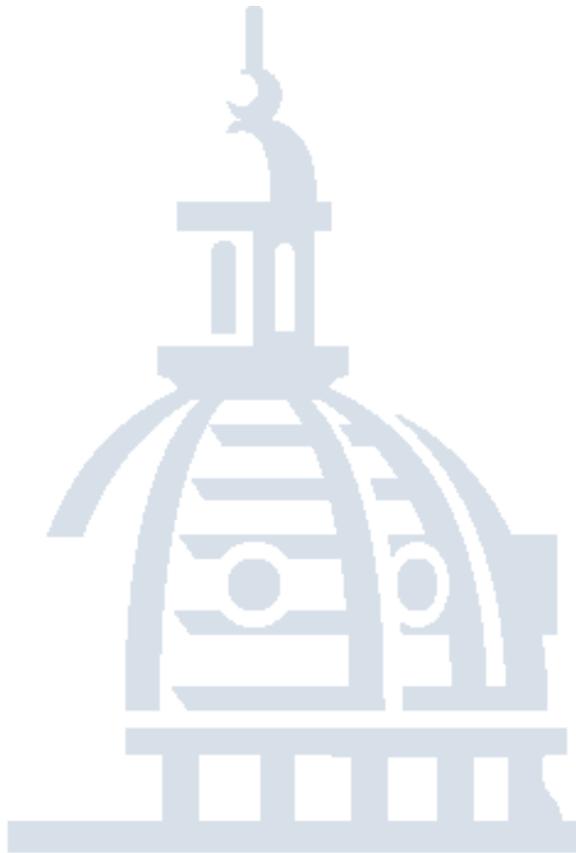


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**ECONOMIC DEVELOPMENT  
APPROPRIATIONS SUBCOMMITTEE  
DETAILED ANALYSIS OF THE  
FY 2010 GOVERNOR'S RECOMMENDATIONS**



**FISCAL SERVICES DIVISION**

**FEBRUARY 2009**





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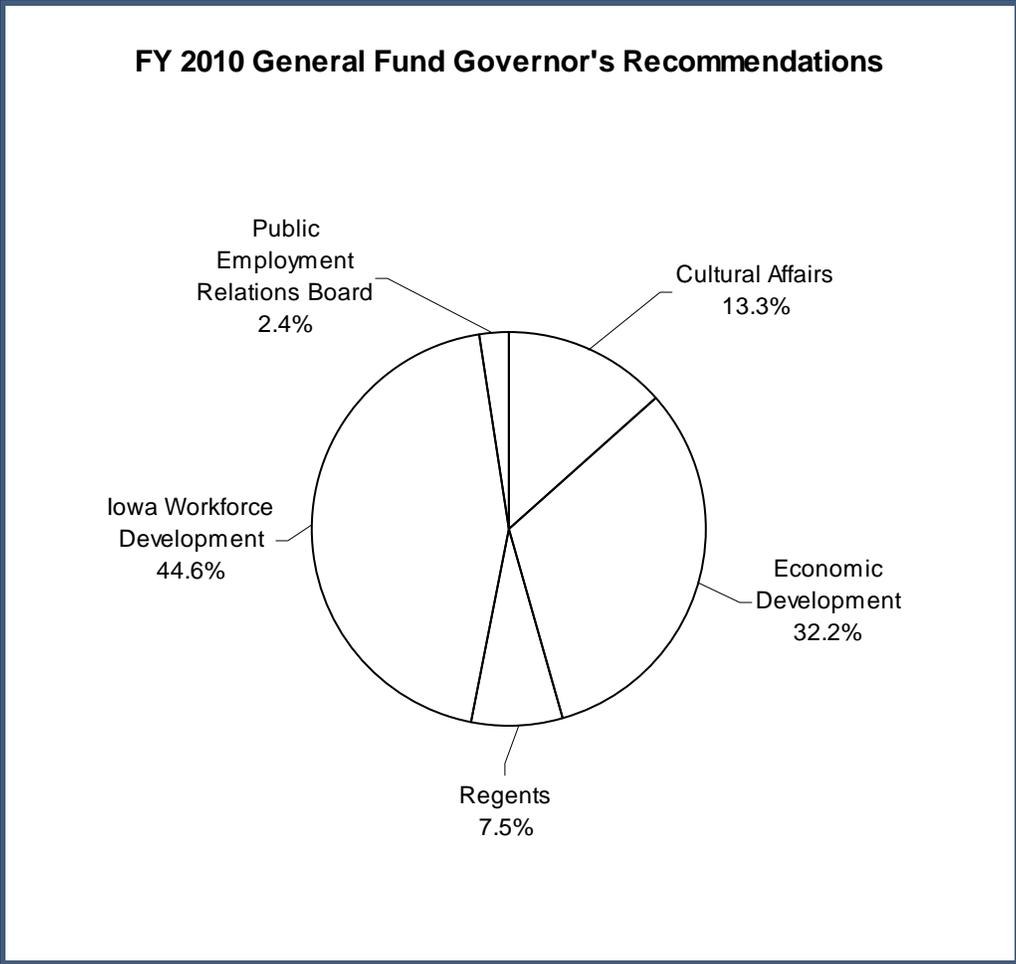
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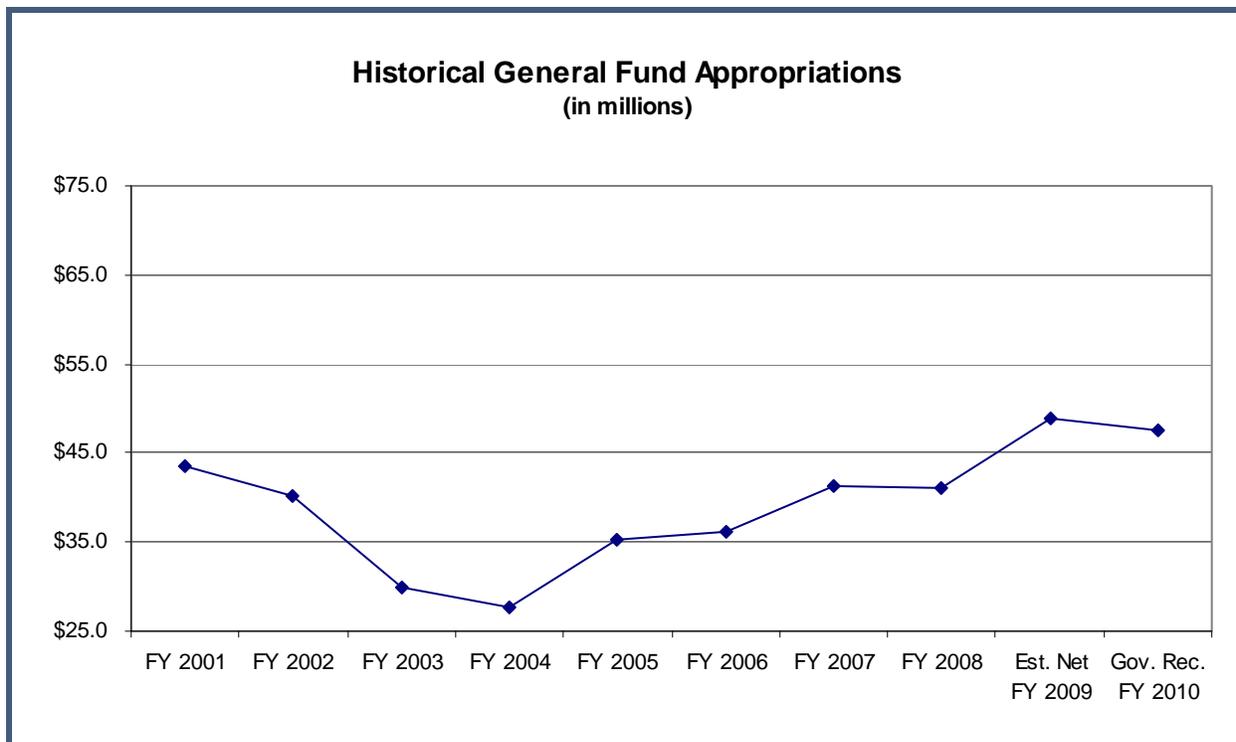


**ECONOMIC DEVELOPMENT APPROPRIATIONS  
SUBCOMMITTEE**



**FY 2010 General Fund Governor's Recommendations**

Cultural Affairs	\$ 6,357,599
Economic Development	15,323,447
Regents	3,576,057
Iowa Workforce Development	21,229,713
Public Employment Relations Board	1,147,363
	<u>\$ 47,634,179</u>



## FY 2010 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 2010 General Fund appropriations totaling \$6.4 million. This is a decrease of \$570,000 compared to estimated net FY 2009.

#### General Fund Recommendations

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<b><u>Cultural Affairs, Dept. of</u></b>			
Administration Division	\$ 257,274	\$ 235,632	\$ -21,642
Community Cultural Grants	299,240	279,159	-20,081
Historical Division	3,876,182	3,550,119	-326,063
Historic Sites	585,930	547,845	-38,085
Arts Division	1,241,929	1,137,458	-104,471
Great Places	328,804	307,432	-21,372
Archiving Former Governor's Papers	83,354	77,936	-5,418
Records Center Rent	237,452	222,018	-15,434
Hist. Resource Dev. Emerg. Grants	-1,470	0	1,470
Cultural Grants	-674	0	674
Iowa Cultural Caucus	19,700	0	-19,700
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 6,927,721</b>	<b>\$ 6,357,599</b>	<b>\$ -570,122</b>

Significant changes include:

- A decrease of \$22,000 for the Administrative Division. The changes include:
  - A decrease of \$5,000 for administrative savings from vacant positions and reduced travel.
  - A decrease of \$17,000 to implement a 6.5% general reduction.
- A decrease of \$20,000 for Community Cultural Grants to implement a 6.5% general reduction.
- A decrease of \$326,000 for the Historical Division. The changes include:
  - A decrease of \$79,000 for administrative savings from vacant positions and reduced travel.
  - A decrease of \$247,000 to implement a 6.5% general reduction.
- A decrease of \$38,000 for Historic Sites to implement a 6.5% general reduction.
- A decrease of \$104,000 for the Arts Division. The changes include:
  - A decrease of \$25,000 for administrative savings from vacant positions and reduced travel.
  - A decrease of \$79,000 to implement a 6.5% general reduction.
- A decrease of \$21,000 for Great Places to implement a 6.5% general reduction.
- A decrease of \$5,000 for Archiving Former Governor's Papers to implement a 6.5% general reduction.
- A decrease of \$15,000 for Records Center Rent to implement a 6.5% general reduction.
- A decrease of \$20,000 for the Iowa Cultural Caucus to reflect one-time funding for the Iowa Cultural Caucus. The Caucus will not take place again until FY 2013.

### Issues

**FY 2009 Budget Reductions** – The 1.5% across-the-board reduction for the Department of Cultural Affairs was \$103,000 for General Fund appropriations. The Department has indicated that the General Fund reduction will be achieved by:

- Eliminating all out-of-state travel and reduced in-state travel, including elimination of face-to-face meetings for the Iowa Arts Council's board.
- Eliminating most memberships in state, regional, and national associations.
- Reducing budgets for Historical Museum exhibits, operating expenses at historic sites, microfilming of newspapers, and restorative binding of historic books.
- Reducing planned expenditures for website improvements, replacements of out-dated computers and other equipment, office supplies, and outside repairs.
- Reducing planned expenditures to advertise historic sites, Arts Council programs, and printing and mailing of informational materials.

*The Governor is recommending a deappropriation of \$110,000 for administrative savings for FY 2009 as part of the selective reductions ordered in December 2008.*

**Iowa Cultural Trust** – When the principal balance in the Iowa Cultural Trust Grant Account equals or exceeds \$3.0 million, 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 January 23, 2009, is \$4.3 million.

**Department of Economic Development**

The main products and services offered by the Iowa Department of Economic Development generally involve business development or 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 2010 General Fund appropriations totaling \$15.3 million. This is a decrease of \$1.4 million compared to estimated net FY 2009. The Governor is also recommending other fund appropriations totaling \$51.5 million for FY 2010. This is a decrease of \$5.8 million compared to estimated net FY 2009.

**General Fund Recommendations**

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<b><u>Economic Development, Dept. of</u></b>			
Economic Dev. Administration	\$ 2,232,465	\$ 2,044,671	\$ -187,794
Business Development	6,649,668	6,090,227	-559,441
Community Development Division	6,506,268	5,958,379	-547,889
World Food Prize	1,000,000	920,975	-79,025
TSB Marketing and Compliance	-2,173	0	2,173
TSB Process Improvement & Admin.	-3,374	0	3,374
TSB Advocacy Centers	-13,104	0	13,104
ICVS-Promise	0	125,000	125,000
Center for Citizen Diplomacy	147,750	0	-147,750
Historic Preservation Challenge Grants	197,000	184,195	-12,805
<b>Total Economic Development, Dept. of</b>	<b>\$ 16,714,500</b>	<b>\$ 15,323,447</b>	<b>\$ -1,391,053</b>

Significant changes include:

- A decrease of \$188,000 for Economic Development Administration. The changes include:
  - A decrease of \$46,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
  - A decrease of \$142,000 to implement a 6.5% general reduction.
- A decrease of \$559,000 for Business Development. The changes include:
  - A decrease of \$136,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
  - A decrease of \$423,000 to implement a 6.5% general reduction.
- A decrease of \$548,000 for the Community Development Division. The changes include:
  - A decrease of \$134,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.

- A decrease of \$414,000 to implement a 6.5% general reduction.
- A decrease of \$79,000 for the World Food Prize to implement a 7.9% general reduction. The 1.5% ATB reduction was not applied to this item during FY 2009 because all of the funds had been distributed.
- A decrease of \$148,000 for the Center for Citizen Diplomacy to deduct an FY 2009 one-time appropriation for the Center for Citizen Diplomacy
- An increase of \$125,000 for Iowa Community Volunteer Services (ICVS) Promise to provide resources to the Program from the General Fund. The Program was funded from the Healthy Iowa Tobacco Trust (HITT) Fund in past years.

**Other Fund Recommendations**

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<b><u>Economic Development, Dept. of</u></b>			
River Enhan. Comm. Attract. & Tourism-FES	\$ 2,000,000	\$ 0	\$ -2,000,000
Comm. Microenterprise Dev. Grants-FES	475,000	0	-475,000
Sustainable Community Development-GIVF	500,000	0	-500,000
Councils of Government (COGs - GIVF Int)	160,000	0	-160,000
Workforce Development Fund	4,000,000	4,000,000	0
Renewable Fuels Infrastructure-GIVF	2,000,000	2,000,000	0
DED Programs-GIVF	30,000,000	27,500,000	-2,500,000
Regents Institutions-GIVF	5,000,000	5,000,000	0
State Parks-GIVF	1,000,000	1,000,000	0
Cultural Trust Fund-GIVF	1,000,000	1,000,000	0
Workforce and Econ. Dev.-GIVF	7,000,000	7,000,000	0
Regional Financial Assistance-GIVF	1,000,000	1,000,000	0
Iowa Comm Volunteer Ser.-HITT	125,000	0	-125,000
Innovation & Commercialization-GIVF	3,000,000	3,000,000	0
<b>Total Economic Development, Dept. of</b>	<b>\$ 57,260,000</b>	<b>\$ 51,500,000</b>	<b>\$ -5,760,000</b>

Changes include:

- River Enhancement Community Attraction and Tourism (RE-CAT) – Federal Economic Stimulus (FES) Interest: A decrease of \$2.0 million to eliminate the RE-CAT Program. The FY 2009 appropriation was used for the Jumpstart Housing Program. Also, the Rebuild Iowa Infrastructure Fund (RIIF) appropriation of \$10.0 million for FY 2009 was used for Program.
- Community Microenterprise Development Grants – FES Interest: A decrease of \$475,000 to eliminate the Community Microenterprise Development Grants.
- Sustainable Community Development Program – Grow Iowa Values Fund (GIVF): A decrease of \$500,000 to eliminate the Sustainable Community Development Program.
- Councils of Government (COGs) – GIVF Interest: A decrease of \$160,000 to eliminate the COGs appropriation.
- Department of Economic Development Programs – GIVF: A decrease of \$2.5 million to reduce the funds available for the Department of Economic Development Programs. A total of \$10.0 million of the FY 2009 original appropriation of \$50.0 million was used for the Jumpstart Business Program.

- Iowa Community Volunteer Services (ICVS)-Promise – HITT Fund: A decrease of \$125,000. The Governor is recommending funding for the Program from the General Fund.

### Issues

***FY 2009 Budget Reductions*** – The 1.5% across-the-board reduction for the Department of Economic Development was \$293,000 for General Fund appropriations. The Department has indicated that the General Fund reduction will be achieved by the following:

- Moving current General Fund salaries to permissible non-General Fund funding sources.
- Cancelling trade missions, client prospecting trips, and conference trips.
- Modifying travel plans.
- Delaying upgrades to a computer system.

*The Governor is recommending implementing the recommended FY 2010 administrative savings during FY 2009 for an additional FY 2009 reduction of \$315,000.*

The Department's appropriation from the RIIF was reduced by \$1.9 million and those funds were used for the Jumpstart Housing Program. Those funds have now been replaced with a transfer of unobligated funds from the Loan Guarantee Program that was originally funded with Federal Economic Stimulus funds.

***Federal Economic Stimulus Plan 2009*** – As of the print date of this publication, the Department anticipates receipt of additional federal funds as a result of the Federal Economic Stimulus Plan 2009. The Department is uncertain as to the amount of additional federal funds that will be received. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website: <http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>. Anticipated funds include:

- **HOME Investment Partnership** – A total of \$1.5 billion in additional HOME funds is anticipated to be allocated to the states according to the FY 2008 distribution formula to rehabilitate and construct housing, as well as fill financing gaps caused by the credit freeze. Recipients are given priority to projects that can award contracts based on bids within 120 days from when funds become available to them. The U.S. Department of Housing and Urban Development (HUD) can waive most statutory or regulatory provisions necessary to move the funds quickly, except those for fair housing, non-discrimination, labor standards, and the environment. Iowa's share is estimated to be \$8.0 million.
- **Neighborhood Stabilization Program** – A total of \$4.2 billion in additional funds is anticipated to be allocated to the states for this Program authorized by the Housing and Economic Recovery Act of 2008, with \$3.4 billion awarded competitively to states, local governments, non-profit entities or consortia, to purchase and rehabilitate foreclosed vacant properties and help create affordable housing and stabilize neighborhoods, and \$750.0 million awarded competitively to non-profit entities, or consortia, for community stabilization assistance. Iowa's share is estimated to be \$21.0 million.
- **Community Development Block Grant (CDBG)** – A total of \$1.0 billion in additional CDBG funds for community and economic development projects is anticipated to be allocated to states and local governments according to the FY 2008 distribution formula. Recipients must give priority to capital projects that can award contracts based on bids within 120 days from when funds become available

to them. The HUD may waive most statutory or regulatory provisions necessary to move the funds quickly, except those for fair housing, non-discrimination, labor standards, and the environment. Iowa's share is estimated to be \$6.3 million.

**Vision Iowa and Community Attraction and Tourism** – The Subcommittee may want to review the operation, administration, and current status of the Vision Iowa and Community Attraction and Tourism (CAT) Programs. The Programs were created to provide financial assistance to communities for the construction of recreational, cultural, educational, or entertainment facilities that enhance the quality of life in Iowa. The projects have taken place in 92 counties and 215 communities. A total of 319 projects have been funded as of January 26, 2009, and \$343.9 million has been invested in projects totaling \$1.786 billion. The Programs have funded approximately 19.3% of the total project costs. Eleven Vision Iowa and CAT recipients received 2009 CAT Marketing funds totaling \$85,000 to assist in the marketing efforts of facilities funded by Vision Iowa or CAT. *The Governor is recommending reducing the RIIF appropriation for the Program by \$2.0 million, down to \$10.0 million.*

**Targeted Small Business (TSB) Funding** – The Subcommittee may want to review the historic funding for TSB programs. House File 890 (Targeted Small Business FY 2007 Supplemental Appropriations Act) made General Fund appropriations totaling \$4.0 million for efforts to support the Targeted Small Business (TSB) Taskforce recommendations. The funding was allocated as follows:

- \$900,000 to the Department of Economic Development (DED) for the establishment of TSB advocate service providers.
- \$2.5 million to the DED for deposit in the TSB Financial Assistance Program Account of the Strategic Investment Fund.
- \$225,000 and 1.0 FTE position to the DED for marketing, compliance activities, and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act.
- \$225,000 to the DED for process improvement and administrative costs related to the TSB Financial Assistance Program and the Iowa TSB Procurement Act.
- \$150,000 and 1.0 FTE position to the Department of Inspections and Appeals (DIA) for a dedicated TSB Certification Employee.

Approximately half of the TSB appropriations are being used during FY 2009 and all of the appropriations will be exhausted by the end of FY 2009.

### **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 2010 General Fund appropriations totaling \$3.6 million. This is a decrease of \$249,000 to implement a 6.5% general reduction compared to estimated net FY 2009.

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**General Fund Recommendations**

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<b>Regents, Board of</b>			
ISU - Economic Development	\$ 2,974,154	\$ 2,780,834	\$ -193,320
SUI - Economic Development	267,113	249,751	-17,362
UNI - Economic Development	583,393	545,472	-37,921
<b>Total Regents, Board of</b>	<b>\$ 3,824,660</b>	<b>\$ 3,576,057</b>	<b>\$ -248,603</b>

**Issues**

**FY 2009 Budget Reductions** – The 1.5% across-the-board reduction for the Board of Regents was \$58,000 for General Fund appropriations. The Board has not responded with an explanation of how they will implement the reduction.

**Federal Economic Stimulus Plan 2009** – As of the print date of this publication, the Board anticipates receipt of additional federal funds for the Board of between \$46.0 million and \$78.0 million as a result of the Federal Economic Stimulus Plan 2009. These funds will be used for modernizing, renovating, and repairing facilities used for instruction, research, or student housing. Projects that increase energy efficiency and comply with energy efficiency certifications will have more weight, as will those institutions with Title III and Title V needs and those impacted by a major disaster or emergency declared by the President. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website: <http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>.

**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 2010 General Fund appropriations totaling \$21.2 million. This is an increase of \$1.2 million compared to estimated net FY 2009. The Governor is also recommending other fund appropriations totaling \$7.0 million for FY 2010. This is no change compared to estimated net FY 2009.

**General Fund Recommendations**

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<b><u>Iowa Workforce Development</u></b>			
IWD Workers Comp Operations (GF)	\$ 2,899,322	\$ 2,884,187	\$ -15,135
IWD General Fund - Operations	3,865,082	3,851,643	-13,439
Workforce Development Field Offices	12,435,124	12,370,209	-64,915
Statewide Standard Skills Assessment	492,500	970,074	477,574
Security Employee Training Program	14,775	15,000	225
Offender Reentry Program	369,375	367,447	-1,928
Employee Misclassification	0	771,153	771,153
<b>Total Iowa Workforce Development</b>	<b>\$ 20,076,178</b>	<b>\$ 21,229,713</b>	<b>\$ 1,153,535</b>

Significant changes include:

- A decrease of \$15,000 for IWD Workers Compensation Operations (General Fund). The changes include:
  - A decrease of \$2,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
  - An increase of \$44,000 to restore the FY 2009 1.5% ATB reduction.
- A decrease of \$13,000 for IWD General Fund - Operations. The changes include:
  - A decrease of \$79,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
  - An increase of \$66,000 to restore the FY 2009 1.5% ATB reduction.
- A decrease of \$65,000 for Workforce Development Field Offices. The changes include:
  - A decrease of \$254,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
  - An increase of \$189,000 to restore the FY 2009 1.5% ATB reduction.
- An increase of \$478,000 for Statewide Standard Skills Assessment. The changes include:
  - A decrease of \$10,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
  - An increase of \$8,000 to restore the FY 2009 1.5% ATB reduction.
  - An increase of \$480,000 to provide additional support for the Statewide Standard Skills Assessment. The Assessment is to determine the employability of adult workers throughout the State. The Assessments are required to be provided at One-Stop Field Offices and other service access points in the State.
- An increase of \$200 for Security Employee Training Program to restore the FY 2009 1.5% ATB reduction.
- A decrease of \$2,000 for Offender Reentry Program. The changes include:

## Economic Development Appropriations Subcommittee

- A decrease of \$8,000 for administrative savings arising from the Department utilizing resources from vacant positions and reduced travel.
- An increase of \$6,000 to restore the FY 2009 1.5% ATB reduction.
- An increase of \$771,000 for Employee Misclassification for the investigation and enforcement of employee classification requirements and to implement the recommendations of the Governor's Misclassification Taskforce. While the recommendation does not include any additional FTE positions, the Department estimates the recommendation would require an additional 9.0 FTE positions.

### Other Fund Recommendations

	Estimated FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<b><u>Iowa Workforce Development</u></b>			
Workers' Comp. Div.-Sp. Cont. Fund	\$ 471,000	\$ 471,000	\$ 0
IWD Field Offices (UI Reserve Interest)	6,500,000	6,500,000	0
<b>Total Iowa Workforce Development</b>	<b>\$ 6,971,000</b>	<b>\$ 6,971,000</b>	<b>\$ 0</b>

### Issues

**FY 2009 Budget Reductions** – The 1.5% across-the-board reduction for the Department was \$313,000 for General Fund appropriations. The Department is utilizing resources from vacant positions, reducing travel, utilizing other funds to pay salaries that had been funded from the General Fund, reducing the Bouncer Training Program implemented as a pilot, and delaying the start of both the Offender Re-entry and the Career Readiness Certificate Programs.

*The Governor is recommending an FY 2009 supplemental for IWD Operations in the amount of \$313,000 to restore the 1.5% ATB reduction. The Governor stated this restoration is to avoid disruption of services to the unemployed.*

*The Governor is recommending implementing the recommended FY 2010 administrative savings during FY 2009 for an additional FY 2009 reduction of \$410,000.*

**Federal Economic Stimulus Plan 2009** – As of the print date of this publication, the Department anticipates receipt of additional federal funds as a result of the Federal Economic Stimulus Plan 2009. The Department is uncertain as to the amount of additional federal funds that will be received. Iowa may receive 1.0% of the funding or less. Estimates are not currently available to determine how much of the funding can be used for administration. The LSA is monitoring the Federal Economic Stimulus Plan and providing updates on the General Assembly website:

<http://www.legis.state.ia.us/Fiscal/FedEconomicStimulus/>. Anticipated funds include:

- **Employment Services Grants:** A total of \$500.0 million is anticipated to be allocated to the states to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized services.
- **Unemployment Insurance Benefits Extension:** A total of \$27.0 billion is anticipated to be allocated to the states to continue the current extended unemployment benefits program. That Program provides up to 33 weeks of extended benefits through December 31, 2009, to address rising unemployment.

- Unemployment Insurance Increased Benefits: A total of \$9.0 billion is anticipated to be allocated to the states to increase the current average unemployment insurance benefit from roughly \$300 per week, paid out of State trust funds, by \$25 per week using Federal funds through December 2009. There are currently 5.3 million workers receiving regular Unemployment Insurance (UI) and an additional 1.9 million receiving extended benefits.
- Unemployment Insurance Modernization: Provides funds to states through a “Reed Act” distribution, tied to state compliance with specific reforms to increase unemployment insurance coverage for low-wage, part-time, and other jobless workers.
- Training and Employment Services: A total of \$4.0 billion is anticipated to be allocated to the states for job training including formula grants for adults, dislocated workers, and youth services, including \$1.2 billion to create up to one million summer jobs for youths. The needs of workers also will be met through dislocated worker national emergency grants, new competitive grants for worker training in high growth and emerging industry sectors, with priority consideration to “green” jobs and healthcare, and increased funds for the YouthBuild Program. Green jobs training will include preparing workers for activities supported by other economic recovery funds, such as retrofitting of buildings, green construction, and the production of renewable electric power.
- Vocational Rehabilitation State Grants: A total of \$500.0 million is anticipated to be allocated to the states for state formula grants for construction and rehabilitation of facilities to help persons with disabilities prepare for gainful employment.
- Community Service Employment for Older Americans: A total of \$120.0 million is anticipated to be allocated to the states to provide subsidized community service jobs to an additional 24,000 low-income older Americans.

**Workforce Development Field Offices Funding** – The Subcommittee may want to review the funding streams for the Workforce Development Field Offices. The total estimated net FY 2009 appropriation, and the FY 2010 Governor’s recommendation, is \$18.9 million, with \$12.4 million appropriated from the General Fund and \$6.5 million from interest on the Unemployment Compensation Reserve Fund. The current balance in the fund is approximately \$149.6 million. The current projections indicate that the payment of benefits will not require the use of the Reserve Fund balance. The estimated FY 2009 interest revenue on the balance is \$5.5 million and the estimate for FY 2010 is \$5.0 million. If the annual appropriation of \$6.5 million continues each year, interest rates do not change substantially, and the balance in the fund is not needed to pay benefits, the IWD estimates the interest revenue balance in the fund will be \$7.4 million at the close of FY 2009 and \$5.8 million at the close of FY 2010. Therefore, the interest revenue balance in the Fund will continue to be depleted at the rate of approximately \$1.6 million annually.

### **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 2010 General Fund appropriation of \$1.1 million. This is a decrease of \$105,000 compared to estimated net FY 2009.

**General Fund Recommendations**

	Est. Net FY 2009	Gov Rec FY 2010	Gov. Rec. vs. FY 2009
<u>Public Employment Relations Board</u>			
PER Board - General Office	\$ 1,252,743	\$ 1,147,363	\$ -105,380
Total Public Employment Relations Board	<u>\$ 1,252,743</u>	<u>\$ 1,147,363</u>	<u>\$ -105,380</u>

Changes include:

- A decrease of \$25,000 for administrative savings from vacant positions and reduced travel.
- A decrease of \$80,000 to implement a 6.5% general reduction.

**Issues**

**FY 2009 Budget Reductions** – The 1.5% across-the-board reduction for the Board was \$19,000 for General Fund appropriations. The Department has indicated the reduction will be achieved by holding open vacant funded positions.

*The Governor is recommending a deappropriation of \$26,000 for administrative savings for FY 2009 as part of the selective reductions ordered in December 2008.*

**INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS**

**LSA Publications**

The following *Fiscal Topics* related to the Economic Development Appropriations Subcommittee have been published by the LSA:

- [Iowa’s Gross State Product](#)
- [Workforce Development Training Programs](#)

Staff Contact: Ron Robinson (1-6256)

# **APPENDIX A**

## **Appropriations Tracking**

### **General Fund**

**(FY 2009 includes 1.5% ATB reduction)**



## Economic Development General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<b><u>Cultural Affairs, Dept. of</u></b>							
<b>Cultural Affairs, Dept. of</b>							
Administration Division	\$ 255,418	\$ 261,193	\$ -3,919	\$ 257,274	\$ 235,632	\$ -21,642	-8.4%
Community Cultural Grants	299,240	299,240	0	299,240	279,159	-20,081	-6.7%
Historical Division	3,763,782	3,935,211	-59,029	3,876,182	3,550,119	-326,063	-8.4%
Historic Sites	576,395	594,853	-8,923	585,930	547,845	-38,085	-6.5%
Arts Division	1,246,392	1,260,842	-18,913	1,241,929	1,137,458	-104,471	-8.4%
Great Places	322,231	334,032	-5,228	328,804	307,432	-21,372	-6.5%
Archiving Former Governor's Papers	82,171	84,623	-1,269	83,354	77,936	-5,418	-6.5%
Records Center Rent	185,768	241,068	-3,616	237,452	222,018	-15,434	-6.5%
Hist. Resource Dev. Emerg. Grants	0	0	-1,470	-1,470	0	1,470	-100.0%
Cultural Grants	0	0	-674	-674	0	674	-100.0%
Iowa Cultural Caucus	0	20,000	-300	19,700	0	-19,700	-100.0%
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 6,731,397</b>	<b>\$ 7,031,062</b>	<b>\$ -103,341</b>	<b>\$ 6,927,721</b>	<b>\$ 6,357,599</b>	<b>\$ -570,122</b>	<b>-8.2%</b>
<b><u>Economic Development, Dept. of</u></b>							
<b>Economic Development, Dept. of</b>							
Economic Dev. Administration	\$ 2,125,661	\$ 2,266,462	\$ -33,997	\$ 2,232,465	\$ 2,044,671	\$ -187,794	-8.4%
Business Development	6,611,964	6,754,868	-105,200	6,649,668	6,090,227	-559,441	-8.4%
Community Development Division	6,448,716	6,636,409	-130,141	6,506,268	5,958,379	-547,889	-8.4%
World Food Prize	450,000	1,000,000	0	1,000,000	920,975	-79,025	-7.9%
Endow Iowa Grants	50,000	0	0	0	0	0	0.0%
TSB Marketing and Compliance	0	0	-2,173	-2,173	0	2,173	-100.0%
TSB Process Improvement & Admin.	0	0	-3,374	-3,374	0	3,374	-100.0%
TSB Advocacy Centers	0	0	-13,104	-13,104	0	13,104	-100.0%
ICVS-Promise	0	0	0	0	125,000	125,000	0.0%
Center for Citizen Diplomacy	0	150,000	-2,250	147,750	0	-147,750	-100.0%
Historic Preservation Challenge Grants	0	200,000	-3,000	197,000	184,195	-12,805	-6.5%
<b>Total Economic Development, Dept. of</b>	<b>\$ 15,686,341</b>	<b>\$ 17,007,739</b>	<b>\$ -293,239</b>	<b>\$ 16,714,500</b>	<b>\$ 15,323,447</b>	<b>\$ -1,391,053</b>	<b>-8.3%</b>
<b><u>Iowa Finance Authority</u></b>							
<b>Iowa Finance Authority</b>							
Entrepreneurs with Disabilities	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Iowa Finance Authority</b>	<b>\$ 200,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0%</b>

## Economic Development General Fund

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	ATB Reduction FY 2009 <u>(3)</u>	Est Net FY 2009 <u>(4)</u>	Gov Rec FY 2010 <u>(5)</u>	Gov Rec vs Est Net <u>(6)</u>	Percent Change <u>(7)</u>
<b><u>Iowa Workforce Development</u></b>							
Iowa Workforce Development							
IWD Workers Comp Operations (GF)	\$ 0	\$ 2,943,474	\$ -44,152	\$ 2,899,322	\$ 2,884,187	\$ -15,135	-0.5%
IWD General Fund - Operations	6,341,284	3,930,817	-65,735	3,865,082	3,851,643	-13,439	-0.3%
Workforce Development Field Offices	7,216,792	12,624,491	-189,367	12,435,124	12,370,209	-64,915	-0.5%
Statewide Standard Skills Assessment	0	500,000	-7,500	492,500	970,074	477,574	97.0%
Security Employee Training Program	0	15,000	-225	14,775	15,000	225	1.5%
Offender Reentry Program	0	375,000	-5,625	369,375	367,447	-1,928	-0.5%
Employee Misclassification	0	0	0	0	771,153	771,153	0.0%
<b>Total Iowa Workforce Development</b>	<b>\$ 13,558,076</b>	<b>\$ 20,388,782</b>	<b>\$ -312,604</b>	<b>\$ 20,076,178</b>	<b>\$ 21,229,713</b>	<b>\$ 1,153,535</b>	<b>5.7%</b>
<b><u>Public Employment Relations Board</u></b>							
Public Employment Relations							
PER Board - General Office	\$ 1,233,283	\$ 1,271,841	\$ -19,098	\$ 1,252,743	\$ 1,147,363	\$ -105,380	-8.4%
<b>Total Public Employment Relations Board</b>	<b>\$ 1,233,283</b>	<b>\$ 1,271,841</b>	<b>\$ -19,098</b>	<b>\$ 1,252,743</b>	<b>\$ 1,147,363</b>	<b>\$ -105,380</b>	<b>-8.4%</b>
<b><u>Regents, Board of</u></b>							
Regents, Board of							
ISU - Economic Development	\$ 2,789,625	\$ 3,019,446	\$ -45,292	\$ 2,974,154	\$ 2,780,834	\$ -193,320	-6.5%
SUI - Economic Development	259,206	271,181	-4,068	267,113	249,751	-17,362	-6.5%
UNI - Economic Development	578,608	592,277	-8,884	583,393	545,472	-37,921	-6.5%
<b>Total Regents, Board of</b>	<b>\$ 3,627,439</b>	<b>\$ 3,882,904</b>	<b>\$ -58,244</b>	<b>\$ 3,824,660</b>	<b>\$ 3,576,057</b>	<b>\$ -248,603</b>	<b>-6.5%</b>
<b>Total Economic Development</b>	<b>\$ 41,036,536</b>	<b>\$ 49,582,328</b>	<b>\$ -786,526</b>	<b>\$ 48,795,802</b>	<b>\$ 47,634,179</b>	<b>\$ -1,161,623</b>	<b>-2.4%</b>

## Economic Development Other Funds

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<b><u>Economic Development, Dept. of</u></b>					
<b>Economic Development, Dept. of</b>					
River Enhan. Comm. Attract. & Tourism-FES	\$ 0	\$ 2,000,000	\$ 0	\$ -2,000,000	-100.0%
Comm. Microenterprise Dev. Grants-FES	0	475,000	0	-475,000	-100.0%
Sustainable Community Development-GIVF	0	500,000	0	-500,000	-100.0%
Councils of Government (COGs - GIVF Int)	0	160,000	0	-160,000	-100.0%
Workforce Development Fund	4,000,000	4,000,000	4,000,000	0	0.0%
Renewable Fuels Infrastructure-GIVF	2,000,000	2,000,000	2,000,000	0	0.0%
Renewable Fuels Infrastructure-UST	3,500,000	0	0	0	0.0%
DED Programs-GIVF	30,000,000	30,000,000	27,500,000	-2,500,000	-8.3%
Regents Institutions-GIVF	5,000,000	5,000,000	5,000,000	0	0.0%
State Parks-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Cultural Trust Fund-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Workforce and Econ. Dev.-GIVF	7,000,000	7,000,000	7,000,000	0	0.0%
Regional Financial Assistance-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Iowa Comm Volunteer Ser.-HITT	125,000	125,000	0	-125,000	-100.0%
Innovation & Commercialization-GIVF	3,000,000	3,000,000	3,000,000	0	0.0%
<b>Total Economic Development, Dept. of</b>	<b>\$ 57,625,000</b>	<b>\$ 57,260,000</b>	<b>\$ 51,500,000</b>	<b>\$ -5,760,000</b>	<b>-10.1%</b>
<b><u>Iowa Workforce Development</u></b>					
<b>Iowa Workforce Development</b>					
Workers' Comp. Div.-Sp. Cont. Fund	\$ 471,000	\$ 471,000	\$ 471,000	\$ 0	0.0%
IWD Field Offices (UI Reserve Interest)	5,800,000	6,500,000	6,500,000	0	0.0%
<b>Total Iowa Workforce Development</b>	<b>\$ 6,271,000</b>	<b>\$ 6,971,000</b>	<b>\$ 6,971,000</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>Total Economic Development</b>	<b>\$ 63,896,000</b>	<b>\$ 64,231,000</b>	<b>\$ 58,471,000</b>	<b>\$ -5,760,000</b>	<b>-9.0%</b>



## **APPENDIX B**

### **Appropriations Tracking**

#### **General Fund**

**(FY 2009 includes 1.5% ATB reduction and  
Governor's selected reductions)**



## Economic Development General Fund

	Actual FY 2008 (1)	Estimated FY 2009 (2)	ATB Reduction FY 2009 (3)	Gov Rec Deappr FY 2009 (4)	Gov Rec Supp FY 2009 (5)	Total Gov Rec FY 2009 (6)	Gov Rec FY 2010 (7)	Gov Rec vs Gov Rec FY 2009 (8)	Percent Change (9)
<b>Cultural Affairs, Dept. of</b>									
<b>Cultural Affairs, Dept. of</b>									
Administration Division	\$ 255,418	\$ 261,193	\$ -3,919	\$ -5,261	\$ 0	\$ 252,013	\$ 235,632	\$ -16,381	-6.5%
Community Cultural Grants	299,240	299,240	0	0	0	299,240	279,159	-20,081	-6.7%
Historical Division	3,763,782	3,935,211	-59,029	-79,263	0	3,796,919	3,550,119	-246,800	-6.5%
Historic Sites	576,395	594,853	-8,923	0	0	585,930	547,845	-38,085	-6.5%
Arts Division	1,246,392	1,260,842	-18,913	-25,396	0	1,216,533	1,137,458	-79,075	-6.5%
Great Places	322,231	334,032	-5,228	0	0	328,804	307,432	-21,372	-6.5%
Archiving Former Governor's Papers	82,171	84,623	-1,269	0	0	83,354	77,936	-5,418	-6.5%
Records Center Rent	185,768	241,068	-3,616	0	0	237,452	222,018	-15,434	-6.5%
Hist. Resource Dev. Emerg. Grants	0	0	-1,470	0	0	-1,470	0	1,470	-100.0%
Cultural Grants	0	0	-674	0	0	-674	0	674	-100.0%
Iowa Cultural Caucus	0	20,000	-300	0	0	19,700	0	-19,700	-100.0%
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 6,731,397</b>	<b>\$ 7,031,062</b>	<b>\$ -103,341</b>	<b>\$ -109,920</b>	<b>\$ 0</b>	<b>\$ 6,817,801</b>	<b>\$ 6,357,599</b>	<b>\$ -460,202</b>	<b>-6.8%</b>
<b>Economic Development, Dept. of</b>									
<b>Economic Development, Dept. of</b>									
Economic Dev. Administration	\$ 2,125,661	\$ 2,266,462	\$ -33,997	\$ -45,651	\$ 0	\$ 2,186,814	\$ 2,044,671	\$ -142,143	-6.5%
Business Development	6,611,964	6,754,868	-105,200	-136,056	0	6,513,612	6,090,227	-423,385	-6.5%
Community Development Division	6,448,716	6,636,409	-130,141	-133,670	0	6,372,598	5,958,379	-414,219	-6.5%
World Food Prize	450,000	1,000,000	0	0	0	1,000,000	920,975	-79,025	-7.9%
Endow Iowa Grants	50,000	0	0	0	0	0	0	0	0.0%
TSB Marketing and Compliance	0	0	-2,173	0	0	-2,173	0	2,173	-100.0%
TSB Process Improvement & Admin.	0	0	-3,374	0	0	-3,374	0	3,374	-100.0%
TSB Advocacy Centers	0	0	-13,104	0	0	-13,104	0	13,104	-100.0%
ICVS-Promise	0	0	0	0	0	0	125,000	125,000	0.0%
Center for Citizen Diplomacy	0	150,000	-2,250	0	0	147,750	0	-147,750	-100.0%
Historic Preservation Challenge Grants	0	200,000	-3,000	0	0	197,000	184,195	-12,805	-6.5%
<b>Total Economic Development, Dept. of</b>	<b>\$ 15,686,341</b>	<b>\$ 17,007,739</b>	<b>\$ -293,239</b>	<b>\$ -315,377</b>	<b>\$ 0</b>	<b>\$ 16,399,123</b>	<b>\$ 15,323,447</b>	<b>\$ -1,075,676</b>	<b>-6.6%</b>
<b>Iowa Finance Authority</b>									
<b>Iowa Finance Authority</b>									
Entrepreneurs with Disabilities	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Iowa Finance Authority</b>	<b>\$ 200,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0%</b>

## Economic Development General Fund

	Actual FY 2008 (1)	Estimated FY 2009 (2)	ATB Reduction FY 2009 (3)	Gov Rec Deappr FY 2009 (4)	Gov Rec Supp FY 2009 (5)	Total Gov Rec FY 2009 (6)	Gov Rec FY 2010 (7)	Gov Rec vs Gov Rec FY 2009 (8)	Percent Change (9)
<b><u>Iowa Workforce Development</u></b>									
<b>Iowa Workforce Development</b>									
IWD Workers Comp Operations (GF)	\$ 0	\$ 2,943,474	\$ -44,152	\$ -59,287	\$ 44,152	\$ 2,884,187	\$ 2,884,187	\$ 0	0.0%
IWD General Fund - Operations	6,341,284	3,930,817	-65,735	-79,174	65,735	3,851,643	3,851,643	0	0.0%
Workforce Development Field Offices	7,216,792	12,624,491	-189,367	-254,282	189,367	12,370,209	12,370,209	0	0.0%
Statewide Standard Skills Assessment	0	500,000	-7,500	-10,071	7,500	489,929	970,074	480,145	98.0%
Security Employee Training Program	0	15,000	-225	0	225	15,000	15,000	0	0.0%
Offender Reentry Program	0	375,000	-5,625	-7,553	5,625	367,447	367,447	0	0.0%
Employee Misclassification	0	0	0	0	0	0	771,153	771,153	0.0%
<b>Total Iowa Workforce Development</b>	<b>\$ 13,558,076</b>	<b>\$ 20,388,782</b>	<b>\$ -312,604</b>	<b>\$ -410,367</b>	<b>\$ 312,604</b>	<b>\$ 19,978,415</b>	<b>\$ 21,229,713</b>	<b>\$ 1,251,298</b>	<b>6.3%</b>
<b><u>Public Employment Relations Board</u></b>									
<b>Public Employment Relations</b>									
PER Board - General Office	\$ 1,233,283	\$ 1,271,841	\$ -19,098	\$ -25,617	\$ 0	\$ 1,227,126	\$ 1,147,363	\$ -79,763	-6.5%
<b>Total Public Employment Relations Board</b>	<b>\$ 1,233,283</b>	<b>\$ 1,271,841</b>	<b>\$ -19,098</b>	<b>\$ -25,617</b>	<b>\$ 0</b>	<b>\$ 1,227,126</b>	<b>\$ 1,147,363</b>	<b>\$ -79,763</b>	<b>-6.5%</b>
<b><u>Regents, Board of</u></b>									
<b>Regents, Board of</b>									
ISU - Economic Development	\$ 2,789,625	\$ 3,019,446	\$ -45,292	\$ 0	\$ 0	\$ 2,974,154	\$ 2,780,834	\$ -193,320	-6.5%
SUI - Economic Development	259,206	271,181	-4,068	0	0	267,113	249,751	-17,362	-6.5%
UNI - Economic Development	578,608	592,277	-8,884	0	0	583,393	545,472	-37,921	-6.5%
<b>Total Regents, Board of</b>	<b>\$ 3,627,439</b>	<b>\$ 3,882,904</b>	<b>\$ -58,244</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,824,660</b>	<b>\$ 3,576,057</b>	<b>\$ -248,603</b>	<b>-6.5%</b>
<b>Total Economic Development</b>	<b>\$ 41,036,536</b>	<b>\$ 49,582,328</b>	<b>\$ -786,526</b>	<b>\$ -861,281</b>	<b>\$ 312,604</b>	<b>\$ 48,247,125</b>	<b>\$ 47,634,179</b>	<b>\$ -612,946</b>	<b>-1.3%</b>

# **APPENDIX C**

## **Appropriations Tracking**

### **Other Funds**



## Economic Development Other Funds

	Actual FY 2008 <u>(1)</u>	Estimated FY 2009 <u>(2)</u>	Gov Rec FY 2010 <u>(3)</u>	Gov Rec vs Est FY 2009 <u>(4)</u>	Percent Change <u>(5)</u>
<b><u>Economic Development, Dept. of</u></b>					
<b>Economic Development, Dept. of</b>					
River Enhan. Comm. Attract. & Tourism-FES	\$ 0	\$ 2,000,000	\$ 0	\$ -2,000,000	-100.0%
Comm. Microenterprise Dev. Grants-FES	0	475,000	0	-475,000	-100.0%
Sustainable Community Development-GIVF	0	500,000	0	-500,000	-100.0%
Councils of Government (COGs - GIVF Int)	0	160,000	0	-160,000	-100.0%
Workforce Development Fund	4,000,000	4,000,000	4,000,000	0	0.0%
Renewable Fuels Infrastructure-GIVF	2,000,000	2,000,000	2,000,000	0	0.0%
Renewable Fuels Infrastructure-UST	3,500,000	0	0	0	0.0%
DED Programs-GIVF	30,000,000	30,000,000	27,500,000	-2,500,000	-8.3%
Regents Institutions-GIVF	5,000,000	5,000,000	5,000,000	0	0.0%
State Parks-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Cultural Trust Fund-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Workforce and Econ. Dev.-GIVF	7,000,000	7,000,000	7,000,000	0	0.0%
Regional Financial Assistance-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Iowa Comm Volunteer Ser.-HITT	125,000	125,000	0	-125,000	-100.0%
Innovation & Commercialization-GIVF	3,000,000	3,000,000	3,000,000	0	0.0%
<b>Total Economic Development, Dept. of</b>	<b>\$ 57,625,000</b>	<b>\$ 57,260,000</b>	<b>\$ 51,500,000</b>	<b>\$ -5,760,000</b>	<b>-10.1%</b>
<b><u>Iowa Workforce Development</u></b>					
<b>Iowa Workforce Development</b>					
Workers' Comp. Div.-Sp. Cont. Fund	\$ 471,000	\$ 471,000	\$ 471,000	\$ 0	0.0%
IWD Field Offices (UI Reserve Interest)	5,800,000	6,500,000	6,500,000	0	0.0%
<b>Total Iowa Workforce Development</b>	<b>\$ 6,271,000</b>	<b>\$ 6,971,000</b>	<b>\$ 6,971,000</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>Total Economic Development</b>	<b>\$ 63,896,000</b>	<b>\$ 64,231,000</b>	<b>\$ 58,471,000</b>	<b>\$ -5,760,000</b>	<b>-9.0%</b>



**APPENDIX D**

**Appropriations Tracking**

**FTE Positions**



# Economic Development

## FTE

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<b><u>Cultural Affairs, Dept. of</u></b>					
<b>Cultural Affairs, Dept. of</b>					
Administration Division	1.25	3.00	3.00	0.00	0.0%
Historical Division	55.30	52.15	52.15	0.00	0.0%
Historic Sites	8.71	6.00	6.00	0.00	0.0%
Arts Division	9.93	9.50	9.50	0.00	0.0%
Great Places	4.56	3.65	3.65	0.00	0.0%
Archiving Former Governor's Papers	0.87	1.00	1.00	0.00	0.0%
Trust Accounts	0.11	0.00	0.00	0.00	0.0%
Historical Resource Dev. Program	0.80	1.20	1.20	0.00	0.0%
Miscellaneous Income	0.47	3.00	3.00	0.00	0.0%
Cultural Trust Grant	0.21	0.50	0.50	0.00	0.0%
<b>Total Cultural Affairs, Dept. of</b>	<b>82.19</b>	<b>80.00</b>	<b>80.00</b>	<b>0.00</b>	<b>0.0%</b>
<b><u>Economic Development, Dept. of</u></b>					
<b>Economic Development, Dept. of</b>					
Economic Dev. Administration	19.93	24.75	29.75	5.00	20.2%
Business Development	47.30	47.35	62.00	14.65	30.9%
Community Development Division	54.41	58.26	58.26	0.00	0.0%
Vision Iowa Program	1.94	2.25	2.25	0.00	0.0%
Workforce Development Fund	0.00	0.00	4.00	4.00	0.0%
Workforce Development Fund	3.01	4.00	4.00	0.00	0.0%
NPDES Elimination System Permits	0.45	0.00	0.00	0.00	0.0%
Community Dev. Block Grant	0.09	0.00	0.00	0.00	0.0%
Iowa State Commission	4.93	5.00	5.00	0.00	0.0%
Strategic Investment Fund	9.72	11.25	11.25	0.00	0.0%
Value Added Agriculture Products	2.41	3.50	3.50	0.00	0.0%
TSB Marketing and Compliance	0.42	0.00	0.00	0.00	0.0%
Comm. Microenterprise Dev. Grants-FES	0.00	1.00	0.00	-1.00	-100.0%
<b>Total Economic Development, Dept. of</b>	<b>144.61</b>	<b>157.36</b>	<b>180.01</b>	<b>22.65</b>	<b>14.4%</b>

# Economic Development

## FTE

	Actual FY 2008 (1)	Estimated FY 2009 (2)	Gov Rec FY 2010 (3)	Gov Rec vs Est FY 2009 (4)	Percent Change (5)
<b><u>Iowa Finance Authority</u></b>					
Iowa Finance Authority					
Title Guaranty Fund	16.65	18.00	18.00	0.00	0.0%
Finance Authority	68.00	74.00	74.00	0.00	0.0%
<b>Total Iowa Finance Authority</b>	<b>84.66</b>	<b>92.00</b>	<b>92.00</b>	<b>0.00</b>	<b>0.0%</b>
<b><u>Iowa Workforce Development</u></b>					
Iowa Workforce Development					
IWD Workers Comp Operations (GF)	0.22	30.00	30.00	0.00	0.0%
IWD General Fund - Operations	95.68	66.30	66.30	0.00	0.0%
Workforce Developmnet Field Office Fund	0.00	0.00	0.00	0.00	0.0%
Special Contingency Fund	85.99	91.98	91.55	-0.43	-0.5%
IWD Major Federal Programs	315.30	303.08	304.40	1.32	0.4%
Workforce Minor Programs	169.73	148.85	172.71	23.86	16.0%
Amatuer Boxing Grants Fund	0.15	0.15	0.15	0.00	0.0%
Boiler Safety Fund	7.13	8.80	9.80	1.00	11.4%
Elevator Safety Fund	9.17	10.00	10.00	0.00	0.0%
Offender Reentry Program	0.00	3.37	3.00	-0.37	-11.0%
<b>Total Iowa Workforce Development</b>	<b>683.38</b>	<b>662.53</b>	<b>687.91</b>	<b>25.38</b>	<b>3.8%</b>
<b><u>Public Employment Relations Board</u></b>					
Public Employment Relations					
PER Board - General Office	10.33	11.00	11.00	0.00	0.0%
<b>Total Public Employment Relations Board</b>	<b>10.33</b>	<b>11.00</b>	<b>11.00</b>	<b>0.00</b>	<b>0.0%</b>
<b><u>Regents, Board of</u></b>					
Regents, Board of					
ISU - Economic Development	28.84	56.63	56.63	0.00	0.0%
SUI - Economic Development	4.60	6.00	6.00	0.00	0.0%
UNI - Economic Development	5.33	6.75	6.75	0.00	0.0%
<b>Total Regents, Board of</b>	<b>38.77</b>	<b>69.38</b>	<b>69.38</b>	<b>0.00</b>	<b>0.0%</b>
<b>Total Economic Development</b>	<b>1,043.94</b>	<b>1,072.27</b>	<b>1,120.30</b>	<b>48.03</b>	<b>4.5%</b>

## **APPENDIX E**

# **Federal Funds and Economic Stimulus**



## FEDERAL FUNDS AND ECONOMIC STIMULUS PLAN

### Federal Funds Received by Iowa (in millions)

	Actual FY 2008	Est FY 2009	Est FY 2010
Human Services	\$ 2,405.9	\$ 2,647.5	\$ 2,860.3
Education	422.9	449.7	453.1
Transportation	421.5	259.5	259.3
Workforce Development	422.4	476.9	457.4
Regents	401.2	412.0	415.6
Public Defense	103.7	144.2	201.8
Public Health	107.8	108.6	105.8
Other	279.1	276.0	239.4
	<u>\$ 4,564.5</u>	<u>\$ 4,774.4</u>	<u>\$ 4,992.7</u>

Notes:

Estimated FY 2010 is prior to passage of Federal Economic Stimulus Bill.

Other includes all State agencies reporting federal funds that are not individually identified above.

Source: Fiscal Services, LSA

### Federal Economic Stimulus Plan 2009

The Governor's budget does not include funding from the proposed Federal Economic Stimulus Act. House Leadership in the U.S. Congress has released an \$825.0 billion economic stimulus plan. The current plan combines \$550.0 billion in spending proposals, and \$275.0 billion in targeted tax reductions. The most recent estimate of state allocations lists Iowa as receiving \$1.9 billion over a two-year time period. Much of the funding will include maintenance of effort requirements and may include other program matching requirements. *At the time of publication of this document, the House passed its version of the economic stimulus plan (H.R. 1) (244Y/188N) on January 28, 2009. The Senate was expected to commence floor debate on Monday, February 2, with the first votes most likely on Tuesday, February 3. The deadline for Senators to file amendments is February 2.*

The estimated allocations listed below are likely to change prior to final enactment of the Stimulus Plan. Preliminary total estimates from FFIS indicate that the version approved by the House allocates an estimated \$2.2 billion over a two-year time period to Iowa, a \$300 million increase from the earlier House version. The Fiscal Services Division of the LSA is monitoring the federal action as closely as possible since decisions on the federal level will most likely impact FY 2010 state budget decisions. Using a variety of resources, including participation in weekly conference calls with representatives of the National Conference of State Legislatures (NCSL), the Fiscal Services Division will post relative documents and summaries of the legislation, including brief summaries of the conference calls on our website, under the heading **Federal Economic Stimulus Package**: <http://staffweb.legis.state.ia.us/lfb/>. Additional information, if known, is included in each appropriations subcommittee section of this document.

## Federal Funds and Economic Stimulus

According to the most recent detailed information from Federal Funds Information for the States (FFIS), the estimated allocation of the \$1.9 billion to Iowa would be distributed as shown in the table below. An updated table with the revised estimate will be posted on the website as more details become available.

### Estimated Iowa Funds for Selected Allocations House Stimulus Fund as of 1/22/2009

<u>Selected Allocations</u>	<u>Iowa Estimate*</u>	<u>All State Total*</u>
Fiscal Stabilization*	\$ 622,296	\$ 63,975,000
Title I	68,968	13,000,000
Special Education	139,184	13,000,000
Education Technology	5,305	1,000,000
K-12 Construction*	74,242	13,994,000
Child Care	18,229	2,000,000
CSBG	11,605	1,000,000
Byrne JAG	29,296	3,000,000
WIA-Adult	1,745	500,000
WIA-Youth	5,395	1,200,000
Dislocated Workers	4,967	1,000,000
Highways*	353,096	29,354,200
Clean Water	82,235	6,000,000
Drinking Water	24,915	2,000,000
Weatherization	116	6,200,000
State Energy Program	48,487	3,400,000
Medicaid FMAP Hold Harmless**	0	1,973,782
Medicaid+4/9% FMAP**	300,755	35,183,338
Total	<u>\$ 1,906,362</u>	<u>\$ 197,780,781</u>

\*Allocations for fiscal stabilization, school construction, and highways do not add to the total appropriation due to provisions for reserves, training, or federal costs.

\*\*This constitutes a partial evaluation of the impacts of the federal medical assistance percentage (FMAP) Medicaid provisions. Additional allocations would flow from the funding based on increased state unemployment rates, as shown in Issue Brief 09-02, FFIS.

Source: Federal Funds Information Service (FFIS)

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## **APPENDIX F**

# **Governor's FY 2010 Recommendations v. Estimated FY 2009**



## Economic Development General Fund

	Estimated FY 2009 (1)	ATB Reduction FY 2009 (2)	Gov. Rec. Deap. FY 2009 (3)	Gov. Rec. Supp FY 2009 (4)	Total Gov. Rec. FY 2009 (5)	Gov. Rec. FY 2010 (6)	Gov. Rec. vs Gov. FY 2009 (7)	Percent Change (8)	Gov Rec vs Est. FY 2009 (9)	Percent Change (10)
<b><u>Cultural Affairs, Dept. of</u></b>										
<b>Cultural Affairs, Dept. of</b>										
Administration Division	\$ 261,193	\$ -3,919	\$ -5,261	\$ 0	\$ 252,013	\$ 235,632	\$ -16,381	-6.5%	\$ -25,561	-9.8%
Community Cultural Grants	299,240	0	0	0	299,240	279,159	-20,081	-6.7%	-20,081	-6.7%
Historical Division	3,935,211	-59,029	-79,263	0	3,796,919	3,550,119	-246,800	-6.5%	-385,092	-9.8%
Historic Sites	594,853	-8,923	0	0	585,930	547,845	-38,085	-6.5%	-47,008	-7.9%
Arts Division	1,260,842	-18,913	-25,396	0	1,216,533	1,137,458	-79,075	-6.5%	-123,384	-9.8%
Great Places	334,032	-5,228	0	0	328,804	307,432	-21,372	-6.5%	-26,600	-8.0%
Archiving Former Governor's Papers	84,623	-1,269	0	0	83,354	77,936	-5,418	-6.5%	-6,687	-7.9%
Records Center Rent	241,068	-3,616	0	0	237,452	222,018	-15,434	-6.5%	-19,050	-7.9%
Hist. Resource Dev. Emerg. Grants	0	-1,470	0	0	-1,470	0	1,470	-100.0%	0	
Cultural Grants	0	-674	0	0	-674	0	674	-100.0%	0	
Iowa Cultural Caucus	20,000	-300	0	0	19,700	0	-19,700	-100.0%	-20,000	-100.0%
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 7,031,062</b>	<b>\$ -103,341</b>	<b>\$ -109,920</b>	<b>\$ 0</b>	<b>\$ 6,817,801</b>	<b>\$ 6,357,599</b>	<b>\$ -460,202</b>	<b>-6.8%</b>	<b>\$ -673,463</b>	<b>-9.6%</b>
<b><u>Economic Development, Dept. of</u></b>										
<b>Economic Development, Dept. of</b>										
Economic Dev. Administration	\$ 2,266,462	\$ -33,997	\$ -45,651	\$ 0	\$ 2,186,814	\$ 2,044,671	\$ -142,143	-6.5%	\$ -221,791	-9.8%
Business Development	6,754,868	-105,200	-136,056	0	6,513,612	6,090,227	-423,385	-6.5%	-664,641	-9.8%
Community Development Division	6,636,409	-130,141	-133,670	0	6,372,598	5,958,379	-414,219	-6.5%	-678,030	-10.2%
World Food Prize	1,000,000	0	0	0	1,000,000	920,975	-79,025	-7.9%	-79,025	-7.9%
Endow Iowa Grants	0	0	0	0	0	0	0	0.0%	0	
TSB Marketing and Compliance	0	-2,173	0	0	-2,173	0	2,173	-100.0%	0	
TSB Process Improvement & Admin.	0	-3,374	0	0	-3,374	0	3,374	-100.0%	0	
TSB Advocacy Centers	0	-13,104	0	0	-13,104	0	13,104	-100.0%	0	
ICVS-Promise	0	0	0	0	0	125,000	125,000	0.0%	125,000	
Center for Citizen Diplomacy	150,000	-2,250	0	0	147,750	0	-147,750	-100.0%	-150,000	-100.0%
Historic Preservation Challenge Grants	200,000	-3,000	0	0	197,000	184,195	-12,805	-6.5%	-15,805	-7.9%
<b>Total Economic Development, Dept. of</b>	<b>\$ 17,007,739</b>	<b>\$ -293,239</b>	<b>\$ -315,377</b>	<b>\$ 0</b>	<b>\$ 16,399,123</b>	<b>\$ 15,323,447</b>	<b>\$ -1,075,676</b>	<b>-6.6%</b>	<b>\$ -1,684,292</b>	<b>-9.9%</b>
<b><u>Iowa Finance Authority</u></b>										
<b>Iowa Finance Authority</b>										
Entrepreneurs with Disabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0%	\$ 0	
<b>Total Iowa Finance Authority</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0%</b>	<b>\$ 0</b>	

## Economic Development General Fund

	Estimated FY 2009 (1)	ATB Reduction FY 2009 (2)	Gov. Rec. Deap. FY 2009 (3)	Gov. Rec. Supp FY 2009 (4)	Total Gov. Rec. FY 2009 (5)	Gov. Rec. FY 2010 (6)	Gov. Rec. vs Gov. FY 2009 (7)	Percent Change (8)	Gov Rec vs Est. FY 2009 (9)	Percent Change (10)
<b><u>Iowa Workforce Development</u></b>										
<b>Iowa Workforce Development</b>										
IWD Workers Comp Operations (GF)	\$ 2,943,474	\$ -44,152	\$ -59,287	\$ 44,152	\$ 2,884,187	\$ 2,884,187	\$ 0	0.0%	\$ -59,287	-2.0%
IWD General Fund - Operations	3,930,817	-65,735	-79,174	65,735	3,851,643	3,851,643	0	0.0%	-79,174	-2.0%
Workforce Development Field Offices	12,624,491	-189,367	-254,282	189,367	12,370,209	12,370,209	0	0.0%	-254,282	-2.0%
Statewide Standard Skills Assessment	500,000	-7,500	-10,071	7,500	489,929	970,074	480,145	98.0%	470,074	94.0%
Security Employee Training Program	15,000	-225	0	225	15,000	15,000	0	0.0%	0	0.0%
Offender Reentry Program	375,000	-5,625	-7,553	5,625	367,447	367,447	0	0.0%	-7,553	-2.0%
Employee Misclassification	0	0	0	0	0	771,153	771,153	0.0%	771,153	
<b>Total Iowa Workforce Development</b>	<b>\$ 20,388,782</b>	<b>\$ -312,604</b>	<b>\$ -410,367</b>	<b>\$ 312,604</b>	<b>\$ 19,978,415</b>	<b>\$ 21,229,713</b>	<b>\$ 1,251,298</b>	<b>6.3%</b>	<b>\$ 840,931</b>	<b>4.1%</b>
<b><u>Public Employment Relations Board</u></b>										
<b>Public Employment Relations</b>										
PER Board - General Office	\$ 1,271,841	\$ -19,098	\$ -25,617	\$ 0	\$ 1,227,126	\$ 1,147,363	\$ -79,763	-6.5%	\$ -124,478	-9.8%
<b>Total Public Employment Relations Board</b>	<b>\$ 1,271,841</b>	<b>\$ -19,098</b>	<b>\$ -25,617</b>	<b>\$ 0</b>	<b>\$ 1,227,126</b>	<b>\$ 1,147,363</b>	<b>\$ -79,763</b>	<b>-6.5%</b>	<b>\$ -124,478</b>	<b>-9.8%</b>
<b><u>Regents, Board of</u></b>										
<b>Regents, Board of</b>										
ISU - Economic Development	\$ 3,019,446	\$ -45,292	\$ 0	\$ 0	\$ 2,974,154	\$ 2,780,834	\$ -193,320	-6.5%	\$ -238,612	-7.9%
SUI - Economic Development	271,181	-4,068	0	0	267,113	249,751	-17,362	-6.5%	-21,430	-7.9%
UNI - Economic Development	592,277	-8,884	0	0	583,393	545,472	-37,921	-6.5%	-46,805	-7.9%
<b>Total Regents, Board of</b>	<b>\$ 3,882,904</b>	<b>\$ -58,244</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,824,660</b>	<b>\$ 3,576,057</b>	<b>\$ -248,603</b>	<b>-6.5%</b>	<b>\$ -306,847</b>	<b>-7.9%</b>
<b>Total Economic Development</b>	<b>\$ 49,582,328</b>	<b>\$ -786,526</b>	<b>\$ -861,281</b>	<b>\$ 312,604</b>	<b>\$ 48,247,125</b>	<b>\$ 47,634,179</b>	<b>\$ -612,946</b>	<b>-1.3%</b>	<b>\$ -1,948,149</b>	<b>-3.9%</b>