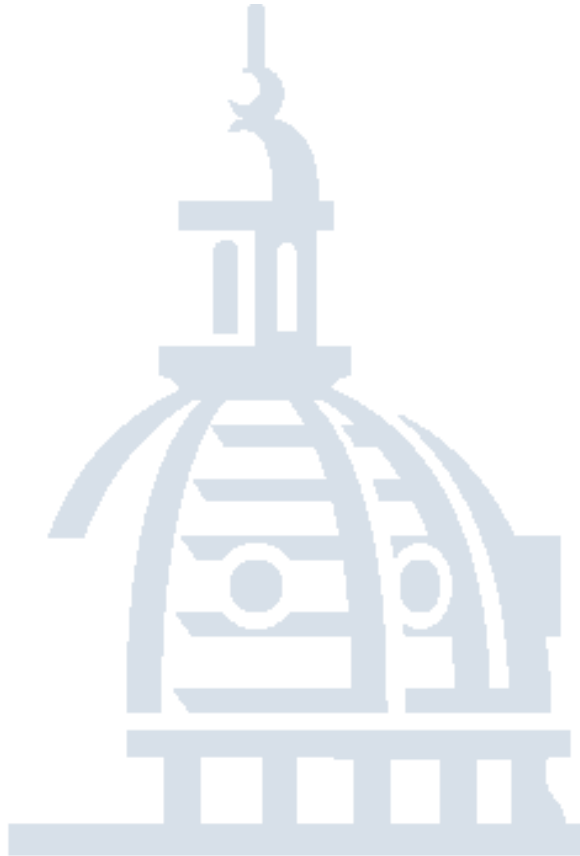

**ECONOMIC DEVELOPMENT
APPROPRIATIONS SUBCOMMITTEE
DETAILED ANALYSIS OF THE
FY 2012 GOVERNOR'S RECOMMENDATIONS**



FISCAL SERVICES DIVISION

FEBRUARY 2011



**LEGISLATIVE
SERVICES AGENCY**

Serving the Iowa Legislature

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ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE MEMBERS

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Pat Grassley

Bob Hager

Mary Ann Hanusa

Charles Isenhardt

Dave Jacoby

Anesa Kajtazovic

LEGISLATIVE SERVICES AGENCY

Fiscal Services Division

Ron Robinson (515-281-6256)

ron.robinson@legis.state.ia.us

Kent Ohms (515-825-2200)

kenneth.ohms@legis.state.ia.us

Legal Services Division

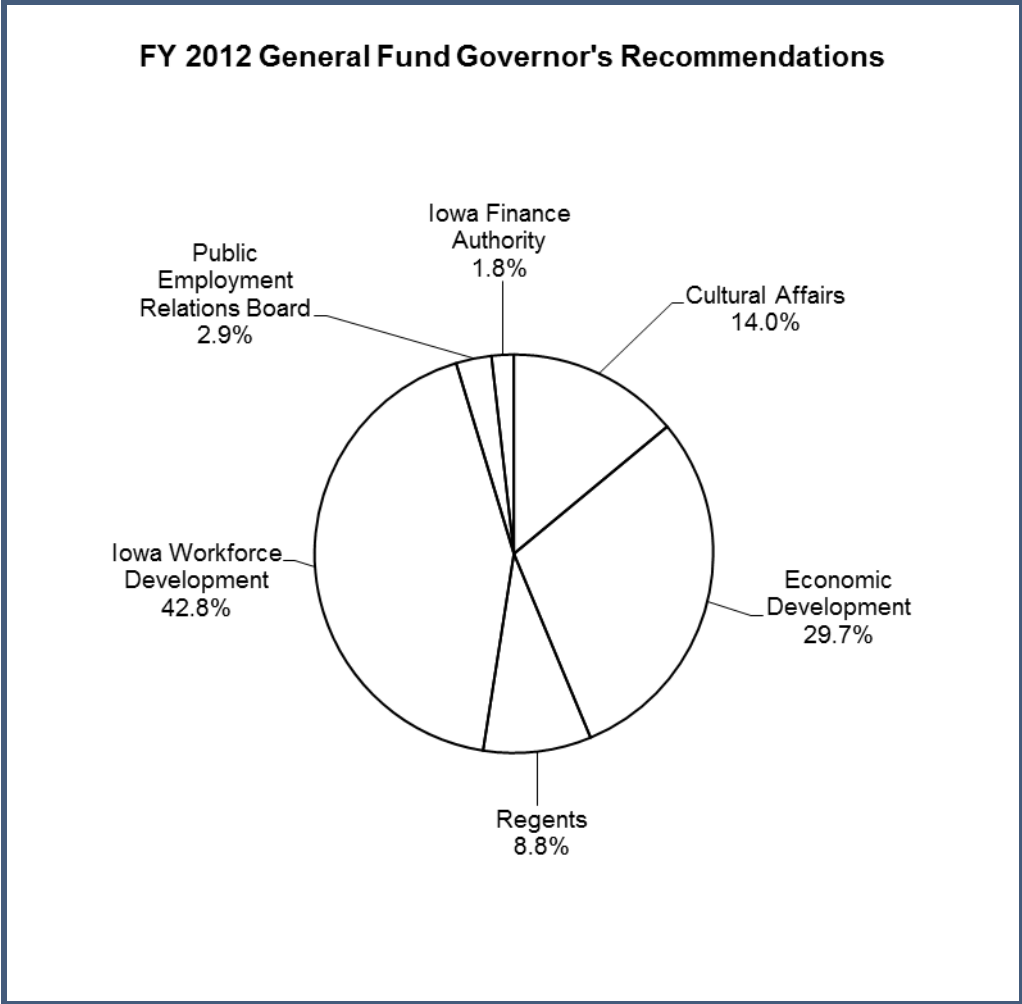
Tim Whipple (515-281-3444)

timothy.whipple@legis.state.ia.us

Tim McDermott (515-281-8090)

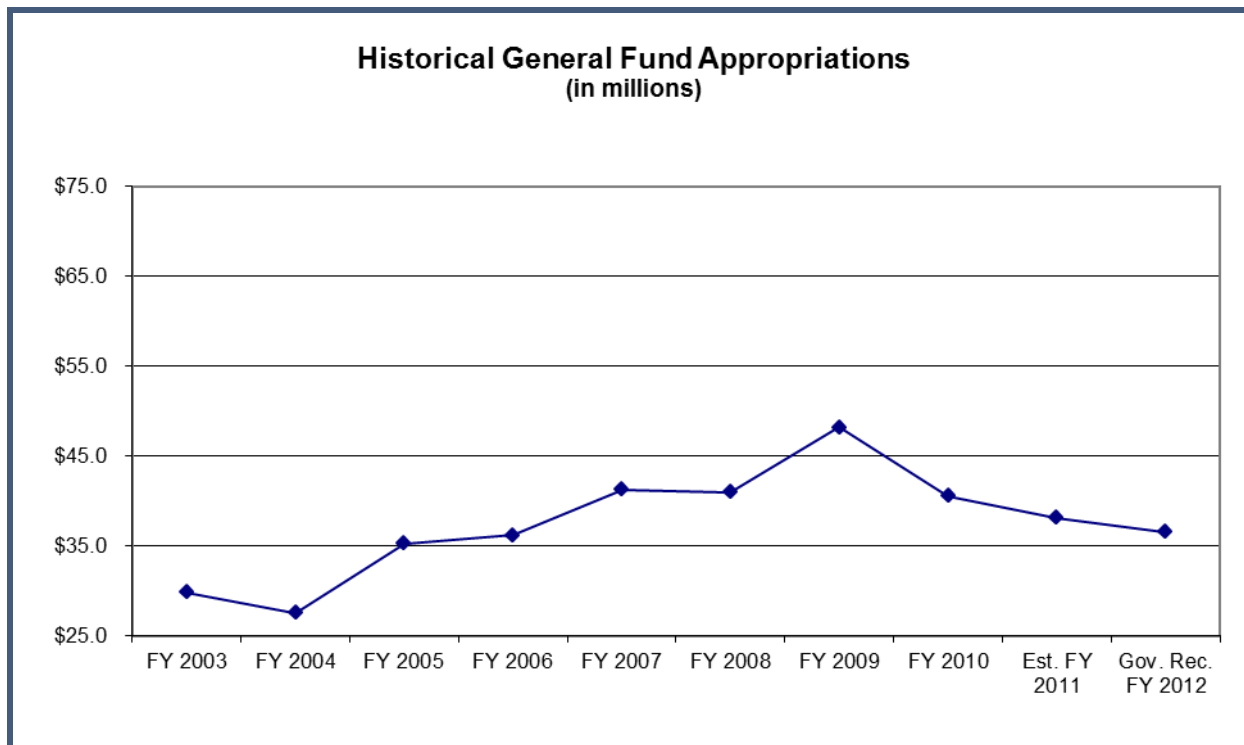
timothy.mcdermott@legis.state.ia.us

**ECONOMIC DEVELOPMENT APPROPRIATIONS
SUBCOMMITTEE**



FY 2012 General Fund Governor's Recommendations

Cultural Affairs	\$	5,113,765
Economic Development		10,881,190
Regents		3,204,488
Iowa Workforce Development		15,674,067
Public Employment Relations Board		1,057,827
Iowa Finance Authority		658,000
	\$	<u>36,589,337</u>



The General Fund appropriations for the Economic Development Appropriations Subcommittee have varied over the years. The increase in FY 2005 was due primarily to an appropriation for the Iowa Workforce Development (IWD) Field Offices, an increase of \$6,525,000. The Special Olympics also received an appropriation of \$500,000 that fiscal year. In FY 2009, the IWD Field Office Operations received an additional appropriation of \$5,153,417 to partially replace one time federal funds and other federal shortages. The World Food Prize also received an additional \$550,000 bringing the total appropriation to \$1,000,000. In FY 2010, the Governor ordered a 10.00% across-the-board reduction.

FY 2012 GOVERNOR’S RECOMMENDATIONS

Department of Cultural Affairs

The Iowa Department of Cultural Affairs provides cultural leadership and direction for the State through the Iowa Arts Council and the State Historical Society of Iowa.

The Governor is recommending FY 2012 General Fund appropriations totaling \$5,113,765. This is a decrease of \$248,077 compared to estimated FY 2011.

General Fund Recommendations

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
Cultural Affairs, Dept. of			
Administration Division	\$ 193,418	\$ 181,813	\$ -11,605
Community Cultural Grants	273,500	257,090	-16,410
Historical Division	2,944,363	2,767,701	-176,662
Historic Sites	453,615	426,398	-27,217
Arts Division	993,366	933,764	-59,602
Great Places	206,195	193,823	-12,372
Archiving Former Governor's Papers	70,142	65,933	-4,209
Records Center Rent	227,243	227,243	0
Battle Flag Stabilization	0	60,000	60,000
Total Cultural Affairs, Dept. of	<u>\$ 5,361,842</u>	<u>\$ 5,113,765</u>	<u>\$ -248,077</u>

Changes include:

- A general decrease of \$308,077 for all Department of Cultural Affairs General Fund appropriations with the exception of the appropriation for Records Center Rent. The Governor's budget recommendation shows a decrease in Personal Services and Salaries as the largest expenditure reduction. The Department has not provided information on how it would implement the Governor's recommendations.
- An increase of \$60,000 for Battle Flag Stabilization that was funded through an estimated \$60,000 Rebuild Iowa Infrastructure Fund (RIIF) appropriation for FY 2011.

Issues

Mid-Year Reduction – Estimated FY 2011 includes a mid-year reduction of \$347,860, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act). The Department has handled the mid-year reductions in the following manner:

- Administration Division – A decrease of \$18,651. The Department will adjust as follows:
 - Reduce personal services by \$15,151.
 - Utility rebated from the Department of Administrative Services (DAS) of \$3,500.
- Historical Society – A decrease of \$250,744. The Department will adjust as follows:
 - Reduce personal services by \$178,744 by reallocating staff salaries to other funding sources and a staff vacancy (\$28,000).
 - Centennial Building utility savings of \$5,000.
 - Reallocate sewer repairs of \$10,000 to the Executive Council.
 - Reduce state aid by \$57,000.
- Historic Sites – A decrease of \$39,445. The Department will adjust as follows:
 - Personal services saving resulting from a vacant position and the Early Retirement Program of \$34,907.
 - Reduce outside repairs by \$4,538.

Economic Development Appropriations Subcommittee

- Arts Division – A decrease of \$30,346. The Department will adjust as follows:
 - Reduce professional and scientific services by \$5,000 with the reduction of workshops, meetings, and site visits.
 - Reduce state aid by \$25,346.
- Great Places Administration – A decrease of \$8,674. The Department reallocated staff salaries to other funding sources.

Iowa Cultural Trust – When the principal balance in the Iowa Cultural Trust Grant Account equals or exceeds \$3,000,000, the Board of Trustees of the Iowa Cultural Trust may use moneys for a statewide educational program to promote participation in, expanded support of, and local endowment building for Iowa nonprofit arts, history, and sciences and humanities organizations. The current balance in the Account, as of February 2, 2011, is \$5,935,806. Iowa Code Section 15G.111(7) allocates through FY 2015, \$1,000,000 (2.00%) annually from the \$50,000,000 Grow Iowa Values Fund (GIVF) appropriation to the Trust. The allocation for the Trust was adjusted to \$760,000 for FY 2011. The Governor has recommended a \$25,000,000 appropriation from the Rebuild Iowa Infrastructure Fund (RIIF) for the GIVF. It is not clear how this will impact the allocation of the GIVF funding to the Trust.

Department of Economic Development

The main products and services offered by the Iowa Department of Economic Development generally involve business development and community development. The types of products and services in both categories include the following:

- Marketing and promotion to encourage customers and partners to help achieve common development goals.
- Financial assistance to communities and businesses for specific development.
- Technical assistance to communities and community organizations and businesses.

The Governor is recommending FY 2012 General Fund appropriations totaling \$10,881,190. This is a decrease of \$972,204 compared to estimated FY 2011. The Governor is also recommending other fund appropriations totaling \$4,000,000 for FY 2012. This is a decrease of \$5,365,000 compared to estimated FY 2011.

General Fund Recommendations

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<u>Economic Development, Dept. of</u>			
Economic Dev. Administration	\$ 1,669,019	\$ 1,568,878	\$ -100,141
Business Development	4,779,918	4,493,123	-286,795
Community Development Division	4,478,966	4,210,228	-268,738
World Food Prize	650,000	350,000	-300,000
Historic Preservation Challenge Grants	165,775	155,828	-9,947
Iowa Comm. Volunteer Ser.-Promise	109,716	103,133	-6,583
Total Economic Development, Dept. of	\$ 11,853,394	\$ 10,881,190	\$ -972,204

Changes include:

- A general decrease of \$672,204 for all Department of Economic Development appropriations with the exception of the World Food Prize. The Department plans on developing a cost savings plan in conjunction with the proposed reorganization of the Department of Economic Development into the Iowa Partnership for Economic Progress (IPEP).
- A decrease of \$300,000 for the World Food Prize.

Other Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<u>Economic Development, Dept. of</u>			
Workforce Development Fund	\$ 4,000,000	\$ 4,000,000	\$ 0
Taiwan Trade Office - UST	100,000	0	-100,000
Site Development Consultations - SIF	175,000	0	-175,000
Small Bus Assistance Website - SIF	20,000	0	-20,000
Save Our Small Businesses Fund - SIF	5,000,000	0	-5,000,000
Endow Iowa Admin - County Endw Fund	70,000	0	-70,000
Total Economic Development, Dept. of	<u>\$ 9,365,000</u>	<u>\$ 4,000,000</u>	<u>\$ -5,365,000</u>

Changes include:

- A decrease of \$100,000 from the Underground Storage Tank (UST) Fund for the Taiwan Trade Office due to the inability to obtain matching funds for the project.
- A decrease of \$175,000 from the School Infrastructure Fund (SIF) for the Site Development Consultation Program due to a one-time appropriation.
- A decrease of \$20,000 from the School Infrastructure Fund (SIF) for the Small Business Assistance Website creation due to project completion.
- A decrease of \$5,000,000 for a one-time appropriation from the School Infrastructure Fund (SIF) for the Save Our Small Businesses Fund.
- A decrease of \$70,000 from the County Endowment Fund for the Administration of the Endow Iowa Tax Credits. This is a standing appropriation in Iowa Code Section 15E.311(6) and is not reflected in the Governor’s recommendation.

Issues

Mid-Year Reduction – Estimated FY 2011 includes a mid-year reduction of \$1,461,380, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act). The Department has handled the mid-year reductions in the following manner:

- Administrative Services Division – A decrease of \$307,027. The Department budgeted in advance for a \$66,000 reduction. Additionally, the Department maintained vacancies in two approved accounting positions. Portions of the Director and other staff were allocated to the Iowa Values Fund administration. Additional reductions being considered include cutting two to three staff positions or requiring 15 furlough days for all employees assigned to this budget unit through

the end of FY 2011. The Department requested an appropriation transfer of \$100,000 from the Main Street Challenge Match funding that has yet to be acted on.

- Business Development Division – A decrease of \$566,618. The Department budgeted in advance for a \$266,000 reduction. Additionally, the Department did not fill one approved vacancy for a project manager, made minor adjustments in support budgets, allocated part of the Division Administrator and a Team Leader to non-General Fund accounts, reduced the budget in the film office to align with expenditure levels and assigned staff to non-General Fund project manager positions.
- Community Development Division– \$584,951. The Department budgeted in advance for a \$250,000 reduction. Additionally, the Department reduced Community Development Block Grants state administrative match, without effecting federal funds, allocated the Division Administrator and other staff to federal programs, and utilized unobligated General Fund carryforward dollars.
- Iowa Commission on Volunteer Service \$2,784. The Department reduced support costs.

Iowa Partnership for Economic Progress (IPEP) – *The Governor is recommending altering the internal structure of the Department of Economic Development (DED) and replacing the DED with a public-private partnership. The proposed Iowa Partnership for Economic Progress (IPEP) would be governed by an independent board of directors and chaired by the Governor or Lieutenant Governor. The Governor also recommends that IPEP would administer the programs that have been administered by the Office of Energy Independence (OEI). The Governor is also recommending the creation of Initiate, Gaining, Negate, Involve, Target, and Energize (IGNITE) Teams. The Teams would market the State and the IPEP would lead and staff the teams. The Iowa Network of Entrepreneurial Transplants (INET) would be developed by the IPEP to attract economic development opportunities through a network of former Iowans. Finally, the Governor is recommending the creation of the Expanded Trade Agency (ETA) as a component of the IPEP. The proposed ETA would be a public-private partnership with IPEP providing staff and support to expand international markets. The overall fiscal impact of moving from a State agency to a public-private partnership cannot be determined at this time.*

Councils of Governments – The Subcommittee may want to review the funding for the Iowa Council of Governments (COGs). The COGs have been funded over the past fiscal years in a number of manners.

- For fiscal year 2007, the COGs were funded through a \$150,000 appropriation from the loan repayments of the Rural Community 2000 (RC 2000) Fund.
- For fiscal year 2008, the appropriation to the COGs was \$40,412 from the repayments to the RC 2000 fund.
- For fiscal year 2009, the subcommittee appropriated \$160,000 out of the Grow Iowa Values Fund interest and loan payments received by the RC 2000 Program which were \$20,000.
- For fiscal year 2010, the subcommittee appropriated \$144,000 from the Federal Economic Stimulus and Jobs Holding Account interest.
- For fiscal year 2011, the subcommittee created a standing allocation in Iowa Code Section 15G.111 of \$175,000 from the Grow Iowa Values Fund interest for fiscal years 2011 through 2013.

The money is used to leverage federal and local dollars for various programs. State dollars, membership dues by local government members, and administrative fees collected for administrating programs, are essentially the only funds available for COGs to utilize in securing matching grants.

The World Food Prize – The Subcommittee may want to review the funding of the World Food Prize (WFP). Iowa Code Section 15.368 provides a Standing appropriation of \$1,000,000 from the General Fund to support the WFP. For fiscal years 2010 and 2011, the Subcommittee appropriated \$750,000 and \$650,000 respectively, from the General Fund. An additional \$100,000 was appropriated from the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2011. *For FY 2012 the Governor is recommending an appropriation of \$350,000.*

Cash Flow Transfer Notice – On December 15, 2010, the LSA received notice that \$7,500,000 was being transferred under Iowa Codes Sections 8.56.1 and 8.57.6.b and other cash flow needs to the DED to establish an Iowans Helping Iowans Small Business Assistance Program as part of a larger transfer of \$15,000,000 from the Department of Human Services Cash Reserve Fund Medicaid appropriation and \$5,000,000 from the Grow Iowa Values Fund (GIVF). The General Assembly may want to consider legislation to enact the Program and to appropriate funds enabling the return of the funds used for cash flow to their original programs. Below is additional information on the transfer and an explanation of the Program.

Iowans Helping Iowans Program

Iowans Helping Iowans (IHI) is a State-based assistance program similar to the "Jumpstart" effort that moved resources into Cedar Rapids and other communities affected by the floods of 2008. The Iowans Helping Iowans Program is intended to supplement federal individual assistance that follows Presidential Disaster Declarations for Iowa's counties. The Program has two main components, IHI Small Business Assistance and IHI Housing Assistance.

The Jumpstart Iowa Recovery Initiative was a housing and economic development program developed to address the financial needs of Iowans affected by the 2008 storms and flooding. The Jumpstart Program was created by Governor Culver in October of 2008, and enacted by the legislature during the 2009 Legislative Session by HF 64 (An Act Relating to Disaster Assistance by Providing for Jumpstart Housing Assistance, Unmet Needs Disaster Grants, A Rebuild Iowa Office, and Community Disaster Grants, Making Appropriations, and Providing Effective and Retroactive Applicability Dates) with retroactive application dates.

Transfer Background

The Governor transferred funds for IHI, citing Iowa Code Sections 8.56.1 and 8.57.6.b. These Code Sections pertain to the Cash Reserve Fund (CRF), and the Rebuild Iowa Infrastructure Fund (RIIF). In FY 2011, the Grow Iowa Values Fund (GIVF) was funded from an appropriation from RIIF. These Code Sections state that moneys in the fund "may be used for cash flow purposes during a fiscal year provided that any money so allocated is returned to the fund(s) by the end of the fiscal year."

For the Jumpstart Program in 2008, the Governor cited Iowa Code Section 8.57.6.b. to transfer funds from the GIVF, the River Enhancement Attraction and Tourism (RECAT) Program, Community Attraction and Tourism Program (CAT), Low-Head Dam Program, Power Fund, Property Acquisition, and Routine Maintenance funds.

Program Descriptions and Fund Status

Small Business Assistance

Eligible Businesses

The Iowa Department of Economic Development (DED) is to provide financial assistance to businesses located in presidentially declared disaster areas eligible for individual assistance and that have been damaged or destroyed by the natural disasters of 2010. Residential landlords and home-based businesses are not considered eligible businesses for purposes of this Program.

The financial assistance under this program includes:

Provide \$5,000 to \$50,000 for working capital to ensure the business's survival. The maximum amount of funds available through this Program for businesses is an amount equal to not more than 25.00% of the loan approved by an eligible lender.

Current Funds Status

As of February 01, 2011, \$1,172,672 has been awarded. The DED has expended approximately \$28,000 on administrative costs. This leaves \$6,299,328 remaining. The DED has budgeted \$110,000 for administration.

Housing Assistance Program

Eligible Applicants

The Iowa Finance Authority (IFA) is to provide financial assistance to homeowners whose primary homes are located in presidentially declared disaster areas eligible for individual assistance and have been damaged or destroyed by the natural disasters of 2010.

The State financial assistance under this Program includes:

Housing Repair / Rehabilitation Assistance

Individuals whose homes were damaged by the 2010 natural disasters and are not proposed for buyouts may receive financial assistance not to exceed \$25,000 for the necessary and reasonable cost of eligible repair expenses for a disaster-affected home determined feasible for rehabilitation. Individuals eligible for this assistance are not eligible for assistance under the Down Payment Assistance Provision.

Down Payment Assistance

Individuals whose homes were destroyed or damaged beyond reasonable repair by the 2010 natural disasters may be provided down payment assistance for the purchase of replacement housing and, if necessary, for the cost of making reasonable repairs to the home being purchased to make it safe, decent, and habitable, not to exceed the lesser of 25.00% of the purchase price of the home being purchased or \$25,000. Individuals eligible for this assistance are not eligible for assistance under the Housing Repair/Rehabilitation Assistance Provision.

Types of Assistance

Assistance under this Program will be provided as a forgivable loan, forgiven over a 5-year period at a rate of 20.00% a year so long as person remains in the home. If the homeowner sells the home before the end of the five year retention period, the homeowner is required to repay the remaining loan balance upon the sale of their home. Interest Rate: 0.00%; Term: 5 years.

Current Funds Status

As of February 01, 2011, \$6,050,000 is under contract with signed grant agreements with local program administrators. This leaves \$1,450,000 that is not under contract for grants, administration, or fees. The following is information on the status of the awards:

- Amount under contract (signed grant agreements with local program administrators): \$6,050,000
- Number of homeowner applications received online: 361
- Amount of assistance requested in those 361 applications: \$5,541,185
- Number of awards approved by local program administrators: 86
- Amount of assistance approved in those 86 awards: \$1,137,026
- Average award to date: \$13,221
- Amount disbursed by IFA to local program grantees: \$439,115
- Amount local program administrators have received as a general administrative fee: \$20,232.94 (subject to a 5.00% maximum)
- Amount local program administrators have received for inspection fees: \$14,200 (subject to a \$200 per inspection fee maximum)

Board of Regents

The Economic Development Appropriations Subcommittee appropriates funds to the Board of Regents universities for the following purposes:

- The University of Iowa (SUI) Economic Development appropriation includes Advanced Drug Development, Oakdale Research Park, and the Technology Innovation Center.
- The Iowa State University (ISU) Economic Development appropriation includes the Institute for Physical Research and Technology, Small Business Development Centers, and the ISU Research Park.
- The University of Northern Iowa (UNI) Economic Development appropriation includes the Institute for Decision Making, Metal Casting Center, and MyEntrenet.

The Governor is recommending FY 2012 General Fund appropriations totaling \$3,204,448. This is a general decrease of \$204,541 compared to estimated FY 2011. The Board has not yet determined how it will implement the Governor’s recommended budget.

General Fund Recommendations

	<u>Estimated</u> <u>FY 2011</u>	<u>Gov Rec</u> <u>FY 2012</u>	<u>Gov Rec vs</u> <u>Est. FY 2011</u>
<u>Regents, Board of</u>			
ISU - Economic Development	\$ 2,575,983	\$ 2,421,424	\$ -154,559
SUI - Economic Development	222,372	209,030	-13,342
UNI - Economic Development	610,674	574,034	-36,640
Total Regents, Board of	\$ 3,409,029	\$ 3,204,488	\$ -204,541

Iowa Workforce Development

The Department of Iowa Workforce Development (IWD) strives to improve the income, productivity, and safety of all Iowans. In conjunction with State and local economic development efforts, the IWD also assists businesses in fulfilling workforce needs. The IWD major products and services include:

- Workforce Center Services
- Compliance Assistance and Enforcement
- Unemployment Insurance
- Workforce Information and Analysis
- Adjudication, Compliance, and Education
- Resource Management

The Governor is recommending FY 2012 General Fund appropriations totaling \$15,674,067. This is a decrease of \$1,000,471 compared to estimated FY 2011. The Governor is also recommending other fund appropriations totaling \$6,971,000 for FY 2012. This is a decrease of \$360,000 compared to estimated FY 2011.

General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<u>Iowa Workforce Development</u>			
IWD - Labor Services Division	\$ 3,139,752	\$ 2,951,367	\$ -188,385
IWD - Workers' Comp Division	2,412,540	2,267,788	-144,752
IWD Operations - Field Offices	10,326,640	9,707,042	-619,598
Offender Reentry Program	302,621	284,464	-18,157
Security Employee Training Program	12,711	11,948	-763
Employee Misclassification	480,274	451,458	-28,816
Total Iowa Workforce Development	\$ 16,674,538	\$ 15,674,067	\$ -1,000,471

The Governor is recommending a general decrease of \$1,000,471 for all Department of Workforce Development appropriations. The Department has not yet determined how it will implement the Governor's recommended budget.

Other Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<u>Iowa Workforce Development</u>			
P & I Workforce Development Field Offices	\$ 360,000	\$ 0	\$ -360,000
Workers' Comp Div - Spec Cont Fund	471,000	471,000	0
IWD Field Offices (UI Reserve Interest)	6,500,000	6,500,000	0
Total Iowa Workforce Development	\$ 7,331,000	\$ 6,971,000	\$ -360,000

The Governor is recommending a general decrease of \$360,000 from the Special Contingency Fund (Penalty and Interest Fund). The Department anticipates not expending the funds during the current fiscal year or needing the funds for FY 2012.

Issues

Mid-Year Reduction – Estimated FY 2011 includes a mid-year reduction of \$1,545,011, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act). The Department has indicated it will absorb the mid-year reductions with unobligated balances for those appropriations

Cash Reserve Fund Transfer – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Department of Workforce Development received \$54,857 from this transfer for the Labor Services Division, resulting in a net mid-year reduction of \$300,831 for that Division. Transfers are not reflected in the LSA’s appropriations tracking.

Workforce Development Field Offices Funding – The Subcommittee may want to review the funding streams for the Workforce Development Field Offices. The total estimated FY 2011 appropriation from all funds is \$17,306,157 and the FY 2012 Governor’s recommendation is \$16,207,042, with \$6,500,000 from interest on the Unemployment Compensation Reserve Fund and the remaining amounts appropriated from the General Fund. The Reserve Fund balance as of February 2, 2011, is approximately \$158,224,284. The anticipated available interest from the Reserve Fund during FY 2012 is estimated to be less than \$3,000,000. The new interest collected during FY 2012 is estimated to be less than \$1,170,491.

Public Employment Relations Board

The Public Employment Relations Board (PERB) is responsible for implementing the provisions of the Public Employment Relations Act (PERA), and for adjudicating and conciliating labor/management disputes involving public employers and employee organizations throughout the State.

The Governor is recommending an FY 2012 General Fund appropriation of \$1,057,827. This is an increase of \$200,000 compared to estimated FY 2011 to replace a one-time Cash Reserve Fund Transfer.

General Fund Recommendations

	<u>Estimated FY 2011</u>	<u>Gov Rec FY 2012</u>	<u>Gov Rec vs Est. FY 2011</u>
<u>Public Employment Relations Board</u>			
PER Board - General Office	\$ 857,827	\$ 1,057,827	\$ 200,000
Total Public Employment Relations Board	<u>\$ 857,827</u>	<u>\$ 1,057,827</u>	<u>\$ 200,000</u>

Issues

Mid-Year Reduction – Estimated FY 2011 includes a mid-year reduction of \$244,076, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act). The reduction was reduced to \$44,076 as a result of a Cash Reserve Fund transfer (see below) and will be absorbed through savings from the Early Retirement Program.

Cash Reserve Fund Transfer – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The PERB received \$200,000 from this transfer,

Economic Development Appropriations Subcommittee

resulting in a net mid-year reduction of \$44,076 for the PERB. Transfers are not reflected in the LSA's appropriations tracking. The PERB utilized the savings from the Early Retirement Program to absorb the net reduction.

Iowa Finance Authority

The Iowa Finance Authority (IFA) mission is to finance, administer, advance, and preserve affordable housing, and to promote community and economic development for Iowans.

The Governor is recommending an FY 2012 General Fund appropriation of \$658,000. There were no General Funds appropriated to the IFA for FY 2011.

General Fund Recommendations

	Estimated FY 2011	Gov Rec FY 2012	Gov Rec vs Est. FY 2011
<u>Iowa Finance Authority</u>			
Rent Subsidy Program	\$ 0	\$ 658,000	\$ 658,000
Total Iowa Finance Authority	\$ 0	\$ 658,000	\$ 658,000

The Governor is recommending an increase of \$658,000 for the Rent Subsidy Program. The Program was funded with \$700,000 from the Senior Living Trust Fund for FY 2011.

Issues

Consolidation of Housing Programs – The Public Works LLC recommended moving the housing programs located at the Department of Economic Development (DED) to the Iowa Finance Authority (IFA). Their report reflected a State funds savings of \$100,000. The programs do not involve the General Fund. Any savings would be for non-General Fund sources. Any administrative efficiency that may arise from the consolidation would benefit the federally funded programs. A required report on the programs has been submitted and is available from the LSA.

Rent Subsidy Program – The Governor is recommending that the Rent Subsidy Program be funded from the General Fund for FY 2012. The Program received a \$700,000 appropriation from the Senior Living Trust Fund for FY 2010 and FY 2011.

Cash Flow Transfer Notice – On December 15, 2010, the LSA received notice that \$7,500,000 was being transferred under Iowa Codes Sections 8.56.1 and 8.57.6.b, and other cash flow needs, to the IFA to establish an Iowans Helping Iowans Housing Assistance Program as part of a larger transfer of \$15,000,000 from the Department of Human Services Cash Reserve Fund Medicaid appropriation and \$5,000,000 from the Grow Iowa Values Fund. The General Assembly may want to consider legislation to enact the Program and to appropriate funds enabling the return of the funds used for cash flow to their original programs. Additional information on the transfer and an explanation of the Program is provided in the issues section for the Department of Economic Development.

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

Publications

- *Fiscal Topic* -- [Budget Unit: Archiving Papers of Former Governors](#)
- *Fiscal Topic* -- [Budget Unit: Public Employment Relations Board](#)
- *Fiscal Topic* -- [Budget Unit: The World Food Prize](#)
- *Fiscal Topic* -- [Workforce Development Training Programs](#)
- *Fiscal Topic* -- [Iowa's Gross State Product](#)

Staff Contacts: Ron Robinson (515-281-6256) ron.robinson@legis.state.ia.us
Kent Ohms (515-725-2200) kenneth.ohms@legis.state.ia.us

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Appendix A

General Fund Tracking

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Economic Development General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<u>Cultural Affairs, Dept. of</u>						
Cultural Affairs, Dept. of						
Administration Division	\$ 212,069	\$ 193,418	\$ 181,813	\$ -11,605	\$ 181,813	\$ 0
Community Cultural Grants	273,500	273,500	257,090	-16,410	257,090	0
Historical Division	3,195,107	2,944,363	2,767,701	-176,662	2,767,701	0
Historic Sites	493,060	453,615	426,398	-27,217	426,398	0
Arts Division	1,023,712	993,366	933,764	-59,602	933,764	0
Great Places	214,869	206,195	193,823	-12,372	193,823	0
Archiving Former Governor's Papers	70,142	70,142	65,933	-4,209	65,933	0
Records Center Rent	199,816	227,243	227,243	0	227,243	0
Battle Flag Stabilization	0	0	60,000	60,000	60,000	0
Total Cultural Affairs, Dept. of	\$ 5,682,275	\$ 5,361,842	\$ 5,113,765	\$ -248,077	\$ 5,113,765	\$ 0
<u>Economic Development, Dept. of</u>						
Economic Development, Dept. of						
Economic Dev. Administration	\$ 1,826,046	\$ 1,669,019	\$ 1,568,878	\$ -100,141	\$ 1,568,878	\$ 0
Business Development	5,346,536	4,779,918	4,493,123	-286,795	4,493,123	0
Community Development Division	5,063,917	4,478,966	4,210,228	-268,738	4,210,228	0
World Food Prize	750,000	650,000	350,000	-300,000	350,000	0
Historic Preservation Challenge Grants	165,775	165,775	155,828	-9,947	155,828	0
Iowa Comm. Volunteer Ser.-Promise	112,500	109,716	103,133	-6,583	103,133	0
TSB Marketing and Compliance	-9,457	0	0	0	0	0
TSB Process Improvement & Admin.	-20,358	0	0	0	0	0
TSB Advocacy Centers	-79,308	0	0	0	0	0
Total Economic Development, Dept. of	\$ 13,155,651	\$ 11,853,394	\$ 10,881,190	\$ -972,204	\$ 10,881,190	\$ 0
<u>Regents, Board of</u>						
Regents, Board of						
ISU - Economic Development	\$ 2,475,983	\$ 2,575,983	\$ 2,421,424	\$ -154,559	\$ 2,421,424	\$ 0
SUI - Economic Development	222,372	222,372	209,030	-13,342	209,030	0
UNI - Economic Development	485,674	610,674	574,034	-36,640	574,034	0
Total Regents, Board of	\$ 3,184,029	\$ 3,409,029	\$ 3,204,488	\$ -204,541	\$ 3,204,488	\$ 0

Economic Development General Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<u>Iowa Workforce Development</u>						
Iowa Workforce Development						
IWD - Labor Services Division	\$ 3,395,440	\$ 3,139,752	\$ 2,951,367	\$ -188,385	\$ 2,951,367	\$ 0
IWD - Workers' Comp Division	2,595,768	2,412,540	2,267,788	-144,752	2,267,788	0
IWD Operations - Field Offices	10,795,474	10,326,640	9,707,042	-619,598	9,707,042	0
Offender Reentry Program	322,261	302,621	284,464	-18,157	284,464	0
Security Employee Training Program	13,033	12,711	11,948	-763	11,948	0
Employee Misclassification	450,000	480,274	451,458	-28,816	451,458	0
Statewide Standard Skills Assessment	-33,699	0	0	0	0	0
Total Iowa Workforce Development	\$ 17,538,277	\$ 16,674,538	\$ 15,674,067	\$ -1,000,471	\$ 15,674,067	\$ 0
<u>Public Employment Relations Board</u>						
Public Employment Relations						
PER Board - General Office	\$ 1,051,903	\$ 857,827	\$ 1,057,827	\$ 200,000	\$ 1,057,827	\$ 0
Total Public Employment Relations Board	\$ 1,051,903	\$ 857,827	\$ 1,057,827	\$ 200,000	\$ 1,057,827	\$ 0
<u>Iowa Finance Authority</u>						
Iowa Finance Authority						
Rent Subsidy Program	\$ 0	\$ 0	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
Council on Homelessness	4,500	0	0	0	0	0
Total Iowa Finance Authority	\$ 4,500	\$ 0	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
Total Economic Development	\$ 40,616,635	\$ 38,156,630	\$ 36,589,337	\$ -1,567,293	\$ 36,589,337	\$ 0

Appendix B

Other Funds Tracking

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Economic Development Other Fund

	Actual FY 2010 (1)	Estimated FY 2011 (2)	Gov Rec FY 2012 (3)	Gov Rec FY12 vs FY 2011 (4)	Gov Rec FY 2013 (5)	Gov Rec FY13 vs Gov Rec FY12 (6)
<u>Economic Development, Dept. of</u>						
Economic Development, Dept. of						
Workforce Development Fund	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 0
Taiwan Trade Office - UST	0	100,000	0	-100,000	0	0
Site Development Consultations - SIF	0	175,000	0	-175,000	0	0
Small Bus Assistance Website - SIF	0	20,000	0	-20,000	0	0
Save Our Small Businesses Fund - SIF	0	5,000,000	0	-5,000,000	0	0
Endow Iowa Admin - County Endw Fund	70,000	70,000	0	-70,000	0	0
Council of Governments - FES	144,000	0	0	0	0	0
Total Economic Development, Dept. of	\$ 4,214,000	\$ 9,365,000	\$ 4,000,000	\$ -5,365,000	\$ 4,000,000	\$ 0
<u>Iowa Workforce Development</u>						
Iowa Workforce Development						
P & I Workforce Development Field Offices	\$ 360,000	\$ 360,000	\$ 0	\$ -360,000	\$ 0	\$ 0
Workers' Comp Div - Spec Cont Fund	471,000	471,000	471,000	0	471,000	0
IWD Field Offices (UI Reserve Interest)	6,500,000	6,500,000	6,500,000	0	6,500,000	0
Total Iowa Workforce Development	\$ 7,331,000	\$ 7,331,000	\$ 6,971,000	\$ -360,000	\$ 6,971,000	\$ 0
<u>Energy Independence</u>						
Office of Energy Independence						
Iowa Power Fund	\$ 0	\$ 2,000,000	\$ 0	\$ -2,000,000	\$ 0	\$ 0
Total Energy Independence	\$ 0	\$ 2,000,000	\$ 0	\$ -2,000,000	\$ 0	\$ 0
Total Economic Development	\$ 11,545,000	\$ 18,696,000	\$ 10,971,000	\$ -7,725,000	\$ 10,971,000	\$ 0

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Appendix C

FTE Positions Tracking

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Economic Development

FTE

	Actual FY 2010 (1)	Final Action FY 2011 (2)	Estimated FY 2011 (3)	Gov Rec FY 2012 (4)	Gov Rec FY 2012 v. Fin Act FY 2011 (5)	Gov Rec YR2 FY 2013 (6)	Gov Rec FY 2013 v. FY 2012 (7)
<u>Cultural Affairs, Dept. of</u>							
Cultural Affairs, Dept. of							
Administration Division	0.96	74.50	1.25	1.25	-73.25	1.25	0.00
Historical Division	44.92	0.00	46.49	46.49	46.49	46.49	0.00
Historic Sites	6.23	0.00	6.00	6.00	6.00	6.00	0.00
Arts Division	8.72	0.00	10.00	10.00	10.00	10.00	0.00
Great Places	2.83	0.00	2.12	2.12	2.12	2.12	0.00
Archiving Former Governor's Papers	0.92	0.00	0.81	0.81	0.81	0.81	0.00
Total Cultural Affairs, Dept. of	64.58	74.50	66.67	66.67	-7.83	66.67	0.00
<u>Economic Development, Dept. of</u>							
Economic Development, Dept. of							
Economic Dev. Administration	16.39	149.00	19.20	22.89	-126.11	22.89	0.00
Business Development	39.60	0.00	44.85	45.85	45.85	45.85	0.00
Community Development Division	53.32	0.00	63.65	62.65	62.65	62.65	0.00
Iowa Comm. Volunteer Ser.-Promise	0.00	1.00	0.00	0.00	-1.00	0.00	0.00
Iowa State Commission**	4.45	5.00	6.00	0.00	-5.00	0.00	0.00
Vision Iowa Program	1.91	2.25	2.25	0.00	-2.25	0.00	0.00
Workforce Development Fund	0.00	4.00	0.00	4.00	0.00	4.00	0.00
Workforce Development Admin	1.66	4.00	4.00	0.00	-4.00	0.00	0.00
Site Development Consultations - SIF*	0.00	1.00	0.00	0.00	-1.00	0.00	0.00
Total Economic Development, Dept. of	117.33	166.25	139.95	135.39	-30.86	135.39	0.00
<u>Iowa Workforce Development</u>							
Iowa Workforce Development							
IWD - Labor Services Division	59.65	64.00	62.75	62.75	-1.25	62.75	0.00
IWD - Workers' Comp Division	27.32	30.00	29.00	29.00	-1.00	29.00	0.00
IWD Operations - Field Offices	0.00	88.28	0.00	0.00	-88.28	0.00	0.00
Special Contingency Fund	77.27	0.00	89.31	87.81	87.81	87.81	0.00
Field Office Operating Fund**	129.59	146.27	174.19	156.07	9.80	156.07	0.00
Offender Reentry Program	2.96	3.00	3.00	3.00	0.00	3.00	0.00
Employee Misclassification	6.53	8.10	9.10	9.10	1.00	9.10	0.00
Total Iowa Workforce Development	303.33	339.65	367.35	347.73	8.08	347.73	0.00
<u>Public Employment Relations Board</u>							
Public Employment Relations							
PER Board - General Office	9.02	10.00	12.00	9.00	-1.00	9.00	0.00
Total Public Employment Relations Board	9.02	10.00	12.00	9.00	-1.00	9.00	0.00
<u>Regents, Board of</u>							
Regents, Board of							
ISU - Economic Development	26.66	56.63	56.63	56.63	0.00	56.63	0.00
SUI - Economic Development	4.01	6.00	6.00	6.00	0.00	6.00	0.00
UNI - Economic Development	6.69	6.75	6.75	6.75	0.00	6.75	0.00
Total Regents, Board of	37.36	69.38	69.38	69.38	0.00	69.38	0.00
Total Economic Development	531.62	659.78	655.35	628.17	-31.61	628.17	0.00

*Provided for in SF 2389 (Infrastructure Appropriations Act)

**Non-appropriated

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Appendix D

Budget Unit Schedule Sample

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Schedule 1 Example

The Schedule 1 shows the “decision packages” used by the Executive Branch to arrive at the Department’s annual budget request (dollars and FTE positions) and the Governor’s recommendations for a particular budget unit.

STATE OF IOWA
 Fiscal Year 2012 Annual Budget
 SPECIAL DEPARTMENT: (660) Natural Resources, Department of
 Budget Unit: (5420G720001) GF-Natural Resources Operations
 Schedule 1

Rank	Description	Funding Source	Fiscal Year 2012 Department Request	Fiscal Year 2012 Governor's Recommendations
Base	Maintain essential services associated with natural resource protection, recreation and preservation.	Appropriation FTE	15,600,710 1,145.95	15,600,710 1,145.95
0001	FY 11 Savings reduction for SERIP & EO 20 per SF 2088 rolled into FY 12 and FY 13.	Appropriation	0	-2,152,106
0002	Additional Reductions for FY 12 & FY 13	Appropriation	0	-806,916
Total Budget Unit Funding		Fiscal Year 2011 Estimated	Fiscal Year 2012 Department Request	Fiscal Year 2012 Governor's Recommendations
Appropriation		\$ 15,600,710	\$ 15,600,710	\$ 12,641,688
Total FTE		1,145.95	1,145.95	1,145.95

Department name & budget unit

Fiscal Year

Base budget and Full Time Equivalent Positions (FTEs)

Adjustments to base budget

Total appropriation and FTEs

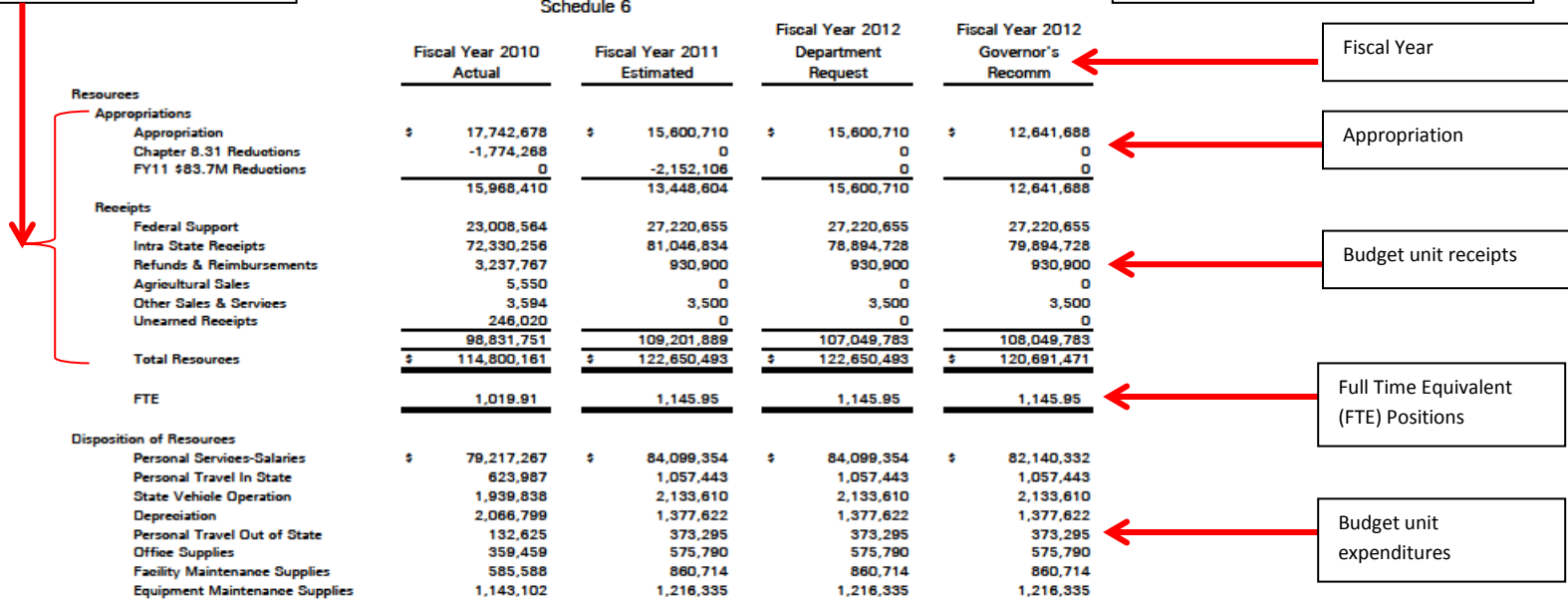
A Schedule 1 provides a summary of funding available for a Department. The Schedule shows both General Fund and total funds plus FTE positions. The Schedule shows, by priority, any changes to current law (or budget).

Schedule 6 Example

The Schedule 6 shows all of the resources for a particular budget unit, including appropriations, federal funds, fee revenue, transfers from other agencies,

STATE OF IOWA
Fiscal Year 2012 Annual Budget
SPECIAL DEPARTMENT: (660) Natural Resources, Department of
Budget Unit: (5420G720001) GF-Natural Resources Operations
Schedule 6

	Fiscal Year 2010 Actual	Fiscal Year 2011 Estimated	Fiscal Year 2012 Department Request	Fiscal Year 2012 Governor's Recomm
Resources				
Appropriations				
Appropriation	\$ 17,742,678	\$ 15,600,710	\$ 15,600,710	\$ 12,641,688
Chapter 8.31 Reductions	-1,774,268	0	0	0
FY11 \$83.7M Reductions	0	-2,152,106	0	0
	15,968,410	13,448,604	15,600,710	12,641,688
Receipts				
Federal Support	23,008,564	27,220,655	27,220,655	27,220,655
Intra State Receipts	72,330,256	81,046,834	78,894,728	79,894,728
Refunds & Reimbursements	3,237,767	930,900	930,900	930,900
Agricultural Sales	5,550	0	0	0
Other Sales & Services	3,594	3,500	3,500	3,500
Unearned Receipts	246,020	0	0	0
	98,831,751	109,201,889	107,049,783	108,049,783
Total Resources	\$ 114,800,161	\$ 122,650,493	\$ 122,650,493	\$ 120,691,471
FTE				
	1,019.91	1,145.95	1,145.95	1,145.95
Disposition of Resources				
Personal Services-Salaries	\$ 79,217,267	\$ 84,099,354	\$ 84,099,354	\$ 82,140,332
Personal Travel In State	623,987	1,057,443	1,057,443	1,057,443
State Vehicle Operation	1,939,838	2,133,610	2,133,610	2,133,610
Depreciation	2,066,799	1,377,622	1,377,622	1,377,622
Personal Travel Out of State	132,625	373,295	373,295	373,295
Office Supplies	359,459	575,790	575,790	575,790
Facility Maintenance Supplies	585,588	860,714	860,714	860,714
Equipment Maintenance Supplies	1,143,102	1,216,335	1,216,335	1,216,335



A Schedule 6 provides a detailed budget for all appropriated accounts or Funds under the control of a Department. Receipts include the appropriation, salary adjustment (if applicable), across-the-board reductions, supplemental appropriations, intra-state receipts from other agencies, receipts from local governments, and other receipts, such as fees. Expenditures include all expenses related to the operating budget, such as salary, travel, contracts, etc. Expenditures also include the reversion or balance brought forward.

Budget schedules are available at: <http://www.legis.iowa.gov/LSAReports/relateddocSchedules.aspx>