Measures to Avoid Borrowing Above Debt Limit (Early March 2013, TBD Date)
- End of Current FY13 Continuing Resolution (March 27, 2013)
- New Adjusted Sequester Deadline (March 27, 2013)

<u>Iowa Delegation Votes:</u>

The below table summarizes how the Iowa delegation voted.

The Iowa Congressional Delegation Vote	
Members Who Supported:	**Members Who Opposed:**
Congressman Boswell	Senator Grassley
Congressman Braley	Senator Harkin
Congressman Loebsack	Congressman Latham
	Congressman King

<u>For Further Information:</u>

Included in the email distribution are copies of the following to provide you further information:

- Congressional Quarterly Fact Sheet
- National Governors Association Summary Document
- Text of the legislation
- Information regarding the costs of individual provisions

We will continue to keep you updated on the 113th Congress' efforts to address the debt ceiling, sequestration, appropriations and other important measures.

Sources for this memo: Congressional Quarterly's House Action Report, National Governors Association memos, Associated Press, Washington Post, Des Moines Register, CNN, Websites of the Iowa Congressional Members

A Congressional Quarterly Publication

CQ House Action Reports

Edition: **Fact Sheet**

No. 112-34/January 1, 2012

Fiscal Cliff Agreement

This Fact Sheet deals with HR 8 , American Taxpayer Relief Act, which the Senate passed early this morning and the House is considering tonight.

The measure permanently extends Bush-era income and other tax cuts for taxable income up to $400,000 for individuals and $450,000 for couples — but allows tax rates to rise from 35% to 39.6% on income over that level. It increases tax rates for capital gains and dividends on such income from 15% to 20%, and increases the estate tax from 35% to 40%. It also includes a permanent "patch" for the alternative minimum tax.

The bill postpones for two months the sequestration of FY 2013 spending scheduled to occur this month, and replace it with a combination of other spending cuts and revenue increases. It extends for another year long-term unemployment benefits, prevents for 2013 a 27% cut in Medicare reimbursement rates, and extends through FY 2013 most federal farm programs and policies, including dairy policies in order to prevent a spike in milk prices.

CBO estimates the bill would increase the deficit by $3.97 trillion over 10 years, when compared to its current law baseline. Many conservative Republicans oppose the measure because of the tax increases and the lack of substantial spending cuts, but GOP leaders decided against trying to amend it.

Contents

Section I

Background & Summary

End-of-year negotiations on the fiscal cliff — and, in particular, the expiration of the Bush-era tax cuts and the sequestration caused by the Budget Control Act (PL 112-25) — was peppered with ambition to reach a grand bargain on long-term tax, spending and deficit reduction issues.

The tax cuts for upper-income individuals enacted as part of the 2001 Economic Growth and Tax Relief Reconciliation Act (PL 107-16 ; see House Action Reports Conference Summary No. 107-2 , May 26, 2001) and the 2003 Jobs and Growth Tax Relief Reconciliation Act (PL 108-27 ; see House Action Reports Conference Summary 108-4 , May 22, 2003), which Democrats argue disproportionately benefit the wealthy, have long been a grueling partisan issue. Democrats, including President Obama, favor extending the tax cuts for most Americans, but an agreement with Republicans on where to cut off the benefits has eluded them.

Both tax laws, originally scheduled to expire at the end of 2010, were extended for two years in December 2010 through the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act (PL 111-312 ; see House Action Reports Fact Sheet No. 111-38, Dec. 15, 2010) after the election in which Republicans decidedly won control of the House. That deal also included a two-percentage-point payroll tax holiday — championed by many Democrats and left-leaning economists for its benefit to lower-earning workers — which was extended again for 2012 but is now slated for expiration.

The sequestration emerged from a showdown over raising the debt limit in mid-2011, which led to enactment of the Budget Control Act. That law provided for $917 billion in 10-year savings by setting discretionary spending caps — and after a special congressional panel was unable to identify another $1.2 trillion in savings, automatic cuts to achieve that savings with the first $109 billion to occur in January 2013 (with half to come from defense). Other elements contributing to the fiscal cliff include the adjustment to Medicare providers known as the doc fix, the need for another alternative minimum tax (AMT) patch, and the expiration of unemployment benefits and a number of popular tax extenders.

Late December Negotiations

As progress stalled on broader negotiations to address debt and deficit issues, congressional leaders turned their efforts to a scaled-back deal that would prevent taxes from rising on the vast majority of Americans. The sense of urgency increased when House Speaker John A. Boehner, R-Ohio, pulled his so-called "Plan B" measure (H J Res 66 ; see House Action Reports Fact Sheet No. 112-33) from consideration on Dec. 20. After conservative members amassed opposition to the measure, which would have allowed tax rates to increase for taxable income levels up to $1 million, Boehner noted that the House had already passed legislation to extend the Bush-era tax cuts and prevent the sequester, and that the Senate would need to act first on any fiscal cliff measure.

After returning from the Christmas holiday, Senate leaders began serious negotiations, with Vice President Biden representing the White House and negotiating directly with Senate Minority Leader Mitch McConnell, R-Ky.

On Monday, Senate leaders announced they had reached a deal under which income tax rates would increase for families with incomes above $450,000 and sequestration would be delayed for two months. The Senate subsequently voted to pass the measure by a vote of 89 to 8 early Tuesday morning.

While Obama and most other Democrats commended passage of legislation to avert the fiscal cliff, it quickly became questionable whether the measure could pass the House. Conservatives decried the lack of substantive spending cuts and the postponement of sequestration for two months and insisted they wouldn't vote in favor of the bill. GOP leaders considered amending the measure with additional spending cuts favored by many in their conference but decided against such an action because it would have doomed the measure in the Senate.

Summary of HR 8

Following is a summary of the American Taxpayer Relief Act, as passed by the Senate. The House will be voting to concur with the Senate amendment to HR 8 .

The Congressional Budget Office (CBO) estimates that the bill would increase the deficit by $3.97 trillion when compared to a baseline that assumed the expiration of the Bush-era tax cuts and other policy provisions.

Tax Provisions

The measure permanently extends the reduced tax rates and other tax benefits enacted in 2001 and 2003 for most Americans but allows tax rates to rise for income higher than $400,000 for individuals and $450,000 for couples.

Specifically, it extends all current income tax rates for taxable income up to $400,000 for individuals and $450,000 for couples but allows tax rates for income above that level to rise from the current 35% to 39.6%. Similarly, it extends reduced rates on capital gains and dividend income for taxable income up to those levels but raises the rates from 15% to 20% for income above that level.

It also permanently extends the estate tax exemption amount at current levels but allows the maximum rate to increase to 40%; includes a permanent "patch" for the alternative minimum tax to prevent tens of millions of Americans from having to pay higher taxes under that alternative system; allows the return of the personal exemption phase-out, which phases out the value of personal exemptions of certain taxpayers in the top two income tax brackets, as well as the so-called Pease limitation, which reduces the overall value of itemized deductions of certain higher-earning taxpayers, for income levels starting at $250,000; and temporarily extends a number of expired tax credits and deductions for individuals and businesses.

Bush-era tax cuts expired on Dec. 31. The Joint Committee on Taxation (JCT) estimates that these provisions would reduce revenues by $3.92 trillion over 10 years. (Although neither JCT nor CBO has issued an exact estimate, some tax experts estimate that allowing tax rates to expire for income levels above $400,000 would provide nearly $600 billion in revenue over 10 years.)

The bill does not extend the payroll tax holiday, allowing that temporary tax cut to expire.

Sequester Replacement & Other Extensions

The measure postpones for two months automatic cuts to government spending that are set to occur this month, replacing them with lower discretionary spending caps and $12 billion in new revenue related to retirement accounts.

The measure blocks through Dec. 31, 2013, the scheduled reductions in the Medicare reimbursement for physician services, thereby preventing the 27% rate reduction scheduled to occur Jan. 1. CBO estimates that the doc fix provisions will cost $25.2 billion over 10 years. The measure also extends several additional health programs through 2012, including the beneficiary payment caps for non-hospital outpatient therapy services, the Qualifying Individual and Transitional Medical Assistance programs and Medicare Work Geographic Adjustments.

To offset the cost of the doc fix, the measure includes several offsets related to health care. The measure extends the current reduction in the rates paid to hospitals for uncompensated care, eliminates funding for the Medicare Improvement Fund and modifies payment rates for end-stage renal disease treatments.

The measure extends for one year, through Dec. 31, 2013, eligibility for expanded unemployment insurance benefits for laid-off workers. It maintains the restructured benefit tiers enacted under last year's payroll tax agreement (PL 112-96), which reduced the maximum 99-week eligibility to 73 weeks.

The measure generally extends through the end of FY 2013 most provisions of farm policy as they were in effect on Sept. 30, 2012. Certain agriculture disaster assistance programs, which expired on Sept. 30, 2011, are authorized through FY 2013.

The measure also prohibits any pay increase for members of Congress through Sept. 30, 2013.

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Section II

Tax Provisions

This section summarizes the provisions of HR 8 , American Taxpayer Relief Act, that extend most of the Bush-era tax rates.

The measure permanently extends income tax provisions enacted in the 2001 and 2003 tax laws (PL 107-16 ; PL 108-27) for taxable income levels of up to $400,000 for individuals and $450,000 for families — but allows income tax rates, as well as capital gains and dividend tax rates, to rise on taxable income over those levels.

All of those tax rates rebounded to their pre-2001 levels on Jan. 1.

The measure permanently extends the current exemption level but increases the top rate for the estate tax, and it includes a permanent "patch" to prevent the higher alternative minimum tax from affecting tens of millions of middle-income taxpayers.

It also extends numerous family- and education-related tax provisions that have expired and extends increased dollar amounts under small-business expensing rules. In addition, it extends for five years expanded child tax credit, expanded income tax credit and college tuition credit provisions included in the 2009 stimulus law (PL 111-5), and extends more than 50 credits and deductions known as "tax extenders" that benefit individuals, businesses and energy industries.

It does not, however, extend the 2-percentage-point reduction in worker's Social Security payroll tax that has been in effect for the past two years — meaning workers will have more withheld from their paychecks beginning this month.

The Joint Committee on Taxation (JCT) estimates that the bill would reduce tax revenues by a total of $3.92 trillion over 10 years — including $1.53 trillion from extending the 2001 and 2003 tax cuts, $1.82 trillion from the AMT patch, $369.1 billion from extending current estate tax rules, $134.2 billion from stimulus law tax extensions and $76.3 billion from various tax extenders. It raises $12.2 billion in revenue by allowing amounts in tax-deferred retirement plans to more easily be transferred to Roth accounts.

In addition, the Congressional Budget Office (CBO) estimates that the tax provisions would result in $276.8 billion in outlays over 10 years.

Individual Earned Income Taxes

The measure permanently extends most of the individual income tax rates created under the 2001 tax law (PL 107-16), which the JCT estimates would reduce revenue over the next 10 years by $1.53 trillion — 39% of the revenue cost of the measure. It also extends, through 2017, a handful of individual income tax-related provisions from the 2009 stimulus law, which would reduce revenues by an additional $134.2 billion over 10 years, or 4% of the revenue portion of the measure. (Each tax rate applies to a range of "taxable income," which is a taxpayer's adjusted gross income minus the basic standard deduction or itemized deductions and personal exemptions.)

Extension of Income Tax Brackets

The measure permanently extends the current 10%, 25%, 28%, and 33% brackets, as well as the current 35% bracket — but only for taxable income that does not exceed the new threshold. Taxable income in excess of those levels would be taxed at the top 39.6% rate for income levels that would have previously applied to the 35% bracket.

Under the measure, the permanently extended 35% bracket would apply only for taxable income below $400,000 for individuals and $450,000 for families. For head of household filers, it would apply to taxable income below $425,000.

The 2001 tax law (PL 107-16) created a new 10% income tax bracket, which applied to a portion of income that was previously taxed at 15%, and reduced the five tax rate brackets (15%, 28%, 31%, 36% and 39.6%) into five new brackets: 10%, 25%, 28%, 33% and 35%. The new 10% bracket and reduced brackets all expired on Dec. 31, 2012, with all tax rates returning to pre-2001 levels.

JCT estimates that the income tax provisions would reduce revenues by $762.4 billion over 10 years.

PEP and Pease

The measure allows the so-called personal exemption phaseout (PEP) and Pease provisions that were scheduled to return in January to become effective for incomes over a certain threshold but blocks them from applying to lower incomes.

Specifically, the provisions, which phase out personal exemptions and place an overall limitation on itemized deductions for higher-income individuals — effectively raising their tax liability — would apply to adjusted gross incomes less than $250,000 for individuals and $300,000 for couples. For head of household filers, it would apply to taxable income above $275,000.

Other Income Tax Credits & Deductions

The measure permanently extends modifications to the child tax credit that were included in the 2001 tax law, as well as extending for five years the changes made by the 2009 economic stimulus law. Specifically, it permanently retains the $1,000 credit level, the ability of the credit to be claimed against the alternative minimum tax (AMT) and the refundability of the credit for up to 15% of the taxpayer's earned income in excess of $10,000 (adjusted for inflation).

Through 2017, the measure extends provisions from the 2009 stimulus law that reduced the "floor" — the point at which adjusted gross income must exceed an inflation-adjusted threshold in order for a taxpayer to receive the refundable credit worth up to 15% of income in excess of the threshold — to $3,000, also know as the earned income formula. In addition, the 2009 law permitted families with three or more qualifying children to determine the additional child tax credit through an "alternative formula" that can result in a larger tax credit than the earned income formula.

Similarly, it permanently extends certain adjustments to the Earned Income Tax Credit (EITC) that were included in the 2001 tax law — and extends for five years those included in the 2009 economic stimulus law that increased the beginning point of the phase-out range for all married couples and extended it for larger families. The EITC is a refundable tax credit designed to ease the tax burden on certain low-income workers and is phased out as income exceeds certain levels.

The measure maintains marriage penalty relief, continuing inflation provisions that prevent the marriage penalty. It permanently extends the basic standard deductions for married couples (which are twice that of the standard deductions for single individuals) and continues the size of the 15% regular income tax bracket for married couples (which is twice that of the corresponding bracket for individuals).

The measure also extends several other education-related credits and deductions that were enacted in 2001 — including provisions related to Coverdell Education Savings Accounts, employer-provided educational assistance, the student-loan interest deduction, elimination of taxes on certain awards, increased arbitrage rebate exception for school construction governmental bonds and issuance of tax-exempt private activity bonds for qualified education facilities. It includes family-related provisions covering dependent care tax credits, adoption credits, employer-provided child care credits and Alaska Native Settlement Trusts.

In addition, the amendment extends through 2017 a provision from the 2009 stimulus law that provided a credit for 100% of the first $2,000 in qualifying tuition and related expenses, and 25% for the second $2,000 in such expenses, for a maximum credit of $2,500. As much as 40% of the credit is refundable. Known as the American Opportunity Tax Credit, it is subject to a phase-out for taxpayers with adjusted gross income in excess of $80,000, or $160,000 for married couples filing jointly.

The measure disregards tax refunds when determining eligibility for federal programs and federally assisted programs.

Capital Gains & Dividends Taxes

The measure permanently extends reduced rates on capital gains and dividend income for income levels up to $400,000 for individuals and $450,000 for families. The reduced rates were originally enacted in the 2003 tax law.

For individuals with taxable income up to $400,000 and couples with taxable income up to $450,000, it maintains the current maximum 15% rate for both capital gains and dividends.

Individuals with taxable income above $400,000 and couples with taxable income above $450,000 would pay a 20% rate on both. (If allowed to expire, the top capital gains rate for all income levels would return to 20%, and dividends would be taxed as ordinary income — potentially subjecting them to a 39.6% rate.)

JCT estimates that these provisions would reduce revenues by $289.9 billion over 10 years, with 80% of the cost coming from retaining the dividends structure.

Estate Tax

The measure permanently extends the current exemption amount from the estate tax, exempting estates up to $5.12 million ($5 million indexed for inflation for years after 2011). But it increases the maximum rate to 40% — an increase from the current 35% rate — for estate values above the exemption amount.

Without action, the estate tax would revert to pre-2001 levels of a 55% top rate and just $1 million in estate value being exempt from the tax.

The 2010 tax law, which set the current rate and exemption level, also reunified the gift tax with the estate tax. Therefore, the measure also extends gift tax levels of a $5.12 million ($5 million indexed for inflation) exemption and a 40% top rate. In addition, it extends portability rules related to the passing of an exemption amount onto a surviving spouse.

JCT estimates that these provisions would reduce revenues by $369.1 billion over 10 years — nearly 10% the total revenue cost of the measure.

Alternative Minimum Tax

The measure includes a permanent "patch" that would prevent tens of millions of taxpayers from being subject to the alternative minimum tax, starting with the 2012 tax year.

The alternative minimum tax (AMT) was created by the Tax Reform Act of 1986 to prevent higher-income taxpayers from using credits and deductions to completely offset their federal income tax liability. The 2010 tax law included an AMT patch for 2010 and 2011 intended to shield 25 million taxpayers from the AMT by increasing the exemption amounts, but no action has yet been taken for the 2012 tax year.

Specifically, the measure sets the exemption amounts (i.e., the income not subject to taxes under the AMT) at $50,600 for individuals and $78,750 for couples filing jointly, then adjusts these amounts yearly for inflation. It also allows various non-refundable personal credits to be claimed against the AMT.

JCT estimates that this provision would reduce revenues by $1.82 trillion over 10 years — 46% of the total revenue cost of the measure.

Tax Extenders

Extending dozens of expiring tax provisions each year or every two years has become routine for Congress over the past few years. Most of the "tax extenders" included in this measure, notably the research-and-development and tuition tax credits, were last extended in the 2010 tax law (PL 111-312) and would be extended for the 2012 and 2013 tax years.

In total, JCT estimates that the tax extenders would reduce revenue by $76.3 billion over 10 years, or 2% of the total revenue cost of the measure.

Credits for Individuals

The measure extends the following provisions that are aimed primarily at individuals, which would reduce revenue by nearly $12 billion over 10 years, mostly for the 2012 and 2013 tax years:

- The deduction for state and local sales taxes in lieu of state income taxes;

- The "above-the-line" deduction for qualified tuition and other related expenses, worth up to $4,000;

- A rule that would allow individuals to exclude from gross income the discharge of indebtedness on a principal residence, at a cost of $1.3 billion over 10 years (to be extended for just one year, as the provision expired at the beginning of 2013);

- The "above-the-line" deduction for teachers for up to $250 in out-of-pocket classroom expenses;

- The deduction for private mortgage insurance premiums as qualified residence interest;

- The increased contribution limits and the carryforward period for amounts in excess of the limits for contributions of capital gain real property made for qualified conservation purposes;

- A provision of the 2009 economic stimulus law (PL 111-5) that equalizes the tax-free benefits employers can provide for transit and parking;

- A rule that allows those age 70-and-a-half or older to make up to $100,000 in tax-free distributions to charities from their individual retirement accounts;

- A provision to modify and make permanent the authority for disclosure of prisoner tax return information to certain prison officials.

Credits for Businesses

The measure extends 31 provisions that are aimed primarily at businesses, which would reduce revenue by nearly $46.1 billion over 10 years.

Bonus Depreciation & Other Major Credits

One notable business extender, at a cost of nearly $18 billion over 10 years, involves 50% bonus depreciation rules for property placed in service before the end of 2013 (and through 2014 for certain transportation property, as well as certain longer-lived items). (These rules were set to expire at the beginning of 2013, and in 2014 for longer-lived property.) This provision allows businesses to deduct from their taxes 50% of the value of that property in addition to amounts that they could otherwise claim under depreciation rules.

Bonus depreciation is allowed against both the regular tax system and the AMT. In addition, businesses could elect to accelerate the AMT credit in lieu of bonus depreciation.

The next most expensive tax extender extends the ability of financial services companies and manufacturers with financing arms to defer taxes on income earned overseas from active financing operations, at a cost of $11.2 billion. The measure also extends the research and experimentation credit for businesses, at a cost of $11.1 billion over 10 years.

Another significant extension relates to the ability of small businesses to more quickly recover the cost of certain capital expenses, which has been modified several times over the past few years. Section 179 of the tax code gives small-business taxpayers the option to deduct from their taxes, (i.e., "to expense") the cost of purchases, up to specified limits, in the year items are acquired, rather than recovering the costs of the items over time through depreciation. Current law also establishes a "phase-out threshold," and if businesses place more than that specified amount of property into service in a year, then the amount that they are permitted to expense is reduced dollar for dollar, but not below zero.

The measure increases for 2012 and 2013 the expensing limit to $500,000, with the phase-out beginning when investments exceed $2 million. JCT estimates that this single provision would reduce revenue by $2.4 billion over 10 years.

Smaller Business Credits

The other business-targeted tax extenders, most of which apply to the 2012 and 2013 tax years, are as follows:

- The so-called "new markets tax credit," which is provided to businesses that make certain investments in community development entities, as well as a maximum annual amount of $3.5 billion in qualified investments in 2012 and 2013;

- Special rules relating to regulated investment companies, including the "look-through" treatment of certain regulated investment company stock in determining the gross estate of non-residents, the tax treatment of certain dividends, and the extension of the treatment of regulated investment companies as "qualified investment entities" under the Foreign Investment in Real Property Tax Act;

- The 100% exclusion of gain on small business stock and the exception from minimum tax preference treatment;

- A reduction in the recognition period for S-corporation built-in gains tax;

- Rules concerning the tax treatment of payments made to tax-exempt organizations by entities controlled by those organizations;

- The temporary minimum low-income housing tax credit rate of 9% for non-federally subsidized new buildings (to be extended for one year, as the provision expired at the beginning of 2013);

- The exclusion of military housing allowances for determining area median gross income for qualified residential rental project exempt facility bonds;

- The work opportunity tax credit for qualified wages paid to members of targeted groups, such as food stamp recipients or individuals receiving supplemental security income benefits, as well as an employer wage credit for activated military reservists equal to 20% of the sum of differential wage payments to reservists;

- The tax credit for employing those who work and live on or near an Indian reservation, as well as accelerated depreciation rules for certain business property placed in service on an Indian reservation;

- A credit for 50% of certain maintenance expenses on railroad tracks owned or leased by Class II and Class III railroads;

- A credit of up to $10,000 for training mine rescue teams, as well as rules allowing businesses to expense mine safety equipment;

- The qualified zone academy bond tax credit program that provides a source of funding that may be used for renovating school buildings, purchasing equipment, developing curricula, and/or training school personnel;

- A provision that allows businesses to recover the cost of certain leasehold improvements and restaurant and retail property over a 15-year period, rather than over 39 years;

- A seven-year recovery period for motor sports racetrack property, instead of the 15-year period that would otherwise apply;

- Special expensing rules for film and television productions, which can currently expense the first $15 million in production costs, or $20 million in distressed areas, no matter the total production costs;

- Rules allowing production activities in Puerto Rico to qualify for the Section 199 domestic production activities deduction, as well as an increase in the amount of rum excise tax revenue paid, or "covered over," to Puerto Rico and the Virgin Islands, under which as much as $13.25 of the $13.50 per gallon collected is given to those territories;

- A payment to American Samoa in lieu of an economic development credit for certain domestic corporations operating in American Samoa to offset their U.S. tax liability on income earned in the territory;

- Various provisions concerning charitable donations, such as enhanced deductions for certain food donations and basis adjustments for S-corporations that donate property;

- Rules related to development, such as special tax incentives for businesses and individual residents within economically depressed census tracts known as Empowerment Zones and tax-exempt bond financing for the area in lower Manhattan around the World Trade Center known as the New York Liberty Zone;

Energy Tax Incentives

The measure extends the following provisions that are aimed primarily at energy incentives, which would reduce revenue by nearly $18.1 billion over 10 years, for the 2012 and 2013 tax years:

- The requirements for exterior windows, doors and skylights to be eligible for the non-business energy property tax credit.

- The credit for alternative fuel vehicle refueling property;

- The credit for two-wheeled or three-wheeled plug-in electric vehicles;

- The credit for production of cellulosic biofuel with a maximum credit of $1.01 per gallon and inclusion of fuel from algae, as well as the special depreciation allowance for cellulosic biofuel plant property and the inclusion of algae-based fuel plant property;

- The excise tax credits and outlay payments for biodiesel and renewable diesel, as well as credits for biodiesel fuel and renewable diesel fuel used to produce a qualified mixture;

- The credit for production of Indian coal facilities;

- Certain credits for renewable energy, such as extension of the expiration date for renewable electricity production credit construction through 2013, including for wind facilities, exclusion of paper that is commonly recycled from the definition of municipal solid waste for purposes of the renewable energy production credit, and the election to claim the energy credit in lieu of the electricity production credit;

- The credit for construction of energy-efficient new homes and well as for energy-efficient appliances;

- The special rule for sales or dispositions to implement Federal Energy Regulatory Commission (FERC) or state electric restructuring policy; and

- Excise tax credits and outlay payments for alternative fuel and excise tax credits for alternative fuel mixtures, other than liquefied hydrogen.

PAYGO

The measure provides that its budgetary effects should not be entered on the pay-as-you-go scorecards maintained pursuant to the Statutory Pay-As-You-Go Act, or the Senate's pay-as-you-go scorecard.

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Section III

Sequestration Delay, Unemployment & Farm Bill Extensions

This section describes the provisions of HR 8 , American Taxpayer Relief Act, that postpone the automatic cuts in government spending scheduled to occur this month and that extend long-term unemployment insurance for another year and farm and nutrition programs through the end of FY 2013.

Delay Sequestration

The bill delays for two months the automatic spending cuts (sequestration) currently scheduled to occur this month pursuant to the 2011 Budget Control Act (PL 112-25) and replaces those two months of cuts with a combination of other spending cuts and revenue increases.

That 2011 budget law provided for $2.1 trillion in deficit reduction by setting 10-year caps on discretionary spending (for a savings of $917 billion) and — after Congress was unable to enact another $1.2 trillion in savings — the backup sequester mechanism for automatic cuts to discretionary and mandatory spending for nine years, beginning in January 2013, with half to come from defense.

Under the measure, the sequester for FY 2013 would be implemented on March 27, the same day that the current six-month continuing resolution (PL 112-175) funding the government expires; the White House would be required to release its sequester report and order the cuts on March 1. And the total automatic cut for FY 2013, currently estimated at $109 billion, would be reduced by $24 billion, thereby reducing to $85 billion the required sequester of discretionary and mandatory spending for FY 2013.

Offsets

The bill offsets that $24 billion reduction by decreasing the current statutory caps on discretionary spending set for FY 2013 and FY 2014 by a total of $12 billion ($4 billion from FY 2013 and $8 billion from FY 2014, split evenly each year between security and non-security spending), and by raising $12.2 billion in revenue over 10 years by making it easier for individuals with certain tax-deferred retirement accounts to transfer those funds to a Roth IRA.

(Individuals switching from traditional tax-deferred IRAs to a Roth IRA must pay tax on the funds transferred since eventual distributions from Roth IRAs are not taxable, unlike distributions from traditional IRAs. By allowing individuals with tax-deferred IRAs to switch to a Roth IRA at any time, rather than in limited circumstances as under current law, more people are expected to make such taxable transactions.)

Unemployment Insurance

The bill extends for one year — through Dec 31, 2013 — long-term federal unemployment insurance (UI) benefits for laid-off workers.

The measure maintains the restructured benefit tiers enacted under last February's benefit extension (PL 112-96), which reduced the maximum number of weeks an individual could receive benefits from 99 weeks to 73 weeks: 47 weeks of federal benefits on top of 26 weeks of state benefits. That law also imposed job search requirements on beneficiaries and authorized states to drug-test beneficiaries in cases where their employment was terminated for unlawful drug use.

The bill also extends through Dec. 31, 2013, the availability of railroad extended unemployment benefits. It would apply to workers who received normal benefits for days of unemployment during the period beginning July 1, 2008, and ending on June 30, 2013.

Finally, the measure extends the current authorization of appropriations for federal aid to help states carry out re-employment services through FY 2014, at a rate of $85 per individual receiving such services.

Agricultural Programs Extension

The bill generally extends through the end of FY 2013 most provisions of farm policy as they were in effect on Sept. 30, 2012, under the 2008 farm bill (PL 110-246), thereby preventing farm policy from reverting to underlying permanent 1949 farm policy law.

Most agriculture policy and programs under the 2008 farm bill expired before or on Sept. 30, while dairy programs expired Dec. 31. The bill's authority would be retroactive back to Sept. 30, and any current programs with expiration dates later than the end of FY 2013 (such as five conservation programs that were reauthorized through FY 2014 in an FY 2012 spending bill) would not expire until those dates.

For the duration of the extension under the bill, the measure ends mandatory funding for a number of programs that used to be entirely mandatory or a combination of discretionary and mandatory; instead, funding for those programs would instead be entirely discretionary. Those programs include certain food stamp-related programs, agricultural research, energy, horticulture and organic agriculture, and assistance for socially disadvantaged farmers or ranchers programs.

The Congressional Budget Office estimates that extending the agriculture programs and the supplemental agriculture disaster assistance programs would cost nearly $5 billion in FY 2013 but would result in no additional costs, relative to CBO's baseline.

Commodities

The measure extends current commodity terms and conditions for all commodities for the 2013 crop year, including sugar cane, sugar beets and peanuts. It also extends through Dec. 31, 2013, the Dairy Product Price Support Program and the Milk Income Loss Contract Program.

Conservation Programs

The bill maintains the maximum enrollment in the Conservation Reserve Program at the same level (32 million acres) that has applied for fiscal years 2010 through 2012.

The voluntary public access program would be discretionary for FY 2013, authorized at $10 million. (It previously received about $50 million a year in mandatory funding.)

SNAP

The bill authorizes discretionary funding for two programs under the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps), which had received mandatory funding.

SNAP's employment and training programs would be authorized at $79 million for FY 2013 (an $11 million reduction from the $90 million in mandatory spending it received in FY 2012).

The nutrition education and obesity prevention grant program, meanwhile, would be authorized indefinitely, with annual authorizations specified through FY 2015 (rising from $285 million in FY 2013 to $407 million in FY 2015), and annual authorizations after that time to increase with inflation. The program received $375 million in mandatory funding for FY 2012.

Research Programs

The measure authorizes $25 million in discretionary funding in FY 2013 for the organic agriculture research and extension initiative and $100 million for FY 2013 for the specialty crop research initiative. Those programs received $45 million and $150 million, respectively, in mandatory spending in FY 2012.

It authorizes $30 million in discretionary funding for the beginning farmer and rancher development program, which received $49 million in mandatory funding in FY 2012.

Energy Programs

The bill extends through the 2013 crop year the Agriculture Department's mandate under the feedstock flexibility program to purchase eligible commodities and sell them to bioenergy producers.

It authorizes $20 million in discretionary funding for FY 2013 for the biomass crop assistance program — it previously was a mandatory program — and requires the Agriculture Department to obligate enough funds from the first fiscal year of a multiyear contract to cover the whole contract.

It also authorizes $1 million in discretionary funding for the biodiesel fuel education program.

A number of existing discretionary energy programs would be reauthorized at their previous levels — including funding for the biobased markets program, biorefinery assistance, repowering assistance, the bioenergy program for advanced biofuels, the rural energy for America program, biomass research and development, rural energy self-sufficiency initiative, forest biomass for energy, and the community wood energy program.

Horticulture and Organic Agriculture

The bill authorizes $10 million in discretionary funding for FY 2013 for the farmers market promotion program (which received an equal amount of mandatory spending in FY 2012), and $5 million for the clean plant network for FY 2013 (also equal to its FY 2012 mandatory funding).

It authorizes $5 million in discretionary funding for FY 2013 for the organic production and market data initiatives ($5 million below its FY 2012 level).

The measure also authorizes $22 million for the national organic certification cost-share program for FY 2013, which would remain available until expended.

Assistance for Socially Disadvantaged Farmers or Ranchers

The bill authorizes $20 million in discretionary funding for FY 2013 for the outreach and technical assistance for socially disadvantaged farmers or ranchers (equal to the level of mandatory funding provided in FY 2012).

Disaster Assistance

The bill authorizes funding for certain agricultural disaster assistance programs from the 2008 farm bill that had expired at the end of FY 2011 — a year before the rest of the farm policy law.

Specifically, it authorizes for both FY 2012 and FY 2013:

- $80 million a year for livestock indemnity payments;
- $400 million a year for the livestock forage disaster program;
- $50 million a year for emergency assistance for livestock, honeybees and farm-raised fish; and
- $20 million a year for the tree assistance program.

Terminated Programs

The bill would not extend authorizations for a number of programs, including local and regional food aid procurement, the McGovern-Dole International Food Program and market loss assistance for asparagus producers.

It also does not extend survey and report requirements regarding foods purchased by school food authorities, pending rural development loan and grant applications, value-added agricultural market development program grants, the National Sheep Industry Improvement Center or the rural microentrepreneur assistance program.

Pay Freeze & Other Provisions

The bill prohibits any pay increase for members of Congress through Sept. 30, 2013, thereby continuing a pay freeze first instituted in 2009 and most recently extended through March 27 as part of the current six-month CR.

The measure also softens language in the National Defense Authorization Act for 2013 (HR 4310) — recently cleared for the president's signature — that requires the president to make certain notifications and certifications to Congress prior to reducing the number of strategic weapons delivery systems. As modified by the bill, the president would no longer need to certify "that" Russia is in compliance with its strategic arms control obligations, but rather "whether" or not Russia is in compliance.

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Section IV

Medicare 'Doc Fix' & Other Health Care Provisions

This section describes provisions of HR 8 , American Taxpayer Relief Act, which prevent for one year a scheduled cut to physician payment rates and extend several other expiring health care programs. The measure also includes a number of offsets related to health care, and it repeals or modifies provisions of the Health Care overhaul law (PL 111-148 ; PL 111-152).

Sustainable Growth Rate

The bill blocks a scheduled 27% reduction in the Medicare reimbursement rate for physician services that is set to occur on Jan. 1. The measure maintains the current reimbursement rate through Dec. 31, 2013. According to CBO, the cost of the one-year extension is $25.2 billion over 10 years.

The measure also directs the Health and Human Services Department (HHS) to work with interested parties to improve advanced clinical data registries to clarify data tracking, reporting and transparency requirements in order to identify program risks, clarify multiple-payer information and implement quality improvements for services paid for by the SGR.

The 1997 Balanced Budget Act (PL 105-33) implemented the current system used to determine reimbursements under Medicare Part B. This system sets an overall target for federal spending under Medicare Part B, which allows for reimbursements to physicians to be adjusted, upward or downward, to meet the target. Since the system was created, reimbursement rates have been cut just once, by 4.8% in 2002. Congress has prevented any further cuts by repeatedly enacting "doc fix" legislation to block the required cuts and often to instead provide an increase—which has acted to build up the size of the cumulative cut needed to hit the SGR target for Medicare spending.

The previous extension was enacted under last year's payroll tax agreement (PL 112-96) and expired on Jan. 1.

Other Health Care Extensions

The measure extends a number of other Medicare reimbursement and health care programs that are currently set to expire on Dec. 31.

Outpatient Therapy Payments

Medicare currently sets annual per beneficiary payment caps for non-hospital outpatient therapy services. Providers can seek an exemption if the therapy is deemed medically necessary. Exemptions from the cap are set to expire Dec. 31.

The measure extends the caps through Dec. 31, 2013. It also modifies the program to cap payments for services provided during the extension, limiting the costs to the lesser of 80% of the actual costs of the service provided or 80% of the cost designated by existing fee schedules for certain services. CBO estimates that these provisions would cost roughly $1 billion over 10 years.

Qualified Individual & Transitional Assistance

The measure extends, through Dec. 31, 2013, the Qualified Individual (QI) program that allows Medicaid to pay the Medicare Part B premium for qualifying low-income individuals. The program allocates funding to state agencies responsible for administering the program. CBO estimates that this provision would cost roughly $800 million over 10 years.

The measure also extends through the end of 2013 the Transitional Medical Assistance program, under which individuals receiving Medicaid may continue to receive benefits as they transition to employment. According to CBO, this extension would cost about $600 million over 10 years.

Medicare Work Geographic Adjustment

Under current law, the Medicare fee schedule is adjusted to reflect the differences in the cost of providing services in different geographic areas. This adjustment is based on three factors: physician work, practice expense and the cost of medical malpractice insurance. Medicare identifies 89 unique geographic areas. The measure extends the adjustment through 2013. CBO estimates that these provisions would cost roughly $500 million over 10 years.

Ambulance Add-ons

The measure extends current Medicare reimbursement rates, including rates for "super-rural" areas, for ground ambulance services through 2013. It requires HHS to conduct a study regarding the payments for ambulance services in rural and super-rural areas.

CBO estimates that these provisions would cost approximately $100 million over 10 years.

Special Diabetes Program

The measure provides early reauthorization for funding for diabetes prevention and research programs for American Indians and Alaskan Natives, which is currently set to expire at the end of FY 2013. The measure extends the current annual authorization of $150 million through FY 2014. CBO estimates that this provision would cost roughly $300 million over 10 years.

Medicare-Dependent Hospital Program

The measure extends the Medicare-Dependent Hospital (MDH) Program through FY 2013. The program currently provides funding for 200 rural hospitals through special Medicare rates resulting from high populations of Medicare patients. A hospital qualifies for the MDH Program if it is located in a rural area, has 100 beds or fewer, is not a "sole community hospital" and has at least 60 percent of inpatient days or discharges covered by Medicare. CBO estimates that this extension would cost approximately $100 million over 10 years.

Low-Volume Hospital Program

The measure extends the Low Volume Hospital program through 2013. This program provides additional Medicare funding to hospitals in rural communities that are more than 15 road miles from another comparable hospital and have fewer than 1,600 Medicare discharges per year.

CBO estimates that this extension would cost roughly $300 million over 10 years.

Special-Needs Medicare Advantage Plans

The measure extends through 2015 the availability of Medicare Advantage Plans available to individuals with special needs. According to CBO, this program would cost roughly $300 million over 10 years.

Other Extensions

The measure also extends a number of programs, which according to CBO will have a budgetary impact of less than $50 million. These programs include:

- **Low-income Outreach Programs** — These programs are designed to increase awareness regarding available benefits for low-income individuals and families.

- **Childrens Health Insurance Program (CHIP) Express Lane Program** — The Express Lane program streamlines the enrollment process for children eligible for health coverage under CHIP or Medicaid.

- **Family-to-Family Information Centers** — A grant program that provides funding to nonprofit service providers that provide care to special-needs children and their families.

Offsets

The measure includes a wide variety of offsets that reduce, rescind or eliminate funding for certain programs and adjust payment formulas for a variety of health programs.

Inpatient Prospective Payment System

The measure modifies the payment rate adjustments for acute inpatient treatments provided to Medicare beneficiaries. The inpatient hospital benefit covers beneficiaries for 90 days of care per episode of illness with an additional 60-day lifetime reserve. Illness episodes begin when beneficiaries are admitted and end after they have been out of the hospital or Skilled Nursing Facility (SNF) for 60 consecutive days.

Beginning in 2007, the payment system began using Medicare severity diagnosis-related groups (MS-DRG) in an effort to better reflect the cost differences caused by the severity of individual cases. The 2010 health care overhaul further modified this payment system to require adjustments based on historical quality of care, readmission reductions and value-based purchasing. Under this program the Centers for Medicare & Medicaid Services (CMS) was authorized to reduce payment rates for excess re-admission, revoke eligibility for hospitals wrongly classified under the program and recapture certain overpayments.

The measure directs CMS to make additional adjustments to payment rates based on hospital and treatment discharge estimates for the FY 2014 to FY 2017 period. This adjustment would be made in order to offset the aggregate payment increase that occurred between FY 2008 and FY 2013, when the MS-DRG rate system took effect, but prior to the implementation of the updated payment system enacted in 2010. The measure specifies that CMS does not have the authority to recoup overpayments made in FY 2008 and FY 2009.

According to CBO, this adjustment would reduce spending by roughly $10.5 billion.

End-Stage Renal Disease Payment Bundling

The measure directs HHS to compare patient data from 2007 with data from 2012 and make reductions to the single payment rate for renal dialysis services. The adjustment would be required to account for the differences in drug and biologic utilization but would exclude oral-only drug treatments.

A GAO investigation that tracked renal disease treatments from 2007 to 2011 discovered that drug utilization had fallen during that time and the bundled payment rate for renal disease treatments did not reflect the difference. According to the report, between $650 million and $880 million could have been saved if the payment rate was adjusted to reflect the use of non-oral drug treatments.

The measure delays until 2016 the inclusion of oral-only treatments within the prospective payment system for renal disease treatments.

CBO estimates that these provisions would reduce spending by $4.9 billion over 10 years.

Medicaid Disproportionate Share Hospital Allotments

The measure extends a previously enacted reduction in payments to hospitals that treat unusually large numbers of patients with little or no health insurance.

Disproportionate Share Hospital (DSH) adjustment payments provide additional funding to hospitals that serve a significantly disproportionate number of low-income patients. States receive an annual DSH allotment to cover the costs of DSH hospitals that provide care to low-income patients that are not paid by others, such as Medicare, Medicaid, the Children's Health Insurance Program (CHIP) or other health insurance. The allotment is calculated through a statutory formula and includes requirements to ensure that the DSH payments to individual DSH hospitals are not higher than actual uncompensated costs. The Health Care overhaul modified DSH payments, reducing the rates as the availability of health insurance subsidies and state exchanges come online starting in 2014.

The measure would rebase future allotments, through FY 2022, to the current law calculation, thereby reducing growth in the program. CBO estimates that this provision would reduce spending by $4.2 billion over 10 years.

Medicare Advantage Coding

The measure increases the rate used to reflect risk-related cost differences between certain Medicare Fee-for-service plans and Medicare Advantage. There are currently two rates that are scheduled to take effect to equalize program spending — 1.3% in FY 2014 and 5.7% in 2016. The measure increases each rate by 0.2%.

CBO estimates that this change would reduce spending by $2.5 billion over 10 years.

Multiple Therapy Service Payments

The measure increases from 25% to 50% the current mandated reduction in payments made for certain outpatient therapy treatments provided after April 1, 2013.

Under current law, when a patient receives multiple treatments at a single facility on the same day, the Medicare practice expense payments for a portion of that treatment are automatically reduced by 25%.

According to CBO, this change would reduce spending by roughly $1.8 billion.

Medicare Improvement Fund

The measure eliminates funding for the Medicare Improvement fund, reducing spending by roughly $1.7 billion.

Imaging Equipment Utilization Rates

The measure requires HHS to use a 90% utilization rate to account for the use of advanced imaging equipment in 2014. The rate is used to determine the payment rates for non-therapeutic medical equipment, including diagnostic imaging systems. CBO estimates that this provision would reduce spending roughly $800 million over 10 years.

CO-OP Contingency Fund

The measure creates a new CO-OP Program Contingency Fund and redirects 10% of the unobligated funds provided under the CO-OP Program created by the health care overhaul. The measure rescinds the remaining funds provided to the earlier CO-OP Program.

The program was intended to encourage the development of nonprofit entities to provide health insurance coverage.

Repeal of CLASS Program

The measure repeals the CLASS program, which was enacted as part of the 2010 health care overhaul law (PL 111-148 ; PL 111-152). CBO estimates that the repeal would not have a significant budgetary effect.

The Community Living Assistance Services and Supports (CLASS) Program was included in the overhaul to facilitate access to long-term care services. The program was intended to provide enrollees with a cash benefit that could be used to purchase various long-term care services and supports, such as home modifications, assistive technology, accessible transportation, homemaker services, respite care, personal assistance services, home-care aides and nursing support. Part of the motivation for the CLASS program is that long-term care costs currently account for nearly half of all health care spending, and such costs will become increasingly unaffordable in the future. Currently, long-term assisted care facilities cost an average of $70,000 per year.

On Oct. 14, 2011, HHS notified Congress that it did not see a viable way to maintain the program's solvency over the long term and that it would therefore not implement the program. While the original CBO score of the overhaul law showed a cost savings resulting from the CLASS program, the 10-year scoring window did not account for the cost of the program over the longer term. Because the program does not limit the duration of benefits and is funded entirely by premiums, there would not be sufficient funds available for the program to meet benefit obligations over a 75-year period as required by the overhaul.

ESTIMATED REVENUE EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN AN AMENDMENT IN THE NATURE OF A SUBSTITUTE FOR H.R. 8, THE "MIDDLE CLASS TAX CUT ACT"

Fiscal Years 2013 - 2022

[Millions of Dollars]

Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
I. General Extensions													
A. Tax Relief													
1. Permanent Extension of Certain Tax Cuts Enacted in 2001													
a. Individual income tax rate relief:													
1. Retain 10% income tax bracket [1]	tyba 12/31/12	-30,723	-44,168	-44,841	-45,604	-45,986	-46,049	-46,360	-46,518	-46,412	-45,980	-211,322	-442,641
2. Retain the 25% and 28% income tax brackets	tyba 12/31/12	-12,731	-18,507	-19,549	-20,839	-21,972	-22,849	-23,447	-23,916	-24,198	-24,226	-93,598	-212,234
3. Retain the 33% income tax bracket, and retain 35% bracket only for taxable income under $400,000 ($450,000 joint) [2]	tyba 12/31/12	-5,094	-7,595	-8,334	-9,332	-10,412	-11,466	-12,386	-13,352	-14,271	-15,235	-40,768	-107,477
4. Repeal the overall limitation on itemized deduction and the personal exemption phaseout for AGI under $250,000 ($300,000 joint) [3]	tyba 12/31/12	-392	-802	-867	-955	-1,043	-1,131	-1,212	-1,292	-1,371	-1,449	-4,058	-10,514
b. Retain the child tax credit at $1,000; refundable up to greater of 15% of earned income in excess of $10,000 (indexed from 2001) or the taxpayer's social security tax liability to the extent that it exceeds the taxpayer's earned income credit; allow credit against the AMT; repeal AMT offset of refundable credits [1]	tyba 12/31/12	-4,117	-35,825	-36,785	-37,749	-38,674	-39,310	-39,869	-40,262	-40,714	-41,189	-153,151	-354,493
c. Marriage penalty relief:													
1. Standard deduction and 15% rate bracket set at 2 times single for married filing jointly [1]	tyba 12/31/12	-4,279	-6,168	-6,134	-6,067	-5,926	-5,689	-5,508	-5,353	-5,298	-5,182	-28,575	-55,604
2. EIC modification and simplification - increase in joint returns beginning and ending income level for phaseout by $3,000 indexed after 2008; simplify definition of earned income; use AGI instead of modified AGI; simplify definition of qualifying child and tie-breaker rules; and allow math error procedure with Federal Case registry data beginning in 2004 [1]	tyba 12/31/12	-31	-3,126	-3,100	-3,115	-3,086	-3,120	-3,193	-3,284	-3,407	-3,565	-12,458	-29,026

Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
d. Education Tax Relief:													
1. Coverdell Education Savings Accounts ("ESAs") - increase the annual contribution limit to $2,000; allow ESA contributions for special needs beneficiaries above the age of 18; allow corporations and other entities to contribute to ESAs; allow contributions until April 15 of the following year; allow a taxpayer to exclude ESA distributions from gross income and claim the HOPE or Lifetime Learning credits as long as they are not used for the same expenses; repeal excise tax on contributions made to ESA when contribution made by anyone on behalf of same beneficiary to QTP; modify phaseout range for married taxpayers; allow tax-free expenditures for elementary and secondary school expenses; expand the definition of qualified expenses to include certain computers and related items..	tyba 12/31/12	-9	-14	-16	-19	-23	-28	-33	-38	-43	-48	-81	-271
2. Employer provided educational assistance - extend the exclusion for undergraduate courses and graduate level courses [4]........................	cba 12/31/12	-230	-1,153	-1,176	-1,200	-1,224	-1,248	-1,273	-1,299	-1,325	-1,351	-4,982	-11,477
3. Student loan interest deduction - eliminate the 60-month rule and the disallowance for voluntary payments; increase phaseout ranges to $50,000-$65,000 single/ $100,000-$130,000 joint, indexed for inflation..	ipa 12/31/12	-89	-898	-1,005	-1,024	-1,067	-1,025	-1,118	-1,098	-1,174	-1,180	-4,083	-9,676
4. Eliminate the tax on awards under the National Health Service Corps Scholarship program and F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program...........	tyba 12/31/12	-127	-132	-136	-141	-147	-152	-158	-163	-169	-176	-683	-1,501
5. Increase arbitrage rebate exception for governmental bonds used to finance qualified school construction from $10 million to $15 million...	bia 12/31/12	[5]	-1	-2	-4	-6	-8	-10	-12	-14	-16	-13	-72
6. Issuance of tax-exempt private activity bonds for qualified education facilities with annual State volume caps the greater of $10 per resident or $5 million...	bia 12/31/12	[5]	-2	-5	-8	-12	-16	-21	-25	-29	-34	-27	-152
e. Dependent care tax credit - increase the credit rate to 35%, increase the eligible expenses to $3,000 for one child and $6,000 for two or more children (not indexed), and increase the start of the phase-out to $15,000 of AGI [1]...	tyba 12/31/12	-62	-246	-233	-222	-208	-190	-175	-164	-154	-139	-970	-1,791

Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
f. Adoption credit - increase the expense limit and the exclusion to $10,000 for both non-special needs and special needs adoptions, make the credit independent of expenses for special needs adoptions, extend the credit and the exclusion, increase the phase-out start point to $150,000, index for inflation the expenses limit and the phase-out start point for both the credit and the exclusion, and allow the credit to apply to the AMT [1]..	tyba 12/31/12	-154	-520	-539	-555	-577	-606	-630	-643	-664	-693	-2,344	-5,580
g. Employer-provided child care credit of 25% for childcare expenditures and 10% for child care resource........	tyba 12/31/12	-14	-17	-19	-21	-22	-22	-23	-23	-24	-24	-93	-209
h. Allow electing Alaska Native Settlement Trusts to tax income to the Trust not the beneficiaries........	tyba 12/31/12	-2	-5	-5	-4	-5	-5	-5	-5	-5	-5	-21	-46
i. Permanently extend current estate and gift tax policy ($5 million indexed and unified exemption amount with portability) but with a top tax rate of 40%........	dda & gma 12/31/12	-334	-27,482	-31,915	-34,815	-37,964	-40,946	-44,033	-47,187	-50,406	-53,986	-132,510	-369,068
2. Permanent Extension of Certain Tax Cuts Enacted in 2003													
a. Tax capital gains with a 0%/15%/20% rate structure.......	tyba 12/31/12	-700	-4,904	-6,282	-6,480	-6,584	-6,532	-6,558	-6,748	-6,914	-7,160	-24,951	-58,863
b. Tax dividends with a 0%/15%/20% rate structure...........	tyba 12/31/12	-6,038	-18,150	-20,195	-21,705	-23,961	-25,876	-27,165	-28,211	-29,380	-30,375	-90,050	-231,057
3. Temporary Extension of Certain Tax Cuts Enacted in 2009													
a. Extension of American opportunity tax credit (sunset 12/31/17) [1]........	tyba 12/31/12	-2,625	-13,135	-13,238	-13,498	-13,717	-11,067	---	---	---	---	-56,213	-67,280
b. Reduce the earnings threshold for the refundable portion of the child tax credit to $3,000 (sunset 12/31/17) [1]........	tyba 12/31/12	-7	-10,680	-10,451	-10,166	-9,696	-9,518	---	---	---	---	-41,000	-50,518
c. Extend the earned income tax credit ("EITC") for larger families (sunset 12/31/17) [1]........	tyba 12/31/12	-18	-1,773	-1,736	-1,688	-1,629	-1,624	---	---	---	---	-6,844	-8,467
d. EIC modification and simplification - increase in joint returns beginning and ending income level for phaseout by $5,000 indexed after 2008 (sunset 12/31/17) [1]........	tyba 12/31/12	-16	-1,639	-1,612	-1,596	-1,564	-1,552	---	---	---	---	-6,427	-7,979
e. Refunds disregarded in the administration of Federal programs and federally assisted programs (sunset 12/31/17) [1]........	ara 12/31/12	*Estimate to be Provided by the Congressional Budget Office*											
4. Permanent Alternative Minimum Tax Relief - increase the AMT exemption amount to $50,600 ($78,750 joint) in 2012 and index the AMT exemption amount, exemption phaseout threshold, and income bracket beginning in 2013........	tyba 12/31/11	-138,750	-105,375	-119,550	-136,395	-155,947	-179,805	-204,990	-229,846	-257,451	-287,491	-656,016	-1,815,600
Total of General Extensions........		**-206,542**	**-302,317**	**-327,725**	**-353,202**	**-381,452**	**-409,834**	**-418,167**	**-449,439**	**-483,423**	**-519,504**	**-1,571,238**	**-3,851,596**
II. Individual Tax Extenders													
1. Above-the-line deduction of up to $250 for teacher classroom expenses (sunset 12/31/13)........	tyba 12/31/11	-242	-164	---	---	---	---	---	---	---	---	-406	-406

Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
2. Discharge of indebtedness on principal residence excluded from gross income of individuals (sunset 12/31/13)............	doioa 12/31/12	-199	-1,128	---	---	---	---	---	---	---	---	-1,327	-1,327
3. Parity for exclusion for employer-provided mass transit and parking benefits (sunset 12/31/13) [6]............................	ma 12/31/11	-190	-30	---	---	---	---	---	---	---	---	-220	-220
4. Premiums for mortgage insurance deductible as interest that is qualified residence interest (sunset 12/31/13)............	apoaa 12/31/11	-791	-506	---	---	---	---	---	---	---	---	-1,297	-1,297
5. Deduction for State and local general sales taxes (sunset 12/31/13)...	tyba 12/31/11	-2,859	-2,404	-275	---	---	---	---	---	---	---	-5,538	-5,538
6. Contributions of capital gain real property made for qualified conservation purposes (sunset 12/31/13)..............	cmi tyba 12/31/11	-82	-50	-11	-2	-7	-20	-26	-21	-19	-17	-152	-254
7. Deduction for qualified tuition and related expenses (sunset 12/31/13)...	tyba 12/31/11	-944	-762	---	---	---	---	---	---	---	---	-1,706	-1,706
8. Tax-free distributions from IRAs to certain public charities for individuals age 70-1/2 or older, not to exceed $100,000 per taxpayer per year; special transition rules for certain distributions made in December 2012 and January 2013 (sunset 12/31/13)...	dmi tyba 12/31/11	-594	-283	-41	-43	-46	-49	-51	-55	-58	-61	-1,006	-1,280
9. Modify and make permanent the authority for disclosure of prisoner return information to certain prison officials.......	DOE	[7]	1	1	1	1	1	1	1	1	1	5	12
Total of Individual Tax Provisions..		**-5,901**	**-5,326**	**-326**	**-44**	**-52**	**-68**	**-76**	**-75**	**-76**	**-77**	**-11,647**	**-12,016**
III. Business Tax Extenders													
1. Extend and modify tax credit for research and experimentation expenses (sunset 12/31/13).........................	apoia 12/31/11	-6,232	-1,989	-1,077	-947	-834	-736	-670	-638	-617	-584	-11,079	-14,324
2. Create a LIHC rate floor of 9 percent (sunset 12/31/13).......	amb 1/1/14	---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-8
3. LIHTC treatment of military housing allowances (sunset 12/31/13)...	da 12/31/11	-2	-3	-4	-4	-4	-4	-4	-4	-4	-4	-17	-37
4. Indian employment tax credit (sunset 12/31/13)..................	tyba 12/31/11	-69	-38	-11	-1	---	---	---	---	---	---	-119	-119
5. New markets tax credit ($3.5 billion allocation in 2012 and 2013) (sunset 12/31/13)..	cyba 12/31/11	-5	-27	-90	-171	-221	-252	-279	-288	-267	-194	-514	-1,794
6. 50% tax credit for certain expenditures for maintaining railroad tracks (sunset 12/31/13)...	apoia 12/31/11	-232	-99	[5]	---	---	---	---	---	---	---	-331	-331
7. Mine rescue team training credit (sunset 12/31/13).............	tyba 12/31/11	-1	-2	-1	[5]	[5]	[5]	----	---	---	---	-5	-5
8. Employer wage credit for activated military reservists (sunset 12/31/13)...	pma 12/31/11	-3	-3	-1	[5]	---	---	---	---	---	---	-7	-7
9. Work opportunity tax credit:													
a. Work opportunity tax credit (sunset 12/31/13)................	wpoifibwa 12/31/11	-894	-533	-199	-84	-45	-17	-2	---	---	---	-1,755	-1,773
b. Work opportunity tax credit for qualified veterans (sunset 12/31/13)..	wpoifibwa 12/31/12	-53	-40	-20	-6	-4	-2	[5]	---	---	---	-123	-125
10. Qualified zone academy bonds ($400 million allocation in 2012 and in 2013) (sunset 12/31/13)....................................	oia 12/31/11	-3	-8	-16	-24	-29	-31	-31	-31	-31	-31	-80	-235
11. 15-year straight-line cost recovery for qualified leasehold, restaurant, and retail improvements (sunset 12/31/13)..........	ppisa 12/31/11	-277	-371	-416	-411	-401	-388	-383	-378	-361	-331	-1,876	-3,717
12. 7-year recovery period for certain motorsports racing track facilities (sunset 12/31/13)...	ppisa 12/31/11	-46	-24	-14	-7	-4	-5	-3	5	10	10	-95	-78

Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
13. Accelerated depreciation for business property on Indian reservations (sunset 12/31/13)...	ppisa 12/31/11	-310	-273	-77	50	111	138	102	46	1	-11	-498	-222
14. Enhanced charitable deduction for contributions of food inventory (sunset 12/31/13)..	cma 12/31/11	-218	-96	---	---	---	---	---	---	---	---	-314	-314
15. Increase in section 179 expensing amounts and threshold limits $500,000/$2,000,000 (sunset 12/31/13) [8]...............	tyba 12/31/11	-8,088	-4,042	3,129	2,022	1,526	1,191	777	500	350	283	-5,453	-2,352
16. Election to expense mine safety equipment (sunset 12/31/13)..	ppisa 12/31/11	-27	1	7	5	4	4	3	2	1	---	-9	---
17. Special expensing rules for certain film and television productions (sunset 12/31/13)..	qfatpca 12/31/11	-266	-164	45	38	32	24	16	11	9	7	-315	-248
18. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico (sunset 12/31/13)..	tyba 12/31/11	-236	-122	---	---	---	---	---	---	---	---	-358	-358
19. Modify tax treatment of certain payments under existing arrangements to controlling exempt organizations (sunset 12/31/13)..	proaa 12/31/11	-35	-5	---	---	---	---	---	---	---	---	-40	-40
20. Treatment of certain dividends of RICs (sunset 12/31/13)..	[9]	-124	-27	---	---	---	---	---	---	---	---	-151	-151
21. Extend the treatment of RICs as "qualified investment entities" under section 897 (FIRPTA) (sunset 12/31/13).......	1/1/12	-48	-12	---	---	---	---	---	---	---	---	-60	-60
22. Exception under subpart F for active financing income (sunset 12/31/13)..	tyba 12/31/11	-9,399	-1,826	---	---	---	---	---	---	---	---	-11,225	-11,225
23. Look-through treatment of payments between related CFCs under foreign personal holding company income rules (sunset 12/31/13)...	tyba 2011	-1,199	-304	---	---	---	---	---	---	---	---	-1,503	-1,503
24. Special rules applicable to qualified small business stock (sunset 12/31/13)..	saa 12/31/11	6	7	---	---	-15	-212	-694	-27	-10	-9	-3	-954
25. Basis adjustment to stock of S corporations making charitable contributions of property (sunset 12/31/13)..........	cmi tyba 12/31/11	-93	-51	-10	-11	-10	-10	-10	-10	-10	-10	-175	-225
26. Reduction in recognition period for S corporation built-in gains tax (sunset 12/31/13)......................................	tyba 12/31/11	-180	-76	1	1	1	1	1	1	1	---	-256	-256
27. Empowerment zone tax incentives (sunset 12/31/13)...........	tyba 12/31/11	-360	-44	-23	-11	-5	-1	-1	-2	-2	-2	-442	-450
28. New York Liberty Zone tax-exempt bond financing (sunset 12/31/13)..	bia 12/31/11	---------------- *No Revenue Effect* ----------------											
29. Temporary increase in limit on cover over of rum excise tax revenues (from $10.50 to $13.25 per proof gallon) to Puerto Rico and the Virgin Islands (sunset 12/31/13) [1] [10]..	abiUSa 12/31/11	-199	-23	---	---	---	---	---	---	---	---	-222	-222
30. Extension and modification of economic development credit for American Samoa (sunset 12/31/13)......................	tyba 12/31/11	-38	-24	---	---	---	---	---	---	---	---	-62	-62
31. Extension and modification of bonus depreciation:													
a. 50% bonus depreciation (sunset 12/31/13).....................	[11]	-34,439	-15,838	15,018	10,101	7,515	5,707	3,446	1,970	1,111	737	-17,644	-4,673
b. Election to accelerate AMT credit in lieu of bonus depreciation (sunset 12/31/13)..	[11]	-162	-139	-26	4	6	7	7	7	7	7	-317	-283
Total of Business Tax Extenders...		**-63,232**	**-26,196**	**16,213**	**10,542**	**7,621**	**5,412**	**2,273**	**1,162**	**186**	**-133**	**-55,051**	**-46,151**

Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
IV. Energy Tax Extenders													
1. Extension and modification of section 25C nonbusiness energy property (sunset 12/31/13)..	ppisa 12/31/11	-1,456	-991	---	---	---	---	---	---	---	---	-2,446	-2,446
2. Alternative fuel vehicle refueling property (non- hydrogen refueling property) (sunset 12/31/13)....................................	tyba 12/31/11	-34	-9	-1	[5]	[7]	[7]	[7]	[7]	[7]	[7]	-44	-44
3. Expand section 30D credit for qualified plug-in electric drive motor vehicles to include electric motorcycles.............	DOE	-1	-3	-3	---	---	---	---	---	---	---	-7	-7
4. Credit for production of cellulosic biofuel with a maximum credit of $1.01 per gallon and inclusion of fuel from algae (sunset 12/31/13)...	fsoua DOE [12]	-43	-16	---	---	---	---	---	---	---	---	-59	-59
5. Extension of credits for biodiesel and renewable diesel:													
a. Income tax credits for biodiesel fuel, biodiesel used to produce a qualified mixture, and small agri-biodiesel producers (sunset 12/31/13).......................	fsoua 12/31/11	-1,881	-300	---	---	---	---	---	---	---	---	-2,181	-2,181
b. Income tax credits for renewable diesel fuel and renewable diesel used to produce a qualified mixture (sunset 12/31/13)...	fsoua 12/31/11	----- *Estimate Included In Item 5.a.* -----											
c. Excise tax credits and outlay payments for biodiesel fuel mixtures (sunset 12/31/13).........................	fsoua 12/31/11	----- *Estimate Included In Item 5.a.* -----											
d. Excise tax credits and outlay payments for renewable diesel fuel mixtures (sunset 12/31/13).............	fsoua 12/31/11	----- *Estimate Included In Item 5.a.* -----											
6. Credit for production of Indian coal (sunset 12/31/13).........	cpa 12/31/12	-1	[5]	[5]	[5]	[5]	[5]	[5]	---	---	---	-1	-1
7. Extension and modification of credits for renewable energy:													
a. Modify expiration date for renewable electricity production credit to construction beginning before December 31, 2013..	ppisa 12/31/12	-116	-445	-882	-1,230	-1,386	-1,499	-1,568	-1,642	-1,686	-1,729	-4,060	-12,184
b. Exclude segregated paper which is commonly recycled from the definition of municipal solid waste for purposes of the section 45 credit for renewable electricity production...	DOE	6	7	8	8	8	9	9	10	10	---	37	75
c. Election to claim the energy credit in lieu of the electricity production credit (sunset 12/31/13)................	ppisa 12/31/12	---	-100	-130	-54	-10	7	28	40	42	43	-294	-135
8. Credit for construction of energy-efficient new homes (sunset 12/31/13)...	haa 12/31/11	-74	-27	-14	-12	-11	-9	-6	-1	---	---	-138	-154
9. Credit for energy-efficient appliances (sunset 12/31/13).......	apa 12/31/11	-155	-82	-65	-65	-65	-65	-65	-54	-28	-6	-432	-650
10. Special depreciation allowance for cellulosic biofuel plant property and inclusion of algae-based fuel plant property (sunset 12/31/13)..	fpisa DOE	-1	-2	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	-2	[5]
11. Special rule for sales or dispositions to implement Federal Energy Regulatory Commission ("FERC") or State electric restructuring policy (sunset 12/31/13).....................	tyba 12/31/11	-596	-48	110	110	110	110	110	95	---	---	-315	---

Provision	Effective	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
12. Excise tax credits and outlay payments for alternative fuel, and excise tax credits for alternative fuel mixtures (sunset 12/31/13) (other than liquefied hydrogen)............................	fsoua 12/31/11	-305	-56	---	---	---	---	---	---	---	---	-360	-360
Total of Energy Tax Extenders...		**-4,657**	**-2,072**	**-977**	**-1,243**	**-1,354**	**-1,447**	**-1,492**	**-1,552**	**-1,662**	**-1,692**	**-10,302**	**-18,146**
V. Unemployment													
1. Extension of emergency unemployment compensation program..	---	------------------------- *Estimate to be Provided by the Congressional Budget Office* -------------------------											
2. Temporary extension of extended benefit provisions............	---	------------------------- *Estimate to be Provided by the Congressional Budget Office* -------------------------											
3. Extension of funding for reemployment services and reemployment and eligibility assessment activities..............	---	------------------------- *Estimate to be Provided by the Congressional Budget Office* -------------------------											
4. Additional extended unemployment benefits under the Railroad Unemployment Insurance Act................................	---	------------------------- *Estimate to be Provided by the Congressional Budget Office* -------------------------											
Total of Unemployment..		------------------------- ***Estimate to be Provided by the Congressional Budget Office*** -------------------------											
VI. Extension of Agricultural Programs													
1. One-year extension of agricultural programs........................	---	------------------------- *Estimate to be Provided by the Congressional Budget Office* -------------------------											
2. Supplemental agricultural disaster assistance........................	---	------------------------- *Estimate to be Provided by the Congressional Budget Office* -------------------------											
Total of Extension of Agricultural Programs...		------------------------- ***Estimate to be Provided by the Congressional Budget Office*** -------------------------											
NET TOTAL		**-280,332**	**-335,911**	**-312,815**	**-343,947**	**-375,237**	**-405,937**	**-417,462**	**-449,904**	**-484,975**	**-521,406**	**-1,648,238**	**-3,927,909**

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be December 31, 2012. Revenue provisions as submitted in statutory draft MAT12561.

Legend for "Effective" column:

abiUSa = articles brought into the United States after
amb = allocations made before
apa = appliances purchased after
apoia = amounts paid or incurred after
apoaa = amounts paid or accrued after
ara = amounts received after
bia = bonds issued after
cba = courses beginning after
cma = contributions made after
cmi = contributions made in
cpa = coal produced after
cyba = calendar years beginning after
da = distributions after
dmi = distributions made in
DOE = date of enactment
doioa = discharge of indebtedness occurring after
fpisa = facilities placed in service after
fsoua = fuel sold or used after
haa = homes acquired after
ipa = interest paid after
ma = months after
oia = obligations issued after
pma = payments made after
ppisa = property placed in service after
proaa = payments received or accrued after
qfatpca = qualified film and television productions commencing after
saa = stock acquired after
tyba = taxable years beginning after
wpoifibwa = wages paid or incurred for individuals beginning work after

[Footnotes for Table #12-2 213 R appear on the following page]

Footnotes for Table #12-2 213 R:

[1] Estimate includes the following outlay effects:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-17	2012-22
Retain 10% bracket	---	1,682	2,927	3,674	4,568	4,644	4,865	4,869	4,849	4,806	12,851	36,884
Retain the child tax credit at $1,000; refundable; AMT rules	---	15,048	15,056	15,042	14,832	14,859	14,887	14,813	14,879	14,941	59,978	134,357
Marriage penalty - standard deduction and 15% rate	---	159	228	255	306	309	318	322	308	317	948	2,522
EIC modification and simplification ($3,000)	---	2,541	2,509	2,493	2,437	2,444	2,486	2,507	2,565	2,593	9,979	22,574
Dependent care tax credit	---	43	171	165	160	150	139	131	123	117	539	1,199
Adoption credit	---	88	87	85	85	88	82	81	80	83	345	759
American opportunity tax credit	---	3,191	2,929	2,848	2,677	2,512	---	---	---	---	11,645	14,157
Reduce the earnings threshold for the refundable portion of the child tax credit to $3,000	---	10,645	10,410	10,123	9,651	9,480	---	---	---	---	40,829	50,309
Extend EIC for larger families	---	1,611	1,559	1,495	1,422	1,395	---	---	---	---	6,088	7,483
EIC modification and simplification ($5,000)	---	1,305	1,276	1,261	1,224	1,225	---	---	---	---	5,066	6,290
Refunds disregarded in the administration of Federal programs and federally assisted programs	*Estimate to be Provided by the Congressional Budget Office*											
Temporary increase in limit on cover over of rum excise tax revenues [10]	199	23	---	---	---	---	---	---	---	---	222	222

[2] For head of household filers, the 35% bracket is extended to taxable income under $425,000.

[3] For head of household filers, the repeal of the overall limitation on itemized deduction and the personal exemption phase out applies for AGI under $275,000.

[4] Estimates includes the following budget effects:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-17	2012-22
Total Revenue Effects	-230	-1,153	-1,176	-1,200	-1,224	-1,248	-1,273	-1,299	-1,325	-1,351	-4,982	-11,477
On-budget effects	-153	-769	-784	-800	-816	-832	-849	-866	-883	-901	-3,321	-7,652
Off-budget effects	-77	-384	-392	-400	-408	-416	-424	-433	-442	-450	-1,661	-3,826

[5] Loss of less than $500,000.

[6] Estimate includes the following effects:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-17	2013-22
General Fund	-127	-20	---	---	---	---	---	---	---	---	-148	-148
OASDI	-63	-10	---	---	---	---	---	---	---	---	-72	-72

[7] Gain of less than $500,000.

[8] Estimate includes expensing for qualified real property.

[9] Effective for dividends with respect to taxable years of regulated investment companies beginning after December 31, 2011.

[10] Estimate provided by the Congressional Budget Office.

[11] Effective for property placed in service after December 31, 2012, in taxable years ending after such date.

[12] The technical correction is effective as if included in section 15321(b) of the Heartland, Habitat, Harvest and Horticulture Act of 2008.

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Wednesday, January 02, 2013 5:12 PM
To: Boeyink, Jeffrey [IGOV]
Subject: RE: Fiscal Cliff Memo

Thank you. I hope you had a wonderful Christmas and New Year.
Dr. Miller-Meeks

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, January 02, 2013 4:45 PM
To: IA Cabinet
Subject: FW: Fiscal Cliff Memo
Importance: High

Good afternoon, team. Suspect many of you have already been reading about the details regarding the legislation passed by Congress that last two days.

Our federal relations team has put together the attached materials for your reference.

In regards to the tax changes and how they might impact state revenue, please remember that the current REC revenue estimate assumes all of the Bush-era tax cuts would NOT be extended for ANY taxpayer. Thus, the tax provisions in this legislation that make permanent the Bush-era tax cuts for most Americans will actually result in a NET increase in estimated revenue to the state treasury.

That said, state law requires we budget on the December revenue estimate (or the March estimate if it is LOWER). If the March estimate comes in higher due to these changes, state law still requires the use of the December estimate and the additional revenue will flow into our ending balance and be available in the out years.

Hope you find this helpful.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Hoelscher, Doug [IGOV]
Sent: Wednesday, January 02, 2013 4:22 PM
To: IGOV-Branstad All Staff [IGOV]; Roederer, David [IDOM]; Lunde, Joel [IDOM]; Mabie, Kathy [IDOM]
Cc: Bartel, Christine [IGOV]
Subject: Fiscal Cliff Memo
Importance: High

Hi all,

Attached please find a memo regarding the fiscal cliff legislation that President Obama is expected to sign. A copy of this will also be shared with Iowa agency heads and state-federal liaisons yet today. Please let me know if you have any questions or would like further information on any particular provision. Additional resources are also outlined in the memo and attached. [redacted]

Discussion Points:

- The deal struck over New Year's focuses primarily on federal taxes rather than spending.

- Issues regarding federal spending levels and entitlement reform remain. Governor Branstad recognizes the need for the Federal government to reduce spending levels.

- Governor Branstad will work with his fellow governors from across the country to encourage Congress and the Administration to stress the following principles for deficit reduction:

  1. Federal reforms should produce savings for both the federal government and states;
  2. Deficit reduction should not be accomplished by merely shifting costs to states or imposing unfunded mandates;
  3. States should be given increased flexibility to create efficiencies and achieve results; and
  4. Congress should not impose maintenance of effort (MOE) provisions on states as a condition of funding.

Sincerely,

Doug Hoelscher
State of Iowa,
Office of State-Federal Relations
Phone: 202-624-5479
Hall of States, Suite 359
444 North Capitol Street
Washington, DC 20001

[redacted]]

From: Ginty, Natalie [IDPH] on behalf of Miller-Meeks, Mariannette [IDPH]
Sent: Monday, January 07, 2013 8:00 AM
To: Boeyink, Jeffrey [IGOV]
Subject: Accepted: 2013 Session Preview

[redacted]

From: Roederer, David [IDOM]
Sent: Monday, January 14, 2013 10:16 AM
To: Findley, Brenna [IGOV]; Johnson, Larry [IGOV]
Subject: FW: Personal Financial Disclosure Statements
Attachments: PFD 2013.xls

FYI

From: Wright, Sharon [IECD]
Sent: Monday, January 14, 2013 10:12 AM
To: Carlson, Paul [DAS]; Welsch, Danika [IDA]; Thomson, Margaret [IDALS]; Nebola, Tammy [IADA]; Ambrozic, Jane [AG]; Jenkins, Warren [AOS]; Kelley, Doris [IBOP]; Anania, Andrea; sjzenor@iastate.edu; Townsend, Beth [ICRC]; Wendt, Ashley [ICSAC]; Goettsch, Craig [IID]; Pogones, Shannon [ABD]; Crecelius, Lorraine [IUB]; Johnson, Kathleen [IDOB]; Johnson, Kathleen [IDOB]; Behrens, Rebecca [IDCU]; Larkin, Sara [IDCU]; barb.jennings@iavalley.edu; bullermj@nicc.edu; cdfarlow@dmacc.edu; coviatt@iowalakes.edu; donna.mcnulty@hawkeyecollege.edu; dswanson@eicc.edu; kschuster@iwcc.edu; lombard@iowacentral.com; Theresa.Petty@witcc.edu; sheryl.cook@kirkwood.edu; skarda@swcciowa.edu; smithron@niacc.edu; szeller@scciowa.edu; dkreykes@nwicc.edu; marsha.haworth@indianhills.edu; Olson, Fay [DOC]; Cownie, Mary [DCA]; Bickell, Tiffany [BLIND]; Lyman, Tricia [IEDA]; Crane, Jody [ED]; sherry.james@iowa.gov; Tooker, Megan [IECD]; clundeen@iowastatefair.org; Hoelscher, Doug [IGOV]; Wallis, Nancy [IFA]; crystal.woods@iowa.gov; Elming, Becky [IGOV]; Plogmann, Danielle [DHR]; Rossander, Harry [DHS]; Throener, Sara [DIA]; Reeves, Patricia [IPTV]; McElroy, Melinda; Ciechanowski, Arlen [ILEA]; Becker, Jamie [ILOT]; Roederer, David [IDOM]; Fynaardt, Karen [DNR]; Scott_Scheidel@ars.aon.com; Braunschweig-Norris, Jessica [IDR]; Matthes, Michelle [HSEMD]; Kuehn, Michael [IANG]; Luttrell, Leisa [PERB]; Brockman, Lorraine [IDPH]; Flattery, Jean [DPS]; Moon, Julie [IDR]; Mosiman, Mary [SOS]; Wegner, Mary [LIB]; Harris, Jontell [ICN]; White, Cheryl [DOT]; Friedrichsen, Jake [TOS]; Tymeson, Jodi [IDVA]; Castillo, Lisa [IWD]
Subject: Personal Financial Disclosure Statements

February 4, 2013

To: **All Designated Agency Contacts**
From: **Sharon Wright, Iowa Ethics & Campaign Disclosure Board**

RE: Personal Financial Disclosure information needed

Dear Contact:

1. Pursuant to Iowa Code section 68B.35 certain officials and employees in the executive branch are required to file Personal Financial Disclosure Forms with the Board.

2. You have been designated by your agency to be the contact person for this process. If you are not the designated contact, please **forward** this letter to that person and notify me of that change.

3. The attached excel spreadsheet is a listing of people who filed last year. Please look through the list and provide me wi[redacted] updated list. Remember the form for this year covers calendar year 2012. If someone was employed in a covered position in 2012 **he or she needs to file the form even if he or she is no longer in a covered position.**

4. ***There is no need to file the form yet***. We are simply trying to update the list of who is going to file. You can send me an email with names, positions, and email addresses of those who are required to file this year. **PLEASE SEND YOUR UPDATED LIST BY MARCH 4, 2013.** We will then communicate with those people who need to file.

5. Under the law, **the following persons are required to file**:

A. Statewide elected officials.
B. Executive or administrative head(s) of the agency.
C. Deputy executive or administrative head(s) of the agency.
D. Head of a major subunit of an agency whose position involves a substantial exercise of administrative discretion OR expenditure of public funds.
E. Members of the following boards/commission:

The banking board, the ethics and campaign disclosure board, the credit union review board, the economic development board, the employment appeal board, the environmental protection commission, the health facilities council, the Iowa finance authority, the Iowa public employees' retirement system investment board, the board of the Iowa lottery authority, the natural resource commission, the board of parole, the petroleum underground storage tank fund board, the public employment relations board, the state racing and gaming commission, the state board of regents, the tax review board, the transportation commission, the office of consumer advocate, the utilities board, the Iowa telecommunications and technology commission, and any full-time members of other boards and commissions as defined under section 7E.4 who receive an annual salary for their service on the board or commission.

6. If you have any questions about who needs to file or about the process please let me know.

THANK YOU FOR YOUR ASSISTANCE AND PATIENCE.

Sharon

Sharon Wright
Administrative Assistant
IECDB
www.iowa.gov/ethics
(515) 281-4028 (phone)
(515) 281-4073 (fax)

First Name	Last Name	Agency
Jeannie	Adams	Administrative Services
Mike	Carroll	Administrative Services
Tera	Granger	Administrative Services
Thomas	Lamb	Administrative Services
Julie	Sterk	Administrative Services
Pamela	Wood-Sullivan	Administrative Services
Barbara	Bendon	Administrative Services
Mark	Blazek	Administrative Services
Paul	Carlson	Administrative Services
Brant	Carr	Administrative Services
Steve	Gross	Administrative Services
Evan	Heggen	Administrative Services
Tim	Ryburn	Administrative Services
Monica	Stone	Administrative Services
Ken	Thornton	Administrative Services
Douglas	Woodley	Administrative Services
Deborah	O'Leary	Administrative Services
Edward	Holland	Administrative Services
Jeff	Panknen	Administrative Services
William	West	Administrative Services
Matthew	Behrens	Administrative Services
Jeff	Franklin	Administrative Services
Steven	Larson	Administrative Services
Lorrie	Tritch	Administrative Services
Mark	Uhrin	Administrative Services
Jay	Cleveland	Administrative Services
Calvin	McKelvogue	Administrative Services
Joel	Wulf	Aging
Deanna	Clingan-Fischer	Aging
Jeanne	Yordi	Aging
Ro	Foege	Aging
Donna	Harvey	Aging
Stephen	Moline	Agriculture and Land Stewardship
Charles	Gipp	Agriculture and Land Stewardship
Jim	Gillispie	Agriculture and Land Stewardship
Bill	Northey	Agriculture and Land Stewardship
Jeff	Ward	Agriculture Development Authority
Scott	Brown	Attorney General
William	Brauch	Attorney General
Martha	Anderson	Attorney General
Kevin	Cmelik	Attorney General
David L.	Gorham	Attorney General
Pamela	Griebel	Attorney General

Thomas Henry	Miller	Attorney General
Tom	Miller	Attorney General
Tam	Ormiston	Attorney General
Julie	Pottorff	Attorney General
David	Sheridan	Attorney General
Eric	Tabor	Attorney General
Jeffrey	Thompson	Attorney General
Mark	Schuling	Attorney General
Corwin	Ritchie	Attorney General
Donald	Stanley	Attorney General
Warren	Jenkins	Auditor of State
Tami	Kusian	Auditor of State
Andrew	Nielsen	Auditor of State
David	Vaudt	Auditor of State
Roger	Erpelding	Blind, Department for the
Curtis	Chong	Blind, Department for the
Karen	Keninger	Blind, Department for the
Bruce	Snethen	Blind, Department for the
Donald	Boddicker	Board of Regents
Patrick	Clancy	Board of Regents
James	Heuer	Board of Regents
Jeanne Glidde	Prickett	Board of Regents
Pamela Elliott	Cain	Board of Regents
Gregory	Geoffroy	Board of Regents
Thomas	Hill	Board of Regents
Elizabeth	Hoffman	Board of Regents
Alexander	King	Board of Regents
Cathann	Kress	Board of Regents
Warren	Madden	Board of Regents
Arlo	Meyer	Board of Regents
Joan	Piscitello	Board of Regents
Sharon	Quisenberry	Board of Regents
Bonnie Jean	Campbell	Board of Regents
Nicole	Carroll	Board of Regents
Bob	Donley	Board of Regents
Robert	Downer	Board of Regents
Jack	Evans	Board of Regents
Michael	Gartner	Board of Regents
Ruth	Harkin	Board of Regents
Greta	Johnson	Board of Regents
Craig	Lang	Board of Regents
David	Miles	Board of Regents
Rose	Vasquez	Board of Regents
Karen	Mulholland	Board of Regents

Bruce	Rastetter	Board of Regents
Cynthia	Bartels	Board of Regents
Jordan	Cohen	Board of Regents
George	Hollins	Board of Regents
Ken	Kates	Board of Regents
Susan	Klatt	Board of Regents
Sally	Mason	Board of Regents
Jean	Robillard	Board of Regents
Douglas	True	Board of Regents
Debbie	Zumbach	Board of Regents
Benjamin	Allen	Board of Regents
Kelly	Flege	Board of Regents
Patricia	Geadelmann	Board of Regents
Gloria	Gibson	Board of Regents
Janice	Hanish	Board of Regents
Terrence	Hogan	Board of Regents
Tom	Schellhardt	Board of Regents
Gary	Shontz	Board of Regents
Karen	Misjak	College Student Aid Commission
Karen	Freund	Commerce
Stephen	Larson	Commerce
Tina	Norris	Commerce
Judy	Seib	Commerce
Doug	Webb	Commerce
Kay L	Anderson	Commerce
Kevin	Brooks	Commerce
Tom	Gronstal	Commerce
Barbara	Miller	Commerce
Kathleen	Nellor	Commerce
Vaughn	Noring	Commerce
Surasee	Rodari	Commerce
James	Schipper	Commerce
Mitchell	Taylor	Commerce
Jean	Heiden	Commerce
Paul	Becker	Commerce
Rebecca	Behrens	Commerce
David	Cale	Commerce
Denise	Dolan	Commerce
Jeffrey	Hayes	Commerce
Joanne	Johnson	Commerce
Timothy	Marcsisak	Commerce
Michaela (She	Parbs	Commerce
Janet	Pepper	Commerce
Susan	Voss	Commerce

Swati	Dankekar	Commerce
Darrell	Hanson	Commerce
Elizabeth	Jacobs	Commerce
Barbara	Oliver Hall	Commerce
Barbara	Oliver Hall	Commerce
Colleen	Springer	Community Colleges
Karen	Herkelman	Corrections
Dot	Faust	Corrections
Steven	Scholl	Corrections
Kip	Shanks	Corrections
Sally	Kreamer	Corrections
Gerald	Hinzman	Corrections
James	Wayne	Corrections
Daniel	Fell	Corrections
John	Fayram	Corrections
Michael	Coleman	Corrections
Johnie	Hammond	Corrections
John	Baldwin	Corrections
Gerald	Burt	Corrections
Brad	Hier	Corrections
Mark	Lund	Corrections
Jim	McKinney	Corrections
Nick	Ludwick	Corrections
Patti	Wachtendorf	Corrections
Diann	Wilder-Tomlinso	Corrections
Terry	Mapes	Corrections
Sheryl Anne C(	Griffith	Corrections
Charles, Sr.	Larson	Corrections
Michael	Sadler	Corrections
Roger	Stirler	Corrections
Nancy	Turner	Corrections
John	Chalstrom	Corrections
Dan	Craig	Corrections
Jerry	Bartruff	Corrections
Dan	Clark	Corrections
Cornell	Smith	Corrections
Ron	Mullen	Corrections (DHS/DOC)
David	Erickson	Corrections and Finance Authority Boar(
Matt	Harris	Cultural Affairs
Mary	Cownie	Cultural Affairs
Chris	Kramer	Cultural Affairs
Susan	Kloewer	Cultural Affairs
John	Gillispie	DAS & ICN
Robert	Denson	Des Moines Area Community College - [

Laura	Douglas	Des Moines Area Community College - D
Mary	Entz	Des Moines Area Community College - D
Tom	Lee	Des Moines Area Community College - D
Kim	Linduska	Des Moines Area Community College - D
Gregory	Martin	Des Moines Area Community College - D
Anthony	Paustian	Des Moines Area Community College - D
Steven	Schulz	Des Moines Area Community College - D
Douglas	Williams	Des Moines Area Community College - D
Karen	Vickers	Eastern Iowa Community College
Jeffrey	Armstrong	Eastern Iowa Community College
Thomas	Coley	Eastern Iowa Community College
Donald	Doucette	Eastern Iowa Community College
Pat	Keir	Eastern Iowa Community College
Bob	Allbee	Eastern Iowa Community College
Tim	Waddell	Economic Development
Dawn	Ainger	Economic Development
G. Curtis	Baugh	Economic Development
David	Bernstein	Economic Development
John	Bickel	Economic Development
Craig	Block	Economic Development
Pete	Brownell	Economic Development
Jerry	Courtney	Economic Development
Theodore	Crosbie	Economic Development
Brenda	Cushing	Economic Development
Kaye	DeLange	Economic Development
Larry	Den Herder	Economic Development
Nancy	Dunkel	Economic Development
Debi	Durham	Economic Development
Sue	Jarboe	Economic Development
John	Lisle	Economic Development
Delia	Meier	Economic Development
Rosemary	Parson	Economic Development
Robert	Riley	Economic Development
Terry	Roberson	Economic Development
Dan	White	Economic Development
Thom	Hart	Economic Development
Marcia	Rogers	Economic Development
Thom	Hart	Economic Development
Marcia	Rogers	Economic Development
Gail	Sullivan	Education
Roger	Utman	Education
Jeff	Berger	Education
Jason	Glass	Education
Kevin	Fangman	Education

Mary	Wegner	Education
Dwight	Carlson	Education
Matt	Coulter	Education
David	Mitchell	Education
John	Walsh	Ethics & Campaign Disclosure
Carole	Tillotson	Ethics & Campaign Disclosure
Saima	Zafar	Ethics & Campaign Disclosure
James	Albert	Ethics & Campaign Disclosure
Jonathan	Roos	Ethics & Campaign Disclosure
Megan	Tooker	Ethics & Campaign Disclosure
Mary	Rueter	Ethics & Campaign Disclosure
Gary	Slater	Fair Board
Heather	Armstrong	Finance Authority
Darlys	Baum	Finance Authority
Virginia	Bordwell	Finance Authority
Carmela	Brown	Finance Authority
Eric	Chatman	Finance Authority
David	Erickson	Finance Authority
David	Greenspon	Finance Authority
Steven	Harvey	Finance Authority
Jeffrey	Heil	Finance Authority
David	Jamison	Finance Authority
Carolann	Jensen	Finance Authority
Michel	Nelson	Finance Authority
Eric	Peterson	Finance Authority
Ruth	Randleman	Finance Authority
Geri	Huser	Finance Authority
Doug	Hoelscher	Governor's office
Terry	Branstad	Governor's office
Kimberly	Reynolds	Governor's office
Mark	Schouten	Governor's office of Drug Control Policy
Linda	Allen	Hawkeye Community College
Samuel	Dosumu	Hawkeye Community College
William	Brand	Human Rights
Paul	Stageberg	Human Rights
Wendy	Rickman	Human Services
Jason	Smith	Human Services
Marc	Baty	Human Services
Pat	Penning	Human Services
Charles	Palmer	Human Services
Jan	Clausen	Human Services
Thomas	Huisman	Human Services
Sally	Titus	Human Services
Denise	Gonzales	Human Services

Mark	Day	Human Services
Thomas	Bouska	Human Services
Deb	Hanus	Human Services
Gary	Lippe	Human Services
Laverne	Armstrong	Human Services
Zvia	McCormick	Human Services
Bhasker	Dave	Human Services
Jennifer	Vermeer	Human Services
Jeanne	Nesbit	Human Services
Richard	Shults	Human Services
Evan	Klenk	Human Services
Jean	Slaybaugh	Human Services
Marsha	Edgington-Bott	Human Services
Tom	Keck	Indian Hills Community College
H Roy	Lamansky	Indian Hills Community College
Jim	Lindenmayer	Indian Hills Community College
Robert	Morrissey	Indian Hills Community College
Marlene	Sprouse	Indian Hills Community College
Rod	Roberts	Inspections & Appeals
Beverly	Zylstra	Inspections & Appeals
Jean	Davis	Inspections & Appeals
Richard	Moore	Inspections & Appeals
Monique	Kuester	Inspections & Appeals
Elizabeth	Seiser	Inspections & Appeals
John	Peno	Inspections & Appeals
Julie	Jones	Inspections & Appeals
Dawn	Fisk	Inspections & Appeals
Wendy	Dishman	Inspections & Appeals
Michael	Adams	Inspections & Appeals
Melissa	Anderson-Seebe	Inspections & Appeals
Djalal	Arbabha	Inspections & Appeals
Allen	Cook	Inspections & Appeals
Susan	Flander	Inspections & Appeals
Aaron	Hawbaker	Inspections & Appeals
Gregory	Jones	Inspections & Appeals
Paul	Kaufman	Inspections & Appeals
Charles	Kenville	Inspections & Appeals
Joe	Kertels	Inspections & Appeals
Samuel	Langholz	Inspections & Appeals
Roberta Jean F	Megel	Inspections & Appeals
Kathy	Miller	Inspections & Appeals
Peter	Persaud	Inspections & Appeals
Philip	Ramirez	Inspections & Appeals
Paul	Rounds	Inspections & Appeals

Aaron	Siebrecht	Inspections & Appeals
Brian	Sissel	Inspections & Appeals
Mark C	Smith	Inspections & Appeals
Valorie	Wilson	Inspections & Appeals
Carl	Heinrich	Inspections & Appeals
Jack	Ketterer	Inspections & Appeals
Jeff	Lamberti	Inspections & Appeals
Andrea	Rivera-Harrison	Inspections & Appeals
Greg	Seyfer	Inspections & Appeals
Toni	Urban	Inspections & Appeals
Tom	Beneke	Iowa Central Community College
Laurie	Hendricks	Iowa Central Community College
James	Kersten	Iowa Central Community College
Daniel P.	Kinney	Iowa Central Community College
Angie	Martin	Iowa Central Community College
Mark	Johnson	Iowa Communications Network
Shannon	Cofield	Iowa Communications Network
Deborah	Evans	Iowa Communications Network
Kevin	Heinzeroth	Iowa Communications Network
Joseph	Cassis	Iowa Communications Network
David	Lingren	Iowa Communications Network
David	Marley	Iowa Communications Network
William	Walling	Iowa Communications Network
Phillip	Groner	Iowa Communications Network
Valerie	Newhouse	Iowa Lakes Community College
Kristine	Houston	Iowa Public Television
Molly	Phillips	Iowa Public Television
Terry	Rinehart	Iowa Public Television
William	Hayes	Iowa Public Television
Daniel	Miller	Iowa Public Television
Dr. Christophe	Duree	Iowa Valley Community College -IVCCD
Dr. Kelly	Faga	Iowa Valley Community College -IVCCD
Dan	Gillen	Iowa Valley Community College -IVCCD
Jacque	Goodman	Iowa Valley Community College -IVCCD
Dr. Nancy	Muecke	Iowa Valley Community College -IVCCD
Kathleen	Pink	Iowa Valley Community College -IVCCD
Dr. Christophe	Russell	Iowa Valley Community College -IVCCD
Dr. Robin	Shaffer Lilienthal	Iowa Valley Community College -IVCCD
Dr. Dan	Kinney	Iowa Western Community College
Gregg	Schochenmaier	IPERS
Donna	Mueller	IPERS
Karl	Koch	IPERS
Leon	Schwartz	IPERS
Michael	Beary	IPERS

David	Creighton, Sr	IPERS
Phyllis	Peterson	IPERS
Marlene	Sprouse	IPERS
Lisa	Stange	IPERS
Dennis	Young	IPERS
Kelly	Lovell	IPERS
David	Martin	IPERS
Joanne	Stockdale	IPERS
James	Choate	Kirkwood Community College
Kristie	Fisher	Kirkwood Community College
Kathy	Hall	Kirkwood Community College
Kim	Johnson	Kirkwood Community College
Bill	Lamb	Kirkwood Community College
Mick	Starcevich	Kirkwood Community College
Arlen	Ciechanowski	Law Enforcement Academy
Michael	Quinn	Law Enforcement Academy
Elaine	Baxter	Lottery
Steve	Bogle	Lottery
Kenneth	Brickman	Lottery
Molly	Juffernbruch	Lottery
Mary	Junge	Lottery
Michael	Klappholz	Lottery
Larry	Loss	Lottery
Brenda	Loy	Lottery
Mary	Neubauer	Lottery
Herman	Reichter	Lottery
Thomas M.	Rial	Lottery
Terry	Rich	Lottery
Brad	Schroeder	Lottery
Teri	TeBockhorst	Lottery
David	Roederer	Management
Jennifer	Nelson	Natural Resources
Charles	Correll	Natural Resources
Diane	Ford	Natural Resources
Richard	Francisco	Natural Resources
Gregory	Drees	Natural Resources
Mary	Boote	Natural Resources
Dee	Bruemmer	Natural Resources
John	Glenn	Natural Resources
Susan	Heathcote	Natural Resources
David	Petty	Natural Resources
Marty	Stimson	Natural Resources
Paul	Johnson	Natural Resources
William	Ehm	Natural Resources

Wayne	Gieselman	Natural Resources
Edmund	Tormey	Natural Resources
Cindy	Axne	Natural Resources
Tammi	Kircher	Natural Resources
Roger	Lande	Natural Resources
Dennis	Schemmel	Natural Resources
Kevin	Szcodronski	Natural Resources
Brent	Rastetter	Natural Resources
Patricia	Boddy	Natural Resources
Michele	Appelgate	North Iowa Area Community College
Lyn	Broderson	North Iowa Area Community College
Debra	Derr	North Iowa Area Community College
Katherine	Grove	North Iowa Area Community College
Shelly	Schmit	North Iowa Area Community College
Jamie	Zanios	North Iowa Area Community College
Wendy	Mihm-Herold	Northeast Iowa Community College
John	Noel	Northeast Iowa Community College
Curt	Oldfield	Northeast Iowa Community College
Curt	Oldfield	Northeast Iowa Community College
Liang Chee	Wee	Northeast Iowa Community College
Penelope	Wills	Northeast Iowa Community College
Mark	Brown	Northwest Iowa Community College
William	Giddings	Northwest Iowa Community College
John	Hartog	Northwest Iowa Community College
Jan	Snyder	Northwest Iowa Community College
Alethea	Stubbe	Northwest Iowa Community College
Nancy	Boyd	Parole Board
Jim	Felker	Parole Board
Doris	Kelley	Parole Board
Clarence Jr	Key	Parole Board
Brenda	Andeweg	Petroleum Underground Storage Tank F
Joe	Barry	Petroleum Underground Storage Tank F
Doug	Beech	Petroleum Underground Storage Tank F
Dawn	Carlson	Petroleum Underground Storage Tank F
Eric	Johnson	Petroleum Underground Storage Tank F
Jeff	Robinson	Petroleum Underground Storage Tank F
Jake	Friedrichsen	Petroleum Underground Storage Tank F
Karen	Oberman	Property Assessment Appeal Board
Jacqueline	Rypma	Property Assessment Appeal Board
Richard	Stradley	Property Assessment Appeal Board
James	Hill	Public Defense
Timothy	Orr	Public Defense
Gregory	Schwab	Public Defense
Neil	Barrick	Public Employment Relations Board

James	Riordan	Public Employment Relations Board
Mary J.	Jones	Public Health
Gerd	Clabaugh	Public Health
Marcia	Spangler	Public Health
Kathy	Stone	Public Health
Melanie	Johnson	Public Health
Ken	Sharp	Public Health
Roberta	Chambers	Public Health
Vergene	Donovan	Public Health
Marc	Elcock	Public Health
Charles	Follett	Public Health
Karen	Hope	Public Health
Bob	Lundin	Public Health
Bill	Thatcher	Public Health
Julie	McMahon	Public Health
Mark	Bowden	Public Health
Lorinda	Inman	Public Health
Lloyd	Jessen	Public Health
Marionette	Miller-Meeks	Public Health
Thomas	Newton	Public Health
Bonnie	Mapes	Public Health
David	Heuton	Public Safety
Eugene	Meyer	Public Safety
Larry	Noble	Public Safety
Steven	Ponsetto	Public Safety
John	Quinn	Public Safety
James	Saunders	Public Safety
Patrick	Hoye	Public Safety
Kevin	Frampton	Public Safety
Raymond	Reynolds	Public Safety
Kathleen	Koenig	Revenue
Frank	Stork	Revenue
Carol	Garrett	Revenue
Dan	Rogers	Revenue
Jessica	Holmes	Revenue
Courtney	Kay-Decker	Revenue
Michael	Milligan	Revenue
Julie	Roisen	Revenue
Stuart	Vos	Revenue
Victoria	Daniels	Revenue
Jeffrey	Elgin	Revenue
Dale	Hyman	Revenue
Richard	Jacobs	Revenue
Dale	Hyman	Revenue

Richard	Jacobs	Revenue
Bill	Orr	Secretary of State
Jim	Gibbons	Secretary of State
Mary	Mosiman	Secretary of State
Sarah	Reisetter	Secretary of State
Matt	Schultz	Secretary of State
Beverly	Simone	Southeastern Community College
Barb	Crittenden	Southwestern Community College
Bill	Taylor	Southwestern Community College
Timothy	Lapointe	Telecommunications & Technology
Betsy	Brandsgard	Telecommunications and Technology Cc
Richard	Hardman	Telecommunications and Technology Cc
Richard	Bruner	Telecommunications and Technology Cc
Michael	Blouin	Transportation
Barry	Cleaveland	Transportation
Loree	Miles	Transportation
Amy	Reasner	Transportation
David	Rose	Transportation
Donald	Wiley	Transportation
Charese	Yanney	Transportation
John	Adam	Transportation
Barbara	Espeland	Transportation
Mark	Lowe	Transportation
Paul	Trombino	Transportation
Lee	Wilkinson	Transportation
Stuart	Anderson	Transportation
Karen	Austin	Treasurer
Stefanie	Devin	Treasurer
Michael	Fitzgerald	Treasurer
David	Worley	Veteran's Affairs
Jodi	Tymeson	Veteran's Affairs
Dr. Robert	Dunker	Western Iowa Tech Community College
Terry	Murrell	Western Iowa Tech Community College
Paul	Mikkelsen	Workforce Development
Steve	Slater	Workforce Development
Michael	Mauro	Workforce Development
Jude	Igbokwe	Workforce Development
Joseph	Bervid	Workforce Development
Gary	Bateman	Workforce Development
Kerry	Koonce	Workforce Development
Teresa	Wahlert	Workforce Development
Edward	Wallace	Workforce Development
Joseph	Walsh	Workforce Development
Michael	Wilkinson	Workforce Development

Christopher	Godfrey	Workforce Development

Department/Division	Position
Administration	Senior Resource Manager
Administration	Director
Administration	Senior Resource Manager
Administration	Legal Counsel
Finance	Accountant IV
Finance	Manager
GSE	Manger GSE
GSE	Public Service Executive
GSE	Administrator
GSE	Administrator
GSE	Administrator
GSE	Senior Resource Manager
GSE	Public Service Executive
GSE	Public Service Executive
GSE	Administrator
GSE	Chief Operating Officer
GSE/ITE	Administrator
HRE	Program Administrator
HRE	Director
HRE	Administrator
ITE	Administrator
ITE	Manager
ITE	Public Service Executive
ITE	Administrator
ITE	Administrator
SAE	Division Administrator
SAE	Chief Operating Officer
Elder Programs and Advocacy	Division Administrator
Long term Ombudsman	Ombudsman
Long term Ombudsman	Ombudsman
None/Not Applicable	former Director
None/Not Applicable	Director
Division of Consumer Protection	Director
Division of Soil Conservation	Director
Division of Soil Conservation	Director
None/Not Applicable	Secretary of Agriculture
None/Not Applicable	Director
Area Prosecutions	Special Assistant Attorney General
Consumer Protection	Director
Crime Victim Assistance	Director
Criminal Appeals	Division Director
None/Not Applicable	Deputy Attorney General
None/Not Applicable	Director, License & Admin Law

None/Not Applicable	Deputy Attorney General
None/Not Applicable	Attorney General
None/Not Applicable	Deputy AG Policy Development
None/Not Applicable	Deputy Attorney General, Public Protection
None/Not Applicable	Director, Environmental Law
None/Not Applicable	Chief of Staff
None/Not Applicable	Deputy Attorney General, Civil Justice
Office of the Consumer Advocate	Consumer Advocate
Prosecuting Attorneys Training Coordinator	Coordinator
Revenue	Division Director
None/Not Applicable	Chief Deputy Auditor of State
None/Not Applicable	Deputy, Performance Investigation
None/Not Applicable	Deputy, Financial Audit
None/Not Applicable	Auditor of State
Blind Enterprises Program	Program Administrator
None/Not Applicable	Program Administrator
None/Not Applicable	Director
None/Not Applicable	Deputy Director
Iowa Braille & Sight Saving School	Business Operations Director
Iowa Braille & Sight Saving School	Superintendent
Iowa School for the Deaf	Director, Business Affairs
Iowa School for the Deaf	Superintendent
Iowa State University	Associate Vice President
Iowa State University	President
Iowa State University	Vice President, Student Affairs
Iowa State University	Provost
Iowa State University	Director, Ames Lab/IPRT
Iowa State University	VP, Extension & Outreach
Iowa State University	VP, Business & Finance
Iowa State University	Vice President for Business Services
Iowa State University	Treasurer
Iowa State University	VP, Research & Economic Development
None/Not Applicable	Board Member
None/Not Applicable	Regent
None/Not Applicable	Executive Director
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Regent President
None/Not Applicable	Board Member
Regent	Member

Regent	Board Member
University of Iowa	Director, Treasury Operations
University of iowa	VP, Research
University of Iowa	Business Manager
University of Iowa	Associate Vice President
University of Iowa	Director, Finance
University of Iowa	President
University of Iowa	VP, Medical Affairs
University of Iowa	Senior Vice President
University of Iowa	Purchasing Agent
University of Northern Iowa	President
University of Northern Iowa	Director, Finance
University of Northern Iowa	Special Assistant to the President for Board
University of Northern Iowa	Executive VP and Provost
University of Northern Iowa	VP Admin & Finance
University of Northern Iowa	VP Education & Student Services
University of Northern Iowa	VP Admin & Finance
University of Northern Iowa	Controller, Sec & Treasurer
Not Applicable	Executive Director
Alcoholic Beverages Division	Operations Manager
Alcoholic Beverages Division	Administrator
Alcoholic Beverages Division	Deputy Adminstrator of Spirits
Alcoholic Beverages Division	Pub Ser Ex3
Alcoholic Beverages Division	PSE 3
Banking Division	Comptroller
Banking Division	Board Member
Banking Division	Director
Banking Division	Board Member
Banking Division	Board Member
Banking Division	Bank Bureau Chief
Banking Division	Board Member
Banking Division	Superintendent
Banking Division	Board Member
Banking Division	Board Member
Credit Union Division	Board Member
Credit Union Division	Executive Officer
Credit Union Division	Board Member
Credit Union Division	Board Member
Credit Union Division	Board Member
Credit Union Division	Superintendent
Credit Union Division	Board Member
Credit Union Division	Board Member
Credit Union Division	Board Member
Insurance Division	Commissioner

Utilities Division	Board Member
Utilities Division	Board Member
Utilities Division	Board Member
Credit Union Division	Board Member
Credit Union Division	Board Member
Iowa Valley Community College -IVCCD	VP, Administrative Services
1st Judicial District	Director
2nd Judicial District	Director
3rd Judicial District	Director
4th Judicial District	Director
5th Judicial District	Director
6th Judicial District	Director
7th Judicial District	Director
8th Judicial District	Director
Anamosa	Warden
Board of Directors	member
Board of Directors	member
central office	Director
Central Office	Deputy Director
Central Office	Deputy Director
Clarinda	Superintendent
Ft Dodge	Warden
Ft Madison	Warden
Mitchellville	Warden
Mitchellville	Deputy Director
Newton	Warden
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Administrator
None/Not Applicable	Board Member
None/Not Applicable	Board Member
Oakdale	Warden
Offender Services	Deputy Director
Prison Industries	Deputy Director
Rockwell City	Warden
Mt. Pleasant MHI	Superintendent
None/Not Applicable	Board Chair
Iowa Arts Council	Administrator
None/Not Applicable	Director
None/Not Applicable	Deputy Director
State Historical Museum	Director
ITE	Chief Operating Officer
Des Moines Area Community College - DMAC	President

Des Moines Area Community College - DMAC	Provost, Urban Campus
Des Moines Area Community College - DMAC	Provost, Newton Campus
Des Moines Area Community College - DMAC	Provost, Boone Campus
Des Moines Area Community College - DMAC	VP Academic Affairs
Des Moines Area Community College - DMAC	VP Information Solutions
Des Moines Area Community College - DMAC	Provost, West Campus
Des Moines Area Community College - DMAC	Provost, Caroll Campus
Des Moines Area Community College - DMAC	VP Business Services
Clinton Community College	President
Eastern Iowa Community College	Muscantine Community College President
Eastern Iowa Community College	Vice Chancellor
Eastern Iowa Community College	Chancellor
Eastern Iowa Community College	Former Chancellor
Muscatine Community College	Acting President
Community Development	Division Administrator
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	COO
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Executive Director
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Administrator
None/Not Applicable	Board Member
None/Not Applicable	Administrator
None/Not Applicable	Board Member
None/Not Applicable	Administrator
None/Not Applicable	Board Member
Communication and Information Services	Division Administrator
Division of Community Colleges	Administrator
None/Not Applicable	Deputy Director
None/Not Applicable	Director
PK-12 Education	Deputy Director

State Library of Iowa	State Librarian
Vocational Rehabiliation Services	Division Administrator
Vocational Rehabiliation Services	Administrative Consultant
Vocational Rehabiliation Services	Division Administrator
None/Not Applicable	Board Member
None	Board Member
None	Board Member
None	Board Member
None	Board Member
None	Executive Director
None	
None/Not Applicable	CEO
IFA	Board Member
IFA	Board Member
IFA	Former Board Member
IFA	Board Member
IFA	Chief Financial Officer / Deputy Director
IFA	Board Member
IFA	Board Member
IFA	Chief Operating Officer / Deputy Director
IFA	Board Member
IFA	Executive Director
IFA	Chief Administration Officer / Deputy Direct
IFA	Board Member
IFA	Board Member
IFA	Board Member
Title Guaranty	Title Guaranty Director
Federal Relations	Director
None	Governor
None	Lt Governor
None/Not Applicable	Director
Hawkeye Community College	President
Hawkeye Community College	Vice President, Academic Affairs
Community Action Agencies	Division Administrator
Criminal and Juvenile Justice Planning Divisio	Division Administrator
Adult, Children, & Family Services	Division Administrator
CCUSO & Cherokee MHI	Superintendent
Cedar Rapids Area	Service Area Manager
Des Moines Service Area	Service Area Manager
DHS	Director
DHS Administration	Deputy Director
DHS Chief Information Officer	Division Administrator
DHS Operations	Deputy Director
Division of Child and Family Services	SAM

Eldora Resource Center	Superintendent
Field Operations	Service Area Manager
Field Operations	Superintendent
Field Operations	Service Area Manager
Field Support and Operations	Division Adminstrator
Glenwood Resource Center	Superintendent
Independence MHI	Superintendent
Medical Services	Medicaid Director
Mental Health & Disability Services	Division Administrator
Mental Health & Disability Services	Division Administrator
None/Not Applicable	Service Area Manager
None/Not Applicable	Chief Financial Officer
Woodward Resource Center	Superintendent
Indian Hills Community College	Board of Trustees
Indian Hills Community College	IHCC Board of Trustees
Indian Hills Community College	IHCC Board of Trustees
Indian Hills Community College	IHCC Board of Trustees
Indian Hills Community College	VP Academic Affairs
Administration Division	Director
Administration Division	Deputy Director
Administrative Hearings Division	Chief Administrative Law Judge
Child Advocacy Board	Administrator
Employment Appeal	Board Member
Employment Appeal	Board Member
Employment Appeal Board	Board Member
Fiscal Services Bureau	Chief
Health Facilities Division	Administrator
Investigations Division	Administrator
Public Defender	Public Defender Supvr, Special Defense Unit
Public Defender	Public Defender Supvr, Waterloo Juvenile P
Public Defender	Public Defender Supvr, Burlington & Ft Mad
Public Defender	Public Defender Supvr, Ottumwa
Public Defender	Public Defender Supvr, Mason City
Public Defender	Public Defender Supvr, Waterloo Adult
Public Defender	Public Defender Supvr, Sioux City Adult
Public Defender	Public Defender Supvr, Dubuque
Public Defender	Public Defender Supvr, Fort Dodge
Public Defender	Public Defender Supvr, Sioux City Juvenile
Public Defender	State Public Defender
Public Defender	Public Defender Supvr, Council Bluffs
Public Defender	Public Defender Supvr, Des Moines Juvenile
Public Defender	Public Defender Supvr, Iowa City
Public Defender	Public Defender
Public Defender	Public Defender Supvr, Nevada

Public Defender	Public Defender Supvr, Marshalltown
Public Defender	Public Defender Supvr, Cedar Rapids
Public Defender	State Appellate Defender
Public Defender	Public Defender Supvr, Des Moines Adult
Racing & Gaming	Commissioner
Racing & Gaming	Administrator
Racing & Gaming	Commissioner
Racing & Gaming	Commissioner
Racing & Gaming	Board Member
Racing & Gaming	Voting Commission Member
Iowa Central Community College	VP of Enrollment
Iowa Central Community College	VP of Dev. & Alumni Rel.
Iowa Central Community College	VP of Extrnl. Affairs & Govt. Rel.
Iowa Central Community College	President
Iowa Central Community College	Associate VP of Business Affairs
Administration Division	Director, Administration
Commission	Commissioner
Finance	Director
Office of the Chief Financial Officer	Chief Financial Officer
Office of the Deputy Director	Deputy Director
Office of the Executive Director	Executive Director
Operations and Engineering Division	Director, Operations and Engineering
Operations and Engineering Division	Director, Operations and Engineering
Service Delivery Division	Director
Iowa Lakes Community College	President
Administration	Director of Administration
Communications	Director of Communications
Educational Services	Director of Educational Services
Engineering	Director of Engineer and Technology
None/Not Applicable	Executive Director
Iowa Valley Community College -IVCCD	Chancellor
Iowa Valley Community College -IVCCD	Dean of Instruction Ellsworth
Iowa Valley Community College -IVCCD	Chief Financial Officer
Iowa Valley Community College -IVCCD	Vice Chancellor Continuing Education & Trai
Iowa Valley Community College -IVCCD	Provost Ellsworth Community College
Iowa Valley Community College -IVCCD	Chief Financial Officer
Iowa Valley Community College -IVCCD	College Dean of Students & Academic Affair
Iowa Valley Community College -IVCCD	Provost Marshalltown
Iowa Western Community College	President
CEO Staff	General Counsel
Chief Executive Office	
Chief Investment Officer	
Chief Operations Officer	
Investment Board Member/Trustee	

Investment Board Member/Trustee	
Investment Board Member/Trustee	
Investment Board Member/Trustee	
Investments	Investment Board Member
Investments	Board Member
None/Not Applicable	General Counsel
None/Not Applicable	Chief Benefits Officers
None/Not Applicable	Investment Board Member
Kirkwood Community College - KCC	CFO
Kirkwood Community College - KCC	VP of Enrollment
Kirkwood Community College - KCC	VP Resource Development
Kirkwood Community College - KCC	VP Continuing Education and Training Servi(
Kirkwood Community College - KCC	VP Academic Affairs
Kirkwood Community College - KCC	President
None/Not Applicable	Director
None/Not Applicable	Assistant Director
Lottery Division	Board Member
Lottery Division	VP, Security
Lottery Division	Executive VP
Lottery Division	VP, General Counsel
Lottery Division	Board Member
Lottery Division	Board Member
Lottery Division	VP, Sales
Lottery Division	Chief Financial Officer
Lottery Division	Vice President, External Relations
Lottery Division	Board Member
Lottery Division	Board Member
Lottery Division	CEO
Lottery Division	Board Member
Lottery Division	VP, Marketing
None/Not Applicable	State Budget
Budget and Finance	Bureau Chief
Conservation and Recreation	Division Administrator
Conservation and Recreation	Division Administrator
Conservation and Recreation	NRC Commissioner
Conservation and Recreation	NRC Commissioner
Environmental Protection Commission	Commissioner
Environmental Protection Commission	Commissioner
Environmental Protection Commission	Commissioner
Environmental Protection Commission	Commissioner
Environmental Protection Commission	Commissioner
Environmental Protection Commission	Commissioner
Environmental Protection Commission	Commissioner
Environmental Services Division	Division Administrator

Environmental Services Division	Division Administrator
Legal Services	Bureau Chief
Management Services	Division Administrator
None/Not Applicable	NRC Commissioner
None/Not Applicable	Director
NRC	Commissioner
Parks Division	Parks Bureau Chief
Environmental Protection Commission	Member
None/Not Applicable	Deputy Director
North Iowa Area Community College - NIACC	Director of Marketing, Public Relations
North Iowa Area Community College - NIACC	VP, Academic and Student Affairs
North Iowa Area Community College - NIACC	President
North Iowa Area Community College - NIACC	VP Administrative Services
North Iowa Area Community College - NIACC	VP Institutional Effectiveness
North Iowa Area Community College - NIACC	VP, Pappa John Center/Institutional Advanc
Northeast Iowa Area Corrmunity College - NI(	VP Economic Development
Northeast Iowa Area Corrmunity College - NI(	VP Finance & Admin
Northeast Iowa Area Corrmunity College - NI(	Vice President of Academic Affairs
Northeast Iowa Area Corrmunity College - NI(	VP, Academic Affairs
Northeast Iowa Area Corrmunity College - NI(	President
Northeast Iowa Area Corrmunity College - NI(	President
Northwest Iowa Community College - NWICC	Vice Presdient
Northwest Iowa Community College - NWICC	Former Vice President
Northwest Iowa Community College - NWICC	Vice President
Northwest Iowa Community College - NWICC	Vice President
Northwest Iowa Community College - NWICC	President
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Executive Director
None/Not Applicable	Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
None/Not Applicable	Board Member
HSEMD	Administrator
Military Division	Adjutant General
None/Not Applicable	
None/Not Applicable	Board Member

None/Not Applicable	Executive Director
Acute Disease Epidemiology	Deputy Director/Division Director
Acute Disease Epidemiology & Emergency Re	Deputy Director/Division Director
Administration & Professional Licensure	Division Director
Behavioral Health	Division Director
Dental Board	Executive Director
Environmental Health	Division Director
Health Facilities Council	Member
Health Facilities Council	Member
Health Facilities Council	Member
Health Facilities Council	Member
Health Facilities Council	Member
Health Facilities Council	Member
Health Facilities Council	Member
Health Promotion & Chonic Disease Preventi	Division Director
Medicine Board	Executive Director
Nursing Board	Executive Director
Pharmacy Board	Executive Director
Public Health	Director
Public Health	Director
Tobacco	Division Director
Administrative Services	Director
Commissioner's Office	Commissioner
Commissioner's Office	Commissioner
Commissioner's Office	Executive Officer
Division of Criminal Investigation	Division Director
Division of Intetlligence & Fusion Center	Director
Iowa State Patrol	Chief
Narcotics Enforcement	Director
State Fire Marshall	Director
Board of Tax Review	Board member
Board of Tax Review	Member
Iowa Capital Investment Board	Member
Iowa Capital Investment Commission	Member
None/Not Applicable	Administrator
None/Not Applicable	Director
None/Not Applicable	Board of Tax Review
None/Not Applicable	Administrator
None/Not Applicable	Administrator
Policy & Communications	Administrator
Tax Review Board	Member
None/Not Applicable	Administrator
None/Not Applicable	Administrator
None/Not Applicable	Administrator

None/Not Applicable	Administrator
Administration	Director
Adminstration	Deputy
Elections	Deputy
Elections	Director
None/Not Applicable	Secretary of State
Southeastern Community College - SCC	President
Southwestern Community College - SWCC	President
Southwestern Community College - SWCC	Vice President of Instruction
None/Not Applicable	Commission Member
Commission	Commission Chair
Commission	Commissioner
Commission	Commissioner
Commission	Commissioner
Commission	Commissioner
Commission	Commissioner
Commission	Commissioner
Commission	Commissioner
Commission	Commissioner
Commisson	Commissioner
Highway	Division Director
Information Technology	Division Director
Motor Vehicle	Division Director
None/Not Applicable	Director
Operations & Finance	Division Director
Planning & Programming & Modal	Division Director
None/Not Applicable	Deputy Treasurer
None/Not Applicable	Deputy Treasurer
None/Not Applicable	State Treasurer
Iowa Veteran's Homes	Commandant
None/Not Applicable	Adjutant
Western Iowa Tech Community Colllege	President
Western Iowa Tech Community Colllege	VP of Instruction & Student Services
Administrative Services	Division Administrator
Iowa Division of Labor	Deputy Labor Commissioner
Labor	Labor Commissioner
Labor Market and Workforce Information Div	Division Administrator
Legal Counsel	Attorney
None/Not Applicable	Information Bureau Chief
None/Not Applicable	Communications Director
None/Not Applicable	Director
None/Not Applicable	Deputy Director
None/Not Applicable	Appeals Bureau Chief
Unemployment Insurance Services	Division Administrator

Worker's Compensation	Commissioner

Kozel, Deb [LEGIS]

From: Findley, Brenna [IGOV]
Sent: Monday, January 14, 2013 10:46 AM
To: Roederer, David [IDOM]
Subject: FW: Personal Financial Disclosure Statements

David,
I will keep monitoring this.
Thanks, Brenna

From: Tooker, Megan [IECD]
Sent: Monday, January 14, 2013 10:46 AM
To: Findley, Brenna [IGOV]
Subject: RE: Personal Financial Disclosure Statements

Hi Brenna,
We are working on improving our electronic filing system for personal financial disclosure statements so that the questions are more specific and include examples. It should be up and running by the time people need to begin filing.

From: Findley, Brenna [IGOV]
Sent: Monday, January 14, 2013 10:39 AM
To: Tooker, Megan [IECD]
Subject: FW: Personal Financial Disclosure Statements

Megan,
Has the Board issued guidance about what needs to be disclosed and to what level of detail?
Thanks, Brenna

From: Roederer, David [IDOM]
Sent: Monday, January 14, 2013 10:16 AM
To: Findley, Brenna [IGOV]; Johnson, Larry [IGOV]
Subject: FW: Personal Financial Disclosure Statements

FYI

From: Wright, Sharon [IECD]
Sent: Monday, January 14, 2013 10:12 AM
To: Carlson, Paul [DAS]; Welsch, Danika [IDA]; Thomson, Margaret [IDALS]; Nebola, Tammy [IADA]; Ambrozic, Jane [AG]; Jenkins, Warren [AOS]; Kelley, Doris [IBOP]; Anania, Andrea; sjzenor@iastate.edu; Townsend, Beth [ICRC]; Wendt, Ashley [ICSAC]; Goettsch, Craig [IID]; Pogones, Shannon [ABD]; Crecelius, Lorraine [IUB]; Johnson, Kathleen [IDOB]; Johnson, Kathleen [IDOB]; Behrens, Rebecca [IDCU]; Larkin, Sara [IDCU]; barb.jennings@iavalley.edu; bullermj@nicc.edu; cdfarlow@dmacc.edu; coviatt@iowalakes.edu; donna.mcnulty@hawkeyecollege.edu; dswanson@eicc.edu; kschuster@iwcc.edu; lombard@iowacentral.com; Theresa.Petty@witcc.edu; sheryl.cook@kirkwood.edu; skarda@swcciowa.edu; smithron@niacc.edu; szeller@scciowa.edu; dkreykes@nwicc.edu; marsha.haworth@indianhills.edu; Olson, Fay [DOC]; Cownie, Mary [DCA]; Bickell, Tiffany [BLIND]; Lyman, Tricia [IEDA]; Crane, Jody [ED]; sherry.james@iowa.gov; Tooker, Megan [IECD]; clundeen@iowastatefair.org; Hoelscher, Doug [IGOV]; Wallis, Nancy [IFA]; crystal.woods@iowa.gov; Elming, Becky [IGOV]; Plogmann, Danielle [DHR]; Rossander, Harry [DHS]; Throener, Sara [DIA]; Reeves, Patricia [IPTV]; McElroy, Melinda; Ciechanowski, Arlen [ILEA]; Becker, Jamie [ILOT]; Roederer, David [IDOM]; Fynaardt, Karen [DNR]; Scott_Scheidel@ars.aon.com; Braunschweig-Norris, Jessica [IDR]; Matthes, Michelle [HSEMD]; Kuehn, Michael [IANG]; Luttrell, Leisa [PERB]; Brockman, Lorraine [IDPH]; Flattery, Jean [DPS]; Moon, Julie [IDR]; Mosiman, Mary [SOS]; Wegner, Mary [LIB]; Harris, Jontell [ICN]; White, Cheryl [DOT];

Friedrichsen, Jake [TOS]; Tymeson, Jodi [IDVA]; Castillo, Lisa [IWD]
Subject: Personal Financial Disclosure Statements

February 4, 2013

To: **All Designated Agency Contacts**
From: **Sharon Wright, Iowa Ethics & Campaign Disclosure Board**

RE: Personal Financial Disclosure information needed

Dear Contact:

1. Pursuant to Iowa Code section 68B.35 certain officials and employees in the executive branch are required to file Personal Financial Disclosure Forms with the Board.

2. You have been designated by your agency to be the contact person for this process. If you are not the designated contact, please **forward** this letter to that person and notify me of that change.

3. The attached excel spreadsheet is a listing of people who filed last year. Please look through the list and provide me with an updated list. Remember the form for this year covers calendar year 2012. If someone was employed in a covered position in 2012 **he or she needs to file the form even if he or she is no longer in a covered position.**

4. ***There is no need to file the form yet***. We are simply trying to update the list of who is going to file. You can send me an email with names, positions, and email addresses of those who are required to file this year. **PLEASE SEND YOUR UPDATED LIST BY MARCH 4, 2013.** We will then communicate with those people who need to file.

5. Under the law, **the following persons are required to file**:

A. Statewide elected officials.
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C. Deputy executive or administrative head(s) of the agency.
D. Head of a major subunit of an agency whose position involves a substantial exercise of administrative discretion OR expenditure of public funds.
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The banking board, the ethics and campaign disclosure board, the credit union review board, the economic development board, the employment appeal board, the environmental protection commission, the health facilities council, the Iowa finance authority, the Iowa public employees' retirement system investment board, the board of the Iowa lottery authority, the natural resource commission, the board of parole, the petroleum underground storage tank fund board, the public employment relations board, the state racing and gaming commission, the state board of regents, the tax review board, the transportation commission, the office of consumer advocate, the utilities board, the Iowa telecommunications and technology commission, and any full-time members of other boards and commissions as defined under section 7E.4 who receive an annual salary for their service on the board or commission.

6. If you have any questions about who needs to file or about the process please let me know.

THANK YOU FOR YOUR ASSISTANCE AND PATIENCE.

Sharon

Sharon Wright
Administrative Assistant
IECDB
www.iowa.gov/ethics
(515) 281-4028 (phone)
(515) 281-4073 (fax)

[redacted]

From: Findley, Brenna [IGOV]
Sent: Monday, January 14, 2013 10:47 AM
To: Greta Johnson (gretaajohnson@gmail.com); Hough, Margaret [IGOV]
Cc: Johnson, Larry [IGOV]; Boeyink, Jeffrey [IGOV]
Subject: FW: Personal Financial Disclosure Statements

Greta and Margaret,
When you get the information about the personal financial disclosure statements for the Governor and Lt. Governor, please let me know. I will help you with the process. I would like to review the information before it is filed.
Brenna

From: Tooker, Megan [IECD]
Sent: Monday, January 14, 2013 10:46 AM
To: Findley, Brenna [IGOV]
Subject: RE: Personal Financial Disclosure Statements

Hi Brenna,
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Jean [DPS]; Moon, Julie [IDR]; Mosiman, Mary [SOS]; Wegner, Mary [LIB]; Harris, Jontell [ICN]; White, Cheryl [DOT]; Friedrichsen, Jake [TOS]; Tymeson, Jodi [IDVA]; Castillo, Lisa [IWD] [redacted]
Subject: Personal Financial Disclosure Statements

February 4, 2013

To: All Designated Agency Contacts
From: Sharon Wright, Iowa Ethics & Campaign Disclosure Board

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Sharon

Sharon Wright
Administrative Assistant
IECDB
www.iowa.gov/ethics
(515) 281-4028 (phone)
(515) 281-4073 (fax)

[redacted]

From: Roederer, David [IDOM]
Sent: Monday, January 14, 2013 11:48 AM
To: Findley, Brenna [IGOV]
Subject: RE: Personal Financial Disclosure Statements

Thanks

From: Findley, Brenna [IGOV]
Sent: Monday, January 14, 2013 10:46 AM
To: Roederer, David [IDOM]
Subject: FW: Personal Financial Disclosure Statements

David,
I will keep monitoring this.
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sheryl.cook@kirkwood.edu; skarda@swcciowa.edu; smithron@niacc.edu; szeller@scciowa.edu; dkreykes@nwicc.edu; marsha.haworth@indianhills.edu; Olson, Fay [DOC]; Cownie, Mary [DCA]; Bickell, Tiffany [BLIND]; [redacted]; Crane, Jody [ED]; sherry.james@iowa.gov; Tooker, Megan [IECD]; clundeen@iowastatefair.org; Hoelscher, Doug [IGOV]; Wallis, Nancy [IFA]; crystal.woods@iowa.gov; Elming, Becky [IGOV]; Plogmann, Danielle [DHR]; Rossander, Harry [DHS]; Throener, Sara [DIA]; Reeves, Patricia [IPTV]; McElroy, Melinda; Ciechanowski, Arlen [ILEA]; Becker, Jamie [ILOT]; Roederer, David [IDOM]; Fynaardt, Karen [DNR]; Scott_Scheidel@ars.aon.com; Braunschweig-Norris, Jessica [IDR]; Matthes, Michelle [HSEMD]; Kuehn, Michael [IANG]; Luttrell, Leisa [PERB]; Brockman, Lorraine [IDPH]; Flattery, Jean [DPS]; Moon, Julie [IDR]; Mosiman, Mary [SOS]; Wegner, Mary [LIB]; Harris, Jontell [ICN]; White, Cheryl [DOT]; Friedrichsen, Jake [TOS]; Tymeson, Jodi [IDVA]; Castillo, Lisa [IWD]
Subject: Personal Financial Disclosure Statements

February 4, 2013

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From: **Sharon Wright, Iowa Ethics & Campaign Disclosure Board**

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Dear Contact:

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Sharon

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Administrative Assistant
IECDB
www.iowa.gov/ethics
(515) 281-4028 (phone)
(515) 281-4073 (fax)

[redacted]

From:	Roederer, David [IDOM]
Sent:	Tuesday, January 15, 2013 4:22 PM
To:	Wright, Sharon [IECD]
Cc:	Findley, Brenna [IGOV]; Johnson, Larry [IGOV]
Subject:	RE: Personal Financial Disclosure Statements

Thanks Sharon,
There is confusion as to what is to be included in the disclosure statement. Will guidance be provided?
Dave

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Subject: Personal Financial Disclosure Statements

February 4, 2013

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[redacted]

From:	Roederer, David [IDOM]
Sent:	Tuesday, January 15, 2013 4:59 PM
To:	Findley, Brenna [IGOV]; Johnson, Larry [IGOV]
Subject:	FW: Personal Financial Disclosure Statements

From: Roederer, David [IDOM]
Sent: Tuesday, January 15, 2013 4:58 PM
To: Tooker, Megan [IECD]; Wright, Sharon [IECD]
Subject: RE: Personal Financial Disclosure Statements

Thanks Megan! It should provide better guidance. Thanks

From: Tooker, Megan [IECD]
Sent: Tuesday, January 15, 2013 4:36 PM
To: Wright, Sharon [IECD]; Roederer, David [IDOM]
Subject: RE: Personal Financial Disclosure Statements

Dave,
We are working on improving our electronic filing system for personal financial disclosure reports. The system we envision will ask more specific questions and provide examples. Our goal is to gather better information and to make it easy on the filers so they don't have to refer to any extraneous instructions. We are still working on the details but we expect it will be up and running for the reports due this Spring.

Megan

From: Wright, Sharon [IECD]
Sent: Tuesday, January 15, 2013 4:27 PM
To: Roederer, David [IDOM]
Cc: Tooker, Megan [IECD]
Subject: RE: Personal Financial Disclosure Statements

Dave:
Yes. Right now we are just compiling a list of who will need to file.
Later we will provide instructions regarding how and what to file on the statement.

From: Roederer, David [IDOM]
Sent: Tuesday, January 15, 2013 4:22 PM
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Cc: Findley, Brenna [IGOV]; Johnson, Larry [IGOV]
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D. Head of a major subunit of an agency whose position involves a substantial exercise of administrative discretion OR expenditure of public funds.
E. Members of the following boards/commission:

The banking board, the ethics and campaign disclosure board, the credit union review board, the economic development board, the employment appeal board, the environmental protection commission, the health facilities council, the Iowa finance authority, the Iowa public employees' retirement system investment board, the board of the Iowa lottery authority, the natural resource commission, the board of parole, the petroleum underground storage tank fund board, the public employment relations board, the state racing and gaming commission, the state board of regents, the tax review board, the transportation commission, the office of consumer advocate, the utilities board, the Iowa telecommunications and technology commission, and any full-time members of other boards and commissions as defined under section 7E.4 who receive an annual salary for their service on the board or commission.

6. If you have any questions about who needs to file or about the process please let me know.

THANK YOU FOR YOUR ASSISTANCE AND PATIENCE.

Sharon

Sharon Wright
Administrative Assistant
IECDB
www.iowa.gov/ethics
(515) 281-4028 (phone)
(515) 281-4073 (fax)

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Wednesday, January 16, 2013 4:32 PM
To: Boeyink, Jeffrey [IGOV]
Subject: RE: Hair Testing

Yes, I will get the information for you. On the phone or do you want me to make appointment with you? Is there a specific bill to which they are referring?
Dr. Miller-Meeks

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, January 16, 2013 4:17 PM
To: Miller-Meeks, Mariannette [IDPH]
Subject: FW: Hair Testing

May we talk about this?

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Philip Smith [mailto:pcsmith@819eagle.com]
Sent: Wednesday, January 16, 2013 3:15 PM
To: Boeyink, Jeffrey [IGOV]
Subject: Hair Testing

Jeff. Looks like Health is not supporting changing definitions to include hair testing for drug abuse. Can you let me know status? Thanks. Phil
Sent by Droid Verizon Wireless

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, January 16, 2013 4:33 PM
To: Miller-Meeks, Mariannette [IDPH]
Subject: RE: Hair Testing

Let's try to talk in person in the next couple of days. Work with Becky to find a time that works for both of us.

Thanks.

Jeffrey Boeyink
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Sent by Droid Verizon Wireless

[redacted]

From:	Miller-Meeks, Mariannette [IDPH]
Sent:	Wednesday, January 16, 2013 4:34 PM
To:	Boeyink, Jeffrey [IGOV]
Subject:	RE: Hair Testing

I will arrange with her then.
You're welcome

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, January 16, 2013 4:33 PM
To: Miller-Meeks, Mariannette [IDPH]
Subject: RE: Hair Testing

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515.725.3535

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Sent: Wednesday, January 16, 2013 3:15 PM

To: Boeyink, Jeffrey [IGOV]
Subject: Hair Testing [redacted]

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Sent by Droid Verizon Wireless

This email message and its attachments may contain confidential information that is exempt from disclosure under Iowa Code chapters 22, 139A, and other applicable law. Confidential information is for the sole use of the intended recipient. If you believe that you have received this transmission in error, please reply to the sender, and then delete all copies of this message and any attachments. If you are not the intended recipient, you are hereby notified that any review, use, retention, dissemination, distribution, or copying of this message is strictly prohibited by law.

[redacted]

From: Hunter, Caleb [DAS]
Sent: Tuesday, January 22, 2013 3:49 PM
To: Albrecht, Tim [IGOV]; Roederer, David [IDOM]
Subject: FW: Health insurance
Attachments: Vol Participants as of 01222013 wo ssn .xlsx; Voluntary Premium Contribution RPT.XLSX

The answer is 12. In August it was 21

Numbers fluctuated (less AFSCME/IUP covered employees, more non-contracts) between August and January.

From: Roederer, David [IDOM]
Sent: Friday, January 18, 2013 3:18 PM
To: Holland, Ed [DAS]
Subject: FW: Health insurance

From: Lucey, Catherine [mailto:CLucey@ap.org]
Sent: Friday, January 18, 2013 3:17 PM
To: Roederer, David [IDOM]; Albrecht, Tim [IGOV]
Subject: Health insurance

Do you know how many state unionized worker have signed up to voluntarily pay 20 percent of their health care premiums as the Governor did?

Catherine

Catherine Lucey
Associated Press
Office: 515.288.6110
Mobile: 515.537.6570
Email: clucey@ap.org
Twitter: @catherine_lucey

msk dccc60c6d2c3a6438f0cf467d9a4938

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Monday, January 28, 2013 9:51 AM
To: Roederer, David [IDOM]; Oakley, Lisa [IDOM]
Cc: Gregg, Adam [IGOV]
Subject: FW: 1484 XL - Bill Draft Delivery from LSA - School Expenditure Limitation
Attachments: 1484XL_1359386570533.pdf

Let me know if this looks good to go. Thank you.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

-----Original Message-----
From: LSA - Legal Services [mailto:lsabills@legis.iowa.gov]
Sent: Monday, January 28, 2013 9:25 AM
To: Roederer, David [IDOM]; Boeyink, Jeffrey [IGOV]; Gregg, Adam [IGOV]
Cc: Johnson, Richard [LEGIS]; Laust, Sandra [LEGIS]
Subject: 1484 XL - Bill Draft Delivery from LSA - School Expenditure Limitation

Legislative Liaison:

Please find attached the following bill prepared for you by the Legal Services Division of the Legislative Services Agency (LSA)

LSA Bill Draft Delivery - 1484 XL - Bill Draft Delivery from LSA - School Expenditure Limitation

http://www.legis.iowa.gov/APPS/BMS/ApproveRejectBillRequest.aspx?BILLREQID=50818

Drafter - Michael Duster ((515) 281-4800) michael.duster@legis.iowa.gov

Help - If you have questions concerning the use of this electronic bill delivery and approval system contact the Computer Services Division's Help Desk at 281-6506.

Your Review - Please review the attached bill carefully to determine that your drafting instructions have been followed. Contact the drafter at the above e-mail or telephone number if you have any changes, corrections, or questions concerning the draft.

Seven-Day Period: You must act within 7 calendar days of your receipt of the bill to approve the bill or to request changes or corrections. Contact the drafter by e-mail or telephone to request changes or corrections.

Your Approval - To officially approve the bill for filing, you must click on the secure link located above. Please DO NOT reply to this e-mail.

Delivery - Once approved, LSA will deliver copies of your bill to legislative leaders for committee assignment.

Your Rejection - To officially reject the bill, you must click on the secure link located above. Please [redacted] e-mail.

Upon rejection contact the drafter at the above e-mail or telephone number to request changes or corrections.

Please provide changes or corrections in a manner where the changes and corrections are clearly and easily distinguishable from the language of the initial draft. Handwritten changes on a paper copy or instructions to change language on specified pages and lines are acceptable.

Please do not reply to this email as this email account is not monitored.

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BILL)

A BILL FOR

An Act relating to school district funding by establishing a school district property tax replacement fund, making appropriations, modifying terminology, and including effective date and applicability provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 1484XL (2) 85
md/sc

S.F. _____ H.F. _____

A 2013-07-01 E 0001-01-01
Section 1. Section 256C.4, subsection 1, paragraph f, Code 2013, is amended to read as follows:

f. The receipt of funding by a school district for the purposes of this chapter, the need for additional funding for the purposes of this chapter, or the enrollment count of eligible students under this chapter shall not be considered to be unusual circumstances, create an unusual need for additional funds, or qualify under any other circumstances that may be used by the school budget review committee to grant supplemental aid to or establish modified ~~allowable growth~~ state aid adjustment for a school district under section 257.31.

A 2013-07-01 E 0001-01-01
Sec. 2. Section 257.2, subsection 1, Code 2013, is amended by striking the subsection.

A 2013-07-01 E 0001-01-01
Sec. 3. Section 257.2, subsection 9, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *d.* Property tax replacement payments received under section 257.16B.

A 2013-07-01 E 0001-01-01
Sec. 4. Section 257.2, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 11A. *"State aid adjustment"* means the amount by which state cost per pupil and district cost per pupil will increase from one budget year to the next.

A 2013-07-01 E 0001-01-01
Sec. 5. Section 257.2, subsection 12, Code 2013, is amended to read as follows:

12. *"State percent of growth"* means the percent of growth which is established by statute pursuant to section 257.8, and which is used in determining the ~~allowable growth~~ state aid adjustment.

A 2013-07-01 E 0001-01-01
Sec. 6. Section 257.4, subsection 1, paragraph a, Code 2013, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (8) The amount of the school district property tax replacement payment received by the school district under section 257.16B.

A 2013-07-01 E 0001-01-01
Sec. 7. Section 257.4, subsection 1, paragraph b, Code 2013,

is amended to read as follows:

b. For the budget year beginning July 1, 2008, and succeeding budget years, the department of management shall annually determine an adjusted additional property tax levy and a statewide maximum adjusted additional property tax levy rate, not to exceed the statewide average additional property tax levy rate, calculated by dividing the total adjusted additional property tax levy dollars statewide by the statewide total net taxable valuation. For purposes of this paragraph, the adjusted additional property tax levy shall be that portion of the additional property tax levy corresponding to the state cost per pupil multiplied by a school district's weighted enrollment, ~~and~~ then multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1, and then reduced by the amount of property tax replacement received under section 257.16B. The district shall receive adjusted additional property tax levy aid in an amount equal to the difference between the adjusted additional property tax levy rate and the statewide maximum adjusted additional property tax levy rate, as applied per thousand dollars of assessed valuation on all taxable property in the district. ~~The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department taking into account amounts allocated pursuant to section 257.15, subsection 4.~~ The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department taking into account amounts allocated pursuant to section 257.15, subsection 4, and the balance of the property tax equity and relief fund created in section 257.16A at the end of the calendar year.

A 2013-07-01 E 0001-01-01

Sec. 8. Section 257.6, subsection 1, paragraph a, subparagraph (5), Code 2013, is amended to read as follows:

(5) Resident pupils receiving competent private instruction from a licensed practitioner provided through a public school district pursuant to chapter 299A shall be counted

as three-tenths of one pupil. Revenues received by a school district attributed to a school district's weighted enrollment pursuant to this subparagraph shall be expended for the purpose for which the weighting was assigned under this subparagraph. If the school district determines that the expenditures associated with providing competent private instruction pursuant to chapter 299A are in excess of the revenue attributed to the school district's weighted enrollment for such instruction in accordance with this subparagraph, the school district may submit a request to the school budget review committee for modified ~~allowable growth~~ state aid adjustment in accordance with section 257.31, subsection 5, paragraph *"n"*. A home school assistance program shall not provide moneys received pursuant to this subparagraph, nor resources paid for with moneys received pursuant to this subparagraph, to parents or students utilizing the program. Moneys received by a school district pursuant to this subparagraph shall be used as provided in section 299A.12.

A 2013-07-01 E 0001-01-01 Sec. 9. Section 257.8, subsections 3, 6, and 7, Code 2013, are amended to read as follows:

3. *~~Allowable growth~~ State aid adjustment calculation.* The department of management shall calculate the regular program ~~allowable growth~~ state aid adjustment for a budget year by multiplying the state percent of growth for the budget year by the regular program state cost per pupil for the base year and shall calculate the special education support services ~~allowable growth~~ state aid adjustment for the budget year by multiplying the state percent of growth for the budget year by the special education support services state cost per pupil for the base year.

6. *Combined ~~allowable growth~~ state aid adjustment.* The combined ~~allowable growth~~ state aid adjustment per pupil for each school district is the sum of the regular program ~~allowable growth~~ state aid adjustment per pupil and the special education support services ~~allowable growth~~ state aid

adjustment per pupil for the budget year, which may be modified as follows:

a. By the school budget review committee under section 257.31.

b. By the department of management under section 257.36.

7. *Alternate ~~allowable growth~~ state aid adjustment — definitions.* For budget years beginning July 1, 2000, and subsequent budget years, references to the terms *~~"allowable growth"~~ "state aid adjustment"*, *"regular program state cost per pupil"*, and *"regular program district cost per pupil"* shall mean those terms as calculated for those school districts that calculated regular program ~~allowable growth~~ state aid adjustment for the school budget year beginning July 1, 1999, with the additional thirty-eight dollars specified in section 257.8, subsection 4, Code 2013.

A 2013-07-01 E 0001-01-01

Sec. 10. Section 257.8, subsections 4 and 5, Code 2013, are amended by striking the subsections.

A 2013-07-01 E 0001-01-01

Sec. 11. Section 257.9, subsection 1, paragraph b, Code 2013, is amended to read as follows:

b. The total calculated under this subsection shall be divided by the total of the budget enrollments of all school districts for the budget year beginning July 1, 1990, calculated under section 257.6, subsection 4, if section 257.6, subsection 4, had been in effect for that budget year. The regular program state cost per pupil for the budget year beginning July 1, 1991, is the amount calculated by the department of management under this subsection plus ~~an allowable growth~~ a state aid adjustment amount, as defined in this Act, that is equal to the state percent of growth for the budget year multiplied by the amount calculated by the department of management under this subsection.

A 2013-07-01 E 0001-01-01

Sec. 12. Section 257.9, subsections 2, 4, 6, 7, 8, 9, and 10, Code 2013, are amended to read as follows:

2. *Regular program state cost per pupil for 1992-1993 and succeeding years.* For the budget year beginning July 1, 1992,

and succeeding budget years, the regular program state cost per pupil for a budget year is the regular program state cost per pupil for the base year plus the regular program ~~allowable growth~~ state aid adjustment for the budget year.

4. *Special education support services state cost per pupil for 1992-1993 and succeeding years.* For the budget year beginning July 1, 1992, and succeeding budget years, the special education support services state cost per pupil for the budget year is the special education support services state cost per pupil for the base year plus the special education support services ~~allowable growth~~ state aid adjustment for the budget year.

6. *Teacher salary supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the teacher salary supplement state cost per pupil, the department of management shall add together the teacher compensation allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"h"*, Code 2009, and the phase II allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The teacher salary supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus ~~an allowable growth~~ a state aid adjustment amount that is equal to the teacher salary supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

7. *Professional development supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the professional development supplement state cost per pupil, the department of management shall add together the professional

development allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph "d", Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The professional development supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus ~~an allowable growth~~ a state aid adjustment amount that is equal to the professional development supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

8. *Early intervention supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the early intervention supplement state cost per pupil, the department of management shall add together the early intervention allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 256D.4, Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The early intervention supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus ~~an allowable growth~~ a state aid adjustment amount that is equal to the early intervention supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

9. *Area education agency teacher salary supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the area education agency teacher salary supplement state cost per pupil, the department of management shall add together the

teacher compensation allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph "i", Code 2009, and the phase II allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the statewide special education support services weighted enrollment for the fiscal year beginning July 1, 2009. The area education agency teacher salary supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus ~~an allowable growth~~ a state aid adjustment amount that is equal to the teacher salary supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

10. *Area education agency professional development supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the area education agency professional development supplement state cost per pupil, the department of management shall add together the professional development allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph "d", Code 2009, and divide that sum by the statewide special education support services weighted enrollment for the fiscal year beginning July 1, 2009. The area education agency professional development supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus ~~an allowable growth~~ a state aid adjustment amount that is equal to the professional development supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the

department of management under this subsection for the base year.

A 2013-07-01 E 0001-01-01

Sec. 13. Section 257.10, subsection 1, Code 2013, is amended to read as follows:

1. *Regular program district cost per pupil for 1991-1992.* For the budget year beginning July 1, 1991, in order to determine the regular program district cost per pupil for a district, the department of management shall divide the product of the regular program district cost per pupil of the district for the base year, as regular program district cost per pupil would have been calculated under section 442.9, Code 1989, multiplied by its budget enrollment for the base year as budget enrollment would have been calculated under section 442.4, Code 1989, plus the amount added to district cost pursuant to section 442.21, Code 1989, for each school district, by the budget enrollment of the school district for the budget year beginning July 1, 1990, calculated under section 257.6, subsection 4, as if section 257.6, subsection 4, had been in effect for that budget year. The regular program district cost per pupil for the budget year beginning July 1, 1991, is the amount calculated by the department of management under this subsection plus the ~~allowable growth~~ state aid adjustment amount, as defined in this Act, calculated for regular program state cost per pupil, except that if the regular program district cost per pupil for the budget year calculated under this subsection in any school district exceeds one hundred ten percent of the regular program state cost per pupil for the budget year, the department of management shall reduce the regular program district cost per pupil of that district for the budget year to an amount equal to one hundred ten percent of the regular program state cost per pupil for the budget year, and if the regular program district cost per pupil for the budget year calculated under this subsection in any school district is less than the regular program state cost per pupil for the budget year, the department of management shall

increase the regular program district cost per pupil of that district to an amount equal to the regular program state cost per pupil for the budget year.

Sec. 14. Section 257.10, subsection 2, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 1992, and succeeding budget years, the regular program district cost per pupil for each school district for a budget year is the regular program district cost per pupil for the base year plus the regular program ~~allowable growth~~ state aid adjustment for the budget year except as otherwise provided in this subsection.

Sec. 15. Section 257.10, subsection 4, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 1992, and succeeding budget years, the special education support services district cost per pupil for the budget year is the special education support services district cost per pupil for the base year plus the special education support services ~~allowable growth~~ state aid adjustment for the budget year.

Sec. 16. Section 257.10, subsection 5, Code 2013, is amended to read as follows:

5. *Combined district cost per pupil.* The combined district cost per pupil for a school district is the sum of the regular program district cost per pupil and the special education support services district cost per pupil. Combined district cost per pupil does not include modified ~~allowable growth~~ state aid adjustment added for school districts that have a negative balance of funds raised for special education instruction programs, modified ~~allowable growth~~ state aid adjustment granted by the school budget review committee for a single school year, or modified ~~allowable growth~~ state aid adjustment added for programs for dropout prevention.

Sec. 17. Section 257.10, subsection 9, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"h"*, Code 2009, and the phase II allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the district's budget enrollment in the fiscal year beginning July 1, 2009, to determine the teacher salary supplement district cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the teacher salary supplement district cost per pupil for each school district for a budget year is the teacher salary supplement program district cost per pupil for the base year plus the teacher salary supplement state ~~allowable growth~~ aid adjustment amount for the budget year.

A 2013-07-01 E 0001-01-01

Sec. 18. Section 257.10, subsection 10, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall divide the professional development allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, by the district's budget enrollment in the fiscal year beginning July 1, 2009, to determine the professional development supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the professional development supplement district cost per pupil for each school district for a budget year is the professional development supplement district cost per pupil for the base year plus the professional development supplement state ~~allowable growth~~ aid adjustment amount for the budget year.

A 2013-07-01 E 0001-01-01

Sec. 19. Section 257.10, subsection 11, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall divide the early intervention allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 256D.4, Code 2009, by the district's budget enrollment in the fiscal year beginning July 1, 2009, to determine the early intervention supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the early intervention supplement district cost per pupil for each school district for a budget year is the early intervention supplement district cost per pupil for the base year plus the early development supplement state ~~allowable growth~~ aid adjustment amount for the budget year.

A 2013-07-01 E 0001-01-01

Sec. 20. Section 257.13, subsections 2 and 3, Code 2013, are amended to read as follows:

2. The board of directors of a school district that wishes to receive an on-time funding budget adjustment shall adopt a resolution to receive the adjustment and notify the school budget review committee annually, but not earlier than November 1, as determined by the department of education. The school budget review committee shall establish a modified ~~allowable growth~~ state aid adjustment in an amount determined pursuant to subsection 1.

3. If the board of directors of a school district determines that a need exists for additional funds exceeding the authorized budget adjustment for on-time funding pursuant to this section, a request for modified ~~allowable growth~~ state aid adjustment based upon increased enrollment may be submitted to the school budget review committee as provided in section 257.31.

A 2013-07-01 E 0001-01-01

Sec. 21. Section 257.15, subsection 4, paragraph b, Code 2013, is amended to read as follows:

b. After lowering all school district adjusted additional property tax levy rates to the statewide maximum adjusted additional property tax levy rate under paragraph "*a*", the department of management shall use any remaining funds at the end of the calendar year to further lower additional property taxes by increasing for the budget year beginning the following July 1, the state foundation base percentage. Moneys used pursuant to this paragraph shall supplant an equal amount of the appropriation made from the general fund of the state pursuant to section 257.16 that represents the increase in state foundation aid.

A 2013-07-01 E 0001-01-01

Sec. 22. <u>NEW SECTION</u>. **257.16B School district property tax replacement fund — payments.**

1. *a.* A school district property tax replacement fund is created in the state treasury under the authority of the department of management. For each fiscal year beginning on or after July 1, 2013, there is appropriated from the general fund of the state to the fund an amount necessary to make all school district property tax replacement payments under this section.

b. There is appropriated annually all moneys in the fund to the department of management for purposes of providing replacement payments to school districts pursuant to this section.

2. For each budget year beginning on or after July 1, 2013, the amount of money in the school district property tax replacement fund shall be used to provide school district replacement payments to each school district in the state as calculated in subsection 3, paragraph "*c*".

3. For each budget year beginning on or after July 1, 2013, the department of management shall calculate for each school district all of the following:

a. The state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

b. The state cost per pupil for the budget year multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

c. The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year multiplied by the remainder of the amount calculated for the school district under paragraph "b" minus the amount calculated for the school district under paragraph "a".

4. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund. Moneys in the fund are not subject to the provisions of section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section.

A 2013-07-01 E 0001-01-01 Sec. 23. Section 257.31, subsection 5, unnumbered paragraph 1, Code 2013, is amended to read as follows:

If a district has unusual circumstances, creating an unusual need for additional funds, including but not limited to the circumstances enumerated in paragraphs "a" through "n", the committee may grant supplemental aid to the district from any funds appropriated to the department of education for the use of the school budget review committee for the purposes of this subsection. The school budget review committee shall review a school district's unexpended fund balance prior to any decision regarding unusual finance circumstances. Such aid shall be miscellaneous income and shall not be included in district cost. In addition to or as an alternative to granting supplemental aid the committee may establish a modified ~~allowable growth~~ state aid adjustment for the district by increasing its ~~allowable growth~~ state aid adjustment. The school budget review committee shall review a school district's unspent balance prior to any decision to increase modified ~~allowable growth~~ state aid adjustment under this subsection.

A 2013-07-01 E 0001-01-01 Sec. 24. Section 257.31, subsection 6, paragraph a, Code 2013, is amended to read as follows:

a. The committee shall establish a modified ~~allowable growth~~ state aid adjustment for a district by increasing its ~~allowable growth~~ state aid adjustment when the district submits evidence that it requires additional funding for removal, management, or abatement of environmental hazards due to a state or federal requirement. Environmental hazards shall include but are not limited to the presence of asbestos, radon, or the presence of any other hazardous material dangerous to health and safety.

Sec. 25. Section 257.31, subsection 7, paragraph b, Code 2013, is amended to read as follows:

b. Other expenditures, including but not limited to expenditures for salaries or recurring costs, are not authorized under this subsection. Expenditures authorized under this subsection shall not be included in ~~allowable growth~~ state aid adjustment or district cost, and the portion of the unexpended fund balance which is authorized to be spent shall be regarded as if it were miscellaneous income. Any part of the amount not actually spent for the authorized purpose shall revert to its former status as part of the unexpended fund balance.

Sec. 26. Section 257.31, subsection 14, paragraph b, subparagraph (3), Code 2013, is amended to read as follows:

(3) A school district is only eligible to receive supplemental aid payments during the budget year if the school district certifies to the school budget review committee that for the year following the budget year it will notify the school budget review committee to instruct the director of the department of management to increase the district's ~~allowable growth~~ state aid adjustment and will fund the ~~allowable growth~~ state aid adjustment increase either by using moneys from its unexpended fund balance to reduce the district's property tax levy or by using cash reserve moneys to equal the amount of the deficit that would have been property taxes and any part of the state aid portion of the deficit not received as supplemental aid under this subsection. The director of the department of management shall make the necessary adjustments to the school district's budget to provide the modified ~~allowable growth~~ state aid adjustment and shall make the supplemental aid

payments.

A 2013-07-01 E 0001-01-01

Sec. 27. Section 257.32, subsection 1, paragraph a, Code 2013, is amended to read as follows:

a. An area education agency budget review procedure is established for the school budget review committee created in section 257.30. The school budget review committee, in addition to its duties under section 257.31, shall meet and hold hearings each year to review unusual circumstances of area education agencies, either upon the committee's motion or upon the request of an area education agency. The committee may grant supplemental aid to the area education agency from funds appropriated to the department of education for area education agency budget review purposes, or an amount may be added to the area education agency special education support services ~~allowable growth~~ state aid adjustment for districts in an area or an additional amount may be added to district cost for media services or educational services for all districts in an area for the budget year either on a temporary or permanent basis, or both.

A 2013-07-01 E 0001-01-01

Sec. 28. Section 257.37, subsections 1 and 3, Code 2013, are amended to read as follows:

1. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for media services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for media services in the base year shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the department of management shall compute the state media services cost per pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the ~~allowable growth~~ state aid adjustment for media services in the budget year by multiplying the state

media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the ~~allowable growth~~ state aid adjustment for media services in the budget year times the enrollment served in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.

3. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for educational services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for educational services in the base year shall be divided by the enrollment served in the area in the base year to provide an area educational services cost per pupil in the base year, and the department of management shall compute the state educational services cost per pupil in the base year, which is equal to the average of the area educational services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the ~~allowable growth~~ state aid adjustment for educational services by multiplying the state educational services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for educational services for the budget year equals the area educational services cost per pupil for the base year plus the ~~allowable growth~~ state aid adjustment for educational services in the budget year times the enrollment served in the area in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.

A 2013-07-01 E 0001-01-01

Sec. 29. Section 257.37A, subsection 1, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"i"*, Code 2009, and the phase II allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the special education support services weighted enrollment in the fiscal year beginning July 1, 2009, to determine the area education agency teacher salary supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the area education agency teacher salary supplement district cost per pupil for each area education agency for a budget year is the area education agency teacher salary supplement district cost per pupil for the base year plus the area education agency teacher salary supplement state ~~allowable growth~~ aid adjustment amount for the budget year.

A 2013-07-01 E 0001-01-01

Sec. 30. Section 257.37A, subsection 2, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall divide the area education agency professional development supplement made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, by the special education support services weighted enrollment in the fiscal year beginning July 1, 2009, to determine the professional development supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the area education agency professional development supplement district cost per pupil for each area education agency for a budget year is the area education agency professional development supplement district cost per pupil for the base year plus the area education agency professional development supplement state ~~allowable growth~~ aid adjustment amount for the budget year.

A 2013-07-01 E 0001-01-01

Sec. 31. Section 257.38, subsection 1, unnumbered paragraph

1, Code 2013, is amended to read as follows:

Boards of school districts, individually or jointly with boards of other school districts, requesting to use modified ~~allowable growth~~ state aid adjustment for programs for returning dropouts and dropout prevention, shall submit comprehensive program plans for the programs and budget costs, including annual requests for modified ~~allowable growth~~ state aid adjustment for funding the programs, to the department of education as a component of the comprehensive school improvement plan submitted to the department pursuant to section 256.7, subsection 21. The program plans shall include:

A 2013-07-01 E 0001-01-01

Sec. 32. Section 257.38, subsection 2, Code 2013, is amended to read as follows:

2. Program plans shall identify the parts of the plan that will be implemented first upon approval of the request. If a district is requesting to use modified ~~allowable growth~~ state aid adjustment to finance the program, the school district shall not identify more than five percent of its budget enrollment for the budget year as returning dropouts and potential dropouts.

A 2013-07-01 E 0001-01-01

Sec. 33. Section 257.40, Code 2013, is amended to read as follows:

257.40 Approval of programs for returning dropouts and dropout prevention — annual report.

1. The board of directors of a school district requesting to use modified ~~allowable growth~~ state aid adjustment for programs for returning dropouts and dropout prevention shall submit requests for modified at-risk ~~allowable growth~~ state aid adjustment, including budget costs, to the department not later than December 15 of the year preceding the budget year during which the program will be offered. The department shall review the request and shall prior to January 15 either grant approval for the request or return the request for approval with comments of the department included. An unapproved request for a program may be resubmitted with modifications to the

department not later than February 1. Not later than February 15, the department shall notify the department of management and the school budget review committee of the names of the school districts for which programs using modified ~~allowable growth~~ state aid adjustment for funding have been approved and the approved budget of each program listed separately for each school district having an approved request.

2. Beginning January 15, 2007, the department shall submit an annual report to the chairpersons and ranking members of the senate and house education committees that includes the ways school districts in the previous school year used modified ~~allowable growth~~ state aid adjustment approved under subsection 1; identifies, by grade level, age, and district size, the students in the dropout and dropout prevention programs for which the department approves a request; describes school district progress toward increasing student achievement and attendance for the students in the programs; and describes how the school districts are using the revenues from the modified ~~allowable growth~~ state aid adjustment to improve student achievement among minority subgroups.

A 2013-07-01 E 0001-01-01

Sec. 34. Section 257.41, subsections 1 and 3, Code 2013, are amended to read as follows:

1. *Budget.* The budget of an approved program for returning dropouts and dropout prevention for a school district, after subtracting funds received from other sources for that purpose, shall be funded annually on a basis of one-fourth or more from the district cost of the school district and up to three-fourths by an increase in ~~allowable growth~~ state aid adjustment as defined in section 257.8. Annually, the department of management shall establish a modified ~~allowable growth~~ state aid adjustment for each such school district equal to the difference between the approved budget for the program for returning dropouts and dropout prevention for that district and the sum of the amount funded from the district cost of the school district plus funds received from other sources.

3. *Limitation.* For the fiscal year beginning July 1, 2013, and each succeeding fiscal year, the ratio of the amount of modified ~~allowable growth~~ state aid adjustment established by the department of management compared to the school district's total regular program district cost shall not exceed two and one-half percent. However, if the school district's highest such ratio so determined for any fiscal year beginning on or after July 1, 2009, but before July 1, 2013, exceeded two and one-half percent, the ratio may exceed two and one-half percent but shall not exceed the highest such ratio established during that period.

A 2013-07-01 E 0001-01-01

Sec. 35. Section 257.46, subsection 2, Code 2013, is amended to read as follows:

2. The remaining portion of the budget shall be funded by the thirty-eight dollar increase in ~~allowable growth~~ state aid adjustment, as defined in this Act, for the school budget year beginning July 1, 1999, multiplied by a district's budget enrollment. The thirty-eight dollar increase for the school budget year beginning July 1, 1999, shall increase in subsequent years by each year's state percent of growth. School districts shall annually report the amount expended for a gifted and talented program to the department of education. The proportion of a school district's budget which corresponds to the thirty-eight dollar increase in ~~allowable growth~~ state aid adjustment, as defined in this Act, for the school budget year beginning July 1, 1999, added to the amount in subsection 1, shall be utilized exclusively for a school district's gifted and talented program.

A 2013-07-01 E 0001-01-01

Sec. 36. Section 273.23, subsection 8, Code 2013, is amended to read as follows:

8. For the school year beginning on the effective date of an area education agency reorganization as provided in this subchapter, the special education support services cost per pupil shall be based upon the combined base year budgets for special education support services of the area

education agencies that reorganized to form the newly formed area education agency, divided by the total of the weighted enrollment for special education support services in the reorganized area education agency for the base year plus the ~~allowable growth~~ state aid adjustment amount per pupil for special education support services for the budget year as calculated in section 257.8.

A 2013-07-01 E 0001-01-01

Sec. 37. Section 280.4, subsection 3, Code 2013, is amended to read as follows:

3. In order to provide funds for the excess costs of instruction of limited English proficient students above the costs of instruction of pupils in a regular curriculum, students identified as limited English proficient shall be assigned an additional weighting of twenty-two hundredths, and that weighting shall be included in the weighted enrollment of the school district of residence for a period not exceeding four years. However, the school budget review committee may grant supplemental aid or modified ~~allowable growth~~ state aid adjustment to a school district to continue funding a program for students after the expiration of the four-year period.

Sec. 38. EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 39. APPLICABILITY. This Act applies to school budget years beginning on or after July 1, 2013.

EXPLANATION

This bill relates to school district funding by establishing a school district property tax replacement fund, providing for school district property tax replacement payments, and modifying school district funding terminology.

The bill establishes a school district property tax replacement fund under the authority of the department of management. For each fiscal year beginning on or after July 1, 2014, the bill appropriates from the general fund of the state to the school district property tax replacement fund an amount necessary to make all school district property tax replacement payments under new Code section 257.16B. The bill appropriates the moneys in the replacement fund to the department of management for that purpose.

Under the bill, for each budget year beginning on or after July 1, 2014, each school district's property tax replacement payment amount is equal to the school district's weighted enrollment for the budget year multiplied by the difference of the following: (1) the state cost per pupil for the budget year multiplied by 100 percent less the regular program foundation base per pupil percentage pursuant to Code section 257.1 and (2) the state cost per pupil for the budget year beginning July 1, 2012, multiplied by 100 percent less the regular program foundation base per pupil percentage pursuant to Code section 257.1.

The bill modifies the definition of miscellaneous income under Code chapter 257 to exclude property tax replacement payments received by a school district under new Code section 257.16B. The bill also modifies the calculation for determining the amount of a school district's additional property tax levy to reflect property tax replacement payment amounts received under new Code section 257.16B.

The bill modifies school district funding terminology in Code chapters 256C, 257, 273, and 280 by changing the term "allowable growth" to "state aid adjustment" and by changing the term "modified allowable growth" to "modified state aid adjustment".

The bill takes effect upon enactment and applies to school budget years beginning on or after July 1, 2013.

[redacted]

From:	Boeyink, Jeffrey [IGOV]
Sent:	Wednesday, January 30, 2013 4:37 PM
To:	Oakley, Lisa [IDOM]; Roederer, David [IDOM]
Subject:	FW: 1484 XL - Bill Draft Delivery from LSA - School Expenditure Limitation
Attachments:	1484XL_1359579419862.pdf

Does this now work?

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

-----Original Message-----
From: LSA - Legal Services [mailto:lsabills@legis.iowa.gov]
Sent: Wednesday, January 30, 2013 2:58 PM
To: Roederer, David [IDOM]; Boeyink, Jeffrey [IGOV]; Gregg, Adam [IGOV]
Cc: Johnson, Richard [LEGIS]; Laust, Sandra [LEGIS]
Subject: 1484 XL - Bill Draft Delivery from LSA - School Expenditure Limitation

Legislative Liaison:

Please find attached the following bill prepared for you by the Legal Services Division of the Legislative Services Agency (LSA)

LSA Bill Draft Delivery - 1484 XL - Bill Draft Delivery from LSA - School Expenditure Limitation

http://www.legis.iowa.gov/APPS/BMS/ApproveRejectBillRequest.aspx?BILLREQID=50818

Drafter - Michael Duster ((515) 281-4800) michael.duster@legis.iowa.gov

Help - If you have questions concerning the use of this electronic bill delivery and approval system contact the Computer Services Division's Help Desk at 281-6506.

Your Review - Please review the attached bill carefully to determine that your drafting instructions have been followed. Contact the drafter at the above e-mail or telephone number if you have any changes, corrections, or questions concerning the draft.

Seven-Day Period: You must act within 7 calendar days of your receipt of the bill to approve the bill or to request changes or corrections. Contact the drafter by e-mail or telephone to request changes or corrections.

Your Approval - To officially approve the bill for filing, you must click on the secure link located above. Please DO NOT reply to this e-mail.

Delivery - Once approved, LSA will deliver copies of your bill to legislative leaders for committee assignment.

Your Rejection - To officially reject the bill, you must click on the secure link located above. Please DO NOT reply to this e-mail. [redacted]

Upon rejection contact the drafter at the above e-mail or telephone number to request changes or corrections.

Please provide changes or corrections in a manner where the changes and corrections are clearly and easily distinguishable from the language of the initial draft. Handwritten changes on a paper copy or instructions to change language on specified pages and lines are acceptable.

Please do not reply to this email as this email account is not monitored.

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, February 06, 2013 8:54 AM
To: Carroll, Mike [DAS]; Minnehan Golightly, Michelle [DAS]
Subject: Update on new DAS rule

Would like an update on progress towards implementing the DAS confidential employee rule.

Was looking at tomorrow, if possible.

Any time windows work best for you two?

Thanks.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

[redacted]]

Subject: Confidential Employee
Location: Jeff's Office

Start: Thu 2/7/2013 2:00 PM
End: Thu 2/7/2013 3:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Carroll, Mike [DAS]
Required Attendees: Minnehan Golightly, Michelle [DAS]; Boeyink, Jeffrey [IGOV]

When: Thursday, February 07, 2013 2:00 PM-3:00 PM (UTC-06:00) Central Time (US & Canada).
Where: Jeff's Office

Note: The GMT offset above does not reflect daylight saving time adjustments.

~~*~*~*~*~*~*~*~*

[redacted]

From: Carroll, Mike [DAS]
Sent: Wednesday, February 06, 2013 1:17 PM
To: Boeyink, Jeffrey [IGOV]; Minnehan Golightly, Michelle [DAS]
Subject: RE: Update on new DAS rule

Tera is coordinating schedules and will be back to you soon.

Thanks,

DAS Iowa Department of Administrative Services
Government's Partner in Achieving Results

Mike Carroll, Director
Iowa Department of Administrative Services
Office: (515) 281-3273
Cell: (515) 868-2038
FAX: (515) 281-6140
mike.carroll@iowa.gov

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, February 06, 2013 8:54 AM
To: Carroll, Mike [DAS]; Minnehan Golightly, Michelle [DAS]
Subject: Update on new DAS rule

Would like an update on progress towards implementing the DAS confidential employee rule.

Was looking at tomorrow, if possible.

Any time windows work best for you two?

Thanks.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319

[redacted]

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, February 06, 2013 2:55 PM
To: Carroll, Mike [DAS]
Subject: Accepted: Confidential Employee

[redacted]

From:	Carroll, Mike [DAS]
Sent:	Thursday, February 07, 2013 3:01 PM
To:	IA Dept Directors - Executive Branch
Cc:	IA Dept Directors Assistants; Boeyink, Jeffrey [IGOV]
Subject:	RE: DAS - Implementation of Definition of Confidential Employee (11 IAC 50.1)
Attachments:	Memo to Directors - Implementation of Confidential Definition.pdf; Instructions for Completing Merit Exemption Requests for Implementation ....pdf; M-0765 Merit Exemption Request for Change to Administrative Rule Regardi....docx

TO: Department Directors

FR: Mike Carroll

RE: Implementation of Definition of Confidential Employee (11 IAC 50.1) effective December 19, 2012

In conjunction with the Governor's office, DAS is requiring all forms referenced in the initial e-mail below and attached to this e-mail be submitted no later than March 1, 2013. We thank those of you who have already submitted your forms, and look forward to completing the process with your departments.

For those departments who have questions or need assistance in completing these forms by March 1, please contact Stefanie Pirkl in Human Resources at stefanie.pirkl@iowa.gov or by phone at (515) 281-4415.

Thank you in advance for your cooperation.

DAS Iowa Department of Administrative Services
Government's Partner in Achieving Results

Mike Carroll, Director
Iowa Department of Administrative Services
Office: (515) 281-3273
Cell: (515) 868-2038
FAX: (515) 281-6140
mike.carroll@iowa.gov

From: Granger, Tera [DAS] **On Behalf Of** Carroll, Mike [DAS]
Sent: Wednesday, January 02, 2013 10:16 AM

To: IA Dept Directors - Executive Branch
Cc: IA Dept Directors Assistants; Boeyink, Jeffrey [IGOV] [redacted]
Subject: DAS - Implementation of Definition of Confidential Employee (11 IAC 50.1)

TO: Department Directors

FR: Mike Carroll

RE: Implementation of Definition of Confidential Employee (11 IAC 50.1) effective December 19, 2012

The Department of Administrative Services (DAS) has amended the definition of *confidential employee* for purposes of merit system coverage. In an effort to facilitate the implementation of this change in an efficient manner, DAS has developed a separate process for existing positions within your agency. The first step is to begin to identify positions impacted by the administrative rule change. Refer to the attachment titled, *Instructions for Completing Merit Exemption Request,* for instructions on identifying these positions. Once these positions have been identified, your agency will need to complete the attached forms and send them to DAS for review:

- Merit Exemption Request for Change to Administrative Rule Regarding Confidential Employee Form
- Positions Impacted by Change to Administrative Rule Regarding Confidential Employee (spreadsheet)

The DAS personnel officer assigned to your agency is available to consult with you to identify positions impacted.

Please submit completed documents via email to chris.peden@iowa.gov. Following submission of completed documents, the DAS personnel officer assigned to your agency will work with you through the implementation process. Please contact the

DAS Iowa Department of Administrative Services
Government's Partner in Achieving Results

Mike Carroll, Director
Iowa Department of Administrative Services
Office: (515) 281-3273
Cell: (515) 868-2038
FAX: (515) 281-6140
mike.carroll@iowa.gov

Iowa Department of Administrative Services
Government's Partner in Achieving Results
DAS

Governor Terry E. Branstad
Lt. Governor Kim Reynolds
Mike Carroll, Director

January 2, 2013

MEMORANDUM

TO: Department Directors

FR: Mike Carroll

RE: Implementation of Definition of Confidential Employee (11 IAC 50.1) effective December 19, 2012

The Department of Administrative Services (DAS) has amended the definition of *confidential employee* for purposes of merit system coverage. In an effort to facilitate the implementation of this change in an efficient manner, DAS has developed a separate process for existing positions within your agency. The first step is to begin to identify positions impacted by the administrative rule change. Refer to the attachment titled, *Instructions for Completing Merit Exemption Request,* for instructions on identifying these positions. Once these positions have been identified, your agency will need to complete the attached forms and send them to DAS for review:

- Merit Exemption Request for Change to Administrative Rule Regarding Confidential Employee Form
- Positions Impacted by Change to Administrative Rule Regarding Confidential Employee (spreadsheet)

The DAS personnel officer assigned to your agency is available to consult with you to identify positions impacted.

Please submit completed documents via email to chris.peden@iowa.gov. Following submission of completed documents, the DAS personnel officer assigned to your agency will work with you through the implementation process. Please contact the DAS personnel officer assigned to your agency if you have any questions concerning this process.

cc: Personnel Officers

Attachments: Merit Exemption Request for Administrative Rule Change Form
Positions Impacted by Administrative Rule Change
Instructions for Completing Merit Exemption Request

Implementation of Definition of Confidential Employee (11 IAC 50.1)
Instructions for Completing Merit Exemption Requests

The definition of *confidential employee* for purposes of merit system coverage in Administrative Rule 11 IAC 50.1 has been amended. Refer to the revised administrative rule below. The process outlined below has been developed specifically for implementing this change to existing positions. Please submit the *Merit Exemption Questionnaire form* to request exclusion from the merit system provisions for newly established positions.

The following documents will need to be completed, submitted to and reviewed by the Department of Administrative Services (DAS):

- Merit Exemption Request for Change to Administrative Rule Regarding Confidential Employee Form
- Positions Impacted by Change to Administrative Rule Regarding Confidential Employee (spreadsheet)

The DAS personnel officer assigned to the agency is available to answer any questions and to provide consultation in order to identify positions that may be impacted by the rule change.

The suggested method for identifying the impact to positions is as follows:

1. Start at the director level. Identify positions that serve on the director's management and legal teams.
2. Review the job function/title (e.g., deputy director, division administrator, general counsel, public information officer, legislative liaison, etc.).
3. Determine whether there is an on-going confidential relationship with the director, and whether each position serves on the management or legal team of the director.
4. Repeat steps 1-3 for the deputy, division administrator(s), and board/commission levels.
5. Complete the spreadsheet by documenting the positions identified in steps 1-4 above. Ensure that completed forms are signed by the Director, as required.

Submit completed documents via email to Chris Peden at chris.peden@iowa.gov. After the documents are reviewed, the DAS personnel officer will contact the agency if there are further questions. When a final determination is made, the DAS personnel officer will advise the agency and work with the agency through the implementation process, including drafting notice to affected employees.

Revised Administrative Rule 11 IAC 50.1:

> *"Confidential employee"* means, for purposes of merit system coverage, the personal secretary of: an elected official of the executive branch or a person appointed to fill a vacancy in an elective office, the chair of a full-time board or commission, or the director of a state agency; as well as the nonprofessional staff in the office of the auditor of state, and the nonprofessional staff in the department of justice except those reporting to the administrator of the consumer advocate division. <u>"Confidential employee" also means an employee who is in a confidential relationship with a director, chief deputy administrative officer, a division administrator, or a similar position, and at the same time is a part of the management team, legal team, or both of said director, chief deputy administrative officer, a division administrator, or similar position. For purposes of this rule, a confidential relationship means a relationship in which one person has a duty to the other not to disclose information</u>. (Emphasis added.)

MERIT EXEMPTION REQUEST FOR CHANGE TO ADMINISTRATIVE RULE REGARDING DEFINITION OF CONFIDENTIAL EMPLOYEE

This request is to be completed to determine exclusion from the merit system provisions in accordance with 8A.412(16) of the Iowa Code for existing positions within an agency. Submit this completed form with the form titled, *Positions Impacted by Administrative Rule Change*, to chris.peden@iowa.gov. Only one form needs to be submitted for all affected positions.

Note: This form is not required for new positions. Please submit the Merit Exemption Questionnaire form to request exclusion from the merit system provisions for newly established positions.

Department Name ______________________________

Number of Positions to be Exempted: ______________________________

Department Director: ______________________________

______________________________ ______________________________
Signature Date

DEPARTMENT OF ADMINISTRATIVE SERVICES ONLY:

☐ Excluded

☐ Covered

Comments:

____
____
____
____
____
____
____

______________________________ ______________________________
Signature Date

CFN 552-0765 12/12

[redacted]

From:	Miller-Meeks, Mariannette [IDPH]
Sent:	Monday, February 11, 2013 10:58 AM
To:	Boeyink, Jeffrey [IGOV]
Subject:	RE: Hair Testing Fact Sheet

Jeff,
I will discuss with Kathy Stone, the division director of Behavioral Health. She may in turn want to have this conversation with the Iowa Behavioral Health Association, DPS and ODCP. Have you discussed this with Steve Lukan?
Thank you,
Mariannette

From: Boeyink, Jeffrey [IGOV]
Sent: Monday, February 11, 2013 10:04 AM
To: Miller-Meeks, Mariannette [IDPH]
Subject: FW: Hair Testing Fact Sheet

Please review and let me know your thoughts.

Thanks.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Philip Smith [mailto:pcsmith@819eagle.com]
Sent: Monday, February 11, 2013 8:42 AM
To: Boeyink, Jeffrey [IGOV]
Cc: Bousselot, Michael [IGOV]
Subject: Hair Testing Fact Sheet

Hi Jeff,

Thanks for giving me the opportunity to review the Department of Public Health Fact Sheet on Hair Testing as a means of detecting substance abuse. I sent it to Psychemedics and asked them to review it. They did so, and sent back to me the attached recommendations and comments concerning the Departments current description of hair testing. The company believes that it should be updated to reflect the most current information and findings (scientific and legal) as it relates to hair analysis usage by employers to detect drug abuse. Psychemedics is the industry leader in this field with over 20 years of experience, providing services in 48 states.

It is the hope of the company that Iowa will eventually join the 48 other states in authorizing this form of hair testing. Companies with multi state operations and with Iowa based facilities would like to have this as a testing option.

There is a bill in the Iowa Senate now that will do so (SF68) introduced by Senator Zaun. We have never discussed the legislation with Senator Brad Zaun although Ray Kubacki (CEO Psychemed[redacted] do so.

The offer to help provide expert testimony and industry experience still stands. However, the company is not retaining Iowa representation at this time as it appears that there is no agency or trade group willing to take a leadership position on the issue (will support it, but won't make it a priority). Lacking that support, the company will stand by in the hopes that they can play a supporting role in the future.

It is our hope that the Department of Public Health will review the suggested language changes and updates so that the public is provided with the most accurate information. The company will gladly discuss the recommendations with the appropriate officials.

Thanks for your help. I look forward to following up with you.

Phil
202.669.3539

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Monday, February 11, 2013 12:32 PM
To: Miller-Meeks, Mariannette [IDPH]
Subject: RE: Hair Testing Fact Sheet

I have not. Would you please forward it to him seeking comment?

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Miller-Meeks, Mariannette [IDPH]
Sent: Monday, February 11, 2013 10:58 AM
To: Boeyink, Jeffrey [IGOV]
Subject: RE: Hair Testing Fact Sheet

Jeff,
I will discuss with Kathy Stone, the division director of Behavioral Health. She may in turn want to have this conversation with the Iowa Behavioral Health Association, DPS and ODCP. Have you discussed this with Steve Lukan?
Thank you,
Mariannette

From: Boeyink, Jeffrey [IGOV]
Sent: Monday, February 11, 2013 10:04 AM
To: Miller-Meeks, Mariannette [IDPH]
Subject: FW: Hair Testing Fact Sheet

Please review and let me know your thoughts.

Thanks.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Philip Smith [mailto:pcsmith@819eagle.com]
Sent: Monday, February 11, 2013 8:42 AM
To: Boeyink, Jeffrey [IGOV]
Cc: Bousselot, Michael [IGOV]
Subject: Hair Testing Fact Sheet

Hi Jeff,

Thanks for giving me the opportunity to review the Department of Public Health Fact Sheet on Hair Testing as a means of detecting substance abuse. I sent it to Psychemedics and asked them to review [redacted] sent back to me the attached recommendations and comments concerning the Departments current description of hair testing. The company believes that it should be updated to reflect the most current information and findings (scientific and legal) as it relates to hair analysis usage by employers to detect drug abuse. Psychemedics is the industry leader in this field with over 20 years of experience, providing services in 48 states.

It is the hope of the company that Iowa will eventually join the 48 other states in authorizing this form of hair testing. Companies with multi state operations and with Iowa based facilities would like to have this as a testing option.

There is a bill in the Iowa Senate now that will do so (SF68) introduced by Senator Zaun. We have never discussed the legislation with Senator Brad Zaun although Ray Kubacki (CEO Psychemedics) has attempted to do so.

The offer to help provide expert testimony and industry experience still stands. However, the company is not retaining Iowa representation at this time as it appears that there is no agency or trade group willing to take a leadership position on the issue (will support it, but won't make it a priority). Lacking that support, the company will stand by in the hopes that they can play a supporting role in the future.

It is our hope that the Department of Public Health will review the suggested language changes and updates so that the public is provided with the most accurate information. The company will gladly discuss the recommendations with the appropriate officials.

Thanks for your help. I look forward to following up with you.

Phil
202.669.3539

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Monday, February 11, 2013 1:32 PM
To: Boeyink, Jeffrey [IGOV]
Subject: Re: Hair Testing Fact Sheet

Certainly.

On Feb 11, 2013, at 12:31 PM, "Boeyink, Jeffrey [IGOV]" <Jeffrey.Boeyink@iowa.gov> wrote:

I have not. Would you please forward it to him seeking comment?

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

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Subject: RE: Hair Testing Fact Sheet

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Sent: Monday, February 11, 2013 8:42 AM
To: Boeyink, Jeffrey [IGOV]

Cc: Bousselot, Michael [IGOV]
Subject: Hair Testing Fact Sheet [redacted]

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[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Monday, February 11, 2013 4:20 PM
To: Boeyink, Jeffrey [IGOV]
Subject: RE: Hair Testing Fact Sheet

Absolutely.

From: Boeyink, Jeffrey [IGOV]
Sent: Monday, February 11, 2013 12:32 PM
To: Miller-Meeks, Mariannette [IDPH]
Subject: RE: Hair Testing Fact Sheet

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Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

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Chief of Staff
Office of the Governor
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Des Moines, IA 50319
515.725.3535

From: Philip Smith [mailto:pcsmith@819eagle.com]
Sent: Monday, February 11, 2013 8:42 AM

To: Boeyink, Jeffrey [IGOV] [redacted]
Cc: Bousselot, Michael [IGOV]
Subject: Hair Testing Fact Sheet

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[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Wednesday, February 20, 2013 10:04 PM
To: Centers, Jimmy [IGOV]
Cc: Miller-Meeks, Mariannette [IDPH]; Bousselot, Michael [IGOV]; Jenison, Jenae [IGOV]
Subject: Re: Celebrate Innovation Week "Building a Better Future"

What about on March 6?

Dr Miller-Meeks

On Feb 19, 2013, at 3:25 PM, "Centers, Jimmy [IGOV]" <Jimmy.Centers@iowa.gov> wrote:

> The governor is unavailable on March 5th. I've CC'd Jenae to see about the LG.
>
> --
>
> Jimmy Centers
> Deputy Communications Director
> Office of Governor Terry E. Branstad
> Jimmy.Centers@iowa.gov
> 515-725-3523 (Office)
> 515-802-1208 (Cell)
>
>
> -----Original Message-----
> From: Miller-Meeks, Mariannette [IDPH]
> Sent: Tuesday, February 19, 2013 2:43 PM
> To: Centers, Jimmy [IGOV]; Bousselot, Michael [IGOV]
> Subject: Celebrate Innovation Week "Building a Better Future"
>
> Jimmie and Mike,
> I am forwarding Col Hinck's e-mail, but here are the specifics:
>
> Contributor Dinner on Tuesday, 5 March, 6-8pm at the West Des Moines Holiday Inn on
> 6075 Mills Civic Pkwy, and/or
> VIP reception on Wednesday, 6 March,
> 4:30-6 pm, at the DMACC-West campus.
> Talking points include thanking participants, innovation, STEM, and job development in Iowa.
>
> I think offer welcoming comments on Tuesday and discussing the STEM initiatives make a lot of sense for either or both Gov. Branstad or Lt. Gov Reynolds. If you follow the e-mail thread, you will see a list of people at the VIP reception and innovation summit which is quite impressive, both from the innovative and entrepreneurial worlds. It is pretty interesting what the USAREC has been able to put together. Food is provided by Iowa Culinary Institute and wine by Tassel Ridge Winery. I do not know if all the speakers will be at the VIP dinner or the reception, but Daymond John (Shark Tank, started FUBO, John Gaeta (Matrix special effects), Jessica Matthews & Julia Silverman (designers of Soccket) and
>
> Please let me know what other information you would like.

>
>
> -----Original Message-----
> From: Hinck, John M LTC MIL USA TRADOC USAREC [mailto:JOHN.HINCK@USAREC.ARMY.MIL]
> Sent: Friday, February 01, 2013 10:16 AM
> To: Miller-Meeks, Mariannette [IDPH]
> Cc: Larson, Susan R Dr CIV USA TRADOC USAREC; Maurer, James A 1SG MIL USA TRADOC USAREC; Dr. Anthony Paustian
> Subject: RE: Information for phone discussion at 1030! (UNCLASSIFIED)
>
> Classification: UNCLASSIFIED
> Caveats: FOUO
>
> BTW, the 10 vendors are:
>
> Complete Nutrition
> Health Iowa
> Iowa Games
> Powerful Nutrition
> Campbell's Nutrition (owner is Urbandale alum) Hyvee Gamestop YMCA Spartan Strength KISS FM radio
>
> And working on ISU ROTC and one or two post-secondary schools of DMACC, ISU, or AIG.
>
> Strength and Honor....Eagle Strong!
>
> V/R,
>
> LTC(P) John M. Hinck
> Battalion Commander - "The Eagles"
> US Army Reserve and Active Duty Recruiting Battalion Cell 888-471-6930 / 612-385-1486 Office 612-725-3111

>
> "Operation Eagle FOCUS" is the Battalion's plan to attack and achieve the command's priority efforts in Prior Service mission, Reserve Volume mission, Warrant Officer Flight Training (WOFT) mission, and Officer Candidate School mission.
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> Eagle Strong is about living our Army values, taking care of our Soldiers and Families, and achieving our mission. Continue to make a difference!
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> From: Hinck, John M LTC MIL USA TRADOC USAREC
> Sent: Friday, February 01, 2013 10:01 AM
> To: Miller-Meeks, Mariannette [IDPH]
> Cc: Larson, Susan R Dr CIV USA TRADOC USAREC; Maurer, James A 1SG MIL USA TRADOC USAREC; 'Dr. Anthony Paustian'
> Subject: Information for phone discussion at 1030! (UNCLASSIFIED)
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> Dr. Miller-Meeks,

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> Hello! In preparation for our phone conversation at 1030, I am sending information on ciWeek and our Health & Fitness Expos for select high schools in greater Des Moines area to be conducted in April timeframe.
> We have locked in 10 local health related organizations, 2 Drill Sergeants, and a fitness instructor for health and fitness in Boone HS, Southeast Polk HS, Roosevelt HS, and Urbandale HS, as well as a Wellness Expo at DMACC-West. The events are shaping up to be very positive events for the community. Also, we are involved in planning and helping execute the upcoming Principle Charity Golf Classic. ciWeek info is
> below:
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> ciWeek 2013 Purpose. Innovation remains a critical element of growth at all levels regardless of context. As part of the Celebrate!
> Innovation(tm) Exhibition at the DMACC West Campus, ciWeek immerses students and the general public in a variety of interactive projects to promote creative and innovative thought. The intent of ciWeek is to engage students (and the public) in a focused context outside of their normal studies (lives) to help them see both the value and process of innovation.
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> ciWeek also allows people to meet, acquire knowledge, and become inspired by some extremely innovative people. The inaugural iWeek in
> 2010 featured Capt. Alan Bean, Apollo and Skylab astronaut and the fourth man to walk on the moon. iWeek 2011, which focused on Ideas in Action, featured over 130 corporate CEOs, leaders and entrepreneurs, including Iowa's only billionaire, Dennis Albaugh. ciWeek 2012 addressed The Power of Imagination and featured Steve Wozniak, the co-founder of Apple, Inc. and father of the personal computer; Dr. David Gallo, oceanographer and co-expedition leader for both the mapping mission to the RMS Titanic and the successful search for the missing aircraft Air France 447; and Fritz Maytag, considered to be the father of modern microbreweries and currently the chairman of Maytag Dairy Farms, Inc.
> (the maker of Maytag Blue Cheese). ciWeek 2013 will focus on Building a Better Future (with a futuristic World's Fair theme). The event will bring together speakers such as Daymond John, founder of F.U.B.U. and a shark on ABC's Shark Tank; John Gaeta, Academy Award-winning visual effects creator for movies such as The Matrix Trilogy and Speed Racer; and Jessica Matthews and Julia Silverman, inventors of the Soccket and founders of Uncharted Play.
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>
> Talk to you soon!
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> V/R,
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> LTC(P) John M. Hinck
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> US Army Reserve and Active Duty Recruiting Battalion Cell 888-471-6930 /
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[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Thursday, February 21, 2013 9:10 AM
To: Jenison, Jenae [IGOV]
Cc: Miller-Meeks, Mariannette [IDPH]; Centers, Jimmy [IGOV]; Bousselot, Michael [IGOV]
Subject: Re: Celebrate Innovation Week "Building a Better Future"

Jimmie & Jenae,

To ensure I am reading this correctly, both the governor and lt governor are unavailable both March 5 and March 6?

Thank you so much for checking.

Dr Miller-Meeks

On Feb 21, 2013, at 7:52 AM, "Jenison, Jenae [IGOV]" <Jenae.Jenison@iowa.gov> wrote:

\> The Lt. Governor is unavailable March 6.
\>
\> -----Original Message-----
\> From: Miller-Meeks, Mariannette [IDPH]
\> Sent: Wednesday, February 20, 2013 10:04 PM
\> To: Centers, Jimmy [IGOV]
\> Cc: Miller-Meeks, Mariannette [IDPH]; Bousselot, Michael [IGOV]; Jenison, Jenae [IGOV]
\> Subject: Re: Celebrate Innovation Week "Building a Better Future"
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\>\> From: Miller-Meeks, Mariannette [IDPH]
\>\> Sent: Tuesday, February 19, 2013 2:43 PM
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>> Jimmie and Mike, [redacted]
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>> Sent: Friday, February 01, 2013 10:16 AM
>> To: Miller-Meeks, Mariannette [IDPH]
>> Cc: Larson, Susan R Dr CIV USA TRADOC USAREC; Maurer, James A 1SG MIL USA TRADOC USAREC; Dr. Anthony Paustian
>> Subject: RE: Information for phone discussion at 1030! (UNCLASSIFIED)
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>> Classification: UNCLASSIFIED
>> Caveats: FOUO
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>> BTW, the 10 vendors are:
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>> Complete Nutrition
>> Health Iowa
>> Iowa Games
>> Powerful Nutrition
>> Campbell's Nutrition (owner is Urbandale alum) Hyvee Gamestop YMCA Spartan Strength KISS FM radio
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>> And working on ISU ROTC and one or two post-secondary schools of DMACC, ISU, or AIG.
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[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Monday, February 25, 2013 11:22 AM
To: Roederer, David [IDOM]; Bousselot, Michael [IGOV]
Subject: meeting with Dr. Dorner and Roger Tracy

Dave and Mike,
The meeting with Dr. Dorner (residency director at Methodist/IHS) and Roger Tracy is arranged for March 13. Is this too far off? Roger Tracy is in DSM that day which is why that day was chosen.
Dr. Miller-Meeks

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Tuesday, February 26, 2013 10:45 PM
To: McRoberts, Lynn [IGOV]; Findley, Brenna [IGOV]
Subject: PRIMECARRE

Lynn and Brenna,

Appointees to the Board of Medicine (BOM) requires physicians to be licensed and in good standing. They should not have a current open complaint which is being investigated by the board. They may have had previous misdemeanors, bankruptcies, financial distress or even treatment as an impaired physician (as long as they have undergone treatment and are not currently abusing substances).

The various loan repayment programs administered by the Iowa Department of Public Health such as the J-1 visa waiver, PRIMECARRE or National Health Service Corps do not have input or guidance from the Board of Medicine. The programs are independent of of the BOM and applications are not sent to BOM for review or approval.

I hope this information helps to clarify that the authority resides within IDPH for physician loan repayment programs without oversight or input from the BOM.

Thank you,
Dr Miller-Meeks

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Wednesday, February 27, 2013 4:35 PM
To: Sharp, Ken [IDPH]; Findley, Brenna [IGOV]
Cc: McRoberts, Lynn [IGOV]
Subject: RE:

Brenna and Lynn,
Do you both have some time tomorrow morning to discuss this? I will be happy to come over to the Capitol around 10 am if you are available.

Dr. Miller-Meeks

From: Sharp, Ken [IDPH]
Sent: Wednesday, February 27, 2013 4:12 PM
To: Findley, Brenna [IGOV]
Cc: McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]
Subject: RE:

Brenna/Lynn –

We did hear back from the licensee. His current CEUs do not meet the current rule requirements. I have discussed this with Dr. MM and we have some remaining items to discuss with you. Dr. MM will be connecting with you tomorrow to talk through those.

Thank you,
Ken

Ken Sharp, MPA, RS
Director | Division of Environmental Health | Iowa Dept. of Public Health
Lucas Building | 321 E. 12th Street | Des Moines, IA 50319
Office: 515/281-5099 | Cell: 515/321-6749 | Fax: 515/281-4529 | Email: Ken.Sharp@idph.iowa.gov

"Promoting and Protecting the Health of Iowans"

From: Sharp, Ken [IDPH]
Sent: Wednesday, February 27, 2013 11:49 AM
To: Findley, Brenna [IGOV]
Cc: McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]
Subject: RE:

Brenna/Lynn –

My staff called the licensee earlier today and left a message for him. We are waiting for his phone call. Until we can speak with him in more detail, I'm not sure there is much I have in the way of an update from our call yesterday.

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[redacted]

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"Promoting and Protecting the Health of Iowans"

From: Findley, Brenna [IGOV]
Sent: Tuesday, February 26, 2013 11:29 AM
To: Sharp, Ken [IDPH]
Cc: McRoberts, Lynn [IGOV]
Subject:

Ken, can you please call me? Or if you do not reach me, please call Lynn McRoberts at 53516.

S. Brenna Findley
Legal Counsel
Office of Governor Terry E. Branstad
Direct Dial: 515.725.3505
Main Line: 515.281.5211
Brenna.Findley@iowa.gov

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Wednesday, February 27, 2013 5:01 PM
To: McRoberts, Lynn [IGOV]
Cc: Miller-Meeks, Mariannette [IDPH]; Sharp, Ken [IDPH]; Findley, Brenna [IGOV]
Subject: Re: RE:

How about 10:30 then?

On Feb 27, 2013, at 4:40 PM, "McRoberts, Lynn [IGOV]" <Lynn.McRoberts@iowa.gov> wrote:

> I have a meeting with the Governor from 10-10:30. But am free after that, or before 9:30.
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> Lynn
>
> ---
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> **Cc:** McRoberts, Lynn [IGOV]
> **Subject:** RE:
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> **Sent:** Wednesday, February 27, 2013 4:12 PM
> **To:** Findley, Brenna [IGOV]
> **Cc:** McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]
> **Subject:** RE:
>
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> **Ken Sharp, MPA, RS**
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> Lucas Building | 321 E. 12th Street | Des Moines, IA 50319
> Office: 515/281-5099 | Cell: 515/321-6749 | Fax: 515/281-4529 | Email: Ken.Sharp@idph.iowa.gov
>
> *"Promoting and Protecting the Health of Iowans"*

From: Sharp, Ken [IDPH]
Sent: Wednesday, February 27, 2013 11:49 AM [redacted]
To: Findley, Brenna [IGOV]
Cc: McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]
Subject: RE:

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[redacted]

From: Findley, Brenna [IGOV]
Sent: Thursday, February 28, 2013 8:52 AM
To: McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]
Cc: Sharp, Ken [IDPH]
Subject: RE: RE:

Can you please schedule it and invite me, Lynn?

From: McRoberts, Lynn [IGOV]
Sent: Wednesday, February 27, 2013 5:40 PM
To: Miller-Meeks, Mariannette [IDPH]
Cc: Sharp, Ken [IDPH]; Findley, Brenna [IGOV]
Subject: RE: RE:

That works for me.

Lynn

From: Miller-Meeks, Mariannette [IDPH]
Sent: Wednesday, February 27, 2013 5:01 PM
To: McRoberts, Lynn [IGOV]
Cc: Miller-Meeks, Mariannette [IDPH]; Sharp, Ken [IDPH]; Findley, Brenna [IGOV]
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> **Cc:** McRoberts, Lynn [IGOV]
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> **Sent:** Wednesday, February 27, 2013 4:12 PM
> **To:** Findley, Brenna [IGOV]
> **Cc:** McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]
> **Subject:** RE:

Brenna/Lynn – [redacted]

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Sent: Wednesday, February 27, 2013 11:49 AM
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Cc: McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]
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To: Sharp, Ken [IDPH]
Cc: McRoberts, Lynn [IGOV]
Subject:

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S. Brenna Findley
Legal Counsel
Office of Governor Terry E. Branstad

Direct Dial: 515.725.3505
Main Line: 515.281.5211
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[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Thursday, February 28, 2013 8:54 AM
To: Findley, Brenna [IGOV]
Cc: McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]; Sharp, Ken [IDPH]
Subject: Re: RE: RE:

I already have it on my schedule. See you at 10:30.

On Feb 28, 2013, at 8:51 AM, "Findley, Brenna [IGOV]" <Brenna.Findley@iowa.gov> wrote:

> Can you please schedule it and invite me, Lynn?
>
> ---
>
> **From:** McRoberts, Lynn [IGOV]
> **Sent:** Wednesday, February 27, 2013 5:40 PM
> **To:** Miller-Meeks, Mariannette [IDPH]
> **Cc:** Sharp, Ken [IDPH]; Findley, Brenna [IGOV]
> **Subject:** RE: RE:
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> **Cc:** Miller-Meeks, Mariannette [IDPH]; Sharp, Ken [IDPH]; Findley, Brenna [IGOV]
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From: Sharp, Ken [IDPH]
Sent: Wednesday, February 27, 2013 4:12 PM [redacted]
To: Findley, Brenna [IGOV]
Cc: McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]
Subject: RE:

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Cc: McRoberts, Lynn [IGOV]; Miller-Meeks, Mariannette [IDPH]
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[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Thursday, February 28, 2013 10:28 AM
To: McRoberts, Lynn [IGOV]; Findley, Brenna [IGOV]
Subject: Loan repayment programs

As a matter of practice, IDPH does not screen PRIMECARRE applicants based on whether they serve on a state board or commission – nor put limits on a recipient's outside activities once awarded. No one at the state or federal level inspects, reviews time cards, or schedules to verify clinical hours.

That being said, recipients must maintain minimum hours to meet full-time (or part-time) **clinical** duty status, so board assignments could not interfere with this. The main intent is to ensure that a health professional in a loan repayment program is indeed practicing in a rural or underserved area in accordance with the contract. A health professional could participate in professional "volunteer" activities once a month or every other month, and still be able to fulfill the 40 hour requirement. They could be on the board of directors of the Iowa Medical Society for instance.

The contract also contains language that a "Practitioner shall not have another contractual obligation tied to a financial obligation for health professional service to the federal government, state, or other entity during this Contract Period." This language would not apply to boards or commissions as they are not truly compensated activities.

Thank you,
Dr. Miller-Meeks

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Saturday, March 02, 2013 9:25 AM
To: Roederer, David [IDOM]
Subject: Fwd: OMB's sequester documents
Attachments: 2013sequestration_order_rel.pdf; ATT00001.htm; apportionment_memo.pdf; ATT00002.htm; fy13ombjcsequestrationreport.pdf; ATT00003.htm; m-13-06.pdf; ATT00004.htm

Sent from my iPhone

Begin forwarded message:

> **From:** "Bartel, Christine [IGOV]" <Christine.Bartel@iowa.gov>
> **Date:** March 2, 2013, 7:27:37 AM CST
> **To:** "Boeyink, Jeffrey [IGOV]" <Jeffrey.Boeyink@iowa.gov>, "Findley, Brenna [IGOV]" <Brenna.Findley@iowa.gov>, "Johnson, Larry [IGOV]" <Larry.Johnson@iowa.gov>, "Bousselot, Michael [IGOV]" <Michael.Bousselot@iowa.gov>, "Stopulos, Ted [IGOV]" <Ted.Stopulos@iowa.gov>, "Fandel, Linda [IGOV]" <Linda.Fandel@iowa.gov>, "Gregg, Adam [IGOV]" <Adam.Gregg@iowa.gov>, "Ketzner, Jake [IGOV]" <Jake.Ketzner@iowa.gov>, "Vande Hoef, Julie [IGOV]" <Julie.VandeHoef@iowa.gov>
> **Cc:** "Hoelscher, Doug [IGOV]" <Doug.Hoelscher@iowa.gov>
> **Subject: FW: OMB's sequester documents**
>
> FYI.
>
> ---
>
> **From:** Quam, David [DQuam@NGA.ORG]
> **Sent:** Saturday, March 02, 2013 8:24 AM
> **To:** Reps
> **Subject:** NGA: OMB's sequester documents
>
> To: Washington Representatives and State-Federal Contacts
> Re: OMB sequester documents
>
> Attached please find OMB's official documents to guide the sequestration of funds at the federal level. We will review these documents at Monday's Washington Representatives Meeting (Note: Wash Reps is at 2:00 on Monday, March 4).
>
> --DCQ
>

you have received this communication in error, please immediately notify the sender and delete this message. [redacted]

You are currently subscribed to [reps] as Christine.Bartel@iowa.gov.
To unsubscribe, send a blank email to leave-219974-157947.11aef77ead6bdb7cb951727576394847@talk.nga.org.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release March 1, 2013

SEQUESTRATION ORDER FOR FISCAL YEAR 2013 PURSUANT TO SECTION 251A OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT, AS AMENDED

By the authority vested in me as President by the laws of the United States of America, and in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (the "Act"), 2 U.S.C. 901a, I hereby order that budgetary resources in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget in its report to the Congress of March 1, 2013.

Pursuant to sections 250(c)(6), 251A, and 255(e) of the Act, budgetary resources subject to sequestration shall be new budget authority, unobligated balances of defense function accounts carried over from prior fiscal years, direct spending authority, and obligation limitations.

All sequestrations shall be made in strict accordance with the requirements of section 251A of the Act and the specifications of the Office of Management and Budget's report of March 1, 2013, prepared pursuant to section 251A(11) of the Act.

BARACK OBAMA

THE WHITE HOUSE,
March 1, 2013.

# # #

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 1, 2013

OMB BULLETIN NO. 12-02, Supplement 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Apportionment of the Continuing Resolution(s) for Fiscal Year 2013

Purpose. This supplement revises Bulletin 12-02 ("Bulletin") to reflect reductions of budgetary resources pursuant to the *Sequestration Order for Fiscal Year 2013 Pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act, as Amended,* issued by the President today, and the accompanying *OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013* (collectively, the "Sequestration Order"). Consistent with this amendment to Bulletin 12-02, OMB Memorandum M-13-03 (January 14, 2013), OMB Memorandum M-13-05 (February 27, 2013), and OMB Memorandum M-13-06 (March 1, 2013), agencies should take such steps as are necessary and appropriate to implement sequestration. In so doing, agencies must avoid actions that would indicate a need for deficiency or supplemental appropriations or otherwise be inconsistent with applicable law.

Action. Agencies should replace sections 1 and 6 in the Bulletin and insert a new section 9, as follows:

1. Purpose and Background. Public Law 112-175 provides continuing appropriations for the period October 1, 2012, through March 27, 2013. Section 110 of Public Law 112-175 requires that the joint resolution be implemented so that only the most limited funding actions shall be taken in order to provide for continuation of projects and activities, and section 109 requires that programs restrict funding actions so as not to impinge on the final funding prerogatives of the Congress. I am automatically apportioning amounts provided by sections 101(a) and 101(b) of this continuing resolution (CR) as specified in section 3. The amounts provided by the 0.612 percent across-the-board (ATB) increase in section 101(c) will be subject to the procedures for apportioning that funding as outlined in section 4. This Bulletin supplements instructions for apportionment of CRs in OMB Circular No. A-11, sections 120 and 123.

Unless and until this Bulletin is further amended, agencies should engage in spending and operations consistent with the current draft of their plan for operating under the Joint Committee sequestration developed pursuant to OMB Memorandum M-13-03.

This Bulletin will be updated for any extensions of the CR.

6. Programs under Section 111. Funds for appropriated entitlements and other mandatory payments, and activities under the Food and Nutrition Act of 2008, are automatically apportioned amounts as needed to carry out programs at a rate to maintain program levels under

current law, i.e., at the FY 2013 level. However, this automatic apportionment does not apply to programs with more complex funding structures. Agencies should contact their RMO representatives to determine if their account is automatically apportioned or if a written apportionment is required. This automatic apportionment also does not apply to appropriated entitlements or other mandatory payments for which budgetary resources have been reduced pursuant to the Sequestration Order. Agencies should promptly submit written apportionments to their RMO representatives to request funds for those accounts during the period of the CR.

With regard to the associated administrative expenses for those programs, section 111 does not apply. The associated administrative expenses are automatically apportioned at the reduced rate pursuant to section 3 of this Bulletin.

9. Prior Written Apportionments. Unless otherwise required by your RMO, agencies do not need to request new written apportionments for prior written apportionments of CR funds, because such apportionments (including any footnotes or other limitations on programs in such apportionments) continue in effect. However, as with the automatically apportioned funds, agencies should engage in spending and operations consistent with the current draft of their plan for operating under the Joint Committee sequestration developed pursuant to OMB Memorandum M-13-03.

Discretionary Advance Appropriations, Mandatory Appropriations, and Balances of Prior-Year Budget Authority. Some accounts with discretionary advance appropriations, mandatory funding and accounts in function 050 with unexpired, unobligated carryover balances are required to reduce budgetary resources pursuant to the Sequestration Order. This includes accounts with permanent indefinite appropriations. Agencies shall promptly submit new written apportionment requests for such accounts reflecting those reductions.

Contact. Questions regarding this bulletin should be directed to the agency's OMB representative.

Jeffrey D. Zients
Deputy Director for Management

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 1, 2013

The Honorable John A. Boehner
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed please find the Office of Management and Budget (OMB) Report to the Congress on the sequestration for fiscal year (FY) 2013 required by section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (the "Joint Committee sequestration"). This report provides calculations of the amounts and percentages by which various budgetary resources are required to be reduced, and a listing of the reductions required for each non-exempt budget account.

In August 2011, as part of the Budget Control Act of 2011 (BCA), bipartisan majorities in both the House of Representatives and Senate voted for sequestration as a mechanism to compel the Congress to act on deficit reduction. The threat of destructive across-the-board cuts under the BCA was intended to drive both sides to compromise. Yet, a year and a half has passed, and the Congress still has failed to enact balanced deficit reduction legislation that avoids sequestration.

As a result of the Congress's failure to act, the law requires the President to issue a sequestration order today canceling $85 billion in budgetary resources across the Federal Government for FY 2013. Specifically, OMB calculates that, over the course of the fiscal year, the sequestration requires a 7.8 percent reduction in non-exempt defense discretionary funding and a 5.0 percent reduction in non-exempt nondefense discretionary funding. The sequestration also requires reductions of 2.0 percent to Medicare, 5.1 percent to other non-exempt nondefense mandatory programs, and 7.9 percent to non-exempt defense mandatory programs.

Because these cuts must be achieved over only seven months instead of 12, the effective percentage reductions will be approximately 13 percent for non-exempt defense programs and 9 percent for non-exempt nondefense programs.

The cuts required by sequestration will be deeply destructive to national security, domestic investments, and core Government functions. While the Department of Defense will shift funds where possible to minimize the impact on war-fighting capabilities and critical military readiness, sequestration will result in a reduction in readiness of many non-deployed units, delays in investments in new equipment, cutbacks in equipment repairs and needed facilities maintenance, disruptions in military research and development efforts, significant reductions in weapons programs, and furloughs of most civilian employees for a significant amount of time. Sequestration will also undermine nondefense investments vital to economic growth, threaten the safety and security of the American people, and cause severe harm to programs that benefit the middle class, seniors, and children. According to analysis by outside experts, sequestration would reduce real GDP growth for 2013 by 0.5 to 0.7 percentage points were it to continue for the rest of the calendar year.

The Joint Committee sequestration is a blunt and indiscriminate instrument. It was never intended to be implemented and does not represent a responsible way for our Nation to achieve deficit reduction.

On multiple occasions, the President has proposed comprehensive and balanced deficit reduction plans to avoid sequestration. The President and Congress, working together, have already reduced the deficit by $2.5 trillion. The President has been clear that he is willing to make tough choices to reach an agreement on further deficit reduction. The Administration continues to stand ready to work with the Congress to enact balanced deficit reduction legislation that replaces sequestration and puts the Nation on a sound long-term fiscal path.

Sincerely,

Jeffrey D. Zients
Deputy Director for Management

Enclosure

Identical Letter Sent to the President of the Senate

OMB REPORT TO THE CONGRESS ON THE JOINT COMMITTEE SEQUESTRATION FOR FISCAL YEAR 2013

March 1, 2013

OMB REPORT TO THE CONGRESS
ON THE JOINT COMMITTEE SEQUESTRATION
FOR FISCAL YEAR 2013

The Balanced Budget and Emergency Deficit Control Act, as amended (BBEDCA), 2 U.S.C. § 901a, requires the Office of Management and Budget (OMB) to calculate, and the President to order on March 1, 2013, reductions in budgetary resources triggered by the failure of the Joint Select Committee on Deficit Reduction to propose, and the Congress to enact, legislation to reduce the deficit by $1.2 trillion (Joint Committee sequestration). This report provides OMB's calculations of the percentage and dollar amount of the reduction for each non-exempt budget account and an explanation of the calculations.

OMB calculates that the Joint Committee sequestration requires a 7.8 percent reduction in non-exempt defense discretionary funding and a 5.0 percent reduction in non-exempt non-defense discretionary funding. The sequestration also imposes reductions of 2.0 percent to Medicare, 5.1 percent to other non-exempt nondefense mandatory programs, and 7.9 percent to non-exempt defense mandatory programs.

Basis for Calculations

Discretionary Appropriations. As of the date of this report, no full-year regular appropriations bills have been enacted for fiscal year (FY) 2013. Instead, all agencies are operating under the Continuing Appropriations Resolution, 2013 (CR), Pub. L. 112-175. In addition, the Disaster Relief Appropriations Act, 2013 (Hurricane Sandy supplemental), Pub. L. 113-2, provided supplemental funding to various agencies for Hurricane Sandy relief and recovery efforts. Accordingly, as required by sections 251A(7)(A) and 253(f)(2) of BBEDCA, OMB's estimates for the level of sequestrable budgetary resources and resulting reductions assume that budget accounts with discretionary appropriations are funded at the annualized level provided by the CR, plus funding provided by the Hurricane Sandy supplemental and any funding enacted as advance appropriations for FY 2013. Unless another amount is specified by the CR, the annualized level equals the FY 2012 enacted appropriations, including changes in mandatory programs, net of any recurring rescissions, and increased by 0.612 percent pursuant to section 101(c) of the CR.[1] Spending authority from offsetting collections is only increased by the 0.612 percent when that spending authority is used to determine the annualized level. Amounts designated in the CR for Overseas Contingency Operations (OCO)/Global War on Terrorism (GWOT), and amounts incorporated in the CR by reference to the Disaster Relief Appropriations Act, 2012, Pub. L. 112-77, do not receive the 0.612 percent increase. As provided by section 101(b) of the CR, whenever an amount designated for OCO/GWOT pursuant to section 251(b)(2)(A) of BBEDCA in either the Department of Defense Appropriations Act, 2012 (division A of Pub. L. 112-74) or in the Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2012 (division H of Pub. L. 112-74) differs from the amount in the President's FY 2013 Budget request, the annualized level equals the amount in the President's FY 2013 Budget request. The CR levels are also adjusted for any transfers mandated by law.

Unobligated Balances in the Defense Function. Pursuant to section 255(e) of BBEDCA, unobligated balances in the defense function are sequestrable budgetary resources. The majority of estimated unobligated balances in the defense function are in Department of Defense accounts. In general, for multiyear accounts, the Department of Defense estimated unobligated balances as of March 1, 2013, by reducing unobligated balances as of December 31, 2012, by a historically-based estimate of obligations from prior year funds in January and February.

[1] Information about OMB's calculation of the amounts appropriated by the CR can be found in OMB Bulletin 12-02, which is available online at *http://www.whitehouse.gov/sites/default/files/omb/bulletins/fy2012/b12-02.pdf*.

Direct Spending. Estimates of sequestrable budgetary resources and outlays for budget accounts with direct spending are equal to the current law baseline amounts contained in the President's FY 2013 Budget, adjusted for the effects of legislation enacted since the Budget was transmitted. Two changes with the largest effect on the amount of sequestrable direct spending—providing for a zero percent update for Medicare payments to physicians under the Sustainable Growth Rate formula for calendar year 2013, and extending Emergency Unemployment Compensation (EUC) through the end of 2013—were enacted in the American Taxpayer Relief Act of 2012 (ATRA), Pub. L. 112-240.

Special Sequestration Rules. The Joint Committee sequestration order is not an order under section 254 of BBEDCA.[2] Accordingly, as set forth in this report, the special rules in section 256 that apply only to a sequestration order issued under section 254 do not apply to the Joint Committee sequestration, except to the extent those rules are otherwise made applicable by another provision of law. Section 251A(7)(A) of BBEDCA does not include any such provision for discretionary spending; as a result, in calculating the reduction in discretionary spending required by the Joint Committee sequestration, this report does not apply the special rules in section 256 that apply only to a sequestration order issued under section 254. The special rules in section 256 do, however, apply to the reduction in direct spending required by the Joint Committee sequestration, pursuant to the explicit direction in section 251A(8) of BBEDCA.

Federal Administrative Expenses. Under section 256(h) of BBEDCA, Federal administrative expenses are subject to sequestration pursuant to an order issued under section 254 "without regard to any exemption, exception, limitation, or special rule which is otherwise applicable." For the reasons set forth in the preceding paragraph, for the Joint Committee sequestration, this rule applies only to Federal administrative expenses that constitute direct spending. BBEDCA does not define "administrative expenses." For purposes of this report, "administrative expenses" for typical Government programs are defined as the object classes for personnel compensation, travel, transportation, communication, equipment, supplies, materials, and other services. For Government programs engaging in commercial, business-like activities, administrative expenses constitute overhead costs that are necessary to run a business, and not expenses that are directly tied to the production and delivery of goods or services.

American Taxpayer Relief Act of 2012. In addition to the changes to direct spending mentioned above, this report reflects three changes to the calculation of the Joint Committee sequestration required by ATRA. Section 901(a) reduced the amount of the FY 2013 sequestration by \$24 billion, which was paid for by \$12 billion of revenue increases and \$12 billion in total reductions to the discretionary spending limits for FYs 2013 and 2014. Section 901(c) delayed the date for submission of this report from January 2, 2013 to March 1, 2013. Section 901(e) altered the discretionary spending limits for FY 2013 for purposes of calculating the Joint Committee sequestration.

Calculation of Sequestration Percentages

Under section 251A of BBEDCA, the failure of the Joint Select Committee on Deficit Reduction to propose, and the Congress to enact, legislation to reduce the deficit by \$1.2 trillion triggers automatic reductions in discretionary appropriations and direct spending to achieve the deficit reduction that the Joint Select Committee process was meant to achieve. As shown in Table 1, the total annual amount of deficit reduction required is specified by formula in section 251A(3), starting with the total reduction of \$1.2 trillion required for FY 2013 through

[2] For further discussion, see the OMB Report Pursuant to the Sequestration Transparency Act of 2012 (STA Report) issued in September.

FY 2021, deducting a specified 18 percent for debt service savings, and then dividing the result by 9 to calculate the annual reduction of $109 billion for each year from FY 2013 to FY 2021. As discussed previously, ATRA lowered the amount of the reduction required for FY 2013 by $24 billion, leaving $85 billion to be achieved through sequestration. The annual reduction is split evenly between budget accounts in function 050 (defense function) and in all other functions (nondefense function), so that each function group will be reduced by $42.667 billion in FY 2013.

Table 1. CALCULATION OF TOTAL ANNUAL REDUCTION BY FUNCTION

(In billions of dollars)

Joint Committee required savings	1,200.000
Deduct debt service savings (18%)	–216.000
Net programmatic reductions	984.000
Divide by 9 to calculate annual reduction	109.333
Reduction for FY 13 pursuant to section 901(a) of ATRA	–24.000
Net remaining programmatic reduction for FY 2013	85.333
Split 50/50 between defense and nondefense functions	42.667

Base for Allocating Reductions. The annual reduction is further allocated between discretionary and direct spending within each of the function groups in proportion to their share of total spending within the function group. The base for allocating reductions to discretionary appropriations is the discretionary spending limit for FY 2013 listed in section 251(c)(2) as revised by section 251A(2)(A), and as applied pursuant to section 901(e) of ATRA. For purposes of this report, the discretionary spending limits have not been revised to include adjustments pursuant to section 251(b)(2) for certain funding included in the CR and Hurricane Sandy supplemental because these adjustments cannot be made until OMB issues its Discretionary Final Sequestration Report for FY 2013 on March 27th pursuant to section 901(b) of ATRA. Pursuant to paragraphs (5) and (6) of section 251A, and consistent with section 6 of the Statutory Pay-As-You-Go Act of 2010, 2 U.S.C. § 935, the base for allocating reductions to budget accounts with direct spending is the sum of the direct spending outlays in the budget year and the subsequent year that would result from new sequestrable budget authority in FY 2013.

Sequestrable Base. Once the reductions are allocated between discretionary appropriations and direct spending using the bases above, the sequestration percentage for discretionary appropriations is obtained by dividing the discretionary reduction required by the discretionary sequestrable base, which is described above in the "Basis for Calculations" section. By statute, the discretionary sequestrable base differs from the base used to allocate the reductions between discretionary appropriations and direct spending. For discretionary defense programs, the sequestrable base equals total discretionary appropriations (including funding that would trigger cap adjustments), plus unobligated balances and funding financed by fees, minus exemptions. Except for funding for military personnel accounts, most discretionary defense funding is sequestrable.[3] For discretionary nondefense programs, the sequestrable base equals total discretionary appropriations (including funding that would

[3] Defense sequestrable budgetary resources include non-exempt new budget authority and unobligated balances carried over from prior fiscal years. Budgetary resources for military personnel accounts are exempt pursuant to section 255(f) of BBEDCA and the July 31, 2012 letter from OMB notifying the Congress of the President's intent to exempt military personnel accounts from sequestration, available at: *http://www.whitehouse.gov/sites/default/files/omb/legislative/letters/military-personnel-letter-biden.pdf*.

trigger cap adjustments) and funding financed by fees, adjusted to exclude funding for the Department of Veterans Affairs, Pell Grants, and other exempt amounts. For mandatory programs, the sequestrable base is the same as the mandatory base for allocating the reduction. Pursuant to sections 251A(8), 255, and 256 of BBEDCA, most mandatory spending is exempt from sequestration or, in the case of the Medicare program and certain health programs, is subject to a 2 percent limit on sequestration.

Defense Function Reduction

Table 2 shows the calculation of the sequestration percentages and dollar reductions required for budget accounts with discretionary appropriations or direct spending within the defense function. The calculation involves the following steps:

Step 1. Pursuant to section 251A(5), the total reduction of $42.667 billion is allocated proportionately between discretionary appropriations and direct spending. The total base is the sum of the FY 2013 revised discretionary spending limit for the security category[4] ($544 billion) and OMB's baseline estimates of sequestrable direct spending outlays in the defense function in FY 2013 and FY 2014 from new direct spending budget authority in FY 2013 ($0.662 billion). Discretionary appropriations comprise more than 99 percent of the total base in the defense function.

Step 2. Total defense function spending must be reduced by $42.667 billion. As required by section 251A(5)(A), allocating the reduction based on the ratio of the revised discretionary spending limit to the total base (the sum of the defense discretionary spending limit and sequestrable direct spending) yields a $42.615 billion reduction required for discretionary appropriations. Under section 251A(5)(B), the remaining $0.052 billion is the reduction required for budget accounts with direct spending.

Step 3. As required by section 251A(7)(A), the discretionary percentage reduction for FY 2013 is calculated by dividing the discretionary reduction amount calculated in step 2 ($42.615 billion) by the sequestrable budgetary resources ($549.325 billion) for budget accounts with discretionary appropriations in the defense function, which yields a 7.8 percent sequestration rate for budget accounts with non-exempt discretionary appropriations. A similar calculation is required by section 251A(8) for the sequestration of direct spending. Dividing the direct spending reduction amount ($0.052 billion) by the sequestrable budgetary resources ($0.662 billion) for budget accounts with direct spending yields a 7.9 percent sequestration rate for budget accounts with non-exempt direct spending.

Table 2. DEFENSE FUNCTION REDUCTION

(Dollars in billions)

		Discretionary	Direct Spending	Total
Step 1.	Base for allocating reduction	544.000	0.662	544.662
	Percentage allocation of reductions	99.88%	0.12%	
Step 2.	Allocation of total reduction	42.615	0.052	42.667
	Percentage allocation of reductions	99.88%	0.12%	
Step 3.	Sequestration percentages calculation:			
	Sequestrable base	549.325	0.662	
	Sequestration percentage	7.8%	7.9%	

[4] For purposes of this report, the "security category" means discretionary appropriations in budget function 050, National Defense, and "nonsecurity category" means discretionary appropriations other than in budget function 050.

Nondefense Function Reduction

Table 3 shows the calculation of the sequestration percentages and dollar reductions required for budget accounts with discretionary appropriations or direct spending within all other functions besides 050 (nondefense function). The calculation is more complicated than the calculation for the defense function due to a two percent limit on sequestration of Medicare non-administrative spending, a two percent limit on sequestration of community and migrant health centers (which applies only to mandatory funding for those programs), and a special rule for applying the sequestration to student loans. The calculation involves the following steps:

Step 1. Total spending in the nondefense function must be reduced by $42.667 billion. The portion of Medicare subject to the two percent limit is estimated to have combined FY 2013 and FY 2014 outlays of $567.340 billion[5] from FY 2013 budgetary resources, so a two percentage point reduction would reduce outlays by $11.347 billion, leaving a reduction of $31.320 billion to be taken from discretionary appropriations and other direct spending in the nondefense function.

Step 2. Pursuant to section 251A(6), the remaining reduction of $31.320 billion is allocated proportionately between discretionary appropriations and other direct spending in the nondefense function. The remaining base ($605.839 billion) is the sum of the FY 2013 revised discretionary spending limit for the nonsecurity category ($499.000 billion) and the remaining sequestrable direct spending base ($106.839 billion).[6] The latter amount equals OMB's 2013 Budget baseline estimates of total sequestrable direct spending outlays adjusted for legislation enacted since the Budget's transmittal ($674.179 billion), minus the portion of Medicare subject to the two percent limit ($567.340 billion) in the nondefense function in FY 2013 and FY 2014 from new direct spending budget authority in FY 2013. The discretionary spending limit accounts for 82.37 percent of the remaining base in the nondefense function, and direct spending accounts for 17.63 percent.

Applying these percentage allocations to the non-Medicare reduction required for programs in the nondefense function yields the reduction for discretionary appropriations ($25.798 billion) and for remaining direct spending ($5.522 billion).

Step 3. The sequestration for the mandatory portions of certain health programs is limited to two percentage points pursuant to sections 251A(8) and 256(e)(2). The portion of these two programs subject to the two percent limit is estimated to have combined FY 2013 and FY 2014 outlays of $1.344 billion from FY 2013 budgetary resources, so a two percentage point reduction would reduce outlays by $0.027 billion. Deducting these savings from the non-Medicare direct spending reduction leaves $5.495 billion to be taken by a uniform percentage reduction of the remaining sequestrable direct spending of $105.495 billion in the nondefense function.

Step 4. As required by section 251A(7)(A), dividing the discretionary reduction amount ($25.798 billion) calculated in step 2 by the sequestrable budgetary resources for discretionary appropriations ($511.785 billion) in the nondefense function yields an 5.0 percent sequestration rate for budget accounts with non-exempt discretionary appropriations.[7]

[5] As stated above, the Medicare base is higher than the amount stated in the STA Report due primarily to provisions in ATRA providing for a zero percent update for Medicare payments to physicians under the Sustainable Growth Rate formula for calendar year 2013.

[6] As stated above, the non-Medicare direct spending base is higher than the amount stated in the STA Report due primarily to a provision in ATRA extending EUC through the end of 2013.

[7] As stated above, the nondefense discretionary base is higher than the amount stated in the STA Report due primarily to the Hurricane Sandy supplemental.

The remaining reduction ($5.495 billion) to direct spending is applied as a uniform percentage reduction to the remaining budget accounts with sequestrable direct spending and by increasing student loan fees by the same uniform percentage, as specified in sections 251A(8) and 256(b). Each percentage point increase in the sequestration rate is estimated to result in $0.016 billion of savings in the direct student loan program. Solving simultaneously for the percentage that would achieve the remaining reduction when applied to both the remaining sequestrable direct spending ($105.495 billion) and to student loan fees yields a 5.1 percent reduction. This percentage reduction would yield savings of $0.082 billion in the direct student loan program and $5.413 billion from the remaining budget accounts with non-exempt direct spending.

Table 3. NONDEFENSE FUNCTION REDUCTION

(Dollars in billions)

		Discretionary	Direct Spending	Total
1.	Total reduction, excluding savings from Medicare 2% limit:			
	Medicare base subject to 2% limit		567.340	
	Total nondefense function reduction			42.667
	Reduce Medicare by 2%			–11.347
	Non-Medicare reduction amounts			31.320
2.	Allocate non-Medicare reduction:			
	Total base for allocating reduction	499.000	674.179	1,173.179
	Exclude Medicare (portion subject to 2% limit)		–567.340	–567.340
	Non-Medicare base	499.000	106.839	605.839
	Percentage allocation of non-Medicare base	82.37%	17.63%	
	Non-Medicare reduction amounts	25.798	5.522	31.320
	Percentage allocation of non-Medicare reduction	82.37%	17.63%	
3.	Savings from 2% limit on sequestration of other health programs*			
	Other health programs sequestrable base		1.344	
	Reduce other health programs by 2%		–0.027	
4.	Sequestration percentages calculation:			
	Remaining reduction amounts	25.798	5.495	
	Savings from uniform percentage reduction:			
	From 5.1% increase in student loan fee		0.082	
	From remaining sequestrable budget accounts	25.798	5.413	
	Sequestrable base for uniform percentage reduction	511.785	105.495	
	Sequestration percentage	5.0%	5.1%	
	Summary of reductions:			
	2% sequestration of Medicare		11.347	
	2% limit on sequestration of other health programs		0.027	
	Student loan fee increase		0.082	
	Uniform percentage reduction	25.589	5.380	
	Rounding	0.209	.033	
	Total reduction	25.798	16.869	42.667

* Includes funding for community and migrant health centers, and for Indian health services.

Reductions by Budget Account (Appendix)

The Appendix of this report sets forth the percentage and dollar amount of the reductions required for each budget account with sequestrable funding. Specifically, the Appendix shows the sequestrable budgetary resources in each budget account, the percentage reduction required for each sequestrable budgetary resource, and the resulting reduction. For illustrative purposes only, the Appendix shows the application of the same percentage reduction to each type of budgetary resource within a budget account. There is no requirement that sequestration be applied equally to each type of budgetary resource within a budget account. Section 256(k)(2) of BBEDCA requires that sequestration be applied equally at the program, project, and activity level within each budget account.

APPENDIX: SEQUESTRABLE BASE AND REDUCTIONS BY BUDGET ACCOUNT

(Fiscal year 2013; in millions of dollars)

Based on sections 251A, 255, and 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended

Percentages Used:

7.8 percent – Defense discretionary
7.9 percent – Defense mandatory
5.0 percent – Nondefense discretionary
5.1 percent – Nondefense mandatory

For illustrative purposes only, the Appendix shows the application of the same percentage reduction to each type of budgetary resource within a budget account. Pursuant to section 256(k)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the sequestration must be applied equally at the program, project, and activity level, but need not be applied equally to each type of budgetary resource within a budget account.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Legislative Branch					
Senate					
001-05-0110 Salaries, Officers and Employees					
Nondefense	Discretionary	Appropriation	177	5.0	9
001-05-0123 Miscellaneous Items					
Nondefense	Discretionary	Appropriation	19	5.0	1
001-05-0126 Secretary of the Senate					
Nondefense	Discretionary	Appropriation	6	5.0	*
001-05-0127 Sergeant at Arms and Doorkeeper of the Senate					
Nondefense	Discretionary	Appropriation	132	5.0	7
001-05-0128 Inquiries and Investigations					
Nondefense	Discretionary	Appropriation	132	5.0	7
001-05-0130 Senators' Official Personnel and Office Expense Account					
Nondefense	Discretionary	Appropriation	399	5.0	20
001-05-0185 Office of the Legislative Counsel of the Senate					
Nondefense	Discretionary	Appropriation	7	5.0	*
001-05-0188 Congressional Use of Foreign Currency, Senate					
Nondefense	Mandatory	Appropriation	6	5.1	*
001-05-9911 Senate Items					
Nondefense	Discretionary	Appropriation	2	5.0	*
House of Representatives					
001-10-0400 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	1,233	5.0	62
001-10-0488 Congressional Use of Foreign Currency, House of Representatives					
Nondefense	Mandatory	Appropriation	1	5.1	*
Joint Items					
001-11-0181 Joint Economic Committee					
Nondefense	Discretionary	Appropriation	4	5.0	*
001-11-0186 Joint Congressional Committee on Inaugural Ceremonies of 2013					
Nondefense	Discretionary	Appropriation	1	5.0	*
001-11-0190 Office of Congressional Accessibility Services					
Nondefense	Discretionary	Appropriation	1	5.0	*
001-11-0425 Office of the Attending Physician					
Nondefense	Discretionary	Appropriation	3	5.0	*
001-11-0460 Joint Committee on Taxation					
Nondefense	Discretionary	Appropriation	10	5.0	1
Office of Compliance					
001-12-1600 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	4	5.0	*
Capitol Police					
001-13-0476 General Expenses					
Nondefense	Discretionary	Appropriation	63	5.0	3
001-13-0477 Salaries					
Nondefense	Discretionary	Appropriation	279	5.0	14

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Congressional Budget Office					
001-14-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	44	5.0	2
Architect of the Capitol					
001-15-0100 General Administration					
Nondefense	Discretionary	Appropriation	102	5.0	5
001-15-0105 Capitol Building					
Nondefense	Discretionary	Appropriation	36	5.0	2
001-15-0108 Capitol Grounds					
Nondefense	Discretionary	Appropriation	10	5.0	1
001-15-0123 Senate Office Buildings					
Nondefense	Discretionary	Appropriation	72	5.0	4
001-15-0127 House Office Buildings					
Nondefense	Discretionary	Appropriation	95	5.0	5
001-15-0133 Capitol Power Plant					
Nondefense	Discretionary	Appropriation	124	5.0	6
001-15-0155 Library Buildings and Grounds					
Nondefense	Discretionary	Appropriation	47	5.0	2
001-15-0161 Capitol Visitor Center					
Nondefense	Discretionary	Appropriation	21	5.0	1
001-15-0171 Capitol Police Buildings and Grounds					
Nondefense	Discretionary	Appropriation	22	5.0	1
001-15-1833 House Historic Buildings Revitalization Trust Fund					
Nondefense	Discretionary	Appropriation	30	5.0	2
001-15-4518 Judiciary Office Building Development and Operations Fund					
Nondefense	Mandatory	Borrowing authority	12	5.1	1
Botanic Garden					
001-18-0200 Botanic Garden					
Nondefense	Discretionary	Appropriation	12	5.0	1
Library of Congress					
001-25-0101 Salaries and Expenses, Library of Congress					
Nondefense	Discretionary	Appropriation	416	5.0	21
001-25-0102 Copyright Office: Salaries and Expenses					
Nondefense	Discretionary	Appropriation	16	5.0	1
001-25-0127 Congressional Research Service: Salaries and Expenses					
Nondefense	Discretionary	Appropriation	107	5.0	5
001-25-0141 Books for the Blind and Physically Handicapped: Salaries and Expenses					
Nondefense	Discretionary	Appropriation	51	5.0	3
Government Printing Office					
001-30-0201 Office of Superintendent of Documents: Salaries and Expenses					
Nondefense	Discretionary	Appropriation	35	5.0	2
001-30-0203 Congressional Printing and Binding					
Nondefense	Discretionary	Appropriation	91	5.0	5

* denotes $500,000 or less.

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
001-30-4505 Government Printing Office Revolving Fund					
Nondefense	Discretionary	Appropriation	1	5.0	*
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	2	5.1	*
		Account Total	3		*
Government Accountability Office					
001-35-0107 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	514	5.0	26
United States Tax Court					
001-40-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	51	5.0	3
Legislative Branch Boards and Commissions					
001-45-1801 Medicaid and CHIP Payment and Access Commission					
Nondefense	Discretionary	Appropriation	6	5.0	*
001-45-2973 United States-China Economic and Security Review Commission					
Nondefense	Discretionary	Appropriation	3	5.0	*
001-45-2975 Commission on International Religious Freedom					
Nondefense	Discretionary	Appropriation	3	5.0	*
001-45-2990 Capital Construction, Dwight D. Eisenhower Memorial Commission					
Nondefense	Discretionary	Appropriation	31	5.0	2
001-45-8148 Open World Leadership Center Trust Fund					
Nondefense	Discretionary	Appropriation	10	5.0	1
001-45-9911 Other Legislative Branch Boards and Commissions					
Nondefense	Discretionary	Appropriation	7	5.0	*

* denotes $500,000 or less.

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Judicial Branch					
Supreme Court of the United States					
002-05-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	73	5.0	4
002-05-0103 Care of the Building and Grounds					
Nondefense	Discretionary	Appropriation	8	5.0	*
United States Court of Appeals for the Federal Circuit					
002-07-0510 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	30	5.0	2
United States Court of International Trade					
002-15-0400 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	20	5.0	1
Courts of Appeals, District Courts, and other Judicial Services					
002-25-0920 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	4,716	5.0	236
Nondefense	Mandatory	Appropriation	65	5.1	3
		Account Total	4,781		239
002-25-0923 Defender Services					
Nondefense	Discretionary	Appropriation	1,037	5.0	52
002-25-0925 Fees of Jurors and Commissioners					
Nondefense	Discretionary	Appropriation	52	5.0	3
002-25-0930 Court Security					
Nondefense	Discretionary	Appropriation	503	5.0	25
002-25-5100 Judiciary Filing Fees					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	80	5.1	4
Nondefense	Mandatory	Appropriation	194	5.1	10
		Account Total	274		14
002-25-5101 Registry Administration					
Nondefense	Mandatory	Appropriation	1	5.1	*
Administrative Office of the United States Courts					
002-26-0927 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	83	5.0	4
Federal Judicial Center					
002-30-0928 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	27	5.0	1
United States Sentencing Commission					
002-39-0938 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	17	5.0	1

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Agriculture					
Office of the Secretary					
005-03-9913 Office of the Secretary					
Nondefense	Discretionary	Appropriation	16	5.0	1
Departmental Management					
005-05-0117 Agriculture Buildings and Facilities and Rental Payments					
Nondefense	Discretionary	Appropriation	232	5.0	12
005-05-0500 Hazardous Materials Management					
Nondefense	Discretionary	Appropriation	4	5.0	*
005-05-9915 Departmental Administration					
Nondefense	Discretionary	Appropriation	86	5.0	4
Office of Communications					
005-06-0150 Office of Communications					
Nondefense	Discretionary	Appropriation	8	5.0	*
Office of Civil Rights					
005-07-3800 Office of Civil Rights					
Nondefense	Discretionary	Appropriation	21	5.0	1
Office of Inspector General					
005-08-0900 Office of Inspector General					
Nondefense	Discretionary	Appropriation	86	5.0	4
Office of Chief Economist					
005-09-0123 Office of the Chief Economist					
Nondefense	Discretionary	Appropriation	11	5.0	1
Office of the General Counsel					
005-10-2300 Office of the General Counsel					
Nondefense	Discretionary	Appropriation	40	5.0	2
National Appeals Division					
005-11-0706 National Appeals Division					
Nondefense	Discretionary	Appropriation	13	5.0	1
Economic Research Service					
005-13-1701 Economic Research Service					
Nondefense	Discretionary	Appropriation	78	5.0	4
National Agricultural Statistics Service					
005-15-1801 National Agricultural Statistics Service					
Nondefense	Discretionary	Appropriation	160	5.0	8
Agricultural Research Service					
005-18-1400 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	1,102	5.0	55
005-18-8214 Miscellaneous Contributed Funds					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	2	5.1	*
National Institute of Food and Agriculture					

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
005-20-0502 Extension Activities					
Nondefense	Discretionary	Appropriation	478	5.0	24
Nondefense	Mandatory	Appropriation	5	5.1	*
		Account Total	483		24
005-20-1500 Research and Education Activities					
Nondefense	Discretionary	Appropriation	714	5.0	36
005-20-1502 Integrated Activities					
Nondefense	Discretionary	Appropriation	21	5.0	1
Animal and Plant Health Inspection Service					
005-32-1600 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	822	5.0	41
Nondefense	Discretionary	Spending authority	18	5.0	1
Nondefense	Mandatory	Appropriation	266	5.1	14
		Account Total	1,106		56
005-32-1601 Buildings and Facilities					
Nondefense	Discretionary	Appropriation	3	5.0	*
005-32-9971 Miscellaneous Trust Funds					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	1	5.1	*
Food Safety and Inspection Service					
005-35-3700 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	1,010	5.0	51
Nondefense	Discretionary	Spending authority	45	5.0	2
		Account Total	1,055		53
005-35-8137 Expenses and Refunds, Inspection and Grading of Farm Products					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	1	5.1	*
Grain Inspection, Packers and Stockyards Administration					
005-37-2400 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	38	5.0	2
005-37-4050 Limitation on Inspection and Weighing Services Expenses					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	1	5.1	*
Nondefense	Mandatory	Spending authority	40	5.1	2
		Account Total	41		2
Agricultural Marketing Service					
005-45-2500 Marketing Services					
Nondefense	Discretionary	Appropriation	83	5.0	4
005-45-2501 Payments to States and Possessions					
Nondefense	Discretionary	Appropriation	1	5.0	*
005-45-5070 Perishable Agricultural Commodities Act Fund					
Nondefense	Mandatory	Appropriation	11	5.1	1
005-45-5209 Funds for Strengthening Markets, Income, and Supply (section 32)					
Nondefense	Mandatory	Appropriation	792	5.1	40
005-45-8015 Expenses and Refunds, Inspection and Grading of Farm Products					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	4	5.1	*
Nondefense	Mandatory	Appropriation	4	5.1	*
		Account Total	8		*
005-45-8412 Milk Market Orders Assessment Fund					
Nondefense	Mandatory	Spending authority	57	5.1	3

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Risk Management Agency					
005-47-2707 Administrative and Operating Expenses					
Nondefense	Discretionary	Appropriation	75	5.0	4
005-47-4085 Federal Crop Insurance Corporation Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	58	5.1	3
Farm Service Agency					
005-49-0170 State Mediation Grants					
Nondefense	Discretionary	Appropriation	4	5.0	*
005-49-0171 Emergency Forest Restoration Program					
Nondefense	Discretionary	Appropriation	23	5.0	1
005-49-0600 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	1,206	5.0	60
005-49-1140 Agricultural Credit Insurance Fund Program Account					
Nondefense	Discretionary	Appropriation	408	5.0	20
005-49-1336 Commodity Credit Corporation Export Loans Program Account					
Nondefense	Discretionary	Appropriation	7	5.0	*
005-49-2701 USDA Supplemental Assistance					
Nondefense	Discretionary	Appropriation	2	5.0	*
005-49-3304 Grassroots Source Water Protection Program					
Nondefense	Discretionary	Appropriation	4	5.0	*
005-49-3305 Reforestation Pilot Program					
Nondefense	Discretionary	Appropriation	1	5.0	*
005-49-3316 Emergency Conservation Program					
Nondefense	Discretionary	Appropriation	15	5.0	1
005-49-4336 Commodity Credit Corporation Fund					
Nondefense	Mandatory	Borrowing authority	6,460	5.1	329
005-49-5531 Agricultural Disaster Relief Fund					
Nondefense	Mandatory	Borrowing authority	1,372	5.1	70
005-49-8161 Tobacco Trust Fund					
Nondefense	Mandatory	Appropriation	960	5.1	49
Natural Resources Conservation Service					
005-53-1000 Conservation Operations					
Nondefense	Discretionary	Appropriation	833	5.0	42
Nondefense	Discretionary	Spending authority	9	5.0	*
		Account Total	842		42
005-53-1002 Watershed Rehabilitation Program					
Nondefense	Discretionary	Appropriation	15	5.0	1
005-53-1004 Farm Security and Rural Investment Programs					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	108	5.1	6
Nondefense	Mandatory	Appropriation	3,249	5.1	166
		Account Total	3,357		171
005-53-1072 Watershed and Flood Prevention Operations					
Nondefense	Discretionary	Appropriation	180	5.0	9
005-53-3320 Water Bank Program					
Nondefense	Discretionary	Appropriation	8	5.0	*
Rural Development					

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(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
005-55-0403 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	183	5.0	9
Rural Utilities Service					
005-60-1230 Rural Electrification and Telecommunications Loans Program Account					
Nondefense	Discretionary	Appropriation	37	5.0	2
005-60-1232 Distance Learning, Telemedicine, and Broadband Program					
Nondefense	Discretionary	Appropriation	38	5.0	2
005-60-1980 Rural Water and Waste Disposal Program Account					
Nondefense	Discretionary	Appropriation	506	5.0	25
005-60-2042 High Energy Cost Grants					
Nondefense	Discretionary	Appropriation	10	5.0	1
Rural Housing Service					
005-63-0137 Rental Assistance Program					
Nondefense	Discretionary	Appropriation	910	5.0	46
005-63-1951 Rural Community Facilities Program Account					
Nondefense	Discretionary	Appropriation	29	5.0	1
005-63-1953 Rural Housing Assistance Grants					
Nondefense	Discretionary	Appropriation	33	5.0	2
005-63-2002 Multifamily Housing Revitalization Program Account					
Nondefense	Discretionary	Appropriation	13	5.0	1
005-63-2006 Mutual and Self-help Housing Grants					
Nondefense	Discretionary	Appropriation	30	5.0	2
005-63-2081 Rural Housing Insurance Fund Program Account					
Nondefense	Discretionary	Appropriation	514	5.0	26
Rural Business_Cooperative Service					
005-65-1900 Rural Cooperative Development Grants					
Nondefense	Discretionary	Appropriation	25	5.0	1
005-65-1902 Rural Business Program Account					
Nondefense	Discretionary	Appropriation	75	5.0	4
005-65-1908 Rural Energy for America Program					
Nondefense	Discretionary	Appropriation	3	5.0	*
Nondefense	Mandatory	Appropriation	22	5.1	1
		Account Total	25		1
005-65-2069 Rural Development Loan Fund Program Account					
Nondefense	Discretionary	Appropriation	11	5.0	1
005-65-2073 Energy Assistance Payments					
Nondefense	Mandatory	Appropriation	65	5.1	3
Foreign Agricultural Service					
005-68-2277 Public Law 480 Title I Direct Credit and Food for Progress Program Account					
Nondefense	Discretionary	Appropriation	3	5.0	*
005-68-2278 Food for Peace Title II Grants					
Nondefense	Discretionary	Appropriation	1,475	5.0	74
005-68-2900 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	177	5.0	9
Nondefense	Mandatory	Appropriation	1	5.1	*
		Account Total	178		9

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(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
005-68-2903 McGovern-Dole International Food for Education and Child Nutrition Program					
Nondefense	Discretionary	Appropriation	185	5.0	9
Food and Nutrition Service					
005-84-3505 Supplemental Nutrition Assistance Program					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	93	5.1	5
005-84-3507 Commodity Assistance Program					
Nondefense	Discretionary	Appropriation	73	5.0	4
Nondefense	Mandatory	Appropriation	21	5.1	1
		Account Total	94		5
005-84-3508 Nutrition Programs Administration					
Nondefense	Discretionary	Appropriation	140	5.0	7
005-84-3510 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)					
Nondefense	Discretionary	Appropriation	6,659	5.0	333
Nondefense	Mandatory	Appropriation	1	5.1	*
		Account Total	6,660		333
005-84-3539 Child Nutrition Programs					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	36	5.1	2
Nondefense	Mandatory	Appropriation	13	5.1	1
		Account Total	49		3
Forest Service					
005-96-1103 Capital Improvement and Maintenance					
Nondefense	Discretionary	Appropriation	430	5.0	22
Nondefense	Discretionary	Spending authority	16	5.0	1
		Account Total	446		22
005-96-1104 Forest and Rangeland Research					
Nondefense	Discretionary	Appropriation	298	5.0	15
Nondefense	Discretionary	Spending authority	2	5.0	*
		Account Total	300		15
005-96-1105 State and Private Forestry					
Nondefense	Discretionary	Appropriation	260	5.0	13
005-96-1106 National Forest System					
Nondefense	Discretionary	Appropriation	1,615	5.0	81
Nondefense	Discretionary	Spending authority	14	5.0	1
		Account Total	1,629		81
005-96-1115 Wildland Fire Management					
Nondefense	Discretionary	Appropriation	2,448	5.0	122
Nondefense	Discretionary	Spending authority	53	5.0	3
		Account Total	2,501		125
005-96-1119 Management of National Forest Lands for Subsistence Uses					
Nondefense	Discretionary	Appropriation	3	5.0	*
005-96-4605 Working Capital Fund					
Nondefense	Discretionary	Spending authority	3	5.0	*
005-96-5207 Range Betterment Fund					
Nondefense	Discretionary	Appropriation	3	5.0	*
005-96-5540 Stewardship Contracting Product Sales					
Nondefense	Mandatory	Appropriation	8	5.1	*

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
005-96-9921 Forest Service Permanent Appropriations					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	1	5.1	*
Nondefense	Mandatory	Appropriation	646	5.1	33
		Account Total	647		33
005-96-9923 Land Acquisition					
Nondefense	Discretionary	Appropriation	74	5.0	4
Nondefense	Mandatory	Appropriation	9	5.1	*
		Account Total	83		4
005-96-9974 Forest Service Trust Funds					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	2	5.1	*
Nondefense	Mandatory	Appropriation	77	5.1	4
		Account Total	79		4

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Commerce					
Departmental Management					
006-05-0120 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	57	5.0	3
006-05-0123 HCHB Renovation and Modernization					
Nondefense	Discretionary	Appropriation	5	5.0	*
006-05-0126 Office of the Inspector General					
Nondefense	Discretionary	Appropriation	29	5.0	1
Nondefense	Discretionary	Spending authority	1	5.0	*
		Account Total	30		2
Economic Development Administration					
006-06-0125 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	38	5.0	2
006-06-2050 Economic Development Assistance Programs					
Nondefense	Discretionary	Appropriation	221	5.0	11
Bureau of the Census					
006-07-0401 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	255	5.0	13
Nondefense	Mandatory	Appropriation	30	5.1	2
		Account Total	285		14
006-07-0450 Periodic Censuses and Programs					
Nondefense	Discretionary	Appropriation	638	5.0	32
Economic and Statistical Analysis					
006-08-1500 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	97	5.0	5
International Trade Administration					
006-25-1250 Operations and Administration					
Nondefense	Discretionary	Appropriation	458	5.0	23
006-25-5521 Grants to Manufacturers of Worsted Wool Fabrics					
Nondefense	Mandatory	Appropriation	5	5.1	*
Bureau of Industry and Security					
006-30-0300 Operations and Administration					
Defense	Discretionary	Appropriation	34	7.8	3
Nondefense	Discretionary	Appropriation	67	5.0	3
Nondefense	Discretionary	Spending authority	1	5.0	*
		Account Total	102		6
Minority Business Development Agency					
006-40-0201 Minority Business Development					
Nondefense	Discretionary	Appropriation	30	5.0	2
National Oceanic and Atmospheric Administration					
006-48-1450 Operations, Research, and Facilities					
Nondefense	Discretionary	Appropriation	3,289	5.0	164
Nondefense	Mandatory	Spending authority	6	5.1	*
		Account Total	3,295		165
006-48-1451 Pacific Coastal Salmon Recovery					
Nondefense	Discretionary	Appropriation	65	5.0	3

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
006-48-1460 Procurement, Acquisition and Construction			
Nondefense Discretionary Appropriation	2,013	5.0	101
006-48-1465 Medicare-eligible Retiree Health Fund Contribution, NOAA			
Nondefense Discretionary Appropriation	2	5.0	*
006-48-4316 Damage Assessment and Restoration Revolving Fund			
Nondefense Mandatory Appropriation	6	5.1	*
006-48-5139 Promote and Develop Fishery Products and Research Pertaining to American Fisheries			
Nondefense Mandatory Appropriation	16	5.1	1
006-48-5284 Limited Access System Administration Fund			
Nondefense Mandatory Appropriation	10	5.1	1
006-48-5362 Environmental Improvement and Restoration Fund			
Nondefense Mandatory Appropriation	1	5.1	*
U.S. Patent and Trademark Office			
006-51-1006 Salaries and Expenses			
Nondefense Discretionary Spending authority	2,951	5.0	148
National Institute of Standards and Technology			
006-55-0500 Scientific and Technical Research and Services			
Nondefense Discretionary Appropriation	580	5.0	29
006-55-0515 Construction of Research Facilities			
Nondefense Discretionary Appropriation	56	5.0	3
006-55-0525 Industrial Technology Services			
Nondefense Discretionary Appropriation	129	5.0	6
National Telecommunications and Information Administration			
006-60-0516 State and Local Implementation Fund			
Nondefense Mandatory Borrowing authority	69	5.1	4
006-60-0550 Salaries and Expenses			
Nondefense Discretionary Appropriation	46	5.0	2
006-60-8233 Public Safety Trust Fund			
Nondefense Mandatory Borrowing authority	105	5.1	5

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Defense--Military Programs					
Operation and Maintenance					
007-10-0100 Operation and Maintenance, Defense-wide					
Defense	Discretionary	Appropriation	38,457	7.8	3,000
Defense	Discretionary	Unobligated balance in 050	748	7.8	58
		Account Total	39,205		3,058
007-10-0104 United States Court of Appeals for the Armed Forces					
Defense	Discretionary	Appropriation	14	7.8	1
007-10-0105 Drug Interdiction and Counter-Drug Activities					
Defense	Discretionary	Appropriation	1,685	7.8	131
007-10-0107 Office of the Inspector General					
Defense	Discretionary	Appropriation	360	7.8	28
Defense	Discretionary	Unobligated balance in 050	4	7.8	*
		Account Total	364		28
007-10-0111 Department of Defense Acquisition Workforce Development Fund					
Defense	Discretionary	Appropriation	107	7.8	8
Defense	Discretionary	Unobligated balance in 050	290	7.8	23
		Account Total	397		31
007-10-0118 Overseas Contingency Operations Transfer Fund					
Defense	Discretionary	Unobligated balance in 050	10	7.8	1
007-10-0130 Defense Health Program					
Defense	Discretionary	Appropriation	33,528	7.8	2,615
Defense	Discretionary	Spending authority	971	7.8	76
Defense	Discretionary	Unobligated balance in 050	1,503	7.8	117
		Account Total	36,002		2,808
007-10-0134 Cooperative Threat Reduction Account					
Defense	Discretionary	Appropriation	511	7.8	40
Defense	Discretionary	Unobligated balance in 050	222	7.8	17
		Account Total	733		57
007-10-0462 Military Intelligence Program Transfer Fund					
Defense	Discretionary	Appropriation	313	7.8	24
007-10-0801 Foreign Currency Fluctuations					
Defense	Discretionary	Unobligated balance in 050	970	7.8	76
007-10-0810 The Department of Defense Environmental Restoration Accounts					
Defense	Discretionary	Appropriation	1,198	7.8	93
Defense	Discretionary	Unobligated balance in 050	7	7.8	1
		Account Total	1,205		94
007-10-0811 Environmental Restoration, Formerly Used Defense Sites					
Defense	Discretionary	Appropriation	328	7.8	26
007-10-0819 Overseas Humanitarian, Disaster, and Civic Aid					
Defense	Discretionary	Appropriation	109	7.8	9
Defense	Discretionary	Unobligated balance in 050	65	7.8	5
		Account Total	174		14
007-10-0833 Emergency Response Fund					
Defense	Discretionary	Unobligated balance in 050	214	7.8	17
007-10-0838 Support for International Sporting Competitions					
Defense	Discretionary	Unobligated balance in 050	10	7.8	1

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
007-10-1106 Operation and Maintenance, Marine Corps					
Defense	Discretionary	Appropriation	9,643	7.8	752
007-10-1107 Operation and Maintenance, Marine Corps Reserve					
Defense	Discretionary	Appropriation	299	7.8	23
007-10-1804 Operation and Maintenance, Navy					
Defense	Discretionary	Appropriation	44,274	7.8	3,453
Defense	Discretionary	Unobligated balance in 050	15	7.8	1
		Account Total	44,289		3,455
007-10-1806 Operation and Maintenance, Navy Reserve					
Defense	Discretionary	Appropriation	1,369	7.8	107
007-10-2020 Operation and Maintenance, Army					
Defense	Discretionary	Appropriation	59,336	7.8	4,628
Defense	Discretionary	Unobligated balance in 050	84	7.8	7
		Account Total	59,420		4,635
007-10-2065 Operation and Maintenance, Army National Guard					
Defense	Discretionary	Appropriation	7,352	7.8	573
Defense	Discretionary	Unobligated balance in 050	1	7.8	*
		Account Total	7,353		574
007-10-2080 Operation and Maintenance, Army Reserve					
Defense	Discretionary	Appropriation	3,245	7.8	253
007-10-2091 Afghanistan Security Forces Fund					
Defense	Discretionary	Appropriation	5,749	7.8	448
Defense	Discretionary	Unobligated balance in 050	4,519	7.8	352
		Account Total	10,268		801
007-10-2096 Afghanistan Infrastructure Fund					
Defense	Discretionary	Appropriation	400	7.8	31
Defense	Discretionary	Unobligated balance in 050	69	7.8	5
		Account Total	469		37
007-10-3400 Operation and Maintenance, Air Force					
Defense	Discretionary	Appropriation	44,443	7.8	3,467
007-10-3740 Operation and Maintenance, Air Force Reserve					
Defense	Discretionary	Appropriation	3,415	7.8	266
007-10-3840 Operation and Maintenance, Air National Guard					
Defense	Discretionary	Appropriation	6,162	7.8	481
007-10-4965 Emergency Response					
Defense	Discretionary	Unobligated balance in 050	12	7.8	1
007-10-5188 Disposal of Department of Defense Real Property					
Defense	Discretionary	Appropriation	8	7.8	1
Defense	Discretionary	Unobligated balance in 050	55	7.8	4
		Account Total	63		5
007-10-5189 Lease of Department of Defense Real Property					
Defense	Discretionary	Appropriation	11	7.8	1
Defense	Discretionary	Unobligated balance in 050	71	7.8	6
		Account Total	82		6
007-10-5193 Overseas Military Facility Investment Recovery					
Defense	Discretionary	Unobligated balance in 050	2	7.8	*

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
007-10-9922 Miscellaneous Special Funds					
Defense	Mandatory	Appropriation	8	7.9	1
Defense	Mandatory	Unobligated balance in 050	17	7.9	1
		Account Total	25		2
Procurement					
007-15-0144 Mine Resistant Ambush Protected Vehicle Fund					
Defense	Discretionary	Unobligated balance in 050	600	7.8	47
007-15-0300 Procurement, Defense-wide					
Defense	Discretionary	Appropriation	5,130	7.8	400
Defense	Discretionary	Unobligated balance in 050	670	7.8	52
		Account Total	5,800		452
007-15-0350 National Guard and Reserve Equipment					
Defense	Discretionary	Unobligated balance in 050	217	7.8	17
007-15-0360 Defense Production Act Purchases					
Defense	Discretionary	Appropriation	171	7.8	13
Defense	Discretionary	Unobligated balance in 050	151	7.8	12
		Account Total	322		25
007-15-0380 Coastal Defense Augmentation					
Defense	Discretionary	Unobligated balance in 050	4	7.8	*
007-15-0390 Chemical Agents and Munitions Destruction, Defense					
Defense	Discretionary	Appropriation	1,564	7.8	122
Defense	Discretionary	Unobligated balance in 050	2	7.8	*
		Account Total	1,566		122
007-15-1109 Procurement, Marine Corps					
Defense	Discretionary	Appropriation	2,376	7.8	185
Defense	Discretionary	Unobligated balance in 050	1,180	7.8	92
		Account Total	3,556		277
007-15-1506 Aircraft Procurement, Navy					
Defense	Discretionary	Appropriation	17,871	7.8	1,394
Defense	Discretionary	Unobligated balance in 050	2,914	7.8	227
		Account Total	20,785		1,621
007-15-1507 Weapons Procurement, Navy					
Defense	Discretionary	Appropriation	3,234	7.8	252
Defense	Discretionary	Unobligated balance in 050	703	7.8	55
		Account Total	3,937		307
007-15-1508 Procurement of Ammunition, Navy and Marine Corps					
Defense	Discretionary	Appropriation	889	7.8	69
Defense	Discretionary	Unobligated balance in 050	103	7.8	8
		Account Total	992		77
007-15-1611 Shipbuilding and Conversion, Navy					
Defense	Discretionary	Appropriation	15,010	7.8	1,171
Defense	Discretionary	Unobligated balance in 050	7,459	7.8	582
		Account Total	22,469		1,753
007-15-1810 Other Procurement, Navy					
Defense	Discretionary	Appropriation	6,089	7.8	475
Defense	Discretionary	Unobligated balance in 050	1,320	7.8	103
		Account Total	7,409		578

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(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
007-15-2031 Aircraft Procurement, Army					
Defense	Discretionary	Appropriation	5,858	7.8	457
Defense	Discretionary	Unobligated balance in 050	1,532	7.8	119
		Account Total	7,390		576
007-15-2032 Missile Procurement, Army					
Defense	Discretionary	Appropriation	1,490	7.8	116
Defense	Discretionary	Spending authority	15	7.8	1
Defense	Discretionary	Unobligated balance in 050	231	7.8	18
		Account Total	1,736		135
007-15-2033 Procurement of Weapons and Tracked Combat Vehicles, Army					
Defense	Discretionary	Appropriation	2,079	7.8	162
Defense	Discretionary	Spending authority	20	7.8	2
Defense	Discretionary	Unobligated balance in 050	751	7.8	59
		Account Total	2,850		222
007-15-2034 Procurement of Ammunition, Army					
Defense	Discretionary	Appropriation	2,239	7.8	175
Defense	Discretionary	Spending authority	22	7.8	2
Defense	Discretionary	Unobligated balance in 050	299	7.8	23
		Account Total	2,560		200
007-15-2035 Other Procurement, Army					
Defense	Discretionary	Appropriation	9,548	7.8	745
Defense	Discretionary	Spending authority	17	7.8	1
Defense	Discretionary	Unobligated balance in 050	3,501	7.8	273
		Account Total	13,066		1,019
007-15-2093 Joint Improvised Explosive Device Defeat Fund					
Defense	Discretionary	Appropriation	1,675	7.8	131
Defense	Discretionary	Unobligated balance in 050	303	7.8	24
		Account Total	1,978		154
007-15-3010 Aircraft Procurement, Air Force					
Defense	Discretionary	Appropriation	13,050	7.8	1,018
Defense	Discretionary	Unobligated balance in 050	9,753	7.8	761
		Account Total	22,803		1,779
007-15-3011 Procurement of Ammunition, Air Force					
Defense	Discretionary	Appropriation	619	7.8	48
Defense	Discretionary	Unobligated balance in 050	112	7.8	9
		Account Total	731		57
007-15-3020 Missile Procurement, Air Force					
Defense	Discretionary	Appropriation	5,944	7.8	464
Defense	Discretionary	Unobligated balance in 050	640	7.8	50
		Account Total	6,584		514
007-15-3080 Other Procurement, Air Force					
Defense	Discretionary	Appropriation	20,271	7.8	1,581
Defense	Discretionary	Unobligated balance in 050	442	7.8	34
		Account Total	20,713		1,616
Research, Development, Test, and Evaluation					
007-20-0400 Research, Development, Test and Evaluation, Defense-wide					
Defense	Discretionary	Appropriation	19,391	7.8	1,512
Defense	Discretionary	Unobligated balance in 050	1,145	7.8	89
		Account Total	20,536		1,602

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
007-20-0460 Operational Test and Evaluation, Defense					
Defense	Discretionary	Appropriation	189	7.8	15
Defense	Discretionary	Unobligated balance in 050	9	7.8	1
		Account Total	198		15
007-20-1319 Research, Development, Test and Evaluation, Navy					
Defense	Discretionary	Appropriation	17,909	7.8	1,397
Defense	Discretionary	Unobligated balance in 050	953	7.8	74
		Account Total	18,862		1,471
007-20-2040 Research, Development, Test and Evaluation, Army					
Defense	Discretionary	Appropriation	8,814	7.8	687
Defense	Discretionary	Unobligated balance in 050	793	7.8	62
		Account Total	9,607		749
007-20-3600 Research, Development, Test and Evaluation, Air Force					
Defense	Discretionary	Appropriation	26,695	7.8	2,082
Defense	Discretionary	Unobligated balance in 050	1,727	7.8	135
		Account Total	28,422		2,217
Military Construction					
007-25-0391 Chemical Demilitarization Construction, Defense-wide					
Defense	Discretionary	Appropriation	75	7.8	6
Defense	Discretionary	Unobligated balance in 050	2	7.8	*
		Account Total	77		6
007-25-0500 Military Construction, Defense-wide					
Defense	Discretionary	Appropriation	3,321	7.8	259
Defense	Discretionary	Unobligated balance in 050	2,493	7.8	194
		Account Total	5,814		454
007-25-0510 Department of Defense Base Closure Account 1990					
Defense	Discretionary	Appropriation	326	7.8	25
007-25-0512 Department of Defense Base Closure Account 2005					
Defense	Discretionary	Unobligated balance in 050	601	7.8	47
007-25-0803 Foreign Currency Fluctuations, Construction					
Defense	Discretionary	Unobligated balance in 050	1	7.8	*
007-25-0804 North Atlantic Treaty Organization Security Investment Program					
Defense	Discretionary	Appropriation	250	7.8	20
Defense	Discretionary	Unobligated balance in 050	9	7.8	1
		Account Total	259		20
007-25-1205 Military Construction, Navy and Marine Corps					
Defense	Discretionary	Appropriation	2,100	7.8	164
Defense	Discretionary	Unobligated balance in 050	1,709	7.8	133
		Account Total	3,809		297
007-25-1235 Military Construction, Navy Reserve					
Defense	Discretionary	Appropriation	26	7.8	2
Defense	Discretionary	Unobligated balance in 050	39	7.8	3
		Account Total	65		5
007-25-2050 Military Construction, Army					
Defense	Discretionary	Appropriation	2,925	7.8	228
Defense	Discretionary	Unobligated balance in 050	2,300	7.8	179
		Account Total	5,225		408

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(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
007-25-2085 Military Construction, Army National Guard					
Defense	Discretionary	Appropriation	803	7.8	63
Defense	Discretionary	Unobligated balance in 050	507	7.8	40
		Account Total	1,310		102
007-25-2086 Military Construction, Army Reserve					
Defense	Discretionary	Appropriation	282	7.8	22
Defense	Discretionary	Unobligated balance in 050	144	7.8	11
		Account Total	426		33
007-25-3300 Military Construction, Air Force					
Defense	Discretionary	Appropriation	1,202	7.8	94
Defense	Discretionary	Unobligated balance in 050	732	7.8	57
		Account Total	1,934		151
007-25-3730 Military Construction, Air Force Reserve					
Defense	Discretionary	Appropriation	34	7.8	3
Defense	Discretionary	Unobligated balance in 050	23	7.8	2
		Account Total	57		5
007-25-3830 Military Construction, Air National Guard					
Defense	Discretionary	Appropriation	117	7.8	9
Defense	Discretionary	Unobligated balance in 050	124	7.8	10
		Account Total	241		19
Family Housing					
007-30-0720 Family Housing Construction, Army					
Defense	Discretionary	Appropriation	178	7.8	14
Defense	Discretionary	Unobligated balance in 050	133	7.8	10
		Account Total	311		24
007-30-0725 Family Housing Operation and Maintenance, Army					
Defense	Discretionary	Appropriation	496	7.8	39
007-30-0730 Family Housing Construction, Navy and Marine Corps					
Defense	Discretionary	Appropriation	102	7.8	8
Defense	Discretionary	Unobligated balance in 050	245	7.8	19
		Account Total	347		27
007-30-0735 Family Housing Operation and Maintenance, Navy and Marine Corps					
Defense	Discretionary	Appropriation	370	7.8	29
007-30-0740 Family Housing Construction, Air Force					
Defense	Discretionary	Appropriation	60	7.8	5
Defense	Discretionary	Unobligated balance in 050	290	7.8	23
		Account Total	350		27
007-30-0745 Family Housing Operation and Maintenance, Air Force					
Defense	Discretionary	Appropriation	433	7.8	34
007-30-0765 Family Housing Operation and Maintenance, Defense-Wide					
Defense	Discretionary	Appropriation	51	7.8	4
007-30-0834 Department of Defense Family Housing Improvement Fund					
Defense	Discretionary	Appropriation	2	7.8	*
Defense	Discretionary	Unobligated balance in 050	118	7.8	9
		Account Total	120		9
007-30-4090 Homeowners Assistance Fund					
Defense	Discretionary	Appropriation	1	7.8	*
Defense	Discretionary	Unobligated balance in 050	245	7.8	19
		Account Total	246		19
Revolving and Management Funds					

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
007-40-4555 National Defense Stockpile Transaction Fund					
Defense	Mandatory	Spending authority	153	7.9	12
007-40-4557 National Defense Sealift Fund					
Defense	Discretionary	Appropriation	1,107	7.8	86
007-40-493001 Working Capital Fund, Army					
Defense	Discretionary	Appropriation	145	7.8	11
007-40-493002 Working Capital Fund, Navy					
Defense	Discretionary	Appropriation	24	7.8	2
007-40-493003 Working Capital Fund, Air Force					
Defense	Discretionary	Appropriation	305	7.8	24
007-40-493004 Working Capital Fund, Defense Commissary Agency					
Defense	Discretionary	Appropriation	1,385	7.8	108
007-40-493005 Working Capital Fund, Defense-Wide					
Defense	Discretionary	Appropriation	252	7.8	20
Trust Funds					
007-55-8164 Surcharge Collections, Sales of Commissary Stores, Defense					
Defense	Mandatory	Administrative expenses in otherwise exempt resources	251	7.9	20
007-55-9971 Other DOD Trust Funds					
Defense	Mandatory	Appropriation	26	7.9	2
Defense	Mandatory	Unobligated balance in 050	20	7.9	2
		Account Total	46		4

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Education					
Office of Elementary and Secondary Education					
018-10-0101 Indian Student Education					
Nondefense	Discretionary	Appropriation	132	5.0	7
018-10-0102 Impact Aid					
Nondefense	Discretionary	Appropriation	1,299	5.0	65
018-10-0203 Supporting Student Success					
Nondefense	Discretionary	Appropriation	257	5.0	13
018-10-0900 Accelerating Achievement and Ensuring Equity					
Nondefense	Discretionary	Advance appropriation	10,841	5.0	542
Nondefense	Discretionary	Appropriation	4,931	5.0	247
		Account Total	15,772		789
018-10-1000 Education Improvement Programs					
Nondefense	Discretionary	Advance appropriation	1,681	5.0	84
Nondefense	Discretionary	Appropriation	2,881	5.0	144
		Account Total	4,562		228
Office of Innovation and Improvement					
018-12-0204 Innovation and Instructional Teams					
Nondefense	Discretionary	Appropriation	1,537	5.0	77
Office of English Language Acquisition					
018-15-1300 English Learner Education					
Nondefense	Discretionary	Appropriation	737	5.0	37
Office of Special Education and Rehabilitative Services					
018-20-0300 Special Education					
Nondefense	Discretionary	Advance appropriation	9,283	5.0	464
Nondefense	Discretionary	Appropriation	3,378	5.0	169
		Account Total	12,661		633
018-20-0301 Rehabilitation Services and Disability Research					
Nondefense	Discretionary	Appropriation	392	5.0	20
Nondefense	Mandatory	Appropriation	3,231	5.1	165
		Account Total	3,623		184
018-20-0600 American Printing House for the Blind					
Nondefense	Discretionary	Appropriation	25	5.0	1
018-20-0601 National Technical Institute for the Deaf					
Nondefense	Discretionary	Appropriation	66	5.0	3
018-20-0602 Gallaudet University					
Nondefense	Discretionary	Appropriation	126	5.0	6
Office of Vocational and Adult Education					
018-30-0400 Career, Technical and Adult Education					
Nondefense	Discretionary	Advance appropriation	791	5.0	40
Nondefense	Discretionary	Appropriation	952	5.0	48
		Account Total	1,743		87
Office of Postsecondary Education					
018-40-0201 Higher Education					
Nondefense	Discretionary	Appropriation	1,881	5.0	94
Nondefense	Mandatory	Appropriation	428	5.1	22
		Account Total	2,309		116

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource				Sequestrable BA Amount	Sequester Percentage	Sequester Amount
018-40-0241 College Housing and Academic Facilities Loans Program Account						
	Nondefense	Discretionary	Appropriation	21	5.0	1
018-40-0603 Howard University						
	Nondefense	Discretionary	Appropriation	235	5.0	12
Office of Federal Student Aid						
018-45-0200 Student Financial Assistance						
	Nondefense	Discretionary	Appropriation	1,722	5.0	86
	Nondefense	Mandatory	Appropriation	*	5.1	*
			Account Total	1,722		86
018-45-0202 Student Aid Administration						
	Nondefense	Discretionary	Appropriation	1,050	5.0	53
	Nondefense	Mandatory	Appropriation	359	5.1	18
			Account Total	1,409		71
018-45-0206 Teacher Education Assistance						
	Nondefense	Mandatory	Appropriation	23	5.1	1
018-45-5557 Student Financial Assistance Debt Collection						
	Nondefense	Mandatory	Appropriation	10	5.1	1
Institute of Education Sciences						
018-50-1100 Institute of Education Sciences						
	Nondefense	Discretionary	Appropriation	597	5.0	30
Departmental Management						
018-80-0700 Office for Civil Rights						
	Nondefense	Discretionary	Appropriation	103	5.0	5
018-80-0800 Program Administration						
	Nondefense	Discretionary	Appropriation	449	5.0	22
018-80-1400 Office of the Inspector General						
	Nondefense	Discretionary	Appropriation	60	5.0	3

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Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Energy					
National Nuclear Security Administration					
019-05-0240 Weapons Activities					
Defense	Discretionary	Appropriation	7,557	7.8	589
Defense	Discretionary	Unobligated balance in 050	188	7.8	15
		Account Total	7,745		604
019-05-0309 Defense Nuclear Nonproliferation					
Defense	Discretionary	Appropriation	2,410	7.8	188
Defense	Discretionary	Unobligated balance in 050	32	7.8	2
		Account Total	2,442		191
019-05-0312 Cerro Grande Fire Activities					
Defense	Discretionary	Unobligated balance in 050	1	7.8	*
019-05-0313 Office of the Administrator					
Defense	Discretionary	Appropriation	413	7.8	32
Defense	Discretionary	Unobligated balance in 050	3	7.8	*
		Account Total	416		32
019-05-0314 Naval Reactors					
Defense	Discretionary	Appropriation	1,087	7.8	85
Defense	Discretionary	Unobligated balance in 050	10	7.8	1
		Account Total	1,097		86
Environmental and Other Defense Activities					
019-10-0243 Other Defense Activities					
Defense	Discretionary	Appropriation	828	7.8	65
Defense	Discretionary	Unobligated balance in 050	16	7.8	1
		Account Total	844		66
019-10-0244 Defense Nuclear Waste Disposal					
Defense	Discretionary	Unobligated balance in 050	9	7.8	1
019-10-0251 Defense Environmental Cleanup					
Defense	Discretionary	Appropriation	5,034	7.8	393
Defense	Discretionary	Spending authority	1	7.8	*
Defense	Discretionary	Unobligated balance in 050	14	7.8	1
		Account Total	5,049		394
Energy Programs					
019-20-0208 Title 17 Innovative Technology Loan Guarantee Program					
Nondefense	Discretionary	Spending authority	38	5.0	2
019-20-0212 Federal Energy Regulatory Commission					
Nondefense	Discretionary	Spending authority	306	5.0	15
019-20-0213 Fossil Energy Research and Development					
Nondefense	Discretionary	Appropriation	495	5.0	25
019-20-0216 Energy Information Administration					
Nondefense	Discretionary	Appropriation	106	5.0	5
019-20-0218 Strategic Petroleum Reserve					
Nondefense	Discretionary	Appropriation	194	5.0	10
019-20-0219 Naval Petroleum and Oil Shale Reserves					
Nondefense	Discretionary	Appropriation	15	5.0	1
019-20-0222 Science					
Nondefense	Discretionary	Appropriation	4,904	5.0	245

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(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
019-20-0315 Non-defense Environmental Cleanup					
Nondefense	Discretionary	Appropriation	237	5.0	12
019-20-0318 Electricity Delivery and Energy Reliability					
Defense	Discretionary	Appropriation	6	7.8	*
Nondefense	Discretionary	Appropriation	134	5.0	7
		Account Total	140		7
019-20-0319 Nuclear Energy					
Nondefense	Discretionary	Appropriation	771	5.0	39
019-20-0321 Energy Efficiency and Renewable Energy					
Nondefense	Discretionary	Appropriation	1,821	5.0	91
019-20-0322 Advanced Technology Vehicles Manufacturing Loan Program Account					
Nondefense	Discretionary	Appropriation	6	5.0	*
019-20-0337 Advanced Research Projects Agency					
Nondefense	Discretionary	Appropriation	277	5.0	14
019-20-5105 Payments to States under Federal Power Act					
Nondefense	Mandatory	Appropriation	3	5.1	*
019-20-5231 Uranium Enrichment Decontamination and Decommissioning Fund					
Nondefense	Discretionary	Appropriation	475	5.0	24
019-20-5369 Northeast Home Heating Oil Reserve					
Nondefense	Discretionary	Appropriation	10	5.0	1
019-20-5523 Ultra-deepwater and Unconventional Natural Gas and Other Petroleum Research Fund					
Nondefense	Mandatory	Appropriation	50	5.1	3
Power Marketing Administration					
019-50-0303 Operation and Maintenance, Southwestern Power Administration					
Nondefense	Discretionary	Appropriation	13	5.0	1
019-50-4045 Bonneville Power Administration Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	115	5.1	6
019-50-4404 Western Area Power Administration, Borrowing Authority, Recovery Act.					
Nondefense	Mandatory	Borrowing authority	180	5.1	9
019-50-5068 Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration					
Nondefense	Discretionary	Appropriation	98	5.0	5
Departmental Administration					
019-60-0228 Departmental Administration					
Nondefense	Discretionary	Appropriation	131	5.0	7
019-60-0236 Office of the Inspector General					
Nondefense	Discretionary	Appropriation	42	5.0	2

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Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Health and Human Services					
Food and Drug Administration					
009-10-4309 Revolving Fund for Certification and Other Services					
Nondefense	Mandatory	Spending authority	8	5.1	*
009-10-9911 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	2,521	5.0	126
Nondefense	Discretionary	Spending authority	1,328	5.0	66
Nondefense	Mandatory	Spending authority	319	5.1	16
		Account Total	4,168		209
Health Resources and Services Administration					
009-15-0321 Maternal, Infant, and Early Childhood Home Visiting Programs					
Nondefense	Mandatory	Appropriation	400	5.1	20
009-15-0340 Health Education Assistance Loans Program Account					
Nondefense	Discretionary	Appropriation	3	5.0	*
009-15-0350 Health Resources and Services					
Nondefense	Discretionary	Appropriation	6,232	5.0	312
Nondefense	Discretionary	Spending authority	11	5.0	1
Nondefense	Mandatory	Appropriation	498	5.1	25
Nondefense	Mandatory	Appropriation	1,352	2.0	27
Nondefense	Mandatory	Spending authority	16	5.1	1
		Account Total	8,109		365
Indian Health Service					
009-17-0390 Indian Health Services					
Nondefense	Discretionary	Appropriation	3,890	5.0	195
Nondefense	Mandatory	Appropriation	150	2.0	3
		Account Total	4,040		198
009-17-0391 Indian Health Facilities					
Nondefense	Discretionary	Appropriation	443	5.0	22
Centers for Disease Control and Prevention					
009-20-0943 CDC-Wide Activities and Program Support					
Nondefense	Discretionary	Appropriation	5,692	5.0	285
Nondefense	Discretionary	Spending authority	3	5.0	*
Defense	Mandatory	Appropriation	55	7.9	4
Defense	Mandatory	Unobligated balance in 050	2	7.9	*
		Account Total	5,752		289
009-20-0944 Toxic Substances and Environmental Public Health, Agency for Toxic Substances and Disease Registry					
Nondefense	Discretionary	Appropriation	77	5.0	4
009-20-0946 World Trade Center Health Program Fund					
Nondefense	Mandatory	Appropriation	190	5.1	10
National Institutes of Health					
009-25-9915 National Institutes of Health					
Nondefense	Discretionary	Appropriation	30,899	5.0	1,545
Nondefense	Mandatory	Appropriation	150	5.1	8
		Account Total	31,049		1,553
Substance Abuse and Mental Health Services Administration					
009-30-1362 Susbstance Abuse and Mental Health Services Administration					
Nondefense	Discretionary	Appropriation	3,368	5.0	168
Centers for Medicare and Medicaid Services					

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(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
009-38-0115 Affordable Insurance Exchange Grants					
Nondefense	Mandatory	Appropriation	868	5.1	44
009-38-0511 Program Management					
Nondefense	Discretionary	Spending authority	458	5.0	23
Nondefense	Mandatory	Appropriation	253	5.1	13
Nondefense	Mandatory	Spending authority	72	5.1	4
		Account Total	783		40
009-38-0516 State Grants and Demonstrations					
Nondefense	Mandatory	Appropriation	530	5.1	27
009-38-0524 Consumer Operated and Oriented Plan Program Contingency Fund					
Nondefense	Mandatory	Appropriation	253	5.1	13
009-38-8004 Federal Supplementary Medical Insurance Trust Fund					
Nondefense	Discretionary	Appropriation	3,446	5.0	172
Nondefense	Mandatory	Appropriation	128	5.1	7
Nondefense	Mandatory	Appropriation	257,533	2.0	5,151
		Account Total	261,107		5,330
009-38-8005 Federal Hospital Insurance Trust Fund					
Nondefense	Discretionary	Appropriation	2,194	5.0	110
Nondefense	Mandatory	Appropriation	527	5.1	27
Nondefense	Mandatory	Appropriation	280,775	2.0	5,616
		Account Total	283,496		5,752
009-38-8308 Medicare Prescription Drug Account, Federal Supplementary Insurance Trust Fund					
Nondefense	Discretionary	Appropriation	398	5.0	20
Nondefense	Mandatory	Appropriation	5	5.1	*
Nondefense	Mandatory	Appropriation	28,391	2.0	568
		Account Total	28,794		588
009-38-8393 Health Care Fraud and Abuse Control Account					
Nondefense	Discretionary	Appropriation	312	5.0	16
Nondefense	Mandatory	Appropriation	484	5.1	25
Nondefense	Mandatory	Appropriation	812	2.0	16
		Account Total	1,608		57
Administration for Children and Families					
009-70-1501 Payments to States for Child Support Enforcement and Family Support Programs					
Nondefense	Mandatory	Appropriation	1	5.1	*
009-70-1502 Low Income Home Energy Assistance					
Nondefense	Discretionary	Appropriation	3,493	5.0	175
009-70-1503 Refugee and Entrant Assistance					
Nondefense	Discretionary	Appropriation	900	5.0	45
009-70-1512 Supporting Healthy Families and Adolescent Development					
Nondefense	Discretionary	Appropriation	63	5.0	3
Nondefense	Mandatory	Appropriation	485	5.1	25
		Account Total	548		28
009-70-1515 Payments to States for the Child Care and Development Block Grant					
Nondefense	Discretionary	Appropriation	2,292	5.0	115
009-70-1534 Social Services Block Grant					
Nondefense	Mandatory	Appropriation	2,285	5.1	117
009-70-1536 Children and Families Services Programs					
Nondefense	Discretionary	Appropriation	10,069	5.0	503

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
009-70-1545 Payments for Foster Care and Permanency					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	*	5.1	*
009-70-1552 Temporary Assistance for Needy Families					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	26	5.1	1
009-70-1553 Children's Research and Technical Assistance					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	10	5.1	1
Nondefense	Mandatory	Appropriation	52	5.1	3
Nondefense	Mandatory	Spending authority	13	5.1	1
		Account Total	75		4
Administration for Community Living					
009-75-0142 Aging and Disability Services Programs					
Nondefense	Discretionary	Appropriation	1,480	5.0	74
Nondefense	Mandatory	Appropriation	28	5.1	1
		Account Total	1,508		75
Departmental Management					
009-90-0116 Prevention and Public Health Fund					
Nondefense	Mandatory	Appropriation	1,000	5.1	51
009-90-0117 Pregnancy Assistance Fund					
Nondefense	Mandatory	Appropriation	25	5.1	1
009-90-0130 Office of the National Coordinator for Health Information Technology					
Nondefense	Discretionary	Appropriation	17	5.0	1
009-90-0135 Office for Civil Rights					
Nondefense	Discretionary	Appropriation	41	5.0	2
Nondefense	Discretionary	Spending authority	6	5.0	*
		Account Total	47		2
009-90-0140 Public Health and Social Services Emergency Fund					
Nondefense	Discretionary	Appropriation	767	5.0	38
009-90-9912 General Departmental Management					
Nondefense	Discretionary	Appropriation	477	5.0	24
Program Support Center					
009-91-0170 HHS Accrual Contribution to the Uniformed Services Retiree Health Care Fund					
Nondefense	Discretionary	Appropriation	29	5.0	1
009-91-9971 Miscellaneous Trust Funds					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	45	5.1	2
Office of the Inspector General					
009-92-0128 Office of the Inspector General					
Nondefense	Discretionary	Appropriation	55	5.0	3
Nondefense	Mandatory	Spending authority	12	5.1	1
		Account Total	67		3

* denotes $500,000 or less.

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Homeland Security					
Departmental Management and Operations					
024-10-0100 Departmental Operations					
Nondefense	Discretionary	Appropriation	479	5.0	24
024-10-0102 Office of the Chief Information Officer					
Nondefense	Discretionary	Appropriation	324	5.0	16
024-10-0115 Analysis and Operations					
Nondefense	Discretionary	Appropriation	340	5.0	17
Office of the Inspector General					
024-20-0200 Operating Expenses					
Nondefense	Discretionary	Appropriation	145	5.0	7
Citizenship and Immigration Services					
024-30-0300 Citizenship and Immigration Services					
Nondefense	Discretionary	Appropriation	103	5.0	5
Nondefense	Mandatory	Appropriation	2,859	5.1	146
		Account Total	2,962		151
United States Secret Service					
024-40-0400 Operating Expenses					
Nondefense	Discretionary	Appropriation	1,670	5.0	84
024-40-0401 Acquisition, Construction, and Improvements					
Nondefense	Discretionary	Appropriation	5	5.0	*
Transportation Security Administration					
024-45-0541 Federal Air Marshals					
Nondefense	Discretionary	Appropriation	972	5.0	49
024-45-0550 Aviation Security					
Nondefense	Discretionary	Appropriation	3,178	5.0	159
Nondefense	Discretionary	Spending authority	2,094	5.0	105
Nondefense	Mandatory	Appropriation	250	5.1	13
		Account Total	5,522		276
024-45-0551 Surface Transportation Security					
Nondefense	Discretionary	Appropriation	136	5.0	7
024-45-0554 Transportation Security Support					
Nondefense	Discretionary	Appropriation	1,038	5.0	52
024-45-0557 Transportation Threat Assessment and Credentialing					
Nondefense	Discretionary	Appropriation	165	5.0	8
Nondefense	Discretionary	Spending authority	75	5.0	4
Nondefense	Mandatory	Spending authority	5	5.1	*
		Account Total	245		12
Federal Law Enforcement Training Center					
024-49-0509 Salaries and expenses					
Nondefense	Discretionary	Appropriation	240	5.0	12
Nondefense	Discretionary	Spending authority	2	5.0	*
		Account Total	242		12
024-49-0510 Acquisitions, Construction, Improvements and Related Expenses					
Nondefense	Discretionary	Appropriation	32	5.0	2
Immigration and Customs Enforcement					

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Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
024-55-0540 Immigration and Customs Enforcement					
Nondefense	Discretionary	Appropriation	5,554	5.0	278
Nondefense	Mandatory	Appropriation	312	5.1	16
		Account Total	5,866		294
024-55-0543 Automation Modernization, Immigration and Customs Enforcement					
Nondefense	Discretionary	Appropriation	12	5.0	1
Customs and Border Protection					
024-58-0530 Customs and Border Protection					
Nondefense	Discretionary	Appropriation	8,737	5.0	437
Nondefense	Mandatory	Appropriation	1,464	5.1	75
		Account Total	10,201		512
024-58-0531 Automation Modernization, Customs and Border Protection					
Nondefense	Discretionary	Appropriation	331	5.0	17
024-58-0532 Construction, Customs and Border Protection					
Nondefense	Discretionary	Appropriation	238	5.0	12
024-58-0533 Border Security Fencing, Infrastructure, and Technology					
Nondefense	Discretionary	Appropriation	399	5.0	20
024-58-0544 Air and Marine Interdiction, Operations, Maintenance, and Procurement					
Nondefense	Discretionary	Appropriation	507	5.0	25
024-58-5533 Payments to Wool Manufacturers					
Nondefense	Mandatory	Appropriation	15	5.1	1
024-58-5543 International Registered Traveler					
Nondefense	Discretionary	Appropriation	14	5.0	1
024-58-5595 Electronic System for Travel Authorization					
Nondefense	Mandatory	Appropriation	46	5.1	2
024-58-5687 Refunds, Transfers, and Expenses of Operation, Puerto Rico					
Nondefense	Mandatory	Appropriation	96	5.1	5
024-58-8789 US Customs Refunds, Transfers and Expenses, Unclaimed and Abandoned Goods					
Nondefense	Mandatory	Appropriation	4	5.1	*
United States Coast Guard					
024-60-0610 Operating Expenses					
Defense	Discretionary	Appropriation	532	7.8	41
Nondefense	Discretionary	Appropriation	3,044	5.0	152
		Account Total	3,576		194
024-60-0611 Environmental Compliance and Restoration					
Nondefense	Discretionary	Appropriation	14	5.0	1
024-60-0612 Reserve Training					
Nondefense	Discretionary	Appropriation	36	5.0	2
024-60-0613 Acquisition, Construction, and Improvements					
Nondefense	Discretionary	Appropriation	1,681	5.0	84
024-60-0615 Research, Development, Test, and Evaluation					
Nondefense	Discretionary	Appropriation	26	5.0	1
024-60-8149 Boat Safety					
Nondefense	Mandatory	Appropriation	116	5.1	6
024-60-8314 Trust Fund Share of Expenses					
Nondefense	Discretionary	Appropriation	45	5.0	2

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
024-60-8349 Maritime Oil Spill Programs					
Nondefense	Mandatory	Appropriation	101	5.1	5
National Protection and Programs Directorate					
024-65-0117 Office of Health Affairs					
Nondefense	Discretionary	Appropriation	168	5.0	8
024-65-0521 United States Visitor and Immigrant Status Indicator Technology					
Nondefense	Discretionary	Appropriation	282	5.0	14
024-65-0565 Infrastructure Protection and Information Security					
Defense	Discretionary	Appropriation	1,170	7.8	91
Defense	Discretionary	Unobligated balance in 050	1	7.8	*
		Account Total	1,171		91
024-65-0566 National Protection and Programs Directorate					
Nondefense	Discretionary	Appropriation	50	5.0	3
Federal Emergency Management Agency					
024-70-0500 Flood Hazard Mapping and Risk Analysis Program					
Nondefense	Discretionary	Appropriation	99	5.0	5
024-70-0560 State and Local Programs					
Defense	Discretionary	Appropriation	50	7.8	4
Nondefense	Discretionary	Appropriation	2,251	5.0	113
		Account Total	2,301		117
024-70-0564 United States Fire Administration and Training					
Nondefense	Discretionary	Appropriation	44	5.0	2
024-70-0700 Salaries and Expenses					
Defense	Discretionary	Appropriation	75	7.8	6
Nondefense	Discretionary	Appropriation	917	5.0	46
		Account Total	992		52
024-70-0702 Disaster Relief					
Nondefense	Discretionary	Appropriation	18,565	5.0	928
024-70-0703 Disaster Assistance Direct Loan Program Account					
Nondefense	Discretionary	Appropriation	300	5.0	15
024-70-0707 Emergency Food and Shelter					
Nondefense	Discretionary	Appropriation	121	5.0	6
024-70-0715 Radiological Emergency Preparedness Program					
Nondefense	Discretionary	Spending authority	38	5.0	2
024-70-0716 National Pre-disaster Mitigation Fund					
Nondefense	Discretionary	Appropriation	36	5.0	2
024-70-4236 National Flood Insurance Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	66	5.1	3
Science and Technology					
024-80-0800 Research, Development, Acquisitions and Operations					
Nondefense	Discretionary	Appropriation	675	5.0	34
Domestic Nuclear Detection Office					
024-85-0860 Research, Development, and Operations					
Nondefense	Discretionary	Appropriation	216	5.0	11
024-85-0861 Management and Administration					
Nondefense	Discretionary	Appropriation	38	5.0	2

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
024-85-0862 Systems Acquisition					
Nondefense	Discretionary	Appropriation	41	5.0	2

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Housing and Urban Development					
Public and Indian Housing Programs					
025-03-0163 Public Housing Operating Fund					
Nondefense	Discretionary	Appropriation	3,986	5.0	199
025-03-0223 Indian Housing Loan Guarantee Fund Program Account					
Nondefense	Discretionary	Appropriation	6	5.0	*
025-03-0235 Native Hawaiian Housing Block Grant					
Nondefense	Discretionary	Appropriation	13	5.0	1
025-03-0302 Tenant Based Rental Assistance					
Nondefense	Discretionary	Advance appropriation	4,000	5.0	200
Nondefense	Discretionary	Appropriation	14,753	5.0	738
		Account Total	18,753		938
025-03-0303 Project-based Rental Assistance					
Nondefense	Discretionary	Advance appropriation	400	5.0	20
Nondefense	Discretionary	Appropriation	8,995	5.0	450
		Account Total	9,395		470
025-03-0304 Public Housing Capital Fund					
Nondefense	Discretionary	Appropriation	1,886	5.0	94
025-03-0313 Native American Housing Block Grant					
Nondefense	Discretionary	Appropriation	654	5.0	33
025-03-0349 Choice Neighborhoods					
Nondefense	Discretionary	Appropriation	121	5.0	6
Community Planning and Development					
025-06-0162 Community Development Fund					
Nondefense	Discretionary	Appropriation	19,308	5.0	965
025-06-0176 Self-help Homeownership Opportunity Program					
Nondefense	Discretionary	Appropriation	54	5.0	3
025-06-0192 Homeless Assistance Grants					
Nondefense	Discretionary	Appropriation	1,913	5.0	96
025-06-0198 Community Development Loan Guarantees Program Account					
Nondefense	Discretionary	Appropriation	6	5.0	*
025-06-0205 Home Investment Partnership Program					
Nondefense	Discretionary	Appropriation	1,006	5.0	50
025-06-0308 Housing Opportunities for Persons with AIDS					
Nondefense	Discretionary	Appropriation	334	5.0	17
Housing Programs					
025-09-0156 Housing Counseling Assistance					
Nondefense	Discretionary	Appropriation	45	5.0	2
025-09-0183 FHA-mutual Mortgage Insurance Program Account					
Nondefense	Discretionary	Appropriation	208	5.0	10
025-09-0237 Housing for Persons with Disabilities					
Nondefense	Discretionary	Appropriation	166	5.0	8
025-09-0320 Housing for the Elderly					
Nondefense	Discretionary	Appropriation	377	5.0	19

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(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
025-09-4041 Rental Housing Assistance Fund					
Nondefense	Mandatory	Spending authority	3	5.1	*
025-09-4044 Flexible Subsidy Fund					
Nondefense	Discretionary	Spending authority	21	5.0	1
025-09-8119 Manufactured Housing Fees Trust Fund					
Nondefense	Discretionary	Appropriation	7	5.0	*
Government National Mortgage Association					
025-12-0186 Guarantees of Mortgage-backed Securities Loan Guarantee Program Account					
Nondefense	Discretionary	Spending authority	20	5.0	1
Policy Development and Research					
025-28-0108 Research and Technology					
Nondefense	Discretionary	Appropriation	46	5.0	2
Fair Housing and Equal Opportunity					
025-29-0144 Fair Housing Activities					
Nondefense	Discretionary	Appropriation	71	5.0	4
Office of Lead Hazard Control and Healthy Homes					
025-32-0174 Lead Hazard Reduction					
Nondefense	Discretionary	Appropriation	121	5.0	6
Management and Administration					
025-35-0189 Office of Inspector General					
Nondefense	Discretionary	Appropriation	135	5.0	7
025-35-0334 Housing Personnel Compensation and Benefits					
Nondefense	Discretionary	Appropriation	394	5.0	20
025-35-0335 Administrative Support Offices					
Nondefense	Discretionary	Appropriation	541	5.0	27
025-35-0337 Public and Indian Housing Personnel Compensation and Benefits					
Nondefense	Discretionary	Appropriation	201	5.0	10
025-35-0338 Community Planning and Development Personnel Compensation and Benefits					
Nondefense	Discretionary	Appropriation	111	5.0	6
025-35-0339 Policy Development and Research Personnel Compensation and Benefits					
Nondefense	Discretionary	Appropriation	22	5.0	1
025-35-0340 Fair Housing and Equal Opportunity Personnel Compensation and Benefits					
Nondefense	Discretionary	Appropriation	73	5.0	4
025-35-0341 Office of Healthy Homes and Lead Hazard Control Personnel Compensation and Benefits					
Nondefense	Discretionary	Appropriation	7	5.0	*
025-35-0402 Transformation Initiative					
Nondefense	Discretionary	Appropriation	50	5.0	3
025-35-4586 Information Technology Portfolio					
Nondefense	Discretionary	Appropriation	200	5.0	10

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Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of the Interior					
Bureau of Land Management					
010-04-1109 Management of Lands and Resources					
Nondefense	Discretionary	Appropriation	966	5.0	48
Nondefense	Discretionary	Spending authority	75	5.0	4
		Account Total	1,041		52
010-04-1110 Construction					
Nondefense	Discretionary	Appropriation	4	5.0	*
010-04-1116 Oregon and California Grant Lands					
Nondefense	Discretionary	Appropriation	113	5.0	6
010-04-4053 Helium Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	16	5.1	1
010-04-4525 Working Capital Fund					
Nondefense	Discretionary	Spending authority	9	5.0	*
010-04-5017 Service Charges, Deposits, and Forfeitures					
Nondefense	Discretionary	Appropriation	31	5.0	2
010-04-5033 Land Acquisition					
Nondefense	Discretionary	Appropriation	22	5.0	1
010-04-5132 Range Improvements					
Nondefense	Mandatory	Appropriation	10	5.1	1
010-04-9921 Miscellaneous Permanent Payment Accounts					
Nondefense	Mandatory	Appropriation	62	5.1	3
010-04-9926 Permanent Operating Funds					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	16	5.1	1
Nondefense	Mandatory	Appropriation	131	5.1	7
		Account Total	147		8
010-04-9971 Miscellaneous Trust Funds					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	21	5.1	1
Bureau of Ocean Energy Management					
010-06-1917 Ocean Energy Management					
Nondefense	Discretionary	Appropriation	60	5.0	3
Nondefense	Discretionary	Spending authority	101	5.0	5
		Account Total	161		8
Office of Surface Mining Reclamation and Enforcement					
010-08-1801 Regulation and Technology					
Nondefense	Discretionary	Appropriation	124	5.0	6
Nondefense	Discretionary	Spending authority	3	5.0	*
		Account Total	127		6
010-08-1803 Payments to States in Lieu of Coal Fee Receipts					
Nondefense	Mandatory	Appropriation	128	5.1	7
010-08-5015 Abandoned Mine Reclamation Fund					
Nondefense	Discretionary	Appropriation	28	5.0	1
Nondefense	Mandatory	Appropriation	221	5.1	11
		Account Total	249		13
Bureau of Reclamation					

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Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
010-10-0680 Water and Related Resources					
Nondefense	Discretionary	Appropriation	883	5.0	44
Nondefense	Discretionary	Spending authority	212	5.0	11
Nondefense	Mandatory	Appropriation	1	5.1	*
		Account Total	1,096		55
010-10-0687 California Bay-Delta Restoration					
Nondefense	Discretionary	Appropriation	40	5.0	2
010-10-4079 Lower Colorado River Basin Development Fund					
Nondefense	Discretionary	Appropriation	6	5.0	*
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	247	5.1	13
Nondefense	Mandatory	Spending authority	1	5.1	*
		Account Total	254		13
010-10-4081 Upper Colorado River Basin Fund					
Nondefense	Discretionary	Appropriation	11	5.0	1
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	81	5.1	4
		Account Total	92		5
010-10-4524 Working Capital Fund					
Nondefense	Discretionary	Spending authority	13	5.0	1
010-10-5065 Policy and Administration					
Nondefense	Discretionary	Appropriation	60	5.0	3
010-10-5173 Central Valley Project Restoration Fund					
Nondefense	Discretionary	Appropriation	53	5.0	3
010-10-5656 Colorado River Dam Fund, Boulder Canyon Project					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	16	5.1	1
010-10-8070 Reclamation Trust Funds					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	2	5.1	*
Central Utah Project					
010-11-0787 Central Utah Project Completion Account					
Nondefense	Discretionary	Appropriation	27	5.0	1
010-11-5174 Utah Reclamation Mitigation and Conservation Account					
Nondefense	Discretionary	Appropriation	2	5.0	*
United States Geological Survey					
010-12-0804 Surveys, Investigations, and Research					
Nondefense	Discretionary	Appropriation	1,075	5.0	54
United States Fish and Wildlife Service					
010-18-1611 Resource Management					
Nondefense	Discretionary	Appropriation	1,234	5.0	62
Nondefense	Discretionary	Spending authority	55	5.0	3
		Account Total	1,289		64
010-18-1612 Construction					
Nondefense	Discretionary	Appropriation	91	5.0	5
010-18-1652 Multinational Species Conservation Fund					
Nondefense	Discretionary	Appropriation	10	5.0	1
010-18-1696 Neotropical Migratory Bird Conservation					
Nondefense	Discretionary	Appropriation	4	5.0	*
010-18-5020 Land Acquisition					
Nondefense	Discretionary	Appropriation	55	5.0	3

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Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
010-18-5029 Federal Aid in Wildlife Restoration					
Nondefense	Mandatory	Appropriation	413	5.1	21
010-18-5091 National Wildlife Refuge Fund					
Nondefense	Discretionary	Appropriation	14	5.0	1
Nondefense	Mandatory	Appropriation	8	5.1	*
		Account Total	22		1
010-18-5137 Migratory Bird Conservation Account					
Nondefense	Mandatory	Appropriation	47	5.1	2
010-18-5143 Cooperative Endangered Species Conservation Fund					
Nondefense	Discretionary	Appropriation	48	5.0	2
010-18-5241 North American Wetlands Conservation Fund					
Nondefense	Discretionary	Appropriation	36	5.0	2
Nondefense	Mandatory	Appropriation	1	5.1	*
		Account Total	37		2
010-18-5252 Recreation Enhancement Fee Program, FWS					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	1	5.1	*
010-18-5474 State Wildlife Grants					
Nondefense	Discretionary	Appropriation	62	5.0	3
010-18-8151 Sport Fish Restoration					
Nondefense	Mandatory	Appropriation	446	5.1	23
Bureau of Safety and Environmental Enforcement					
010-22-1700 Offshore Safety and Environmental Enforcement					
Nondefense	Discretionary	Appropriation	62	5.0	3
Nondefense	Discretionary	Spending authority	121	5.0	6
		Account Total	183		9
010-22-1920 Oil Spill Research					
Nondefense	Discretionary	Appropriation	3	5.0	*
010-22-8370 Oil Spill Research					
Nondefense	Discretionary	Appropriation	15	5.0	1
National Park Service					
010-24-1036 Operation of the National Park System					
Nondefense	Discretionary	Appropriation	2,250	5.0	113
010-24-1039 Construction (and Major Maintenance)					
Nondefense	Discretionary	Appropriation	505	5.0	25
010-24-1042 National Recreation and Preservation					
Nondefense	Discretionary	Appropriation	60	5.0	3
010-24-5035 Land Acquisition and State Assistance					
Nondefense	Discretionary	Appropriation	103	5.0	5
010-24-5140 Historic Preservation Fund					
Nondefense	Discretionary	Appropriation	106	5.0	5
010-24-9924 Other Permanent Appropriations					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	8	5.1	*
010-24-9928 Recreation Fee Permanent Appropriations					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	34	5.1	2
Nondefense	Mandatory	Appropriation	1	5.1	*
		Account Total	35		2
Bureau of Indian Affairs and Bureau of Indian Education					

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010-76-2100 Operation of Indian Programs					
Nondefense	Discretionary	Appropriation	2,382	5.0	119
010-76-2301 Construction					
Nondefense	Discretionary	Appropriation	124	5.0	6
010-76-2628 Indian Guaranteed Loan Program Account					
Nondefense	Discretionary	Appropriation	7	5.0	*
010-76-5051 Operation and Maintenance of Quarters					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	3	5.1	*
010-76-9925 Miscellaneous Permanent Appropriations					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	19	5.1	1
Departmental Offices					
010-84-0102 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	624	5.0	31
010-84-5003 Mineral Leasing and Associated Payments					
Nondefense	Mandatory	Appropriation	2,144	5.1	109
010-84-5045 National Petroleum Reserve, Alaska					
Nondefense	Mandatory	Appropriation	3	5.1	*
010-84-5243 National Forests Fund, Payment to States					
Nondefense	Mandatory	Appropriation	9	5.1	*
010-84-5248 Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes					
Nondefense	Mandatory	Appropriation	19	5.1	1
010-84-5574 Geothermal Lease Revenues, Payment to Counties					
Nondefense	Mandatory	Appropriation	4	5.1	*
Insular Affairs					
010-85-0412 Assistance to Territories					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	10	5.1	1
Office of the Solicitor					
010-86-0107 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	67	5.0	3
Office of Inspector General					
010-88-0104 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	50	5.0	3
Office of the Special Trustee for American Indians					
010-90-0120 Federal Trust Programs					
Nondefense	Discretionary	Appropriation	153	5.0	8
National Indian Gaming Commission					
010-92-0118 Salaries and Expenses					
Nondefense	Discretionary	Spending authority	3	5.0	*
010-92-5141 National Indian Gaming Commission, Gaming Activity Fees					
Nondefense	Mandatory	Appropriation	18	5.1	1
Department-Wide Programs					
010-95-1114 Payments in Lieu of Taxes					
Nondefense	Mandatory	Appropriation	398	5.1	20
010-95-1121 Central Hazardous Materials Fund					
Nondefense	Discretionary	Appropriation	10	5.0	1

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
010-95-1125 Wildland Fire Management					
Nondefense	Discretionary	Appropriation	750	5.0	38
010-95-1618 Natural Resource Damage Assessment Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	4	5.1	*
010-95-4523 Working Capital Fund					
Nondefense	Discretionary	Appropriation	62	5.0	3
Nondefense	Discretionary	Spending authority	12	5.0	1
		Account Total	74		4

* denotes $500,000 or less.

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Justice					
General Administration					
011-03-0129 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	112	5.0	6
011-03-0132 Tactical Law Enforcement Wireless Communications					
Nondefense	Discretionary	Appropriation	88	5.0	4
011-03-0134 Justice Information Sharing Technology					
Nondefense	Discretionary	Appropriation	44	5.0	2
011-03-0136 Detention Trustee					
Nondefense	Discretionary	Appropriation	1,590	5.0	80
011-03-0328 Office of Inspector General					
Nondefense	Discretionary	Appropriation	85	5.0	4
011-03-0339 Administrative Review and Appeals					
Nondefense	Discretionary	Appropriation	307	5.0	15
011-03-1102 National Drug Intelligence Center					
Nondefense	Discretionary	Appropriation	20	5.0	1
United States Parole Commission					
011-04-1061 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	13	5.0	1
Legal Activities and U.S. Marshals					
011-05-0100 Salaries and Expenses, Foreign Claims Settlement Commission					
Nondefense	Discretionary	Appropriation	2	5.0	*
011-05-0128 Salaries and Expenses, General Legal Activities					
Nondefense	Discretionary	Appropriation	868	5.0	43
011-05-0133 Construction					
Nondefense	Discretionary	Appropriation	15	5.0	1
011-05-0311 Fees and Expenses of Witnesses					
Nondefense	Mandatory	Appropriation	270	5.1	14
011-05-0319 Salaries and Expenses, Antitrust Division					
Nondefense	Discretionary	Appropriation	43	5.0	2
011-05-0322 Salaries and Expenses, United States Attorneys					
Nondefense	Discretionary	Appropriation	1,972	5.0	99
011-05-0324 Salaries and Expenses, United States Marshals Service					
Nondefense	Discretionary	Appropriation	1,179	5.0	59
011-05-0340 September 11th Victim Compensation (general Fund)					
Nondefense	Mandatory	Appropriation	322	5.1	16
011-05-0500 Salaries and Expenses, Community Relations Service					
Nondefense	Discretionary	Appropriation	11	5.0	1
011-05-5042 Assets Forfeiture Fund					
Nondefense	Discretionary	Appropriation	21	5.0	1
Nondefense	Mandatory	Appropriation	1,358	5.1	69
		Account Total	1,379		70
011-05-5073 United States Trustee System Fund					
Nondefense	Discretionary	Appropriation	224	5.0	11
Interagency Law Enforcement					

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
011-07-0323 Interagency Crime and Drug Enforcement					
Nondefense	Discretionary	Appropriation	531	5.0	27
National Security Division					
011-08-1300 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	88	5.0	4
Federal Bureau of Investigation					
011-10-0200 Salaries and Expenses					
Defense	Discretionary	Appropriation	4,775	7.8	372
Defense	Discretionary	Unobligated balance in 050	169	7.8	13
Nondefense	Discretionary	Appropriation	3,321	5.0	166
		Account Total	8,265		552
011-10-0203 Construction					
Nondefense	Discretionary	Appropriation	81	5.0	4
Drug Enforcement Administration					
011-12-1100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	2,041	5.0	102
011-12-1101 Construction					
Nondefense	Discretionary	Appropriation	10	5.0	1
011-12-5131 Diversion Control Fee Account					
Nondefense	Mandatory	Appropriation	335	5.1	17
Bureau of Alcohol, Tobacco, Firearms, and Explosives					
011-14-0700 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	1,159	5.0	58
Federal Prison System					
011-20-1003 Buildings and Facilities					
Nondefense	Discretionary	Appropriation	55	5.0	3
011-20-1060 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	6,591	5.0	330
011-20-8408 Commissary Funds, Federal Prisons (trust Revolving Fund)					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	111	5.1	6
Office of Justice Programs					
011-21-0401 Research, Evaluation, and Statistics					
Nondefense	Discretionary	Appropriation	105	5.0	5
011-21-0404 State and Local Law Enforcement Assistance					
Nondefense	Discretionary	Appropriation	1,126	5.0	56
011-21-0405 Juvenile Justice Programs					
Nondefense	Discretionary	Appropriation	255	5.0	13
011-21-0406 Community Oriented Policing Services					
Nondefense	Discretionary	Appropriation	163	5.0	8
011-21-0409 Violence against Women Prevention and Prosecution Programs					
Nondefense	Discretionary	Appropriation	400	5.0	20
011-21-5041 Crime Victims Fund					
Nondefense	Mandatory	Appropriation	705	5.1	36

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(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Labor					
Employment and Training Administration					
012-05-0168 Short Time Compensation Programs					
Nondefense	Mandatory	Appropriation	219	5.1	11
012-05-0172 Program Administration					
Nondefense	Discretionary	Appropriation	98	5.0	5
012-05-0174 Training and Employment Services					
Nondefense	Discretionary	Advance appropriation	1,772	5.0	89
Nondefense	Discretionary	Appropriation	1,454	5.0	73
Nondefense	Mandatory	Appropriation	125	5.1	6
		Account Total	3,351		168
012-05-0175 Community Service Employment for Older Americans					
Nondefense	Discretionary	Appropriation	451	5.0	23
012-05-0179 State Unemployment Insurance and Employment Service Operations					
Nondefense	Discretionary	Appropriation	88	5.0	4
Nondefense	Mandatory	Appropriation	13	5.1	1
		Account Total	101		5
012-05-0181 Office of Job Corps					
Nondefense	Discretionary	Appropriation	1,713	5.0	86
012-05-0187 TAA Community College and Career Training Grant Fund					
Nondefense	Mandatory	Appropriation	500	5.1	26
012-05-0326 Federal Unemployment Benefits and Allowances					
Nondefense	Mandatory	Appropriation	1,132	5.1	58
012-05-8042 Unemployment Trust Fund					
Nondefense	Discretionary	Appropriation	4,363	5.0	218
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	92	5.1	5
Nondefense	Mandatory	Appropriation	46,851	5.1	2,389
		Account Total	51,306		2,612
Employee Benefits Security Administration					
012-11-1700 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	184	5.0	9
Pension Benefit Guaranty Corporation					
012-12-4204 Pension Benefit Guaranty Corporation Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	118	5.1	6
Office of Workers' Compensation Programs					
012-15-0163 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	117	5.0	6
012-15-0169 Special Benefits for Disabled Coal Miners					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	5	5.1	*
012-15-1524 Administrative Expenses, Energy Employees Occupational Illness Compensation Fund					
Defense	Mandatory	Appropriation	129	7.9	10
Defense	Mandatory	Unobligated balance in 050	2	7.9	*
		Account Total	131		10
012-15-8144 Black Lung Disability Trust Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	59	5.1	3
012-15-9971 Special Workers' Compensation Expenses					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	2	5.1	*

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Wage and Hour Division					
012-16-0143 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	228	5.0	11
Nondefense	Discretionary	Spending authority	3	5.0	*
		Account Total	231		12
012-16-5393 H-1 B and L Fraud Prevention and Detection					
Nondefense	Mandatory	Appropriation	35	5.1	2
Occupational Safety and Health Administration					
012-18-0400 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	568	5.0	28
Mine Safety and Health Administration					
012-19-1200 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	376	5.0	19
Nondefense	Discretionary	Spending authority	1	5.0	*
		Account Total	377		19
Bureau of Labor Statistics					
012-20-0200 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	545	5.0	27
Office of Federal Contract Compliance Programs					
012-22-0148 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	106	5.0	5
Office of Labor Management Standards					
012-23-0150 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	41	5.0	2
Departmental Management					
012-25-0106 Office of the Inspector General					
Nondefense	Discretionary	Appropriation	78	5.0	4
012-25-0162 Information Technology Modernization					
Nondefense	Discretionary	Appropriation	20	5.0	1
012-25-0164 Veterans Employment and Training					
Nondefense	Discretionary	Appropriation	53	5.0	3
012-25-0165 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	348	5.0	17
012-25-0166 Office of Disability Employment Policy					
Nondefense	Discretionary	Appropriation	39	5.0	2

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of State					
Administration of Foreign Affairs					
014-05-0113 Diplomatic and Consular Programs					
Nondefense	Discretionary	Appropriation	10,966	5.0	548
Nondefense	Discretionary	Spending authority	2,290	5.0	115
Nondefense	Mandatory	Appropriation	35	5.1	2
		Account Total	13,291		665
014-05-0120 Capital Investment Fund					
Nondefense	Discretionary	Appropriation	60	5.0	3
014-05-0121 Conflict Stabilization Operations					
Nondefense	Discretionary	Appropriation	8	5.0	*
014-05-0209 Educational and Cultural Exchange Programs					
Nondefense	Discretionary	Appropriation	602	5.0	30
014-05-0520 Protection of Foreign Missions and Officials					
Nondefense	Discretionary	Appropriation	27	5.0	1
014-05-0522 Emergencies in the Diplomatic and Consular Service					
Nondefense	Discretionary	Appropriation	9	5.0	*
014-05-0523 Payment to the American Institute in Taiwan					
Nondefense	Discretionary	Appropriation	21	5.0	1
014-05-0529 Office of the Inspector General					
Nondefense	Discretionary	Appropriation	129	5.0	6
014-05-0535 Embassy Security, Construction, and Maintenance					
Nondefense	Discretionary	Appropriation	1,579	5.0	79
014-05-0545 Representation Allowances					
Nondefense	Discretionary	Appropriation	7	5.0	*
014-05-0601 Repatriation Loans Program Account					
Nondefense	Discretionary	Appropriation	1	5.0	*
International Organizations and Conferences					
014-10-1124 Contributions for International Peacekeeping Activities					
Nondefense	Discretionary	Appropriation	1,839	5.0	92
014-10-1126 Contributions to International Organizations					
Nondefense	Discretionary	Appropriation	1,560	5.0	78
International Commissions					
014-15-1069 Salaries and Expenses, IBWC					
Nondefense	Discretionary	Appropriation	45	5.0	2
014-15-1078 Construction, IBWC					
Nondefense	Discretionary	Appropriation	32	5.0	2
014-15-1082 American Sections, International Commissions					
Nondefense	Discretionary	Appropriation	12	5.0	1
014-15-1087 International Fisheries Commissions					
Nondefense	Discretionary	Appropriation	37	5.0	2
Other					
014-25-0040 United States Emergency Refugee and Migration Assistance Fund					
Nondefense	Discretionary	Appropriation	27	5.0	1

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
014-25-0202 East-West Center			
Nondefense Discretionary Appropriation	17	5.0	1
014-25-0210 National Endowment for Democracy			
Nondefense Discretionary Appropriation	118	5.0	6
014-25-0525 Payment to the Asia Foundation			
Nondefense Discretionary Appropriation	17	5.0	1
014-25-1015 Complex Crises Fund			
Nondefense Discretionary Appropriation	40	5.0	2
014-25-1022 International Narcotics Control and Law Enforcement			
Nondefense Discretionary Appropriation	2,051	5.0	103
014-25-1031 Global Health Programs			
Nondefense Discretionary Appropriation	8,218	5.0	411
014-25-1121 Democracy Fund			
Nondefense Discretionary Appropriation	115	5.0	6
014-25-1143 Migration and Refugee Assistance			
Nondefense Discretionary Appropriation	1,885	5.0	94
014-25-8276 Israeli Arab and Eisenhower Exchange Fellowship Programs			
Nondefense Discretionary Appropriation	1	5.0	*

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of Transportation					
Office of the Secretary					
021-04-0102 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	103	5.0	5
Nondefense	Discretionary	Spending authority	1	5.0	*
		Account Total	104		5
021-04-0116 Financial Management Capital					
Nondefense	Discretionary	Appropriation	5	5.0	*
021-04-0118 Office of Civil Rights					
Nondefense	Discretionary	Appropriation	9	5.0	*
021-04-0119 Minority Business Outreach					
Nondefense	Discretionary	Appropriation	3	5.0	*
021-04-0142 Transportation Planning, Research, and Development					
Nondefense	Discretionary	Appropriation	9	5.0	*
021-04-0143 National Infrastructure Investments					
Nondefense	Discretionary	Appropriation	503	5.0	25
021-04-0155 Minority Business Resource Center Program					
Nondefense	Discretionary	Appropriation	1	5.0	*
021-04-0159 Cyber Security Initiatives					
Nondefense	Discretionary	Appropriation	10	5.0	1
021-04-1730 Research and Development					
Nondefense	Discretionary	Appropriation	16	5.0	1
021-04-5423 Essential Air Service and Rural Airport Improvement Fund					
Nondefense	Mandatory	Appropriation	50	5.1	3
021-04-8304 Payments to Air Carriers					
Nondefense	Discretionary	Appropriation	144	5.0	7
Federal Aviation Administration					
021-12-1301 Operations					
Nondefense	Discretionary	Appropriation	4,621	5.0	231
Nondefense	Discretionary	Spending authority	10	5.0	1
		Account Total	4,631		232
021-12-4120 Aviation Insurance Revolving Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	1	5.1	*
021-12-8104 Trust Fund Share of FAA Activities (Airport and Airway Trust Fund)					
Nondefense	Discretionary	Appropriation	5,092	5.0	255
021-12-8106 Grants-in-aid for Airports (Airport and Airway Trust Fund)					
Nondefense	Discretionary	Spending authority	1	5.0	*
021-12-8107 Facilities and Equipment (Airport and Airway Trust Fund)					
Nondefense	Discretionary	Appropriation	2,778	5.0	139
Nondefense	Discretionary	Spending authority	62	5.0	3
		Account Total	2,840		142
021-12-8108 Research, Engineering and Development (Airport and Airway Trust Fund)					
Nondefense	Discretionary	Appropriation	169	5.0	8
Federal Highway Administration					
021-15-0500 Emergency Relief Program					
Nondefense	Discretionary	Appropriation	2,022	5.0	101

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
021-15-0534 Payment to the Transportation Trust Fund					
Nondefense	Mandatory	Appropriation	6,200	5.1	316
021-15-8083 Federal-aid Highways					
Nondefense	Mandatory	Contract authority	739	5.1	38
Federal Motor Carrier Safety Administration					
021-17-8159 Motor Carrier Safety Operations and Programs					
Nondefense	Discretionary	Spending authority	27	5.0	1
National Highway Traffic Safety Administration					
021-18-0650 Operations and Research					
Nondefense	Discretionary	Appropriation	141	5.0	7
Federal Railroad Administration					
021-27-0121 Operating Subsidy Grants to the National Railroad Passenger Corporation					
Nondefense	Discretionary	Appropriation	469	5.0	23
021-27-0125 Capital and Debt Service Grants to the National Railroad Passenger Corporation					
Nondefense	Discretionary	Appropriation	958	5.0	48
021-27-0700 Safety and Operations					
Nondefense	Discretionary	Appropriation	180	5.0	9
021-27-0704 Grants to the National Railroad Passenger Corporation					
Nondefense	Discretionary	Appropriation	118	5.0	6
021-27-0745 Railroad Research and Development					
Nondefense	Discretionary	Appropriation	35	5.0	2
Federal Transit Administration					
021-36-1120 Administrative Expenses					
Nondefense	Discretionary	Appropriation	99	5.0	5
021-36-1128 Washington Metropolitan Area Transit Authority					
Nondefense	Discretionary	Appropriation	151	5.0	8
021-36-1134 Capital Investment Grants					
Nondefense	Discretionary	Appropriation	1,923	5.0	96
021-36-1137 Research and University Research Centers					
Nondefense	Discretionary	Appropriation	44	5.0	2
021-36-1140 Public Transportation Emergency Relief Program					
Nondefense	Discretionary	Appropriation	10,894	5.0	545
Saint Lawrence Seaway Development Corporation					
021-40-8003 Operations and Maintenance					
Nondefense	Discretionary	Appropriation	32	5.0	2
Pipeline and Hazardous Materials Safety Administration					
021-50-1400 Operational Expenses					
Nondefense	Discretionary	Appropriation	20	5.0	1
021-50-1401 Hazardous Materials Safety					
Nondefense	Discretionary	Appropriation	42	5.0	2
021-50-5172 Pipeline Safety					
Nondefense	Discretionary	Appropriation	92	5.0	5
021-50-5282 Emergency Preparedness Grants					
Nondefense	Mandatory	Appropriation	28	5.1	1

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
021-50-8121 Trust Fund Share of Pipeline Safety					
Nondefense	Discretionary	Appropriation	19	5.0	1
Office of Inspector General					
021-56-0130 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	86	5.0	4
Surface Transportation Board					
021-61-0301 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	28	5.0	1
Nondefense	Discretionary	Spending authority	1	5.0	*
		Account Total	29		2
Maritime Administration					
021-70-1711 Maritime Security Program					
Defense	Discretionary	Appropriation	175	7.8	14
Defense	Discretionary	Unobligated balance in 050	4	7.8	*
		Account Total	179		14
021-70-1750 Operations and Training					
Nondefense	Discretionary	Appropriation	157	5.0	8
021-70-1751 Ocean Freight Differential					
Nondefense	Mandatory	Borrowing authority	135	5.1	7
021-70-1752 Maritime Guaranteed Loan (title XI) Program Account					
Nondefense	Discretionary	Appropriation	4	5.0	*
021-70-1768 Ship Disposal					
Nondefense	Discretionary	Appropriation	6	5.0	*
021-70-1770 Assistance to Small Shipyards					
Nondefense	Discretionary	Appropriation	10	5.0	1

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Department of the Treasury					
Financial Crimes Enforcement Network					
015-04-0173 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	111	5.0	6
Departmental Offices					
015-05-0101 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	310	5.0	16
015-05-0106 Office of Inspector General					
Nondefense	Discretionary	Appropriation	30	5.0	2
015-05-0119 Treasury Inspector General for Tax Administration					
Nondefense	Discretionary	Appropriation	153	5.0	8
015-05-0123 Terrorism Insurance Program					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	3	5.1	*
015-05-0126 GSE Mortgage-Backed Securities Purchase Program Account					
Nondefense	Mandatory	Appropriation	11	5.1	1
015-05-0140 Grants for Specified Energy Property in Lieu of Tax Credits, Recovery Act					
Nondefense	Mandatory	Appropriation	3,671	5.1	187
015-05-0141 Small Business Lending Fund Program Account					
Nondefense	Mandatory	Appropriation	26	5.1	1
015-05-1881 Community Development Financial Institutions Fund Program Account					
Nondefense	Discretionary	Appropriation	222	5.0	11
Nondefense	Discretionary	Spending authority	1	5.0	*
		Account Total	223		11
015-05-5081 Presidential Election Campaign Fund					
Nondefense	Mandatory	Appropriation	34	5.1	2
015-05-5590 Financial Research Fund					
Nondefense	Mandatory	Appropriation	158	5.1	8
015-05-5697 Treasury Forfeiture Fund					
Nondefense	Mandatory	Appropriation	583	5.1	30
Fiscal Service					
015-12-0520 Salaries and Expenses, Fiscal Service					
Nondefense	Discretionary	Appropriation	393	5.0	20
Nondefense	Discretionary	Spending authority	1	5.0	*
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	68	5.1	3
		Account Total	462		23
015-12-1710 Payment of Government Losses in Shipment					
Nondefense	Mandatory	Appropriation	1	5.1	*
015-12-1825 Payment to FRA for AMTRAK Debt Restructuring					
Nondefense	Mandatory	Appropriation	59	5.1	3
015-12-8209 Cheyenne River Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund					
Nondefense	Mandatory	Appropriation	2	5.1	*
Alcohol and Tobacco Tax and Trade Bureau					
015-13-1008 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	100	5.0	5
Nondefense	Discretionary	Spending authority	4	5.0	*
		Account Total	104		5

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Bureau of Engraving and Printing					
015-20-4502 Bureau of Engraving and Printing Fund					
Nondefense	Discretionary	Spending authority	643	5.0	32
United States Mint					
015-25-4159 United States Mint Public Enterprise Fund					
Nondefense	Discretionary	Spending authority	396	5.0	20
Internal Revenue Service					
015-45-0912 Taxpayer Services					
Nondefense	Discretionary	Appropriation	2,254	5.0	113
Nondefense	Discretionary	Spending authority	17	5.0	1
		Account Total	2,271		114
015-45-0913 Enforcement					
Nondefense	Discretionary	Appropriation	5,331	5.0	267
Nondefense	Discretionary	Spending authority	17	5.0	1
		Account Total	5,348		267
015-45-0919 Operations Support					
Nondefense	Discretionary	Appropriation	3,971	5.0	199
Nondefense	Discretionary	Spending authority	12	5.0	1
		Account Total	3,983		199
015-45-0921 Business Systems Modernization					
Nondefense	Discretionary	Appropriation	332	5.0	17
015-45-0935 Build America Bond Payments, Recovery Act					
Nondefense	Mandatory	Appropriation	3,351	5.1	171
015-45-0945 Payment to Issuer of Qualified Zone Academy Bonds					
Nondefense	Mandatory	Appropriation	38	5.1	2
015-45-0946 Payment to Issuer of Qualified School Construction Bonds					
Nondefense	Mandatory	Appropriation	820	5.1	42
015-45-0947 Payment to Issuer of New Clean Renewable Energy Bonds					
Nondefense	Mandatory	Appropriation	24	5.1	1
015-45-0948 Payment to Issuer of Qualified Energy Conservation Bonds					
Nondefense	Mandatory	Appropriation	32	5.1	2
015-45-0951 Payment Where Small Business Health Insurance Tax Credit Exceeds Liability for Tax					
Nondefense	Mandatory	Appropriation	127	5.1	6
015-45-5432 IRS Miscellaneous Retained Fees					
Nondefense	Mandatory	Appropriation	39	5.1	2
015-45-5433 Informant Payments					
Nondefense	Mandatory	Appropriation	125	5.1	6

* denotes $500,000 or less.

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Corps of Engineers--Civil Works					
202-00-3112 Mississippi River and Tributaries					
Nondefense	Discretionary	Appropriation	252	5.0	13
202-00-3121 Investigations					
Nondefense	Discretionary	Appropriation	176	5.0	9
202-00-3122 Construction					
Nondefense	Discretionary	Appropriation	5,007	5.0	250
202-00-3123 Operation and Maintenance					
Nondefense	Discretionary	Appropriation	2,448	5.0	122
202-00-3124 Expenses					
Nondefense	Discretionary	Appropriation	196	5.0	10
202-00-3125 Flood Control and Coastal Emergencies					
Nondefense	Discretionary	Appropriation	1,035	5.0	52
202-00-3126 Regulatory Program					
Nondefense	Discretionary	Appropriation	194	5.0	10
202-00-3130 Formerly Utilized Sites Remedial Action Program					
Defense	Discretionary	Appropriation	110	7.8	9
Defense	Discretionary	Unobligated balance in 050	4	7.8	*
		Account Total	114		9
202-00-3132 Office of the Assistant Secretary of the Army for Civil Works					
Defense	Discretionary	Appropriation	5	7.8	*
202-00-4902 Revolving Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	3	5.1	*
202-00-8217 South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund					
Nondefense	Mandatory	Appropriation	5	5.1	*
202-00-8333 Coastal Wetlands Restoration Trust Fund					
Nondefense	Mandatory	Appropriation	81	5.1	4
202-00-8861 Inland Waterways Trust Fund					
Nondefense	Discretionary	Appropriation	77	5.0	4
202-00-8862 Rivers and Harbors Contributed Funds					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	267	5.1	14
202-00-8863 Harbor Maintenance Trust Fund					
Nondefense	Discretionary	Appropriation	882	5.0	44
202-00-9921 Permanent Appropriations					
Nondefense	Mandatory	Appropriation	21	5.1	1

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Other Defense Civil Programs					
American Battle Monuments Commission					
200-15-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	77	5.0	4
Armed Forces Retirement Home					
200-20-8522 Armed Forces Retirement Home					
Nondefense	Discretionary	Appropriation	62	5.0	3
Cemeterial Expenses					
200-25-1805 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	46	5.0	2
Forest and Wildlife Conservation, Military Reservations					
200-30-5095 Wildlife Conservation					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	3	5.1	*
Selective Service System					
200-45-0400 Salaries and Expenses					
Defense	Discretionary	Appropriation	24	7.8	2

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Environmental Protection Agency					
020-00-0103 State and Tribal Assistance Grants					
Nondefense	Discretionary	Appropriation	4,190	5.0	210
020-00-0107 Science and Technology					
Nondefense	Discretionary	Appropriation	799	5.0	40
020-00-0108 Environmental Programs and Management					
Nondefense	Discretionary	Appropriation	2,696	5.0	135
020-00-0110 Buildings and Facilities					
Nondefense	Discretionary	Appropriation	37	5.0	2
020-00-0112 Office of Inspector General					
Nondefense	Discretionary	Appropriation	42	5.0	2
020-00-4310 Reregistration and Expedited Processing Revolving Fund					
Nondefense	Mandatory	Spending authority	28	5.1	1
020-00-5374 Pesticide Registration Fund					
Nondefense	Discretionary	Appropriation	15	5.0	1
020-00-8145 Hazardous Substance Superfund					
Nondefense	Discretionary	Appropriation	1,218	5.0	61
Nondefense	Discretionary	Spending authority	240	5.0	12
Nondefense	Mandatory	Appropriation	25	5.1	1
		Account Total	1,483		74
020-00-8153 Leaking Underground Storage Tank Trust Fund					
Nondefense	Discretionary	Appropriation	110	5.0	6
020-00-8221 Inland Oil Spill Programs					
Nondefense	Discretionary	Appropriation	18	5.0	1

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Executive Office of the President					
The White House					
100-05-0209 The White House					
Nondefense	Discretionary	Appropriation	57	5.0	3
Executive Residence at the White House					
100-10-0109 White House Repair and Restoration					
Nondefense	Discretionary	Appropriation	1	5.0	*
100-10-0210 Operating Expenses					
Nondefense	Discretionary	Appropriation	13	5.0	1
Nondefense	Discretionary	Spending authority	3	5.0	*
		Account Total	16		1
Special Assistance to the President and the Official Residence of the Vice President					
100-15-1454 Special Assistance to the President and the Official Residence of the Vice President					
Nondefense	Discretionary	Appropriation	5	5.0	*
Council of Economic Advisers					
100-20-1900 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	4	5.0	*
Council on Environmental Quality and Office of Environmental Quality					
100-25-1453 Council on Environmental Quality and Office of Environmental Quality					
Nondefense	Discretionary	Appropriation	3	5.0	*
National Security Council and Homeland Security Council					
100-35-2000 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	13	5.0	1
Office of Administration					
100-50-0038 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	114	5.0	6
Office of Management and Budget					
100-55-0300 Office of Management and Budget					
Nondefense	Discretionary	Appropriation	90	5.0	5
Office of National Drug Control Policy					
100-60-1457 Office of National Drug Control Policy					
Nondefense	Discretionary	Appropriation	25	5.0	1
Office of Science and Technology Policy					
100-65-2600 Office of Science and Technology Policy					
Nondefense	Discretionary	Appropriation	5	5.0	*
Office of the United States Trade Representative					
100-70-0400 Office of the United States Trade Representative					
Nondefense	Discretionary	Appropriation	52	5.0	3
Unanticipated Needs					
100-95-0037 Unanticipated Needs					
Nondefense	Discretionary	Appropriation	1	5.0	*

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
General Services Administration					
Real Property Activities					
023-05-4542 Federal Buildings Fund					
Nondefense	Discretionary	Appropriation	7	5.0	*
023-05-5254 Disposal of Surplus Real and Related Personal Property					
Nondefense	Mandatory	Appropriation	9	5.1	*
Supply and Technology Activities					
023-10-5250 Expenses of Transportation Audit Contracts and Contract Administration					
Nondefense	Mandatory	Appropriation	13	5.1	1
General Activities					
023-30-0105 Allowances and Office Staff for Former Presidents					
Nondefense	Discretionary	Appropriation	3	5.0	*
023-30-0108 Office of Inspector General					
Nondefense	Discretionary	Appropriation	58	5.0	3
023-30-0110 Operating Expenses					
Nondefense	Discretionary	Appropriation	70	5.0	4
023-30-0401 Government-wide Policy					
Nondefense	Discretionary	Appropriation	61	5.0	3
023-30-0600 Electronic Government (E-GOV) Fund					
Nondefense	Discretionary	Appropriation	12	5.0	1
023-30-4549 Federal Citizen Services Fund					
Nondefense	Discretionary	Appropriation	34	5.0	2

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
International Assistance Programs			
Millennium Challenge Corporation			
184-03-2750 Millennium Challenge Corporation			
Nondefense Discretionary Appropriation	904	5.0	45
International Security Assistance			
184-05-1032 Peacekeeping Operations			
Nondefense Discretionary Appropriation	386	5.0	19
184-05-1037 Economic Support Fund			
Nondefense Discretionary Appropriation	5,675	5.0	284
184-05-1075 Nonproliferation, Antiterrorism, Demining, and Related Programs			
Nondefense Discretionary Appropriation	714	5.0	36
184-05-1081 International Military Education and Training			
Nondefense Discretionary Appropriation	106	5.0	5
184-05-1082 Foreign Military Financing Program			
Nondefense Discretionary Appropriation	6,344	5.0	317
184-05-1083 Pakistan Counterinsurgency Capability Fund			
Nondefense Discretionary Appropriation	850	5.0	43
Multilateral Assistance			
184-10-0071 Strategic Climate Fund			
Nondefense Discretionary Appropriation	50	5.0	3
184-10-0072 Contribution to the Inter-American Development Bank			
Nondefense Discretionary Appropriation	80	5.0	4
184-10-0073 Contribution to the International Development Association			
Nondefense Discretionary Appropriation	1,501	5.0	75
184-10-0076 Contribution to the Asian Development Bank			
Nondefense Discretionary Appropriation	208	5.0	10
184-10-0077 Contribution to the International Bank for Reconstruction and Development			
Nondefense Discretionary Appropriation	208	5.0	10
184-10-0080 Clean Technology Fund			
Nondefense Discretionary Appropriation	186	5.0	9
184-10-0082 Contribution to the African Development Bank			
Nondefense Discretionary Appropriation	214	5.0	11
184-10-0089 Contribution to Enterprise for the Americas Multilateral Investment Fund			
Nondefense Discretionary Appropriation	25	5.0	1
184-10-0091 Debt Restructuring			
Nondefense Discretionary Appropriation	12	5.0	1
184-10-1005 International Organizations and Programs			
Nondefense Discretionary Appropriation	351	5.0	18
184-10-1039 Contributions to the International Fund for Agricultural Development			
Nondefense Discretionary Appropriation	30	5.0	2
184-10-1045 International Affairs Technical Assistance Program			
Nondefense Discretionary Appropriation	27	5.0	1
184-10-1475 Global Food Security Fund			
Nondefense Discretionary Appropriation	136	5.0	7

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Agency for International Development					
184-15-0300 Capital Investment Fund of the United States Agency for International Development.					
Nondefense	Discretionary	Appropriation	130	5.0	7
184-15-0306 Assistance for Europe, Eurasia and Central Asia					
Nondefense	Discretionary	Appropriation	631	5.0	32
184-15-1000 Operating Expenses of the Agency for International Development					
Nondefense	Discretionary	Appropriation	1,354	5.0	68
184-15-1007 Operating Expenses, Office of Inspector General					
Nondefense	Discretionary	Appropriation	51	5.0	3
184-15-1021 Development Assistance Program					
Nondefense	Discretionary	Appropriation	2,535	5.0	127
184-15-1027 Transition Initiatives					
Nondefense	Discretionary	Appropriation	57	5.0	3
184-15-1035 International Disaster Assistance					
Nondefense	Discretionary	Appropriation	980	5.0	49
184-15-1264 Development Credit Authority Program Account					
Nondefense	Discretionary	Appropriation	8	5.0	*
Overseas Private Investment Corporation					
184-20-0100 Overseas Private Investment Corporation Program Account					
Nondefense	Discretionary	Spending authority	58	5.0	3
Trade and Development Agency					
184-25-1001 Trade and Development Agency					
Nondefense	Discretionary	Appropriation	50	5.0	3
Peace Corps					
184-35-0100 Peace Corps					
Nondefense	Discretionary	Appropriation	377	5.0	19
Inter-American Foundation					
184-40-3100 Inter-American Foundation					
Nondefense	Discretionary	Appropriation	23	5.0	1
Nondefense	Discretionary	Spending authority	6	5.0	*
		Account Total	29		2
African Development Foundation					
184-50-0700 African Development Foundation					
Nondefense	Discretionary	Appropriation	30	5.0	2
Military Sales Program					
184-70-8242 Foreign Military Sales Trust Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	147	5.1	7

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
National Aeronautics and Space Administration					
026-00-0109 Office of Inspector General					
Nondefense	Discretionary	Appropriation	39	5.0	2
026-00-0115 Space Operations					
Nondefense	Discretionary	Appropriation	4,247	5.0	212
026-00-0120 Science					
Nondefense	Discretionary	Appropriation	5,116	5.0	256
026-00-0122 Cross Agency Support					
Nondefense	Discretionary	Appropriation	3,012	5.0	151
026-00-0124 Exploration					
Nondefense	Discretionary	Appropriation	3,790	5.0	190
026-00-0126 Aeronautics					
Nondefense	Discretionary	Appropriation	573	5.0	29
026-00-0128 Education					
Nondefense	Discretionary	Appropriation	137	5.0	7
026-00-0130 Construction, Environmental Compliance, and Remediation					
Nondefense	Discretionary	Appropriation	402	5.0	20
026-00-0131 Space Technology					
Nondefense	Discretionary	Appropriation	579	5.0	29
026-00-8978 Science, Space, and Technology Education Trust Fund					
Nondefense	Mandatory	Appropriation	1	5.1	*

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
National Science Foundation					
422-00-0100 Research and Related Activities					
Defense	Discretionary	Appropriation	68	7.8	5
Nondefense	Discretionary	Appropriation	5,686	5.0	284
		Account Total	5,754		290
422-00-0106 Education and Human Resources					
Nondefense	Discretionary	Appropriation	834	5.0	42
Nondefense	Mandatory	Appropriation	100	5.1	5
		Account Total	934		47
422-00-0180 Agency Operations and Award Management					
Nondefense	Discretionary	Appropriation	301	5.0	15
422-00-0300 Office of the Inspector General					
Nondefense	Discretionary	Appropriation	14	5.0	1
422-00-0350 Office of the National Science Board					
Nondefense	Discretionary	Appropriation	4	5.0	*
422-00-0551 Major Research Equipment and Facilities Construction					
Nondefense	Discretionary	Appropriation	168	5.0	8
422-00-8960 Donations					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	9	5.1	*

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Office of Personnel Management					
027-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	99	5.0	5
027-00-0400 Office of Inspector General					
Nondefense	Discretionary	Appropriation	3	5.0	*
027-00-0800 Flexible Benefits Plan Reserve					
Nondefense	Mandatory	Spending authority	30	5.1	2
027-00-8135 Civil Service Retirement and Disability Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	48	5.1	2
027-00-8424 Employees Life Insurance Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	2	5.1	*
027-00-9981 Employees and Retired Employees Health Benefits Funds					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	17	5.1	1

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Small Business Administration					
028-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	440	5.0	22
028-00-0200 Office of Inspector General					
Nondefense	Discretionary	Appropriation	21	5.0	1
028-00-0300 Office of Advocacy					
Nondefense	Discretionary	Appropriation	9	5.0	*
028-00-1152 Disaster Loans Program Account					
Nondefense	Discretionary	Appropriation	896	5.0	45
028-00-1154 Business Loans Program Account					
Nondefense	Discretionary	Appropriation	487	5.0	24

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Social Security Administration					
016-00-0400 Office of the Inspector General					
Nondefense	Discretionary	Appropriation	29	5.0	1
016-00-8006 Federal Old-age and Survivors Insurance Trust Fund					
Nondefense	Discretionary	Appropriation	2,744	5.0	137
016-00-8007 Federal Disability Insurance Trust Fund					
Nondefense	Discretionary	Appropriation	2,954	5.0	148

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
Access Board			
Architectural and Transportation Barriers Compliance Board			
310-00-3200 Salaries and Expenses			
Nondefense Discretionary Appropriation	7	5.0	*
Administrative Conference of the United States			
302-00-1700 Salaries and Expenses			
Nondefense Discretionary Appropriation	3	5.0	*
Advisory Council on Historic Preservation			
306-00-2300 Salaries and Expenses			
Nondefense Discretionary Appropriation	6	5.0	*
Affordable Housing Program			
530-00-5528 Affordable Housing Program			
Nondefense Mandatory Appropriation	198	5.1	10
Appalachian Regional Commission			
309-00-0200 Appalachian Regional Commission			
Nondefense Discretionary Appropriation	64	5.0	3
309-00-9971 Miscellaneous Trust Funds			
Nondefense Mandatory Appropriation	8	5.1	*
Broadcasting Board of Governors			
514-00-0204 Broadcasting Capital Improvements			
Nondefense Discretionary Appropriation	7	5.0	*
514-00-0206 International Broadcasting Operations			
Nondefense Discretionary Appropriation	749	5.0	37
Bureau of Consumer Financial Protection			
581-00-5577 Bureau of Consumer Financial Protection Fund			
Nondefense Mandatory Appropriation	448	5.1	23
Chemical Safety and Hazard Investigation Board			
510-00-3850 Chemical Safety and Hazard Investigation Board			
Nondefense Discretionary Appropriation	11	5.0	1
Christopher Columbus Fellowship Foundation			
465-00-0100 Payment to the Christopher Columbus Fellowship Foundation			
Nondefense Discretionary Appropriation	*	5.0	*
Commission of Fine Arts			
323-00-2600 Salaries and Expenses			
Nondefense Discretionary Appropriation	2	5.0	*
323-00-2602 National Capital Arts and Cultural Affairs			
Nondefense Discretionary Appropriation	2	5.0	*
Commission on Civil Rights			
326-00-1900 Salaries and Expenses			
Nondefense Discretionary Appropriation	9	5.0	*
Committee for Purchase from People Who Are Blind or Severely Disabled			
Committee for Purchase from People who are Blind or Severely Disabled, activities			

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
338-00-2000 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	5	5.0	*
Commodity Futures Trading Commission					
339-00-1400 Commodity Futures Trading Commission					
Nondefense	Discretionary	Appropriation	206	5.0	10
339-00-4334 Customer Protection Fund					
Nondefense	Mandatory	Spending authority	13	5.1	1
Consumer Product Safety Commission					
343-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	115	5.0	6
Corporation for National and Community Service					
485-00-2721 Inspector General					
Nondefense	Discretionary	Appropriation	4	5.0	*
485-00-2722 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	83	5.0	4
485-00-2726 Payment to National Service Trust Fund					
Nondefense	Discretionary	Appropriation	213	5.0	11
485-00-2728 Operating Expenses					
Nondefense	Discretionary	Appropriation	755	5.0	38
Corporation for Public Broadcasting					
344-00-0151 Corporation for Public Broadcasting					
Nondefense	Discretionary	Advance appropriation	445	5.0	22
Corporation for Travel Promotion					
580-00-5585 Travel Promotion Fund					
Nondefense	Mandatory	Appropriation	100	5.1	5
Court Services and Offender Supervision Agency for the District of Columbia					
511-00-1733 Public Defender Service for the District of Columbia					
Nondefense	Discretionary	Appropriation	37	5.0	2
511-00-1734 Federal Payment to Court Services and Offender Supervision Agency for the District of Columbia					
Nondefense	Discretionary	Appropriation	214	5.0	11
Defense Nuclear Facilities Safety Board					
347-00-3900 Salaries and Expenses					
Defense	Discretionary	Appropriation	29	7.8	2
Defense	Discretionary	Unobligated balance in 050	1	7.8	*
		Account Total	30		2
Delta Regional Authority					
517-00-0750 Delta Regional Authority					
Nondefense	Discretionary	Appropriation	12	5.0	1
Denali Commission					
513-00-1200 Denali Commission					
Nondefense	Discretionary	Appropriation	12	5.0	1
513-00-8056 Denali Commission Trust Fund					
Nondefense	Discretionary	Appropriation	4	5.0	*
District of Columbia					

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(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
District of Columbia Courts					
349-10-1712 Federal Payment to the District of Columbia Courts					
Nondefense	Discretionary	Appropriation	234	5.0	12
Nondefense	Discretionary	Spending authority	1	5.0	*
		Account Total	235		12
349-10-1736 Defender Services in District of Columbia Courts					
Nondefense	Discretionary	Appropriation	55	5.0	3
349-10-8212 District of Columbia Judicial Retirement and Survivors Annuity Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	1	5.1	*
District of Columbia General and Special Payments					
349-30-1707 Federal Support for Economic Development and Management Reforms in the District					
Nondefense	Discretionary	Appropriation	23	5.0	1
349-30-1736 Federal Payment for Resident Tuition Support					
Nondefense	Discretionary	Appropriation	30	5.0	2
349-30-1771 Federal Payment for Emergency Planning and Security Cost in the District of Columbia					
Nondefense	Discretionary	Appropriation	25	5.0	1
349-30-1817 Federal Payment for School Improvement					
Nondefense	Discretionary	Appropriation	60	5.0	3
349-30-5511 District of Columbia Federal Pension Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	17	5.1	1
Election Assistance Commission					
525-00-1650 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	9	5.0	*
Electric Reliability Organization					
531-00-5522 Electric Reliability Organization					
Nondefense	Mandatory	Appropriation	100	5.1	5
Equal Employment Opportunity Commission					
350-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	362	5.0	18
350-00-4019 EEOC Education, Technical Assistance, and Training Revolving Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	4	5.1	*
Export-Import Bank of the United States					
351-00-0105 Inspector General of the Export-Import Bank					
Nondefense	Discretionary	Appropriation	4	5.0	*
Farm Credit System Insurance Corporation					
355-00-4171 Farm Credit System Insurance Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	4	5.1	*
Federal Communications Commission					
356-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Spending authority	342	5.0	17
356-00-0300 Spectrum Auction Program Account					
Nondefense	Mandatory	Appropriation	4	5.1	*
Federal Deposit Insurance Corporation					
Orderly Liquidation					

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Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
357-35-5586 Orderly Liquidation Fund					
Nondefense	Mandatory	Appropriation	161	5.1	8
Nondefense	Mandatory	Borrowing authority	1,354	5.1	69
		Account Total	1,515		77
Federal Drug Control Programs					
154-00-1070 High-intensity Drug Trafficking Areas Program					
Nondefense	Discretionary	Appropriation	240	5.0	12
154-00-1460 Other Federal Drug Control Programs					
Nondefense	Discretionary	Appropriation	101	5.0	5
Federal Election Commission					
360-00-1600 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	67	5.0	3
Federal Financial Institutions Examination Council					
Federal Financial Institutions Examination Council Appraisal Subcommittee					
362-20-5026 Registry Fees					
Nondefense	Mandatory	Appropriation	2	5.1	*
Federal Labor Relations Authority					
365-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	25	5.0	1
Federal Maritime Commission					
366-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	24	5.0	1
Federal Mediation and Conciliation Service					
367-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	46	5.0	2
Nondefense	Discretionary	Spending authority	1	5.0	*
		Account Total	47		2
Federal Mine Safety and Health Review Commission					
368-00-2800 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	18	5.0	1
Federal Trade Commission					
370-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	185	5.0	9
Nondefense	Discretionary	Spending authority	129	5.0	6
		Account Total	314		16
Harry S Truman Scholarship Foundation					
372-00-0950 Payment to the Harry S. Truman Scholarship Memorial Trust Fund					
Nondefense	Discretionary	Appropriation	1	5.0	*
Institute of American Indian and Alaska Native Culture and Arts Development					
373-00-2900 Payment to the Institute					
Nondefense	Discretionary	Appropriation	9	5.0	*
Institute of Museum and Library Services					
474-00-0300 Office of Museum and Library Services: Grants and Administration					
Nondefense	Discretionary	Appropriation	233	5.0	12
Intelligence Community Management Account					

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
467-00-0401 Intelligence Community Management Account					
Defense	Discretionary	Appropriation	551	7.8	43
International Trade Commission					
378-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	80	5.0	4
Legal Services Corporation					
385-00-0501 Payment to Legal Services Corporation					
Nondefense	Discretionary	Appropriation	351	5.0	18
Marine Mammal Commission					
387-00-2200 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	3	5.0	*
Merit Systems Protection Board					
389-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	40	5.0	2
Morris K. Udall and Stewart L. Udall Foundation					
487-00-0900 Federal Payment to Morris K. Udall and Stewart L. Udall Foundation Trust Fund					
Nondefense	Discretionary	Appropriation	2	5.0	*
487-00-5415 Environmental Dispute Resolution Fund					
Nondefense	Discretionary	Appropriation	4	5.0	*
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	3	5.1	*
		Account Total	7		*
National Archives and Records Administration					
393-00-0300 Operating Expenses					
Nondefense	Discretionary	Appropriation	375	5.0	19
393-00-0301 National Historical Publications and Records Commission					
Nondefense	Discretionary	Appropriation	5	5.0	*
393-00-0302 Repairs and Restoration					
Nondefense	Discretionary	Appropriation	9	5.0	*
393-00-0305 Office of the Inspector General - National Archives and Records Adminsitration					
Nondefense	Discretionary	Appropriation	4	5.0	*
393-00-8436 National Archives Trust Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	1	5.1	*
National Capital Planning Commission					
394-00-2500 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	8	5.0	*
National Council on Disability					
413-00-3500 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	3	5.0	*
National Credit Union Administration					
415-00-4472 Community Development Credit Union Revolving Loan Fund					
Nondefense	Discretionary	Appropriation	1	5.0	*
National Endowment for the Arts					
417-00-0100 National Endowment for the Arts: Grants and Administration					
Nondefense	Discretionary	Appropriation	147	5.0	7

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
National Endowment for the Humanities					
418-00-0200 National Endowment for the Humanities: Grants and Administration					
Nondefense	Discretionary	Appropriation	147	5.0	7
National Labor Relations Board					
420-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	280	5.0	14
National Mediation Board					
421-00-2400 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	13	5.0	1
National Railroad Passenger Corporation Office of Inspector General					
575-00-2996 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	21	5.0	1
National Transportation Safety Board					
424-00-0310 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	103	5.0	5
Neighborhood Reinvestment Corporation					
428-00-1300 Payment to Neighborhood Reinvestment Corporation					
Nondefense	Discretionary	Appropriation	216	5.0	11
Northern Border Regional Commission					
573-00-3742 Northern Border Regional Commission					
Nondefense	Discretionary	Appropriation	1	5.0	*
Nuclear Regulatory Commission					
429-00-0200 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	1,033	5.0	52
Nondefense	Discretionary	Spending authority	6	5.0	*
		Account Total	1,039		52
429-00-0300 Office of Inspector General					
Nondefense	Discretionary	Appropriation	11	5.0	1
Nuclear Waste Technical Review Board					
431-00-0500 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	3	5.0	*
Occupational Safety and Health Review Commission					
432-00-2100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	12	5.0	1
Office of Government Ethics					
434-00-1100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	19	5.0	1
Nondefense	Discretionary	Spending authority	1	5.0	*
		Account Total	20		1
Office of Navajo and Hopi Indian Relocation					
435-00-1100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	8	5.0	*
Office of Special Counsel					

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
436-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	19	5.0	1
Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects					
534-00-2850 Office of the Federal Coordinator for Alaska Natural Gas Transportation					
Nondefense	Discretionary	Appropriation	1	5.0	*
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	2	5.1	*
		Account Total	3		*
Other Commissions and Boards					
505-00-9911 Other Commissions and Boards					
Nondefense	Discretionary	Appropriation	1	5.0	*
Patient-Centered Outcomes Research Trust Fund					
579-00-8299 Patient-Centered Outcomes Research Trust Fund					
Nondefense	Mandatory	Appropriation	390	5.1	20
Postal Service					
440-00-1001 Payment to Postal Service Fund					
Nondefense	Discretionary	Advance appropriation	78	5.0	4
Presidio Trust					
512-00-4331 Presidio Trust					
Nondefense	Discretionary	Appropriation	12	5.0	1
Privacy and Civil Liberties Oversight Board					
535-00-2724 Salaries and Expenses					
Defense	Discretionary	Appropriation	1	7.8	*
Railroad Retirement Board					
446-00-8010 Railroad Social Security Equivalent Benefit Account					
Nondefense	Discretionary	Appropriation	34	5.0	2
446-00-8051 Railroad Unemployment Insurance Trust Fund					
Nondefense	Discretionary	Appropriation	15	5.0	1
Nondefense	Mandatory	Appropriation	99	5.1	5
Nondefense	Mandatory	Spending authority	20	5.1	1
		Account Total	134		7
Recovery Accountability and Transparency Board					
Recovery Act Accountability and Transparency Board					
539-00-3725 Recovery Act Accountability and Transparency Board, Recovery Act					
Nondefense	Discretionary	Appropriation	28	5.0	1
Securities and Exchange Commission					
449-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Spending authority	1,321	5.0	66
449-00-5566 Securities and Exchange Commission Reserve Fund					
Nondefense	Mandatory	Appropriation	50	5.1	3
449-00-5567 Investor Protection Fund					
Nondefense	Mandatory	Appropriation	90	5.1	5
Public Company Accounting Oversight Board					

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
526-00-5376 Public Company Accounting Oversight Board					
Nondefense	Discretionary	Appropriation	1	5.0	*
Nondefense	Mandatory	Appropriation	236	5.1	12
		Account Total	237		12
Standard Setting Body					
527-00-5377 Payment to Standard Setting Body					
Nondefense	Mandatory	Appropriation	25	5.1	1
Securities Investor Protection Corporation					
576-00-5600 Securities Investor Protection Corporation					
Nondefense	Mandatory	Appropriation	299	5.1	15
Smithsonian Institution					
452-00-0100 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	642	5.0	32
452-00-0103 Facilities Capital					
Nondefense	Discretionary	Appropriation	176	5.0	9
452-00-0200 Salaries and Expenses, National Gallery of Art					
Nondefense	Discretionary	Appropriation	115	5.0	6
452-00-0201 Repair, Restoration, and Renovation of Buildings, National Gallery of Art					
Nondefense	Discretionary	Appropriation	15	5.0	1
452-00-0302 Operations and Maintenance, JFK Center for the Performing Arts					
Nondefense	Discretionary	Appropriation	23	5.0	1
452-00-0303 Capital Repair and Restoration, JFK Center for the Performing Arts					
Nondefense	Discretionary	Appropriation	14	5.0	1
452-00-0400 Salaries and Expenses, Woodrow Wilson International Center for Scholars					
Nondefense	Discretionary	Appropriation	11	5.0	1
State Justice Institute					
453-00-0052 State Justice Institute: Salaries and Expenses					
Nondefense	Discretionary	Appropriation	5	5.0	*
Tennessee Valley Authority					
455-00-4110 Tennessee Valley Authority Fund					
Nondefense	Mandatory	Administrative expenses in otherwise exempt resources	455	5.1	23
United States Court of Appeals for Veterans Claims					
345-00-0300 Salaries and Expenses					
Nondefense	Discretionary	Appropriation	31	5.0	2
United States Holocaust Memorial Museum					
456-00-3300 Holocaust Memorial Museum					
Nondefense	Discretionary	Appropriation	51	5.0	3
United States Institute of Peace					
458-00-1300 Operating Expenses					
Nondefense	Discretionary	Appropriation	39	5.0	2
United States Interagency Council on Homelessness					
376-00-1300 United States Interagency Council on the Homelessness					
Nondefense	Discretionary	Appropriation	3	5.0	*
Vietnam Education Foundation					

* denotes $500,000 or less.

Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource			Sequestrable BA Amount	Sequester Percentage	Sequester Amount
519-00-5365 Vietnam Debt Repayment Fund					
Nondefense	Mandatory	Appropriation	5	5.1	*

* denotes $500,000 or less.

Amounts may not sum to total due to rounding.

Mandatory Federal administrative expenses of otherwise exempt accounts are sequestrable pursuant to section 251A(8) and section 256(h) of BBEDCA.

Pursuant to section 255(f) of BBEDCA, the President notified the Congress of his decision to exempt all military personnel accounts from sequester for FY 2013. See the July 31, 2012 letter to the Congress, available at http://www.whitehouse.gov/sites/default/files/omb/legislative/letters/military-personnel-letter-biden.pdf.

Unobligated balances of budget authority carried over from prior fiscal years in defense function 050 accounts are sequestrable.

For intragovernmental payments, sequestration is applied to the paying account. The funds are generally exempt in the receiving account in accordance with section 255(g)(1)(A) of BBEDCA so that the same dollars are not sequestered twice.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 1, 2013

M-13-06

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Jeffrey D. Zients
Deputy Director for Management

SUBJECT: Issuance of the Sequestration Order Pursuant To Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as Amended

This memorandum is to inform executive departments and agencies (agencies) that the President has issued a sequestration order (order) in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (BBEDCA), 2 U.S.C. 901a. The order requires that budgetary resources in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget (OMB) in its report to Congress of March 1, 2013, entitled *OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013* (sequestration report).

Due to the failure of the Joint Select Committee on Deficit Reduction, the President was required by law to issue an order canceling $85 billion in budgetary resources across the Federal Government for the remainder of Fiscal Year (FY) 2013. OMB has calculated that, over the course of the fiscal year, the order requires a 7.8 percent reduction in non-exempt defense discretionary funding and a 5.0 percent reduction in non-exempt nondefense discretionary funding. The sequestration also requires reductions of 2.0 percent to Medicare, 5.1 percent to other non-exempt nondefense mandatory programs, and 7.9 percent to non-exempt defense mandatory programs. The sequestration report provides calculations of the amounts and percentages by which various budgetary resources are required to be reduced, and a listing of the reductions required for each non-exempt budget account.

Agencies shall apply the same percentage reduction to all programs, projects, and activities within a budget account, as required by section 256(k)(2) of BBEDCA, 2 U.S.C. 906(k)(2). Agencies should operate in a manner that is consistent with guidance provided by OMB in Memorandum 13-03, *Planning for Uncertainty with Respect to Fiscal Year 2013 Budgetary Resources* and Memorandum 13-05, *Agency Responsibilities for Implementation of Potential Joint Committee Sequestration.*

[redacted]

From:	Roederer, David [IDOM]
Sent:	Saturday, March 02, 2013 9:56 AM
To:	Boeyink, Jeffrey [IGOV]
Subject:	RE: OMB's sequester documents

Thanks!

From: Boeyink, Jeffrey [IGOV]
Sent: Saturday, March 02, 2013 9:25 AM
To: Roederer, David [IDOM]
Subject: Fwd: OMB's sequester documents

Sent from my iPhone

Begin forwarded message:

> **From:** "Bartel, Christine [IGOV]" <Christine.Bartel@iowa.gov>
> **Date:** March 2, 2013, 7:27:37 AM CST
> **To:** "Boeyink, Jeffrey [IGOV]" <Jeffrey.Boeyink@iowa.gov>, "Findley, Brenna [IGOV]" <Brenna.Findley@iowa.gov>, "Johnson, Larry [IGOV]" <Larry.Johnson@iowa.gov>, "Bousselot, Michael [IGOV]" <Michael.Bousselot@iowa.gov>, "Stopulos, Ted [IGOV]" <Ted.Stopulos@iowa.gov>, "Fandel, Linda [IGOV]" <Linda.Fandel@iowa.gov>, "Gregg, Adam [IGOV]" <Adam.Gregg@iowa.gov>, "Ketzner, Jake [IGOV]" <Jake.Ketzner@iowa.gov>, "Vande Hoef, Julie [IGOV]" <Julie.VandeHoef@iowa.gov>
> **Cc:** "Hoelscher, Doug [IGOV]" <Doug.Hoelscher@iowa.gov>
> **Subject: FW: OMB's sequester documents**
>
> FYI.
>
> ---
>
> **From:** Quam, David [DQuam@NGA.ORG]
> **Sent:** Saturday, March 02, 2013 8:24 AM
> **To:** Reps
> **Subject:** NGA: OMB's sequester documents
>
> To: Washington Representatives and State-Federal Contacts
> Re: OMB sequester documents
>
> Attached please find OMB's official documents to guide the sequestration of funds at the federal level. We will review these documents at Monday's Washington Representatives Meeting (Note: Wash Reps is at 2:00 on Monday, March 4).
>
> --DCQ
> The information contained in this electronic transmission, including any attachments, is for the exclusive use of the intended recipient(s) and may contain information that is privileged,

proprietary, and/or confidential. If the reader of this transmission is not an intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby noti[redacted] review, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify the sender and delete this message.

You are currently subscribed to [reps] as Christine.Bartel@iowa.gov.
To unsubscribe, send a blank email to leave-219974-157947.11aef77ead6bdb7cb951727576394847@talk.nga.org.

[redacted]

From:	Boeyink, Jeffrey [IGOV]
Sent:	Monday, March 04, 2013 8:04 AM
To:	Roederer, David [IDOM]
Subject:	FW: OMB's sequester documents
Attachments:	2013sequestration_order_rel.pdf; apportionment_memo.pdf; fy13ombjcsequestrationreport.pdf; m-13-06.pdf

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Bartel, Christine [IGOV]
Sent: Monday, March 04, 2013 7:51 AM
Cc: Hoelscher, Doug [IGOV]
Subject: OMB's sequester documents

Good morning,

Attached are the Office of Management and Budget's official documents to guide the sequestration of federal funds. The FY'13 sequestration report calculates reductions to non-exempt discretionary and mandatory programs. Again, the Governor and the Iowa Department of Management are working with department heads to mitigate the impact of cuts; further guidance will be provided.

Sincerely,
Christie Bartel and Doug Hoelscher

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release | March 1, 2013

SEQUESTRATION ORDER FOR FISCAL YEAR 2013 PURSUANT
TO SECTION 251A OF THE BALANCED BUDGET AND
EMERGENCY DEFICIT CONTROL ACT, AS AMENDED

By the authority vested in me as President by the laws of the United States of America, and in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (the "Act"), 2 U.S.C. 901a, I hereby order that budgetary resources in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget in its report to the Congress of March 1, 2013.

Pursuant to sections 250(c)(6), 251A, and 255(e) of the Act, budgetary resources subject to sequestration shall be new budget authority, unobligated balances of defense function accounts carried over from prior fiscal years, direct spending authority, and obligation limitations.

All sequestrations shall be made in strict accordance with the requirements of section 251A of the Act and the specifications of the Office of Management and Budget's report of March 1, 2013, prepared pursuant to section 251A(11) of the Act.

BARACK OBAMA

THE WHITE HOUSE,
March 1, 2013.

# # #

March 1, 2013

OMB BULLETIN NO. 12-02, Supplement 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Apportionment of the Continuing Resolution(s) for Fiscal Year 2013

Purpose. This supplement revises Bulletin 12-02 ("Bulletin") to reflect reductions of budgetary resources pursuant to the *Sequestration Order for Fiscal Year 2013 Pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act, as Amended,* issued by the President today, and the accompanying *OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013* (collectively, the "Sequestration Order"). Consistent with this amendment to Bulletin 12-02, OMB Memorandum M-13-03 (January 14, 2013), OMB Memorandum M-13-05 (February 27, 2013), and OMB Memorandum M-13-06 (March 1, 2013), agencies should take such steps as are necessary and appropriate to implement sequestration. In so doing, agencies must avoid actions that would indicate a need for deficiency or supplemental appropriations or otherwise be inconsistent with applicable law.

Action. Agencies should replace sections 1 and 6 in the Bulletin and insert a new section 9, as follows:

1. Purpose and Background. Public Law 112-175 provides continuing appropriations for the period October 1, 2012, through March 27, 2013. Section 110 of Public Law 112-175 requires that the joint resolution be implemented so that only the most limited funding actions shall be taken in order to provide for continuation of projects and activities, and section 109 requires that programs restrict funding actions so as not to impinge on the final funding prerogatives of the Congress. I am automatically apportioning amounts provided by sections 101(a) and 101(b) of this continuing resolution (CR) as specified in section 3. The amounts provided by the 0.612 percent across-the-board (ATB) increase in section 101(c) will be subject to the procedures for apportioning that funding as outlined in section 4. This Bulletin supplements instructions for apportionment of CRs in OMB Circular No. A-11, sections 120 and 123.

Unless and until this Bulletin is further amended, agencies should engage in spending and operations consistent with the current draft of their plan for operating under the Joint Committee sequestration developed pursuant to OMB Memorandum M-13-03.

This Bulletin will be updated for any extensions of the CR.

6. Programs under Section 111. Funds for appropriated entitlements and other mandatory payments, and activities under the Food and Nutrition Act of 2008, are automatically apportioned amounts as needed to carry out programs at a rate to maintain program levels under

current law, i.e., at the FY 2013 level. However, this automatic apportionment does not apply to programs with more complex funding structures. Agencies should contact their RMO representatives to determine if their account is automatically apportioned or if a written apportionment is required. This automatic apportionment also does not apply to appropriated entitlements or other mandatory payments for which budgetary resources have been reduced pursuant to the Sequestration Order. Agencies should promptly submit written apportionments to their RMO representatives to request funds for those accounts during the period of the CR.

With regard to the associated administrative expenses for those programs, section 111 does not apply. The associated administrative expenses are automatically apportioned at the reduced rate pursuant to section 3 of this Bulletin.

9. Prior Written Apportionments. Unless otherwise required by your RMO, agencies do not need to request new written apportionments for prior written apportionments of CR funds, because such apportionments (including any footnotes or other limitations on programs in such apportionments) continue in effect. However, as with the automatically apportioned funds, agencies should engage in spending and operations consistent with the current draft of their plan for operating under the Joint Committee sequestration developed pursuant to OMB Memorandum M-13-03.

Discretionary Advance Appropriations, Mandatory Appropriations, and Balances of Prior-Year Budget Authority. Some accounts with discretionary advance appropriations, mandatory funding and accounts in function 050 with unexpired, unobligated carryover balances are required to reduce budgetary resources pursuant to the Sequestration Order. This includes accounts with permanent indefinite appropriations. Agencies shall promptly submit new written apportionment requests for such accounts reflecting those reductions.

Contact. Questions regarding this bulletin should be directed to the agency's OMB representative.

Jeffrey D. Zients
Deputy Director for Management

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 1, 2013

M-13-06

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Jeffrey D. Zients
Deputy Director for Management

SUBJECT: Issuance of the Sequestration Order Pursuant To Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as Amended

This memorandum is to inform executive departments and agencies (agencies) that the President has issued a sequestration order (order) in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (BBEDCA), 2 U.S.C. 901a. The order requires that budgetary resources in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget (OMB) in its report to Congress of March 1, 2013, entitled *OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013* (sequestration report).

Due to the failure of the Joint Select Committee on Deficit Reduction, the President was required by law to issue an order canceling $85 billion in budgetary resources across the Federal Government for the remainder of Fiscal Year (FY) 2013. OMB has calculated that, over the course of the fiscal year, the order requires a 7.8 percent reduction in non-exempt defense discretionary funding and a 5.0 percent reduction in non-exempt nondefense discretionary funding. The sequestration also requires reductions of 2.0 percent to Medicare, 5.1 percent to other non-exempt nondefense mandatory programs, and 7.9 percent to non-exempt defense mandatory programs. The sequestration report provides calculations of the amounts and percentages by which various budgetary resources are required to be reduced, and a listing of the reductions required for each non-exempt budget account.

Agencies shall apply the same percentage reduction to all programs, projects, and activities within a budget account, as required by section 256(k)(2) of BBEDCA, 2 U.S.C. 906(k)(2). Agencies should operate in a manner that is consistent with guidance provided by OMB in Memorandum 13-03, *Planning for Uncertainty with Respect to Fiscal Year 2013 Budgetary Resources* and Memorandum 13-05, *Agency Responsibilities for Implementation of Potential Joint Committee Sequestration.*

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Friday, March 08, 2013 7:23 AM
To: Boeyink, Jeffrey [IGOV]; Bousselot, Michael [IGOV]
Subject: Discuss request to speak re:Medicaid and potential grant funding

Jeff & Mike,
Do either or both of you have about 15-20 minutes today so that I can brief you on a potential media issue with a grant funded by IDPH and a request I have to speak with Dr Damiano on a panel regarding Medicaid and Medicare.

I am free between 10-11 and the between 2-3:30.

Thank you
Mariannette

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Friday, March 08, 2013 8:44 AM
To: Miller-Meeks, Mariannette [IDPH]; Bousselot, Michael [IGOV]
Subject: RE: Discuss request to speak re:Medicaid and potential grant funding

Neither of those times work for me.

I can do after 3 p.m. today.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

-----Original Message-----
From: Miller-Meeks, Mariannette [IDPH]
Sent: Friday, March 08, 2013 7:23 AM
To: Boeyink, Jeffrey [IGOV]; Bousselot, Michael [IGOV]
Subject: Discuss request to speak re:Medicaid and potential grant funding

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I am free between 10-11 and the between 2-3:30.

Thank you
Mariannette

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Friday, March 08, 2013 8:49 AM
To: Boeyink, Jeffrey [IGOV]
Cc: Miller-Meeks, Mariannette [IDPH]; Bousselot, Michael [IGOV]
Subject: Re: Discuss request to speak re:Medicaid and potential grant funding

Does after 3 mean 3? :) I can join my 3:30 state health officer teleconference late.

What time do you want me to come over?

On Mar 8, 2013, at 8:44 AM, "Boeyink, Jeffrey [IGOV]" <Jeffrey.Boeyink@iowa.gov> wrote:

> Neither of those times work for me.
>
> I can do after 3 p.m. today.
>
> Jeffrey Boeyink
> Chief of Staff
> Office of the Governor
> State Capitol
> Des Moines, IA 50319
> 515.725.3535
>
> -----Original Message-----
> From: Miller-Meeks, Mariannette [IDPH]
> Sent: Friday, March 08, 2013 7:23 AM
> To: Boeyink, Jeffrey [IGOV]; Bousselot, Michael [IGOV]
> Subject: Discuss request to speak re:Medicaid and potential grant funding
>
> Jeff & Mike,
> Do either or both of you have about 15-20 minutes today so that I can brief you on a potential media issue with a grant funded by IDPH and a request I have to speak with Dr Damiano on a panel regarding Medicaid and Medicare.
>
> I am free between 10-11 and the between 2-3:30.
>
> Thank you
> Mariannette
>
>
>

this message and any attachments. If you are not the intended recipient, you are hereby notified that any review, use, retention, dissemination, distribution, or copying of this message is strictly prohibited by law. [redacted]

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Friday, March 08, 2013 8:50 AM
To: Miller-Meeks, Mariannette [IDPH]
Cc: Bousselot, Michael [IGOV]
Subject: RE: Discuss request to speak re:Medicaid and potential grant funding

3 p.m. would work.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

-----Original Message-----
From: Miller-Meeks, Mariannette [IDPH]
Sent: Friday, March 08, 2013 8:49 AM
To: Boeyink, Jeffrey [IGOV]
Cc: Miller-Meeks, Mariannette [IDPH]; Bousselot, Michael [IGOV]
Subject: Re: Discuss request to speak re:Medicaid and potential grant funding

Does after 3 mean 3? :) I can join my 3:30 state health officer teleconference late.

What time do you want me to come over?

On Mar 8, 2013, at 8:44 AM, "Boeyink, Jeffrey [IGOV]" <Jeffrey.Boeyink@iowa.gov> wrote:

> Neither of those times work for me.
>
> I can do after 3 p.m. today.
>
> Jeffrey Boeyink
> Chief of Staff
> Office of the Governor
> State Capitol
> Des Moines, IA 50319
> 515.725.3535
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> Sent: Friday, March 08, 2013 7:23 AM
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[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Friday, March 08, 2013 9:27 AM
To: Boeyink, Jeffrey [IGOV]
Subject: Re: Discuss request to speak re:Medicaid and potential grant funding

Thank you. I will see you at 3.
Mariannette

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>> Sent: Friday, March 08, 2013 7:23 AM
>> To: Boeyink, Jeffrey [IGOV]; Bousselot, Michael [IGOV]

>> Subject: Discuss request to speak re:Medicaid and potential grant funding
>> [redacted]
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>> Mariannette
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[redacted]

From: Findley, Brenna [IGOV]
Sent: Monday, March 11, 2013 9:50 AM
To: Boeyink, Jeffrey [IGOV]
Subject: Fwd: March 13

FYI. SD travel is approved.

Sent from my iPad

Begin forwarded message:

> **From:** "Tooker, Megan [IECD]" <Megan.Tooker@iowa.gov>
> **Date:** March 11, 2013, 9:47:51 AM CDT
> **To:** "Findley, Brenna [IGOV]" <Brenna.Findley@iowa.gov>
> **Subject: RE: March 13**
>
> Hi Brenna,
> Your email below correctly summarizes our conversation. I hope the ice and slush doesn't give you any problems today.
>
> Megan Tooker
> Director and Legal Counsel
> Iowa Ethics and Campaign Disclosure Board
> 510 E. 12th Street, Suite 1A
> Des Moines, IA 50319
> tel. (515) 281-3489
> fax (515) 281-4073
>
> ---
>
> **From:** Findley, Brenna [IGOV]
> **Sent:** Friday, March 08, 2013 3:48 PM
> **To:** Tooker, Megan [IECD]
> **Subject:** FW: March 13
>
> Megan,
> Based our phone call earlier it is my understanding that the Governor may accept this in accordance with the Iowa Code 68B.22(4)(g), the speaking exception. He will attend with a trooper and one staff member who is working with him on this issue.
>
> Once you confirm, I will let our scheduler know that the arrangements can be finalized. Thank you,
> Brenna
>
> ---
>
> **From:** Krebs, Mitch [mailto:Mitch.Krebs@POET.COM]
> **Sent:** Friday, March 08, 2013 3:34 PM

To: Findley, Brenna [IGOV]
Subject: Re: March 13

[redacted]

Hi Brenna,
Your understanding stated below is correct.

Please let me know if you need any other information from us.

Mitch

Sent from my iPhone

On Mar 8, 2013, at 3:10 PM, "Findley, Brenna [IGOV]" <Brenna.Findley@iowa.gov> wrote:

> Mitch,
> Thank you for your call with the details relating to the upcoming conference. Earlier I had been told that two staff members would attend with the Governor and a security officer. Now, I am told that only one staff member will attend, along with the Governor and a security officer. I am emailing you the facts you provided to our office to make sure that I understand them correctly.
>
> Governor Branstad is invited to speak on a panel at the Governors' Biofuels Coalition conference. The Coalition and POET are sponsors of the event. In order to be able attend, the Governor has to fly in and out of Sioux Falls, SD on the same day. POET has offered to fly the Governor, a security officer and a staff member to the conference on a plane owned by POET. POET and the Coalition will also provide food and drinks that day at the conference, as well as necessary ground transportation to and from the airfield in South Dakota.
>
> If my understanding is correct, please let me know.
> Thank you,
> Brenna
>
> S. Brenna Findley
> Legal Counsel
> Office of Governor Terry E. Branstad
> Direct Dial: 515.725.3505
> Main Line: 515.281.5211
> Brenna.Findley@iowa.gov
>
>

parties. If you are not the intended recipient(s), please promptly notify the sender by reply e-mail and destroy all copies of the original message.

Mitch Krebs
Director of Public Policy

POET
4615 N. Lewis Ave
Sioux Falls, SD 57104
P/ (605) 965-2271
F/ (605) 965-6703
C/ (605) 838-8130
poet.com

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Monday, March 11, 2013 10:16 AM
To: Findley, Brenna [IGOV]
Subject: RE: March 13

Thank you.

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Findley, Brenna [IGOV]
Sent: Monday, March 11, 2013 9:50 AM
To: Boeyink, Jeffrey [IGOV]
Subject: Fwd: March 13

FYI. SD travel is approved.

Sent from my iPad

Begin forwarded message:

> **From:** "Tooker, Megan [IECD]" <Megan.Tooker@iowa.gov>
> **Date:** March 11, 2013, 9:47:51 AM CDT
> **To:** "Findley, Brenna [IGOV]" <Brenna.Findley@iowa.gov>
> **Subject: RE: March 13**
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> Hi Brenna,
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> Megan Tooker
> Director and Legal Counsel
> Iowa Ethics and Campaign Disclosure Board
> 510 E. 12th Street, Suite 1A
> Des Moines, IA 50319
> tel. (515) 281-3489
> fax (515) 281-4073
>
> ---
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> **From:** Findley, Brenna [IGOV]
> **Sent:** Friday, March 08, 2013 3:48 PM

To: Tooker, Megan [IECD]
Subject: FW: March 13

[redacted]

Megan,
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Once you confirm, I will let our scheduler know that the arrangements can be finalized. Thank you,
Brenna

From: Krebs, Mitch [mailto:Mitch.Krebs@POET.COM]
Sent: Friday, March 08, 2013 3:34 PM
To: Findley, Brenna [IGOV]
Subject: Re: March 13

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Please let me know if you need any other information from us.

Mitch

Sent from my iPhone

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> If my understanding is correct, please let me know.
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> S. Brenna Findley
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> Main Line: 515.281.5211

Brenna.Findley@iowa.gov

Mitch Krebs
Director of Public Policy

POET
4615 N. Lewis Ave
Sioux Falls, SD 57104
P/ (605) 965-2271
F/ (605) 965-6703
C/ (605) 838-8130
poet.com

[redacted]

From: Boeyink, Jeffrey [IGOV]
Sent: Wednesday, March 13, 2013 9:47 AM
To: Roederer, David [IDOM]
Subject: FW: Implementation of the Budget Control Act

FYI

Jeffrey Boeyink
Chief of Staff
Office of the Governor
State Capitol
Des Moines, IA 50319
515.725.3535

From: Yezak, Jennifer - OSEC [mailto:Jennifer.Yezak@osec.usda.gov]
Sent: Wednesday, March 13, 2013 9:26 AM
To: Yezak, Jennifer - OSEC
Cc: Wyant, Monica - OSEC; Griffis, Janice - OSEC; Garr, Dillon
Subject: Implementation of the Budget Control Act

TO: Governors Staff

I wanted you to be aware of the following letters, memos or notifications that were sent this week by USDA agencies to state agencies and institutions on implementation of the Budget Control Act.

The Food and Nutrition Service sent a memo to state agencies administering TEFAP administrative funds informing them of estimated grant reductions. This information is provided to State agencies to begin deciding how to manage their programs within the funding available to them.

In addition, the **Food and Nutrition Service** sent a memo to State agencies administering the Senior Farmers' Market Nutrition Program outlining anticipated reductions in their grant amounts and a memo to state agencies administering the WIC Farmers' Market Nutrition Program notifying them about what their grant allocation is going to be under sequestration.

The National Institute for Food and Agriculture sent a notification to research partners discussing the impact of the sequestration.

The **Agricultural Research Service** notified extramural research partners of uncertainty regarding funding for FY 2013.

The **National Agricultural Statistics Service** is suspending a number of statistical surveys and reports for the remainder of the fiscal year due to reduced funding caused by sequestration. Here is a link to the NASS release .

If you have any questions, please contact me or Monica Wyant.

Regards,
Jennifer

Jennifer Yezak

Director, Office of External and Intergovernmental Affairs
U.S. Department of Agriculture
Room 216-A , Whitten Building
1400 Independence Ave, SW, Washington, DC 20250
202.205.9994 (direct) / 202-255-7061 (cell) / 202.720.6643 (main)

[redacted]

[redacted]

From: Miller-Meeks, Mariannette [IDPH]
Sent: Wednesday, March 20, 2013 9:54 AM
To: Boeyink, Jeffrey [IGOV]
Subject: Accepted: Residency discussion

[redacted]

From:	Hunter, Caleb [DAS]
Sent:	Friday, March 22, 2013 3:35 PM
To:	Roederer, David [IDOM]
Cc:	Albrecht, Tim [IGOV]
Subject:	Fw: Danny Homan

Would you like me to send him to you on
Agency savings, etc? We can figure the savings if you need us to.

From: Clayworth, Jason [mailto:jclaywor@desmoine.gannett.com]
Sent: Friday, March 22, 2013 12:40 PM
To: Hunter, Caleb [DAS]
Subject: RE: Danny Homan

Say, DAS tracks how much money has been collected from this, right?
Is it possible to show me how much money has gone to each departments? Also, is there any accounting of how the money has been spent? (Would be great, for example, to be able to say that the voluntary contributions have resulted in the hiring of a new food/safety inspector.)

From: Hunter, Caleb [DAS] [mailto:Caleb.Hunter@iowa.gov]
Sent: Friday, March 22, 2013 9:26 AM
To: Clayworth, Jason
Subject: RE: Danny Homan

DAS did come to an agreement with the 3 unions on this issue. I'll get more info to respond to your questions today.

From: Clayworth, Jason [mailto:jclaywor@desmoine.gannett.com]
Sent: Friday, March 22, 2013 9:21 AM
To: Hunter, Caleb [DAS]
Subject: FW: Danny Homan

Good morning Caleb,
The governor's office (at least Tim Albrecht) says they know nothing about this, which seems highly unusual/unexpected. Can you please respond to the questions I sent to Tim this morning?

Sincerely,
Jason Clayworth

From: Albrecht, Tim [IGOV] [mailto:Tim.Albrecht@iowa.gov]
Sent: Friday, March 22, 2013 9:19 AM
To: Clayworth, Jason
Subject: RE: Danny Homan

That would make sense. Check in with Caleb.

Thanks,

Tim [redacted]

From: Clayworth, Jason [mailto:jclaywor@desmoine.gannett.com]
Sent: Friday, March 22, 2013 9:18 AM
To: Albrecht, Tim [IGOV]
Subject: RE: Danny Homan

Hi Tim,

OK, which office is involved? DAS?

Sincerely,
Jason

From: Albrecht, Tim [IGOV] [mailto:Tim.Albrecht@iowa.gov]
Sent: Friday, March 22, 2013 9:17 AM
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Jason – As I explained yesterday, our office is not involved with this.

Thanks,

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Sent: Friday, March 22, 2013 9:09 AM
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Subject: RE: Danny Homan

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Also, according to Homan, the state is going to require union employees who are volunteering to pay the health care premium to return to the former health care programs. Is this accurate?
If so, can you please provide me with a list of which employees (their names/job title) will be required to leave the voluntary program and what that will cost the state each month per individual in lost voluntary contributions.
Additionally, when will this requirement that union employees no longer take part in the voluntary program begin?

Sincerely,
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From: Clayworth, Jason
Sent: Thursday, March 21, 2013 7:50 PM
To: 'Albrecht, Tim [IGOV]'
Subject: Danny Homan

Hey, fyi: Danny Homan says there has been a settlement...

http://blogs.desmoinesregister.com/dmr/index.php/2013/03/21/iowa-unions-drop-complaint-against-governors-voluntary-health-care-premiums/article

----

Jason Clayworth, reporter
The Des Moines Register
715 Locust St.
Des Moines, IA 50309

Ph: 515-699-7058

[redacted]

From:	Roederer, David [IDOM]
Sent:	Friday, March 22, 2013 3:37 PM
To:	Hunter, Caleb [DAS]
Cc:	Albrecht, Tim [IGOV]
Subject:	RE: Danny Homan

Lets discuss when you get the info.

From: Hunter, Caleb [DAS]
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To: Roederer, David [IDOM]
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----

Jason Clayworth, reporter
The Des Moines Register
715 Locust St.
Des Moines, IA 50309

Ph: 515-699-7058

[redacted]]

From: Roederer, David [IDOM]
Sent: Monday, March 25, 2013 8:15 AM
To: von Wolffradt, Robert [IDOM]; Miller-Meeks, Mariannette [IDPH]
Cc: Hurtado-Peters, Sandra [IDOM]; Bousselot, Michael [IGOV]
Subject: RE: Vision Screening Funding

What is this all about?

From: von Wolffradt, Robert [IDOM]
Sent: Monday, March 25, 2013 7:29 AM
To: Roederer, David [IDOM]
Subject: FW: Vision Screening Funding

Info only.

I will attempt to help, note highlighted text.

-----Original Message-----
From: Miller-Meeks, Mariannette [IDPH]
Sent: Friday, March 22, 2013 4:55 PM
To: von Wolffradt, Robert [IDOM]
Subject: Re: Vision Screening Funding

Bob,
Thank you so very much! I would love to sit down and go over some of these issues with you. It makes no sense to revamp old dying programs if we can combine. I know our contractor/providers will appreciate going to only 1 or 2 places, rather than 6, to input data for the same child!
Next let's tackle these data warehouse things. I know we have good IT people in the department, but not really the data analyst/statistician that is necessary for this health data.
I look forward to our next conversation. Have a good weekend.

Respectfully,
Mariannette

On Mar 22, 2013, at 4:09 PM, "von Wolffradt, Robert [IDOM]" <Robert.vonWolffradt@iowa.gov> wrote:

> Thank you for the conversation today!
>
> We are scaling back several requests and looking at timelines, and should be able to initially earmark $150k shortly. Then, we will address the remainder of the year and see if we can nail down the other $150k (this is a revenue forecast issue), likely next week.
>
> Please make sure we get in the loop early on anything IowAccess funding related.
>
> And, I am always available to demonstrate our joint coordination/collaboration on IT appropriations requests!
>
>
> Robert von Wolffradt

[redacted]

> Chief Information Officer
> Office of the Governor
> State of Iowa
> Des Moines, IA 50319
> 515.745.4873
> Robert.vonwolffradt@iowa.gov
>
>
> -----Original Message-----
> From: von Wolffradt, Robert [IDOM]
> Sent: Friday, March 22, 2013 2:15 PM
> To: Miller-Meeks, Mariannette [IDPH]; Laffey, Lon [IDPH]
> Cc: McMahon, Julie [IDPH]; Thompson, Deborah [IDPH]
> Subject: RE: Vision Screening Funding
>
> Thank you!!
>
> There are always funding requests in the IowAccess queue. No important program should depend on these funds being available.
>
> "The estimated one-time software programming cost is \$300,000 and annual on-going hosting and maintenance costs are estimated at \$65,640. Hosting and maintenance costs include funds for existing hardware, which is billed monthly."
>
> Is the IowAccess funding request only for the \$300,00? Or is the annual amount also requested?
>
> So the bigger question is what happens if we don't get this funded with our grant funds, but we do fund other projects even some in IDPH? That risks not getting this important work done, hence my approach to always eliminate any unfunded mandates!
> Applying is not the same as receiving.
>
> Everyone was aware except the folks who manage these grant funds, as we were not aware of this approach with the bill, stakeholders, or Legislature.
>
> I have a hard time with the concept that legislation for an important program is dependent only upon the availability of grant dollars.
>
> I am running the numbers on balances today and will let you know. But we may require that this program funding be leveraged and data shared wherever else possible so we stop inventing standalone non-sharing systems.
>
> Thanks!
>
> Bob
>
> Robert von Wolffradt
> Chief Information Officer
> Office of the Governor
> State of Iowa
> Des Moines, IA 50319
> 515.745.4873
> Robert.vonwolffradt@iowa.gov
>
>

> -----Original Message-----
> From: Miller-Meeks, Mariannette [IDPH]
> Sent: Friday, March 22, 2013 1:30 PM
> To: von Wolffradt, Robert [IDOM]
> Cc: Laffey, Lon [IDPH]; McMahon, Julie [IDPH]; Thompson, Deborah [IDPH]
> Subject: Re: Vision Screening Funding
>
> The amount needed for the update for vision screening is already included in the fiscal note. **However, all the stakeholders and legislature was aware that we were applying for Iowa Access funds to cover this one time technology expenditure.**
>
> Dr Miller-Meeks
>
>
>
> On Mar 22, 2013, at 1:21 PM, "von Wolffradt, Robert [IDOM]" <Robert.vonWolffradt@iowa.gov> wrote:
>
>> Should be very timely as there is no need to over analyze.
>>
>> One concern is the lack of appropriation for legislation, if this is the case, we (OCIO & IDPH together) should weigh in from a fiscal note perspective because there is no way we can ever rely on grant/Iowa Access funds for a legislative requirement.
>>
>> The number should be what the system costs outside any potential grant money. In other words, what does this bill cost? There should be no waiting on estimating the cost of the project.
>> The priority is to get the appropriation for the work. If that fails, then seek other funding sources - not the other way around. IowAccess fund support cities, counties, and all state agencies and is a very finite resource now that the source of those funds (driver's license look ups) has dramatically dropped as much as 20%.
>>
>> If someone can point me to the legislation I am happy to work with you to get in front of it from a projected cost perspective. Sounds like IBPL a bit.
>>
>> Thanks!!
>>
>> Bob
>>
>> Robert von Wolffradt
>> Chief Information Officer
>> Office of the Governor
>> State of Iowa
>> Des Moines, IA 50319
>> 515.745.4873
>> Robert.vonwolffradt@iowa.gov
>>
>>
>> -----Original Message-----
>> From: Laffey, Lon [IDPH]
>> Sent: Friday, March 22, 2013 1:12 PM
>> To: Thompson, Deborah [IDPH]
>> Cc: Miller-Meeks, Mariannette [IDPH]; McMahon, Julie [IDPH]; von Wolffradt, Robert [IDOM]
>> Subject: RE: Vision Screening Funding
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>> From: Thompson, Deborah [IDPH]
>> Sent: Friday, March 22, 2013 12:36 PM
>> To: Laffey, Lon [IDPH]
>> Cc: Miller-Meeks, Mariannette [IDPH]; McMahon, Julie [IDPH]
>> Subject: Vision Screening Funding
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>> Thanks!
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>> Deborah
>>
>> Deborah Thompson
>> 515-240-0530
>> Deborah.Thompson@idph.iowa.gov
>>

>>
>

>

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[redacted]

From:	Roederer, David [IDOM]
Sent:	Monday, March 25, 2013 9:16 AM
To:	von Wolffradt, Robert [IDOM]; Miller-Meeks, Mariannette [IDPH]
Cc:	Hurtado-Peters, Sandra [IDOM]; Bousselot, Michael [IGOV]
Subject:	RE: Vision Screening Funding

Let us all visit prior to any commitment. I do not have this on a priority list. Bob, you should not be asked to respond to an urgent request in the middle of session. I do not recall this being in the Gov. recommendation.

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Sent: Monday, March 25, 2013 9:04 AM
To: Roederer, David [IDOM]; Miller-Meeks, Mariannette [IDPH]
Cc: Hurtado-Peters, Sandra [IDOM]; Bousselot, Michael [IGOV]
Subject: RE: Vision Screening Funding

Sorry, should have had more detail for you!

Background:
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Amount projected with some priority/planning reallocation: $150,000.

We will be addressing the projects and funding in the next few days to see if we can accommodate the request further.

Thanks!

Bob

Robert von Wolffradt
Chief Information Officer
Office of the Governor
State of Iowa
Des Moines, IA 50319
515.745.4873
Robert.vonwolffradt@iowa.gov

From: Roederer, David [IDOM]
Sent: Monday, March 25, 2013 8:15 AM
To: von Wolffradt, Robert [IDOM]; Miller-Meeks, Mariannette [IDPH]
Cc: Hurtado-Peters, Sandra [IDOM]; Bousselot, Michael [IGOV]
Subject: RE: Vision Screening Funding

What is this all about?

From: von Wolffradt, Robert [IDOM]
Sent: Monday, March 25, 2013 7:29 AM
To: Roederer, David [IDOM]
Subject: FW: Vision Screening Funding

Info only.

I will attempt to help, note highlighted text.

-----Original Message-----
From: Miller-Meeks, Mariannette [IDPH]
Sent: Friday, March 22, 2013 4:55 PM
To: von Wolffradt, Robert [IDOM]
Subject: Re: Vision Screening Funding

Bob,
Thank you so very much! I would love to sit down and go over some of these issues with you. It makes no sense to revamp old dying programs if we can combine. I know our contractor/providers will appreciate going to only 1 or 2 places, rather than 6, to input data for the same child!
Next let's tackle these data warehouse things. I know we have good IT people in the department, but not really the data analyst/statistician that is necessary for this health data.
I look forward to our next conversation. Have a good weekend.

Respectfully,
Mariannette

On Mar 22, 2013, at 4:09 PM, "von Wolffradt, Robert [IDOM]" <Robert.vonWolffradt@iowa.gov> wrote:

> Thank you for the conversation today!
>
> We are scaling back several requests and looking at timelines, and should be able to initially earmark $150k shortly. Then, we will address the remainder of the year and see if we can nail down the other $150k (this is a revenue forecast issue), likely next week.
>
> Please make sure we get in the loop early on anything lowAccess funding related.
>
> And, I am always available to demonstrate our joint coordination/collaboration on IT appropriations requests!
>
>
> Robert von Wolffradt
> Chief Information Officer
> Office of the Governor
> State of Iowa
> Des Moines, IA 50319
> 515.745.4873
> Robert.vonwolffradt@iowa.gov
>
>
> -----Original Message-----
> From: von Wolffradt, Robert [IDOM]

> Sent: Friday, March 22, 2013 2:15 PM
> To: Miller-Meeks, Mariannette [IDPH]; Laffey, Lon [IDPH]
> Cc: McMahon, Julie [IDPH]; Thompson, Deborah [IDPH]
> Subject: RE: Vision Screening Funding
>
> Thank you!!
>
> There are always funding requests in the IowAccess queue. No important program should depend on these funds being available.
>
> "The estimated one-time software programming cost is $300,000 and annual on-going hosting and maintenance costs are estimated at $65,640. Hosting and maintenance costs include funds for existing hardware, which is billed monthly."
>
> Is the IowAccess funding request only for the $300,00? Or is the annual amount also requested?
>
> So the bigger question is what happens if we don't get this funded with our grant funds, but we do fund other projects even some in IDPH? That risks not getting this important work done, hence my approach to always eliminate any unfunded mandates!
> Applying is not the same as receiving.
>
> Everyone was aware except the folks who manage these grant funds, as we were not aware of this approach with the bill, stakeholders, or Legislature.
>
> I have a hard time with the concept that legislation for an important program is dependent only upon the availability of grant dollars.
>
> I am running the numbers on balances today and will let you know. But we may require that this program funding be leveraged and data shared wherever else possible so we stop inventing standalone non-sharing systems.
>
> Thanks!
>
> Bob
>
> Robert von Wolffradt
> Chief Information Officer
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> Robert.vonwolffradt@iowa.gov
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> -----Original Message-----
> From: Miller-Meeks, Mariannette [IDPH]
> Sent: Friday, March 22, 2013 1:30 PM
> To: von Wolffradt, Robert [IDOM]
> Cc: Laffey, Lon [IDPH]; McMahon, Julie [IDPH]; Thompson, Deborah [IDPH]
> Subject: Re: Vision Screening Funding
>
> The amount needed for the update for vision screening is already included in the fiscal note. **However, all the stakeholders and legislature was aware that we were applying for Iowa Access funds to cover this one time technology expenditure.**

>
> Dr Miller-Meeks
>
>
>
> On Mar 22, 2013, at 1:21 PM, "von Wolffradt, Robert [IDOM]" <Robert.vonWolffradt@iowa.gov> wrote:
>
>> Should be very timely as there is no need to over analyze.
>>
>> One concern is the lack of appropriation for legislation, if this is the case, we (OCIO & IDPH together) should weigh in from a fiscal note perspective because there is no way we can ever rely on grant/Iowa Access funds for a legislative requirement.
>>
>> The number should be what the system costs outside any potential grant money. In other words, what does this bill cost? There should be no waiting on estimating the cost of the project.
>> The priority is to get the appropriation for the work. If that fails, then seek other funding sources - not the other way around. IowAccess fund support cities, counties, and all state agencies and is a very finite resource now that the source of those funds (driver's license look ups) has dramatically dropped as much as 20%.
>>
>> If someone can point me to the legislation I am happy to work with you to get in front of it from a projected cost perspective. Sounds like IBPL a bit.
>>
>> Thanks!!
>>
>> Bob
>>
>> Robert von Wolffradt
>> Chief Information Officer
>> Office of the Governor
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From: Miller-Meeks, Mariannette [IDPH]
Sent: Monday, March 25, 2013 9:49 AM
To: Roederer, David [IDOM]; von Wolffradt, Robert [IDOM]
Cc: Hurtado-Peters, Sandra [IDOM]; Bousselot, Michael [IGOV]
Subject: RE: Vision Screening Funding

Dave,
Let me/us know when you would like to meet. You are correct that it was not in IDPH's budget or the Governor's recommendation. The taskforce did not complete it recommendation until after our packet had been submitted. One avenue for funding of the software adaptation module to the statewide immunization registry was through Iowa Access and thus we submitted a proposal. The amount for vision screening alone (the Iowa Access request is to put two screening databases into the immunization registry rather than develop separate databases) is within the fiscal note for the vision screening bill currently making its' way through the legislature, but would not need to be in the fiscal note if funded through Iowa Access.
I hope this adds some clarification.
Dr. Miller-Meeks

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