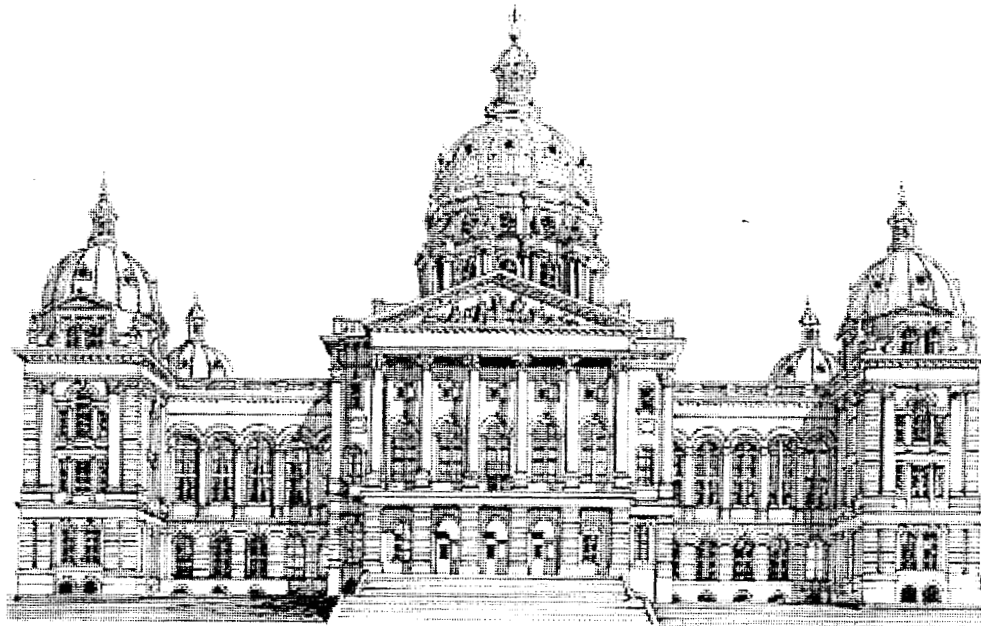


**STATE OF IOWA
FY 1995
GOVERNOR'S RECOMMENDATIONS
SUMMARY**



**Legislative Fiscal Bureau
January 1994**

FOREWORD

The purpose of this document is to provide the Legislature with information concerning FY 1995 General Fund estimated receipts, departmental requests, and Governor's recommendation. This information provides an overall summary of the State Budget and is intended to help the Legislature to take a proactive approach toward the budgetary process.

The emphasis of this document is to provide an overview of the General Fund, including revenue, expenditures, and FTE positions to all members of the General Assembly. The Legislative Fiscal Bureau (LFB) will have detailed budget documents for each Appropriations Subcommittee containing an overview and analysis of departmental budgets and the Governor's recommendation. The Appropriations Subcommittees can use those documents for consideration of the FY 1995 budget requests.

If you need additional detail information regarding a departmental request or Governor's recommendation, Appendix D contains a LFB staff listing. The individual analysts have additional information concerning each request or recommendation.

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DOCUMENT NOTES

WHEN REVIEWING THIS DOCUMENT, PLEASE NOTE THE FOLLOWING:

Section 8.35A (2), Code of Iowa, requires the Department of Management (DOM) to transmit the Governor's recommendation to the LFB by January 1 or no later than the date the Governor's budget document is delivered to the printer. The information in the tables and charts of this document is based on the January 7 budget tape received by the LFB. Other items worth noting when reviewing the Document include:

- The FTE position figures in the subcommittee historical funding tables are those FTE positions funded with all funds, not just the General Fund. FTE positions are estimated for FY 1994.
- Revenue and expenditures are estimated for FY 1994 and FY 1995.
- FY 1993 data includes supplemental appropriations and salary adjustments, but not appropriation transfers or reversions. FY 1994 and FY 1995 data do not.
- **Appendix A** to this document is the General Fund Appropriations tracking document by Appropriations Subcommittee.
- **Appendix B** is a glossary of budget terms.
- **Appendix C** contains a listing of the *Issue Reviews* completed by the LFB during the 1993 Interim.
- **Appendix D** contains the LFB staff listing.

Questions concerning the Document should be directed to Dennis Prouty, LFB Director, (515) 281-5279.

1994 IOWA LEGISLATIVE SESSION TIMETABLE

(if rules remained unchanged)

- **January 10** - First day of Session.
- **January 21** - Final day for individual requests for bill drafts to the Legislative Service Bureau.
- **March 4** - Final day for House bills to be reported out of House committees and Senate bills out of Senate committees.
- **March 7 - 11** - House considers only House bills and unfinished business and Senate considers only Senate bills and unfinished business.
- **March 25** - Final day for Senate bills to be reported out of House committees and House bills to be reported out of Senate committees.
- **March 28 - April 1** - House considers only Senate bills and unfinished business and Senate considers only House bills and unfinished business.
- **April 4** - Amendments need not be filed on the day preceding floor debate.
- **April 4** - Only the following bills are eligible for consideration:
 - Appropriations bills
 - Ways and Means bills
 - Legalizing Acts
 - Co-sponsored by Majority and Minority Leaders
 - Companion bills sponsored by House and Senate Majority Leaders
 - Conference Committee Reports
 - Bills passed by both Houses in different forms
 - Concurrent or Simple Resolutions
 - Bills on the Veto Calendar
 - Administrative Rules Review Committee bills
 - Joint resolutions nullifying Administrative Rules
 - Unfinished business
- **April 19** - 100th day of the Session.

RECENT BUDGET REFORMS

Iowa has suffered from the same problems of many other states: tax revenues below expectations; expenditures above budget; and a lack of reserves. The budget has dominated the debate in recent legislative sessions. The FY 1992 budget was balanced with several across-the-board reductions, deappropriations, and layoffs. The FY 1993 budget required a special session to deal with the budget problems, and included the increase in sales tax from 4.0% to 5.0% (one-cent) and phase-in income tax threshold changes.

In addition, the 1992 General Assembly passed and the Governor signed, several reforms to the budget process to provide some long term solutions to the State's budget problems. These included:

FORMULAS

- **K-12 AND COMMUNITY COLLEGES** - Modified the calculation of the State percent of allowable growth. Required that it be established by statute that shall be enacted within 30 days of the submission of the Governor's budget. Required that it be the only subject matter of the bill that establishes the State percent of allowable growth.

ENTITLEMENT PROGRAMS AND STANDING APPROPRIATIONS

- Capped foster care spending.
- Indigent defense - Established 2-year pilot projects in 6 counties requiring contracting with private attorneys at a reduced rate.
- Medicaid - Executive and Legislative Branch study. Required prior authorization for certain prescription drugs, limited physician visits to 24 per year with waiver for medical necessity, established 10 managed care pilot programs, and required additional restriction on transfer of assets.
- Eliminated a number of standing unlimited appropriations and made them annual appropriations.

EXPENDITURE LIMITATION

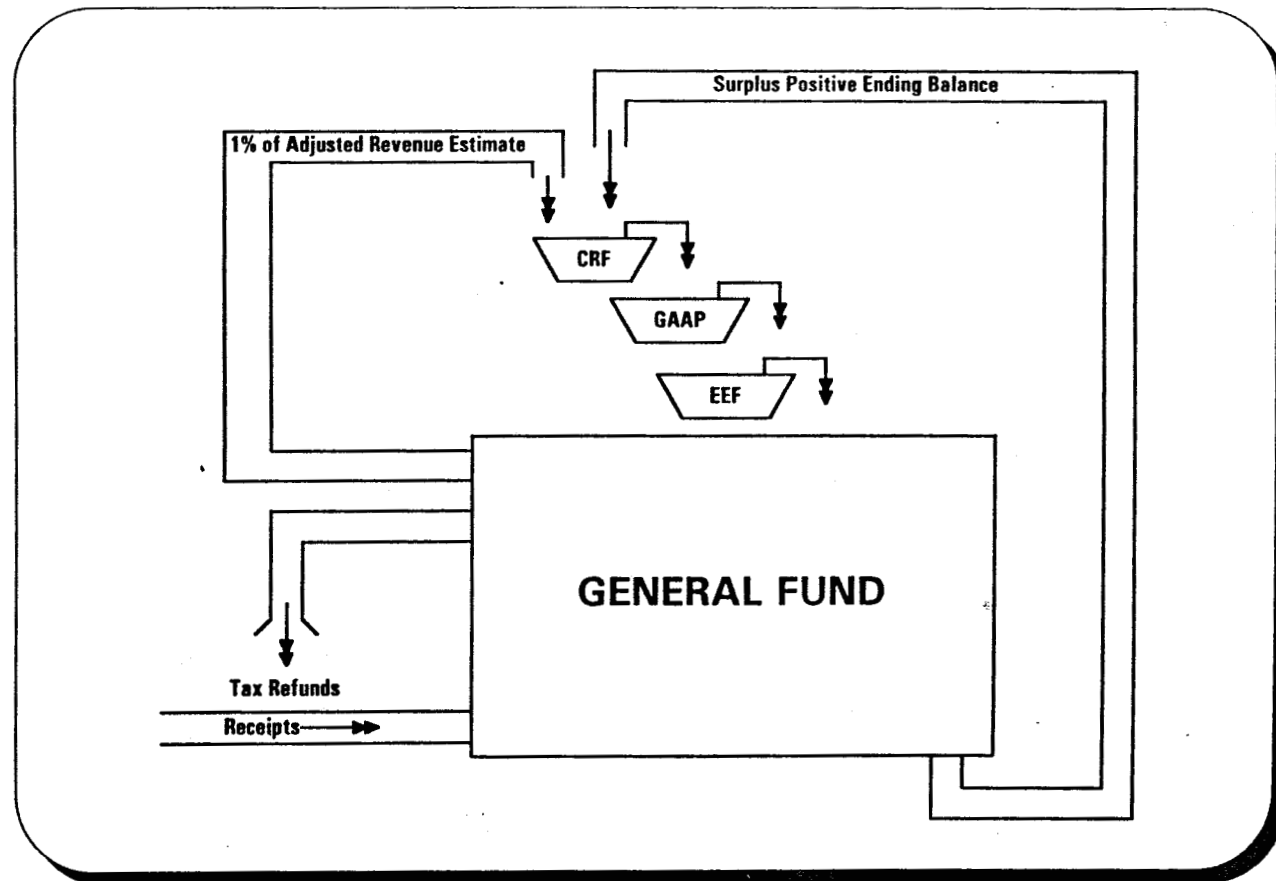
- The statutory limitation on expenditures is 99.0% of the adjusted revenue estimate. The expenditure limitation is required to be used in the preparation of the Governor's budget. Only 95.0% of any new revenue implemented in a fiscal year will be available for expenditure.
- If the December Revenue Estimating Conference (REC) reduces a current fiscal year's revenue estimate, the Governor must adjust the budget recommendations to account for the reduction in revenue. The Governor and General Assembly shall continue to use the lower projection if the REC subsequently increases the estimate above the December figure.
- **CASH RESERVE FUND (CRF)**
 - Expenditures from the CRF are limited to nonrecurring emergency expenditures.
 - The annual appropriation to the CRF is 1.0% of the adjusted revenue estimate for the fiscal year and any surplus existing in the General Fund at the end of the fiscal year.
 - The General Assembly has established cash reserve goals. The goal of 1.0% for FY 1994 is on track. To meet future goals, the CRF must accumulate 1.0% of General Fund revenues each fiscal year until the Fund reaches 5.0% of FY 1998 General Fund revenues.
 - Funds in the CRF may be appropriated only if the appropriation is made in the same fiscal year.
 - An appropriation from the CRF that causes the Fund's balance to drop below 3.0% of the adjusted revenue estimate requires a three-fifths majority vote of the General Assembly. Otherwise a simple majority vote is required.
 - There was no CRF balance at the end of FY 1993 and the CRF is expected to have a balance of \$35.2 million at the end of FY 1994. The Governor's recommendation produces a balance of \$73.1 million at the end of FY 1995.
- **GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) DEFICIT REDUCTION FUND**
 - The GAAP Fund receives an appropriation from motor vehicle use tax receipts.
 - Unexpended money from the General Fund, after the CRF target is made, is also deposited in the GAAP Fund.
 - The DOM is appropriated the funds for the purpose of eliminating the State's GAAP deficit.

- The Department of Revenue and Finance completed a Comprehensive Annual Financial Report (CAFR) dated December 15, 1993, for FY 1993. The Report was prepared in accordance with GAAP, and included a report by the Auditor of State. The independent audit concluded that the CAFR "is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole." The GAAP balances discussed in this section are taken from the current CAFR.
- The Government Accounting Standards Board (GASB) approved the "future GAAP" provision. The GASB voted to issue a Statement on accounting for taxpayer-assessed revenues in government funds. This accounting change will enable the State to accrue revenues when the underlying transaction has occurred and payment has been demanded, rather than when the cash is received. Future GAAP will be utilized starting in FY 1994 to determine the GAAP deficit. The impact of the change is expected to decrease the GAAP deficit by \$230.0 million in FY 1994. The GASB is likely to issue a Statement by FY 1998 requiring that expenditures be accrued in a similar manner. The DRF expects that the Statement would result in a decrease to the General Fund balance of approximately \$50.0 million. Until the Statement is issued, the State is not, from a GAAP perspective, allowed to accrue these expenditures.
- The GAAP deficit is to be eliminated during FY 1995. From a GAAP perspective, the State budget has netted out to the following deficits:
 - \$ -42.0 million in FY 1989
 - \$-132.6 million in FY 1990
 - \$-338.3 million in FY 1991
 - \$-408.8 million in FY 1992
 - \$-306.8 million in FY 1993
 - \$ -43.4 million in FY 1994 (estimate)
 - \$ 23.7 million in FY 1995 (estimate)
- **ECONOMIC EMERGENCY FUND (EEF)**
 - Once all GAAP obligations are retired, remaining funds are credited to the EEF.
 - The maximum balance of the EEF is 5.0% of the adjusted revenue estimate.
 - Excess funds shall be transferred to the General Fund if the EEF is at the maximum balance. Currently, there is approximately \$1.9 million in the EEF. The interest earnings from the EEF will

remain in the EEF. Additionally, interest earnings from the CRF are transferred into the EEF. These interest earnings will result in an estimated ending EEF balance of \$3.2 million in FY 1994 and \$5.7 million in FY 1995.

- Spending from the EEF is limited to emergency expenditures.
- The following diagram illustrates the basic flow of General Fund revenues with expenditure limitation:

EXPENDITURE LIMITATION - FLOW OF GENERAL FUND REVENUES



FY 1994 BUDGET

FLOOD

The Flood of 1993 will have an impact upon the budget of the State of Iowa, with the greatest impact on FY 1994. Although most of the federal assistance will go directly to the victims, several programs are administered by State agencies.

- **Public Assistance** - This is the State's match of federal grants awarded to the State, other political subdivisions, Indian tribes and tribal organizations, and some private nonprofit organizations for flood damage. The work required must be flood related, located in a flood area, with no other federal assistance available. The State's match for all projects is estimated to be \$7.9 million which is 10.0% of the damage assessment. The State's share is estimated to be \$4.0 million in FY 1994 with the remainder to be paid in future years. The funds will be awarded from the Executive Council's Performance of Duty Fund.
- **Individual and Family Grants** - \$1.3 million was granted to the Department of Human Services from the Executive Council's Performance of Duty Fund as match money for administration of the grants. The maximum amount of an Individual and Family Grant is \$11,900. Grants are available for eligible disaster victims to meet serious disaster-related needs or necessary expenses not covered by other disaster assistance programs or insurance.
- **Activation of the National Guard** - The Department of Public Defense, Compensation and Expenses Fund, which is a standing unlimited appropriation, is used to pay expenses associated with activating the National Guard during emergency operations. The National Guard estimates a total cost of \$4.6 million for activating the Guard for flood recovery in FY 1994. Approximately \$3.9 million (85.0%) of the cost will be reimbursed by Federal Emergency Management Agency, with the State being responsible for approximately \$688,000 (15.0%) of the total cost in FY 1994.

COURT ORDERED PAYMENTS (HAGGE-KRAFT)

- The Iowa Supreme Court ruled in *Hagge vs. Iowa Department of Revenue and Finance* that the State owes approximately \$33.8 million in tax refunds and interest to federal retirees whose pensions had been taxed illegally. This is a decrease of \$8.2 million compared to the previous estimate of \$42.0 million.
- The implications of the *Hagge* may extend to another case, *Kraft vs. Iowa Department of Revenue and Finance*, in which the court held that states can not tax foreign dividends. Approximately \$28.4 million in refunds and interest is due to *Kraft*.
- The Iowa Supreme Court ruled in *Phillips Petroleum vs. Iowa Department of Revenue and Finance* that capital gains from foreign corporations are not taxable. This is expected to result in refund payments in FY 1994 of approximately \$2.0 million. More refunds may arise due to *Phillips* in FY 1995, and there is also an offsetting impact, because the capital gains of Iowa corporations that were formerly apportioned will now be included totally in Iowa taxable income. These 2 impacts have not been quantified.
- The Governor has decided to pay the refunds resulting from *Hagge*, *Kraft*, and *Phillips* in FY 1994. This decision will result in refund payments of \$62.4 million. Approximately \$1.8 million of the *Hagge* judgment is being withheld pending a court decision regarding the imposition of legal fees.

PROPOSED FY 1994 TRANSFERS

The Governor is proposing the following FY 1994 Section 8.39, Code of Iowa, appropriations transfers (dollar amounts in millions):

PROPOSED FY 1994 TRANSFERS

Source	Department	Amount
Medicaid Reversion	DHS	\$ 7.30
Tuition Replacement	Board of Regents	1.70
Total		<u>\$ 9.00</u>
Transfers		
Family Investment Program (AFDC)	DHS	\$ 1.00
State Cases	DHS	1.00
Community Economic Betterment Account (CEBA)	DED	3.50
Indigent Defense	DIA	2.50
Medical Contracts	DHS	0.25
Woodward State Hospital School	DHS	0.25
Workers' Compensation	IDOP	0.50
Total		<u>\$ 9.00</u>

■ **Rationale for Proposed Transfers**

- **Medicaid Reversion** - The funds are available due to lower than projected utilization. The Governor is estimating that Medicaid will be under budget by \$24.0 million. Net of the proposed transfer of \$7.3 million, the FY 1994 reversion is estimated at \$16.7 million.
- **Tuition Replacement** - The funds are available due to the Board of Regents overestimating the need for FY 1994 and bond refunding which took place during FY 1994 to obtain lower interest rates for bonds already authorized and previously sold. General Assembly action is not necessary.
- **Family Investment Program (AFDC)** - The transfer is necessary due to 2 primary factors. First, due to the delay in the federal waiver, the new FIP Program rules originally planned to begin in July 1993, were delayed until

October 1993, and January 1994. Second, the required implementation of a control group (4,000 cases) which operate under the old AFDC rules reduced the potential savings.

- **State Cases** - This appropriation funds community services for persons with Mental Illness, Mental Retardation, or Developmental Disabilities where the client has no established county of legal settlement. The appropriation for FY 1994 was under funded by approximately \$880,000. In addition, the number of cases has continued to increase as counties have become aggressive in challenging claims of legal settlement.
- **Community Economic Betterment Account (CEBA)** - The CEBA Program has obligated nearly all available funds for FY 1994 and has already received a Section 8.39, Code of Iowa appropriations transfer of \$400,000 which has also been obligated. The Department of Economic Development has stated that at least an additional \$3.0 million could be used during the remainder of FY 1994, as applications for qualifying projects continue to exceed available resources.
- **Indigent Defense** - The transfer will fund FY 1994 at \$250,000 above the actual spending level for FY 1993. The additional funds are necessary to pay the increased costs of legal defense for indigent persons. The number and size of claims submitted by court-appointed attorneys is greater than the FY 1993 level.
- **Medical Contracts** - The transfer will fund unanticipated Medipass managed care utilization during FY 1994.
- **Woodward State Hospital School** - The transfer will fund unanticipated claims filed in FY 1994.
- **Workers' Compensation** - The transfer will fund unanticipated claims filed in FY 1994.

FY 1995 REVENUE ESTIMATES

State General Fund revenues are estimated by a 3-member Revenue Estimating Conference (REC) which meets at least quarterly. Members are the Director of the LFB (Dennis Prouty), the Governor or the Governor's designee (Gretchen Tegeler, Director of the DOM), and a third member agreed to by the other 2 members. The third member, Marvin Selden, former Comptroller of the State of Iowa, resigned the position on the REC in September 1993. A new third member has not been named. The REC was created by statute in 1987 during government reorganization.

The December estimate is required to be used by the Governor in the preparation of the budget message and by the Legislature in the budget process. If the April estimate reduces the December revenue estimate, the Governor must adjust the budget recommendations to account for the reduction in revenue. If the REC increases the estimate in April above the December figure, the Governor and General Assembly shall continue to use the lower projection that was established in December.

On December 15, 1993, the REC estimated the FY 1995 State General Fund revenues at \$3.987 billion. This reflects growth in revenue of \$123.6 million (3.2%) compared to estimated FY 1994. The Governor's General Fund recommendation for revenue adjustments for FY 1995 includes an increase of \$36.4 million and a total transfer of \$39.7 million. The Governor's FY 1995 proposed expenditure limitation target is \$3.656 billion.

The Governor's projected ending balance for FY 1994 is \$30.3 million. This amount is required to be transferred into the CRF. If to the extent the transferred ending fund balance and the 1.0% transfer of adjusted FY 1995 revenues exceed the maximum balance of the CRF (1.0% of the General Fund for FY 1995), the excess shall be transferred to the DOM for GAAP reduction. The following page shows the projected General Fund balance sheet reflecting the Governor's FY 1994 and FY 1995 recommendations.

STATE OF IOWA
Projected Condition of the General Fund
(Dollars in Millions)

	<u>Fiscal Year 1994</u>		<u>Fiscal Year 1995</u>	
	<u>Governor's Recomm.</u>	<u>Current Law</u>	<u>Governor's Recomm.</u>	<u>Current Law</u>
<i>Estimated Funds Available:</i>				
Estimated Receipts				
Revenue Est. Conference	\$ 3,863.4	\$ 3,863.4	\$ 3,987.0	\$3,987.0
Revenue Adjustments (Exh. 1)	-8.4		36.4	
Transfers (Exh. 1)	46.9	45.1	39.7	5.7
Total Receipts	<u>3,901.9</u>	<u>3,908.5</u>	<u>4,063.1</u>	<u>3,992.7</u>
Tax Refunds (Exh. 2)	- 409.4	- 409.4	- 377.8	- 377.8
Accruals	5.6	5.6	10.2	10.2
<i>Total Funds Available</i>	<u>3,498.1</u>	<u>3,504.7</u>	<u>3,695.5</u>	<u>3,625.1</u>
			<u>\$ 3,656.2</u>	
<i>Expenditure Limitation</i> (Calculation on page 16)				
<i>Estimated Appropriations:</i>				
General Fund	3,524.5	3,524.5	3,639.1	
Cash Reserve Fund			36.1	
Reversions (Exh. 2)	- 28.2	-28.2	-10.0	
<i>Net Appropriations</i>	<u>3,496.3</u>	<u>3,496.3</u>	<u>3,665.2</u>	<u>0.0</u>
<i>Ending Balance prior to Cash Reserve Transfer</i>	<u>\$ 1.8</u>	<u>\$ 8.4</u>	<u>\$ 30.3</u>	

Exhibit 1

	Fiscal Year 1994		Fiscal Year 1995	
	Governor's Recomm.	Current Law	Governor's Recomm.	Current Law
REVENUE ADJUSTMENTS				
Internal Revenue Code Update:	\$	\$	\$	\$
Earned Income Credit			- 0.5	
Social Security	4.0		16.0	
Moving Expense	0.5		1.3	
Estimated Payment Revisions	- 3.0		- 1.5	
Minimum Tax Depreciation	- 0.5		- 1.5	
Business Expense Meals & Entertainment	0.5		6.0	
Small Business Expense Deduction	- 7.5		- 4.2	
Amortization of Goodwill			0.5	
Club Dues	0.3		0.5	
Extension of Expired Ind. Tax Provisions	- 2.7		- 1.5	
Total IRC Update	<u>- 8.4</u>		<u>15.1</u>	
Motor Vehicle Use Tax			30.0	
Additional Tax Credit-Elder lowans			- 12.6	
Collection Enhancement Program			1.4	
Racing and Gaming Revenue			2.0	
Technology Applications			2.0	
Taxpayer Bill of Rights			- 0.8	
Non-Resident Pension			- 0.8	
Rural Primary Care Physicians Credit			- 0.2	
Indian Gaming			0.1	
Public Health Fees			0.1	
Insurance Division Fees			0.1	
TOTAL REVENUE ADJUSTMENTS	<u>\$ - 8.4</u>	<u>\$ 0.0</u>	<u>\$ 36.4</u>	<u>\$ 0.0</u>
TRANSFERS				
Lottery Proceeds	\$ 39.4	\$ 39.4	\$ 34.0	
Commerce Bottle Deposits	0.4			
Marine Fuel Tax Revenues	2.3	2.3	2.3	2.3
Indirect Cost Transfers	3.0	3.0	3.0	3.0
Living Roadway Trust	0.7			
Rural Community 2000	0.3			
Miscellaneous	0.8	0.4	0.4	0.4
TOTAL CASH TRANSFERS	<u>\$ 46.9</u>	<u>\$ 45.1</u>	<u>\$ 39.7</u>	<u>\$ 5.7</u>

Exhibit 2

	Fiscal Year 1994		Fiscal Year 1995	
	Governor's Recomm.	Current Law	Governor's Recomm.	Current Law
Tax Refunds				
Regular Refunds	\$ - 347.0	\$ - 347.0	\$ -376.0	\$ -376.0
Court Ordered:				
Hagge	- 32.0	- 32.0	- 1.8	- 1.8
Kraft	- 28.4	- 28.4		
Philips	- 2.0	- 2.0		
Total Tax Refunds	<u>\$ - 409.4</u>	<u>\$ - 409.4</u>	<u>\$ - 377.8</u>	<u>\$ - 377.8</u>
Est. Funds Prior to Reversions or Approp. Transfers				
Regular Reversion	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0
Medicaid	24.0	24.0		
Audubon Branch RR	0.7	0.7		
Vets Home	0.6	0.6		
Capitol Annex Roof	0.1	0.1		
Educational Excellence	0.1	0.1		
Tuition Replacement	<u>1.7</u>	<u>1.7</u>		
Total Funds	37.2	37.2		
Anticipated Approp. Transfers prior to 6/30/94:				
To: Family Investment Program (AFDC)	- 1.0	- 1.0		
State Cases	- 1.0	- 1.0		
Community Economic Betterment Acct. (CEBA)	- 3.5	- 3.5		
Indigent Defense	- 2.5	- 2.5		
Medical Contracts	- 0.3	- 0.3		
Woodward State Hospital School	- 0.2	- 0.2		
Workers' Compensation	- 0.5	- 0.5		
Total Net Reversions	<u>\$ 28.2</u>	<u>\$ 28.2</u>	<u>\$ 10.0</u>	<u>\$ 10.0</u>

STATE OF IOWA
Estimated Condition of the Cash Reserve,
GAAP, and Economic Emergency Funds
(Dollars in Millions)

	Cash Reserve Fund	GAAP Retirement Fund	Economic Emergency Fund	Total
Estimated FY 1993				
General Fund Appropriation	\$	\$ 28.8	\$ 1.8	\$ 30.6
20% Use Tax Appropriation		27.9		27.9
GAAP Deficit Elimination		-53.5		-53.5
Interest Earnings			0.1	0.1
	<u>\$ 0.0</u>	<u>\$ 3.2</u>	<u>\$ 1.9</u>	<u>\$ 5.1</u>
Estimated FY 1994				
Balance Forward	\$	\$ 3.2	\$ 1.9	\$ 5.1
20% Use Tax Appropriation		30.0		30.0
FY 1993 Estimated Ending Balance	52.0			52.0
FY 1993 Excess of 1% Required Balance	-16.8	16.8		0.0
Gov. Rec. GAAP Deficit Elimination		-50.0		-50.0
Interest Earnings			1.3	1.3
	<u>\$ 35.2</u>	<u>\$ 0.0</u>	<u>\$ 3.2</u>	<u>\$ 38.4</u>
Estimated FY 1995				
Balance Forward	\$ 35.2	\$ 0.0	\$ 3.2	38.4
20% Use Tax Appropriation		0.0		0.0
Gov. Rec. FY 1994 Est. Ending Balance	1.8			1.8
Gov. Rec. FY 1995 Appropriation	36.1	0.0	2.5	38.6
	<u>\$ 73.1</u>	<u>\$ 0.0</u>	<u>\$ 5.7</u>	<u>\$ 78.8</u>

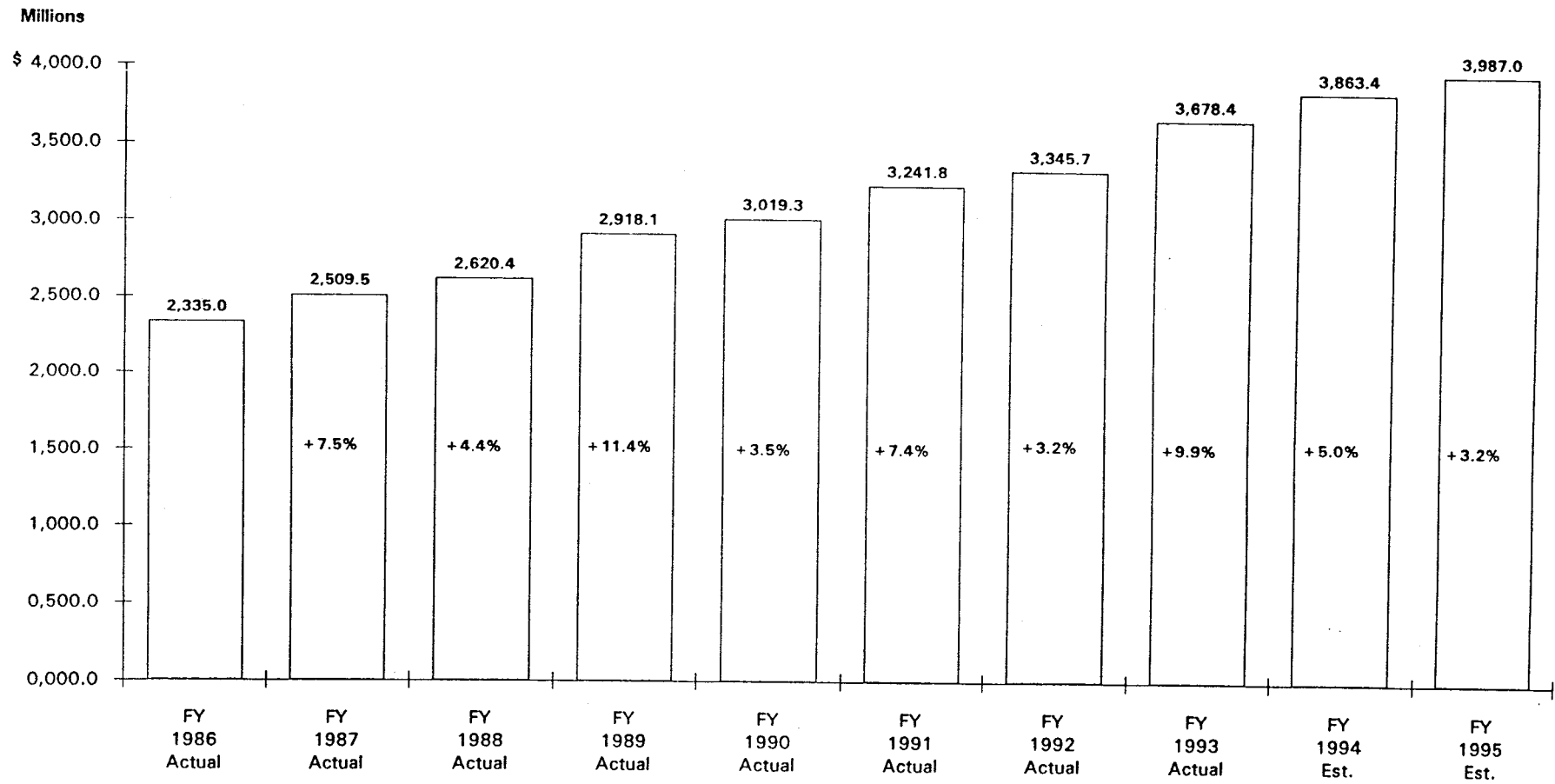
STATE OF IOWA
Calculation of Statutory Expenditure Limit
(Dollars in Millions)

Fiscal Year 1995	Governor's Recommendation		
	Current Revenue	New Revenue	Total Revenue
Revenue Estimate per Revenue Estimating Conference	\$ 3,987.0	\$	\$ 3,987.0
Refund of Taxes	- 376.0	- 1.8	- 377.8
Accrued Revenue Changes	10.2		10.2
Transfers	39.7		39.7
Total	<u>3,660.9</u>	<u>- 1.8</u>	<u>3,659.1</u>
Revenue Adjustments:			
Internal Revenue Code Update:			
Earned Income Credit	- 0.5		- 0.5
Social Security		16.0	16.0
Moving Expense		1.3	1.3
Estimated Payment Revisions	- 1.5		- 1.5
Minimum Tax Depreciation	- 1.5		- 1.5
Business Expense Meals & Entertainment		6.0	6.0
Small Business Expense Deduction	- 4.2		- 4.2
Amortization of Goodwill		0.5	0.5
Clubs Dues		0.5	0.5
Extension of Expired Ind. Tax Provisions	- 1.5		- 1.5
Motor Vehicle Use Tax		30.0	30.0
Additional Tax Credit-Elder Iowans	- 12.6		- 12.6
Collection Enhancement Program		1.4	1.4
Racing and Gaming Revenue		2.0	2.0
Technology Applications		2.0	2.0
Taxpayer Bill of Rights	- 0.8		- 0.8
Non-Resident Pension	- 0.8		- 0.8
Rural Primary Care Physicians Credit	- 0.2		- 0.2
Indian Gaming		0.1	0.1
Public Health Fees		0.1	0.1
Insurance Division Fees		0.1	0.1
Total Revenue Adjustments	<u>- 23.6</u>	<u>60.0</u>	<u>36.4</u>
Total Funds Available for Expenditure Limit Calculation	3,637.3	58.2	3,695.5
Applicable Limit Percentage	99%	95%	
Total Amount of Expenditure Limit	<u>\$ 3,600.9</u>	<u>\$ 55.3</u>	<u>\$ 3,656.2</u>

STATE OF IOWA
Schedule of GAAP Adjustments
(Dollars in Millions)

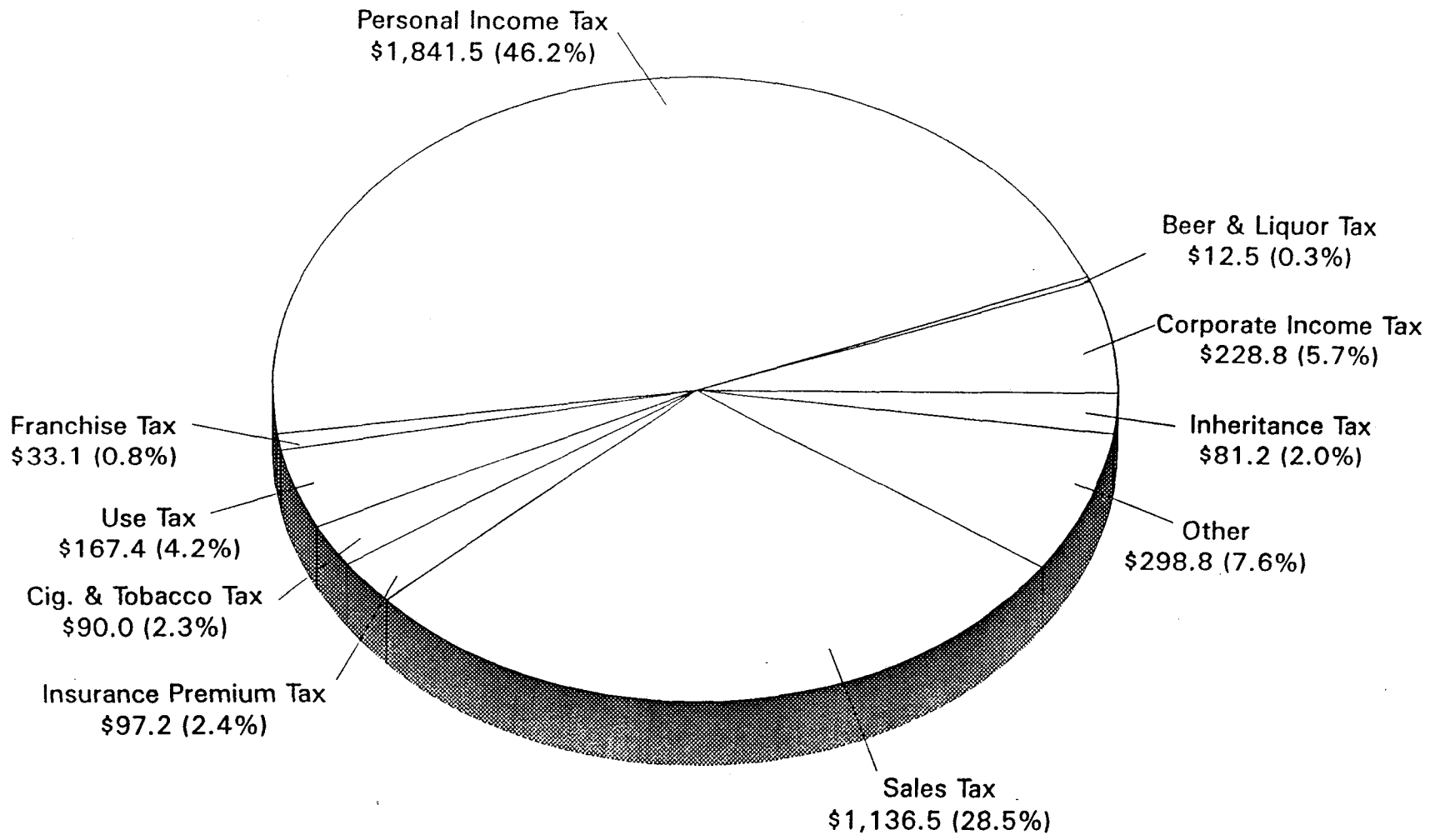
	<u>Governor's Recommendation</u>	
	<u>FY 1993</u>	<u>FY 1994</u>
GAAP ADJUSTMENT		
Medicaid	\$ 26.5	
Insurance Reserves	27.0	
Tax Refunds		\$ 29.3
Accrued Revenue Adjustments		12.7
Foster Care		5.1
Indigent Defense		0.9
Various Standing Unlimited Appropriations		2.0
TOTAL GAAP ADJUSTMENTS	<u>\$ 53.5</u>	<u>\$ 50.0</u>

GENERAL FUND RECEIPTS AND PERCENT OF GROWTH FY 1986 - FY 1995



Note: Est. FY 1994 & FY 1995 as estimated by Dec. 15, 1993, Revenue Estimating Conference.

FY 1995 ESTIMATED GENERAL FUND RECEIPTS (IN MILLIONS)



Total: \$3,987.0 million

As Estimated by Dec. 15, 1993, Revenue Estimating Conference

FY 1992 - FY 1995 Revenue Projection for the General Fund

(In Millions of Dollars)

<u>Tax Source</u>	FY 1992	FY 1993	% Change from FY 1992	FY 1994	% Change from FY 1993	FY 1995	% Change from FY 1994
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
Personal Income Tax	\$ 1,587.5	\$ 1,698.9	7.0%	\$ 1,760.7	3.6%	\$ 1,841.5	4.6%
Sales Tax	800.4	1,012.5	26.5	1,094.3	8.1	1,136.5	3.9
Use Tax	122.8	151.2	23.1	163.0	7.8	167.4	2.7
Corporate Income Tax	237.2	224.2	(5.5)	228.7	2.0	228.8	0.0
Inheritance Tax	78.0	76.9	(1.4)	82.8	7.7	81.2	(1.9)
Insurance Premium Tax	97.4	96.5	(0.9)	97.2	0.7	97.2	0.0
Cigarette Tax	93.5	90.7	(3.0)	88.0	(3.0)	86.0	(2.3)
Tobacco Tax	3.9	4.0	2.6	4.0	0.0	4.0	0.0
Beer Tax	12.6	12.5	(0.8)	12.5	0.0	12.5	0.0
Franchise Tax	26.4	31.7	20.1	34.8	9.8	33.1	(4.9)
Miscellaneous Tax	<u>0.7</u>	<u>0.8</u>	<u>14.3</u>	<u>0.8</u>	<u>0.0</u>	<u>0.9</u>	<u>12.5</u>
Total Special Taxes	3,060.4	3,399.9	11.1	3,566.8	4.9	3,689.1	3.4
 <u>Other Receipts</u>							
Institutional Payments	107.9	104.4	(3.2)	110.6	5.9	113.1	2.3
Liquor Transfers							
A. Profits	28.3	14.5	23.7	24.8	71.0	24.8	0.0
B. 7% Gross Revenues	9.0	9.8	8.9	9.0	(8.2)	9.0	0.0
Interest	9.6	6.7	(30.2)	6.8	1.5	5.0	(26.5)
Fees	49.3	53.1	7.7	53.8	1.3	55.0	2.2
Judicial Revenue	37.9	40.4	6.6	43.9	8.7	45.4	3.4
Miscellaneous Receipts	23.8	36.6	53.8	38.6	5.5	38.5	(0.3)
Pari-Mutuel Receipts	<u>19.5</u>	<u>13.0</u>	<u>(33.3)</u>	<u>9.1</u>	<u>(30.0)</u>	<u>7.1</u>	<u>(22.0)</u>
Total Receipts	<u>\$ 3,345.7</u>	<u>\$ 3,678.4</u>	<u>9.9%</u>	<u>\$ 3,863.4</u>	<u>5.0%</u>	<u>\$ 3,987.0</u>	<u>3.2%</u>

Note: FY 1994 and FY 1995 are as estimated by the December 15, 1993, Revenue Estimating Conference. The revenues do not reflect transfers, refunds, or accruals.

GOVERNOR'S FY 1995 RECOMMENDATIONS

The Governor's FY 1995 General Fund budget recommendation is \$3.6 billion, an increase of \$114.6 million compared to estimated FY 1994. The estimated FY 1994 budget is the final Legislative action plus salary allocation. The estimated FY 1994 figures does not include reductions for salary bonus expenditures (\$16.0 million) and onetime expenditures (\$0.4 million). The FY 1995 Governor's recommendations include:

- An anticipated FY 1994 ending General Fund balance of \$1.8 million. This amount is required to be transferred to the Cash Reserve Fund (CRF).
- An appropriation of \$40.3 million in new funds for K-12 School Aid. The assumptions used in the Governor's recommendation include:
 - Allowable growth of 2.5% (\$40.0 million)
 - Enrollment growth (\$5.0 million)
 - Special education increases (\$3.3 million)
 - Supplemental weightings (\$ - 2.0 million)
 - Property valuations (\$ - 6.0 million)
- An increase of \$32.4 million for state employee salary increases. The increase reflects 2 appropriation recommendations including:
 - Board of Regents (\$17.4 million)
 - Central state employees (\$15.0 million)
- An increase of \$5.0 million in salary annualization costs in the individual department budgets.
- An estimated FY 1995 ending fund balance prior to a transfer to the Cash Reserve Fund of \$30.3 million for FY 1996.

The following pages list the major (\$1.0 million or more) General Fund increases recommended by the Governor for FY 1995. The subcommittees' totals contain all standing appropriations. The *Diff. Gov. Rec v Est. FY 94* column reflects the difference between the estimated FY 1994 appropriation and the Governor's FY 1995 recommendations.

MAJOR GENERAL FUND INCREASES/DECREASES RECOMMENDED BY THE GOVERNOR

(dollars in millions)

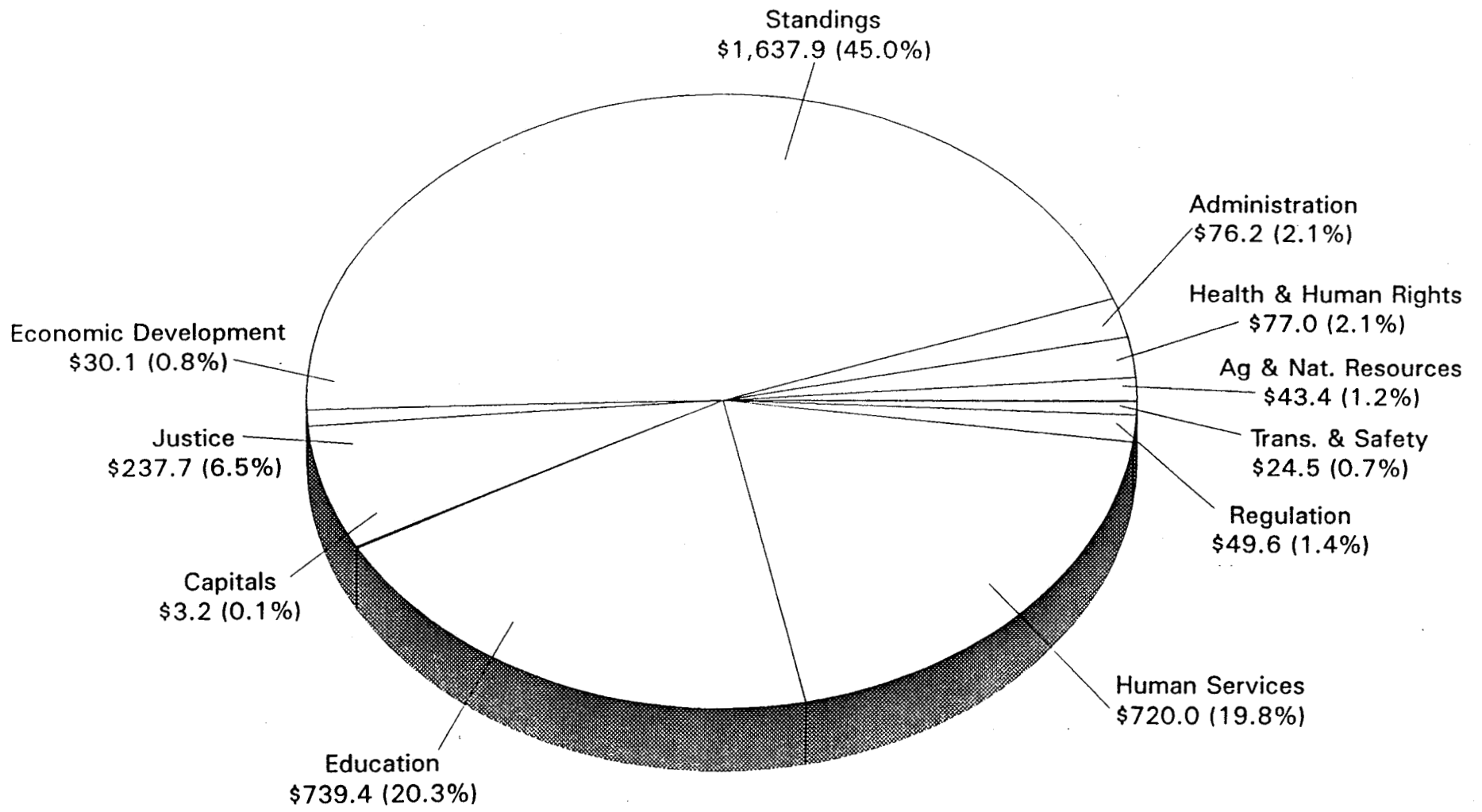
<u>Program</u>	<u>Gov. Rec. FY 1995</u>	<u>Diff. Gov. Rec. v. Est. FY 94</u>
<u>Administration Subcommittee</u>		
General Services		
▪ ICN - Appropriation to be transferred to the Iowa Communications Network (ICN) Fund to fund an anticipated shortfall between the \$ operational and financial obligations and projected revenues.	6.2	\$ 6.2
Department of Management		
▪ Salary Increases - To provide negotiated salary increases for central state employees. In addition, the Governor has recommended a \$17.4 million appropriation to the Regents for salary increases.	15.0	14.8
Treasurer		
▪ TRANS Notes - The FY 1995 costs included interest and issuance costs (legal fees, trustee handling fees, insurance, printing, underwriting costs, etc.)	1.0	1.0
Other		
▪ All Other Program Expenditures.	298.5	(2.2)
Total Administration	320.7	19.8
 <u>Agriculture & Natural Resources Subcommittee</u>		
Total Agriculture & Natural Resources	43.4	1.2
 <u>Economic Development Subcommittee</u>		
Department of Economic Development		
▪ Strategic Investment Fund - The entire increase is for funding of the CEBA Program due to the level of demand.	7.2	3.0
Other		
▪ All Other Program Expenditures.	17.5	(0.1)
Total Economic Development	24.7	2.9

<u>Program</u>	<u>Gov. Rec. FY 1995</u>	<u>Diff. Gov. Rec. v. Est. FY 94</u>
<u>Education Subcommittee</u>		
College Aid Commission		
▪ Tuition Grant - To increase the average grant to \$2,275 for 14,330 students. The maximum grant would increase to \$2,675.	32.6	1.1
Education, Dept. of		
▪ School Foundation Aid - To increase allowable growth by 2.5%, fund enrollment growth, and reorganization incentives.	1,270.8	40.3
▪ Community Colleges - To increase General Aid for inflation and growth.	99.1	4.0
Regents, Board of		
▪ Regent Salaries - The salary increases for the Regents is recommended in the Education Appropriations Bill rather than the typical salary bill. The Regents contend that \$22.7 million is needed to fully fund the salary obligation. The DOM initially recommended a \$12.0 million increase for Regent salaries.	17.4	17.4
▪ ISU - Ag. Experiment Station for agricultural research fulfilling the 5th year of a 5-year plan.	30.6	2.8
▪ Tuition Replacement - To repay the debt service on Academic Revenue Bonds.	25.8	2.2
Other		
▪ All Other Program Expenditures.	655.8	(3.3)
Total Education	2,132.1	64.5
 <u>Health & Human Rights Subcommittee</u>		
Veterans Affairs, Commission of		
▪ Veterans Home - Increase of \$3.5 million due to using leveraged federal revenues. The revenues are to be deposited in the General Fund with the appropriation being increased by a like amount.	35.6	3.5
Other		
▪ All Other Program Expenditures.	41.4	0.5
Total Health & Human Rights	77.0	4.0

<u>Program</u>	<u>Gov. Rec. FY 1995</u>	<u>Diff. Gov. Rec. v. Est. FY 94</u>
<u>Human Services Subcommittee</u>		
Human Services, Dept. of		
▪ Child Family Services - Transfer from Medical Assistance for PMICs, new programs for delinquent youth.	74.2	6.7
▪ Promise Jobs - Part of Governor's Welfare Reform initiative. Expected to result in reduced AFDC caseloads in future years.	12.1	4.4
▪ Medical Assistance - Increases in the Medicare premium, provider reimbursements, the changing Federal Financial Participation rate; and decreases due to the projected FY 1994 reversion and the managed mental health care initiative.	346.0	3.9
▪ MI/MR State Cases - Funding for projected increases in caseload.	6.5	2.5
Other		
▪ All Other Program Expenditures.	<u>281.4</u>	<u>(5.8)</u>
Total Human Services	720.2	11.7
 <u>Justice System Subcommittee</u>		
Judicial Branch		
▪ No recommendation by the Governor, just passed through request.	85.2	4.2
Other		
▪ All Other Program Expenditures.	<u>152.5</u>	<u>2.9</u>
Total Justice System	237.7	7.1
 <u>Regulation Subcommittee</u>		
Inspections & Appeals		
▪ Indigent Defense - Increased number and size of claims submitted by court-appointed attorneys and associated costs of providing legal defense to indigent persons.	11.1	2.3
Other		
▪ All Other Program Expenditures.	<u>38.5</u>	<u>1.1</u>
Total Regulation	49.6	3.4

<u>Program</u>	<u>Gov. Rec. FY 1995</u>	<u>Diff. Gov. Rec. v. Est. FY 94</u>
<u>Transportation & Safety Subcommittee</u>		
Total Transportation & Safety	30.5	(0.2)
<u>Capital Projects</u>		
Total Capital Requests	3.2	0.5
Total FY 1995 Governor's Recommendation & Increase	<u>\$ 3,639.1</u>	<u>\$ 114.6</u>

FY 1995 GENERAL FUND GOVERNOR'S RECOMMENDATIONS



Total: \$3,639.1 million

HEALTH CARE REFORM

The Health Care Reform Plan proposed by the Governor is a result of the recommendations of the Iowa Health Reform Council. Major aspects of the Governor's recommendation include:

- Improving access to health care by requiring all employers to offer standard group insurance. Requiring that insurance cannot be canceled or dropped due to medical condition. Requiring that insurance is portable between jobs and is continuous. Implementing a modified community rating of insurance.
- Reducing costs for health insurance by utilizing Health Insurance Purchasing Cooperatives. Authorizing and encouraging Accountable Health Plans. Adoption of a single claim form and electronic payment system. Implementing medical liability reform.
- Improving quality by implementing a statewide health accounting system. Requiring reports to consumers by insurers. Preventive services would be provided without cost or copayment.
- Improved rural access through tax credits to physicians operating in communities with less than 10,000 population. Allowing hospital access to the ICN to provide telemedicine services. Providing tax advantaged medical saving accounts and equal deductibility for large and small employers.

OTHER GOVERNOR'S RECOMMENDATIONS

The Governor is recommending a number of new initiatives in the areas of education, economic development, adoption laws, family centered services, juvenile justice, public safety, and the environment. Many of these initiatives are discussed in the Overview of the FY 1995 Recommendations and Subcommittee Issues beginning on page 40 of this document.

The Governor is also recommending reforms in the budgeting process, taxpayer rights, local government mandates, and collections. Reforms in the budget process include program "sunset" legislation, biennial budgeting, removal of the remaining "standing appropriations", and the authorization to carry-forward to the next year operating funds that would otherwise revert. Such funds may be used for onetime expenditures for training and technology acquisition.

GOVERNOR'S RECOMMENDATIONS AFFECTING REVENUES

INTERNAL REVENUE CODE (IRC) UPDATE BILL

- The federal Omnibus Budget Reconciliation Act (OBRA) of 1993 contained a number of provisions affecting State revenues. The LFB estimates that the Act will have a negligible effect on State revenues in FY 1994, and will result in a decrease of \$8.8 million in FY 1995 due to federal deductibility. (For a detailed explanation of the 1993 OBRA see the Federal Funding Issues portion of this document.)
- The Governor is recommending coupling with the federal law changes and estimates that the coupled provisions would result in a General Fund decrease of \$-8.4 million in FY 1994, and an increase of \$15.1 million in FY 1995. The FY 1995 figure includes a recovery of the FY 1994 loss. The following is a list of the major provisions and their impact on State revenues in FY 1994 and FY 1995 respectively.
 - Expanding the taxable portion of social security benefits: \$4.0 million, \$16.0 million.
 - Extending certain expired provisions and providing retroactivity: \$-2.7 million, \$-1.5 million.
 - Limiting deductions for business meals and entertainment: \$0.5 million, \$6.0 million.
 - Changing calculation of Alternative Minimum Tax (AMT): \$-0.5 million, \$-1.5 million.
 - Allowing accelerated depreciation of equipment for small businesses: \$-7.5 million, \$-4.2 million.
- The Governor is recommending an increase in the Elderly Tax Credit to \$100 from the current credit of \$20. The increase is designed to offset the expansion of the taxable portion of social security benefits. The increased credit is expected to result in a General Fund revenue loss of \$13.0 million to \$16.0 million beginning in FY 1995.

RECOMMENDATIONS AFFECTING PROPERTY TAXES

- Property Tax Exemption for Machinery and Equipment
 - The Governor is recommending that all new investments in machinery and equipment acquired after December 31, 1993, be exempt from property taxes. Currently, such equipment is valued at 30.0% of the acquisition cost.
 - The Governor is not recommending that the State replace the revenues that local governments will lose as a result of the exemption. The exemption is not expected to have a fiscal effect until FY 1997. The exemption is expected to result in a loss to local governments of \$3.6 million in FY 1997,

and an additional \$3.6 million each year thereafter culminating in a single year loss of \$72.0 million in FY 2017.

- Currently, there are no reliable estimates of increased business activity or employment as a result of the exemption.
- **Property Tax Limitation**
 - In 1992, the State imposed limitations of property taxes levied by cities and counties. The limitations are effective for FY 1994 and FY 1995. The Governor is recommending that the property tax limitation be extended through FY 1997.
 - The Governor is estimating that approximately \$28.0 million was lost by local governments and gained by Iowa taxpayers, based on a 3-year average of property tax growth.
 - Local governments may appeal the limits to the State Appeal Board. Limits exclude levies for debt service and other taxes approved by a vote of the people.
- **Recommendations Affecting Process of Taxation and Tax Collection**
 - The Governor is recommending a "Taxpayers Bill of Rights" which would codify the rights of taxpayers in dealing with State taxing authorities, including provisions to: inform taxpayers of their rights, require "notices of assessment," allow payment deferment, provide litigation awards to prevailing taxpayers, and expand appeal filing deadlines. An estimate of the impact to the General Fund is not yet available.
 - The Governor is recommending a "Taxpayers Rights Amendment" which would constitutionally limit the annual growth of taxes and spending by the State and local governments. An estimate of the impact to the General Fund is not yet available.

HEALTH CARE TAX INCENTIVES

- **Physician Tax Credit**
 - The Governor is recommending an income tax credit for new physicians locating and practicing in communities with fewer than 10,000 people.
 - The tax credit would be for an amount up to \$10,000 per year for a maximum of 10 years. Currently, there is not an estimate of the impact of the tax credit on the General Fund.
- The Governor is recommending providing "tax advantaged medical savings accounts." Currently, there is not an estimate of the impact of the policy on the General Fund.

- **Deductibility of Health Insurance**
 - The Governor is recommending that health insurance purchases be deducted from the income taxes of small businesses and farmers to the same extent that the deduction exists for larger employers.
 - Currently, businesses filing corporate income tax returns may fully deduct health insurance costs. Corporations and businesses filing individual income tax or farm returns may only deduct a portion of the expense. For example, there is a self employed health insurance deduction of 25.0%. Currently, there is not an estimate of the impact of the deduction on the General Fund.
- The Governor is recommending establishing an income tax credit in the amount of \$100 for persons who purchase or renew long-term health insurance that would cover both in-home and institutional care. Currently, there is not an estimate of the impact of the tax credit on the General Fund.

FLOOD RELATED UNEMPLOYMENT TAX RELIEF

- The Governor is recommending that employers who experience unemployment compensation claims arising from adverse weather not be required to pay the corresponding increase in the cost of the unemployment benefits.
- The U.S. Department of Labor has approved this recommendation.
- The policy is expected to have no impact on the General Fund. Currently, there is approximately \$660.7 million in the Iowa Employment Security Trust Fund. The Department of Employment Services (DES) concluded in September 1993 that this policy would not significantly impact the trust fund or Iowa employers.

NONRESIDENT PENSION EXCLUSION

- The Governor is recommending that retired individuals who earned pension income in Iowa but became nonresidents of the State not be required to pay tax on the portion of their pension earned in Iowa.
- The exclusion is expected to result in a General Fund revenue loss of approximately \$400,000 beginning in FY 1995.

ESTIMATED GENERAL FUND EXPENDITURE INCREASES AND SAVINGS

The following spreadsheets include the projected FY 1995 built-in increases and savings. A ***built-in increase*** is a standing appropriation as required by the Code of Iowa, an entitlement program, or an estimate of funding generated by a formula as required by the Code of Iowa. The projected savings for FY 1995 are onetime expenditures in FY 1994 or the repeal of a program. Any built-in increases or savings can be changed by the Legislature and the Governor.

The LFB projected General Fund built-in increases for FY 1995 are \$126.5 million. The Governor projects General Fund built-in increases at \$107.3 million. The LFB projected savings for FY 1995 are \$79.3 million. The Governor projects General fund built-in savings at \$79.0 million.

EXPLANATION OF THE SPREADSHEETS

The following spreadsheets describe the FY 1995 expenditure increases and savings and the corresponding Governor's recommendation. The estimates are based on January 1994 information. The numbers in the boxes relate to footnotes that provide additional details. The following spreadsheets include:

- The first page summarizes the Projected FY 1995 built-in increases and projected savings.
- The remaining pages describe the General Fund expenditure increases and savings in detail by providing:
 - Type of appropriation
 - Standing unlimited appropriation
 - Standing limited appropriation
 - Regular appropriation
 - Description of the program or budget unit
 - Growth or savings in FY 1995
 - Dollar amount of the increase or savings, in thousands
 - Governor's Recommended dollar amount of the increase or savings, in thousands
 - Description of the Governor's recommendation

Estimated General Fund Expenditure Increases and Savings (In Millions)

	<u>LFB's Estimates</u>	<u>Governor's Recommend.</u>	<u>Difference</u>
FY 1995 Built-in Increases			
Human Services - Medical Assistance	\$ 36.9	\$ 21.9	\$ -15.0
Salaries - Collective Bargaining Agreement (LFB estimate reflects the DOM 7/1/93 recommendation)	31.4	37.4	6.0
Community College Funding Formula (Fully funds the formula at 0.0% allowable growth. The formula has not been fully funded since FY 1991)	28.4	4.0	-24.4
Natural Resources - Resource Enhancement (REAP) Standing	23.0	0.0	-23.0
Regents - Tuition Replacement	3.1	3.1	0.0
Human Services - State Cases	2.5	2.5	0.0
Education - Education Excellence	0.8	0.0	-0.8
K-12 School Aid (LFB estimate assumes 0.0%, while the Governor's recommendation assumes 2.5% allowable growth)	0.3	40.3	40.0
Corrections - Ft. Madison Medical Services	0.1	0.1	0.0
Total Built-in Increases	<u>\$ 126.5</u>	<u>\$ 109.3</u>	<u>\$ -17.2</u>
FY 1995 Projected Savings			
Court-ordered Payments (Refunds attributable to Hagge, Kraft, and Phillips court cases, less \$1.8 million that must be paid after court decision regarding legal fees)	\$ -60.6	\$ -60.6	\$ 0.0
Salary Bonuses (Reduction of salary adjustment for onetime salary bonuses)	-16.0	-16.0	0.0
Public Defense - Compensation and Expense Fund Standing Unlimited	-0.6	-0.6	0.0
Commerce (Onetime capital appropriation)	-0.4	-0.4	0.0
Human Services (Onetime capital appropriation)	-0.3	-0.3	0.0
Corrections (Onetime capital appropriation)	-0.3	-0.3	0.0
Health Data Commission (Commission repealed at the beginning of FY 1995)	-0.3	0.0	0.3
DED - Internet (Internet repealed at the end of FY 1994)	-0.2	-0.2	0.0
Boone Armory Roof (Onetime capital appropriation)	-0.1	-0.1	0.0
Miscellaneous Savings (Additional detail is available)	-0.5	-0.5	0.0
Total Projected Savings	<u>\$ -79.3</u>	<u>\$ -79.0</u>	<u>\$ 0.3</u>

Notes:

These are estimates available as of January 1994. Any increases or savings can be changed by the Legislature and the Governor. These spreadsheets are scheduled to be updated as new estimates become available.

The Projected Increases and Savings are calculated using estimated FY 1995 less a net FY 1994.

The net FY 1994 is Estimated FY 1994 less any anticipated reversions or transfers.

PROJECTED FY 1995 BUILT-IN INCREASES AND PROJECTED SAVINGS (IN THOUSANDS)

Programs/Appropriations (1)	Description of Programs (2)	Growth or Savings Factors (3)	FY 95 vs FY 94 (4)	Gov. Rec. FY 95 vs FY 94 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
PROJECTED INCREASES						
Human Services - Medical Assistance Appropriation	<p>Medical Assistance is a State/Federal entitlement program that provides medical services to eligible low-income recipients. To qualify for federal funding, the State must reimburse providers for certain mandatory services. The State has the option to provide coverage of additional services and can elect to expand coverage to optional eligibility groups. Iowa is currently covering most of the optional services and optional eligibility groups for which federal funding is available. The State also has the ability to set the rates it uses to reimburse service providers, within federal guidelines.</p> <p>Assumption: Department Request is an increase of \$18.9 million compared to Estimated FY 1994. If the Governor's estimated reversion of \$18.0 million is included, the total increase is \$36.9 million. The Governor's recommended increase is \$21.9 million after the estimated reversion.</p>	<ul style="list-style-type: none"> • Increased number of eligibles due to federal mandate (5.6% forecast for FY 1994, 5.0% in FY 1995). • Increased utilization rates of services by eligible clients. • Increased nursing home reimbursement costs (7.0% forecast for FY 1994). • Increased Medicare premiums. • Increased service provider reimbursements. • Decrease in the Federal Financial Participation (FFP). 	<p>\$36,865.0</p>	<p>\$21,937.0</p>	<ul style="list-style-type: none"> • Adopt managed mental health care system statewide. • Estimates FY 1994 reversion of \$18.0 million and reduced FY 1995 by \$18.0 million. • Accounts for change in federal match rate. 	<p>\$-2,000.0</p> <p>\$-18,000.0</p> <p>\$4,900.0</p>

PROJECTED FY 1995 BUILT-IN INCREASES AND PROJECTED SAVINGS (IN THOUSANDS)

Programs/Appropriations (1)	Description of Programs (2)	Growth or Savings Factors (3)	FY 95 vs FY 94 (4)	Gov. Rec. FY 95 vs FY 94 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Change: (7)
Salaries <i>Appropriation</i>	The FY 1994 and FY 1995 bargaining agreements were settled in the Spring of 1993. The DOM has budgeted the General Fund salary costs for FY 1995 based upon extending the AFSCME agreement to non-covered employees.	<ul style="list-style-type: none"> • Change funding level for non-covered employees. 	\$31,400.0	\$37,400.0	<ul style="list-style-type: none"> • Funding for the collective bargaining contracts. The Governor recommends \$18.4 million in salaries for the Board of Regents and \$19.0 million for the central State employees. The Governor's recommendation includes \$5.0 million for salary annualization. The salary annualization costs are included in each Departments budget. 	\$6,000.
Community Colleges <i>Appropriation</i>	<p>The State general aid appropriation request was developed on the basis of a foundation formula authorized in Chapter 286A, <u>Code of Iowa</u>. The formula determines the amount of the request, but the General Assembly must pass the actual appropriation. The request consists of 85.0% of the amount generated by a foundation formula and the 4th Quarter as appropriated in the 1993 Session. The remaining 15.0% of the amount generated by the foundation formula will be used for the 4th Quarter in FY 1996. The funding formula has not been fully funded since FY 1991.</p> <p>Assumption: Taxable valuations are estimated to increase 1.5%.</p>	<ul style="list-style-type: none"> • Allowable growth as set by the General Assembly. • Contact Hours. • Square Feet and Cubic Feet of the buildings. • Changes in the foundation formula. • Restoring reductions from previous years. 	\$28,449.2	\$4,000.0	<ul style="list-style-type: none"> • Appropriates \$4.0 million for inflation and growth. Does not fund the foundation formula. 	-\$24,449.2

PROJECTED FY 1995 BUILT-IN INCREASES AND PROJECTED SAVINGS (IN THOUSANDS)

Programs/Appropriations (1)	Description of Programs (2)	Growth or Savings Factors (3)	FY 95 vs FY 94 (4)	Gov. Rec. FY 95 vs FY 94 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Natural Resources - Resource Enhancement and Protection (REAP) Fund <i>Standing Limited</i>	<p>The REAP Program provides funds for land maintenance, acquisition and development, grants to cities and counties, soil conservation cost share, alternative roadside vegetation, and historical resource grants.</p> <p>The REAP appropriation for FY 1994 is \$7.0 million. For FY 1995, \$30.0 million is appropriated from the General Fund, but that amount is reduced by any money appropriated from the Lottery Fund (Section 455.18(4), <u>Code of Iowa</u>). The present <u>Code of Iowa</u> language specifies appropriations of \$25.0 million from the Lottery Fund and \$5.0 million from the General Fund for FY 1994.</p>	<ul style="list-style-type: none"> The standing appropriation is restored as required by <u>Code of Iowa</u>. 	\$23,000.0	\$0.0	<ul style="list-style-type: none"> Reduces the standing appropriation. 	\$-23,000
Regents - Tuition Replacement Appropriation	<p>Tuition replacement is the appropriation to pay the debt service costs of Academic Revenue Bonds. These Bonds are sold when approved by the General Assembly to pay for certain buildings on the campuses of Regent institutions. The payments are "guaranteed" with tuition and fee revenues from the students attending the Regent universities.</p>	<ul style="list-style-type: none"> Increased debt service on authorized Academic Revenue Bonds. 	\$3,093.4	\$3,093.4	<ul style="list-style-type: none"> No change recommended. 	
Human Services - State Cases Appropriation	<p>Provides community-based services to mentally ill, mentally retarded, or developmentally disabled persons who are residents of Iowa, but who have not gained legal settlement within the State.</p>	<ul style="list-style-type: none"> Number of State Cases. 	\$2,468.1	\$2,468.1	<ul style="list-style-type: none"> No change recommended. 	

PROJECTED FY 1995 BUILT-IN INCREASES AND PROJECTED SAVINGS (IN THOUSANDS)

Programs/Appropriations (1)	Description of Programs (2)	Growth or Savings Factors (3)	FY 95 vs FY 94 (4)	Gov. Rec. FY 95 vs FY 94 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Education - Educational Excellence <i>Standing Limited</i>	Provides funding to increase the minimum salary to \$18,000 (Phase I), salary increases to all existing teachers (Phase II), and for performance based pay and supplemental pay plans (Phase III).	<ul style="list-style-type: none"> • The appropriation is frozen at the FY 1993 funding level. However, the FY 1994 funding level was reduced below the FY 1993 funding level so the appropriation is increased back to the FY 1993 funding level. 	\$752.1	\$0.0	• Freezes funding at the FY 1994 level of funding.	\$-752.0
K-12 School Aid <i>Standing Unlimited</i>	<p>The School Foundation Program establishes limits and controls on local school district spending authority. By formula, the Program determines the amount of State aid and local property tax used in funding school district budgets.</p> <p>Assumptions: Taxable valuations are estimated to increase 1.5% over FY 1994 levels and special education students are estimated to increase by 2.6%. The increase in the special education students identified is estimated to cost an additional \$3.3 million. The increase in taxable valuation would reduce State aid by \$6.0 million. Supplementary weights will be approximately 10% lower in FY 1995 resulting in a reduction of approximately \$2.0 million. Enrollment growth is estimated to cost \$5.0 million.</p>	<ul style="list-style-type: none"> • Allowable Growth to be set by the General Assembly. • Increased enrollment. • Increased number of special education students identified. • Increase in assessed valuation of 1.5%. • Decrease in supplementary weights for shared administrators and teachers. 	\$300.0	\$40,300.0	• Allowable Growth of 2.5%.	\$40,000.0
Corrections - Ft. Madison Medical Services <i>Appropriation</i>	Provides for contracted medical services as required by court order resulting from <i>McBride vs Farrier (1981)</i> .	<ul style="list-style-type: none"> • Rising medical and pharmaceutical costs. 	\$91.6	\$91.6	• No change recommended.	

PROJECTED FY 1995 BUILT-IN INCREASES AND PROJECTED SAVINGS (IN THOUSANDS)

Programs/Appropriations (1)	Description of Programs (2)	Growth or Savings Factors (3)	FY 95 vs FY 94 (4)	Gov. Rec. FY 95 vs FY 94 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
PROJECTED SAVINGS						
Court-ordered Payments Standing Unlimited	Refunds resulting from <i>Kraft, Hagge, and Phillips</i> cases will be resolved in FY 1994, negating the need for payments in FY 1995, with the exception of \$1.8 million from the <i>Hagge</i> judgment that will be withheld in FY 1994 and paid in FY 1995.	<ul style="list-style-type: none"> • Decrease of \$62.4 million due to FY 1994 payments. • Increase of \$1.8 million due to payments that were withheld in FY 1994 pending court decision regarding legal fees. 	\$-60,600.0	\$-60,600.0	• No change recommended.	
Salary Bonuses	The FY 1994 salary increases included funding for a \$650 bonus to full-time employees. The cost of funding the bonuses was a onetime expense. The DOM is requiring Departments to reduce the base budget for FY 1995 by the amount of the bonuses.	<ul style="list-style-type: none"> • Onetime expenditure. 	\$-16,000.0	\$-16,000.0	• No change recommended.	
Public Defense - Compensation and Expense Fund Standing Unlimited	This fund is used to pay expenses associated with the activation of the National Guard during emergency operations. The National Guard estimates a total cost of \$4.6 million for the activation of the Guard for flood recovery in FY 1994. It is estimated that approximately 85.0% of this cost will be reimbursed by the FEMA. The State will be responsible for approximately \$688,000 (15.0%) of the total cost in FY 1994.	<ul style="list-style-type: none"> • Onetime expenditure. 	\$-588.0	\$-588.0	• No change recommended.	
Commerce - Alcoholic Beverage Division Roof Repair Appropriation	Funds will be used to replace the rubber liner and insulation of the roof at the liquor distribution warehouse in Ankeny.	<ul style="list-style-type: none"> • Onetime capital appropriation. 	\$-350.0	\$-350.0	• No change recommended.	
Human Services - Capital Appropriation	Funds for critical deferred maintenance including roof repair at Eldora.	<ul style="list-style-type: none"> • Onetime capital appropriation. 	\$-300.0	\$-300.0	• No change recommended.	

PROJECTED FY 1995 BUILT-IN INCREASES AND PROJECTED SAVINGS (IN THOUSANDS)

Programs/Appropriations (1)	Description of Programs (2)	Growth or Savings Factors (3)	FY 95 vs FY 94 (4)	Gov. Rec. FY 95 vs FY 94 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Change (7)
Corrections - Capital Appropriation	The appropriation is for critical maintenance and repairs to the correctional facilities.	• One-time capital appropriation.	\$-300.0	\$-300.0	• No change recommended.	
Health Data Commission Appropriation	Statewide health data clearinghouse for the acquisition, compilation, correlation, and dissemination of acute, long-term care and physician-related health data.	• The Health Data Commission is repealed at the beginning of FY 1995.	\$-290.3	\$0.0	• Extends the agency through FY 1996.	\$290.3
Economic Development - Internet Appropriation	An organization to assist Iowa businesses in establishing foreign markets and marketing products to those markets. This is the last year of State funding as the organization will be repealed at the end of FY 1994. However, the organization has the option to become independent and continue.	• Internet is repealed at the end of FY 1994.	\$-225.0	\$-225.0	• No recommendation for funding in FY 1995, allows sunset to take effect.	
Boone Armory Roof Appropriation	Funds to replace the armory roof in Boone.	• Onetime capital appropriation.	\$-108.0	\$-108.0	• No change recommended.	

PROJECTED FY 1995 BUILT-IN INCREASES AND PROJECTED SAVINGS (IN THOUSANDS)

Programs/Appropriations (1)	Description of Programs (2)	Growth or Savings Factors (3)	FY 95 vs FY 94 (4)	Gov. Rec. FY 95 vs FY 94 (5)	Governor's Recommended Changes from Current Law (6)	Gov. Changes (7)
Miscellaneous Appropriation	Miscellaneous onetime expenditures in FY 1994. Additional detail available.	• Onetime appropriations in FY 1994.	\$-517.0	\$-517.0	<ul style="list-style-type: none"> • Justice - Consumer Advocate • Public Health - Planning and Administration • Iowa Braille and Sight Savings School • DED - Deaf Interpreters Revolving Fund • Public Health - Professional Licensure Bureau • Veterans Home - Computer Purchases • Veterans Home - Medicare Contract • Parole Board • Commerce - Insurance Division • Special Olympics • DED - Administration • Board of Nursing Examiners • Board of Medical Examiners 	<ul style="list-style-type: none"> \$103.0 \$62.0 \$60.0 \$50.0 \$45.0 \$45.0 \$45.0 \$31.0 \$25.0 \$15.0 \$14.0 \$13.0 \$9.0

OVERVIEW OF THE FY 1995 RECOMMENDATIONS AND SUBCOMMITTEE ISSUES

The Overview of the FY 1995 Recommendations and Subcommittee Issues Section is an analysis of the FY 1995 Governor's recommendations compared to estimated FY 1994 appropriations and a presentation of possible issues for discussion by the individual appropriations subcommittees. When detailing the Governor's recommendations for FY 1995 compared to estimated FY 1994, capitals and unassigned standings are not included in the total for the appropriations subcommittee, but may be discussed under the Significant General Fund Changes Requested and Issues Sections. The capital requests are summarized in a section following the individual appropriations subcommittee sections.

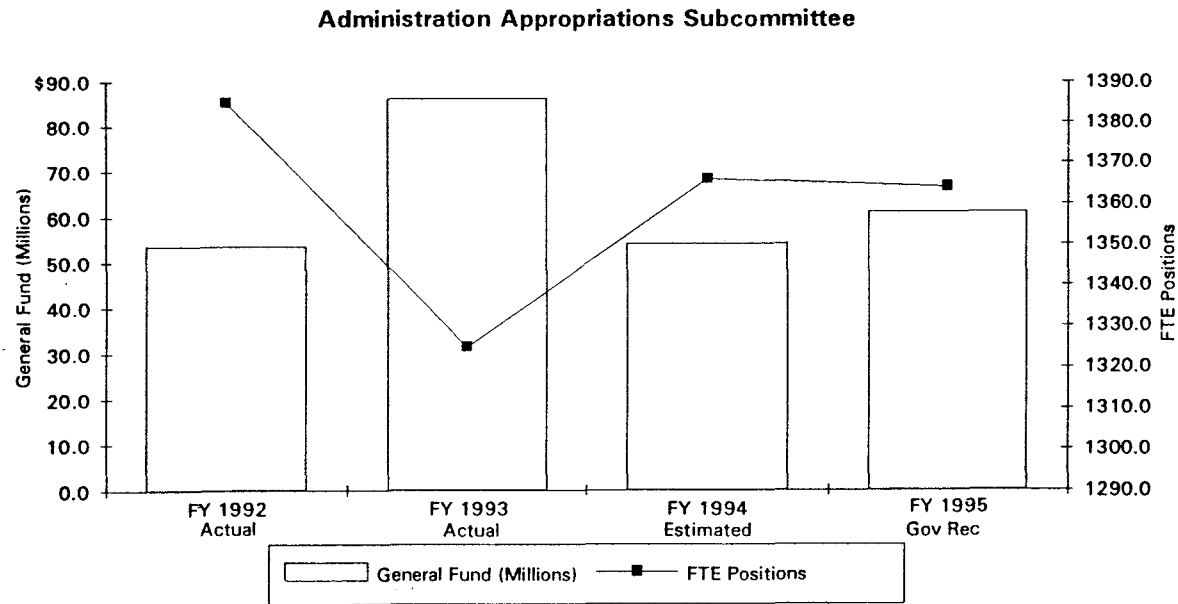
ADMINISTRATION APPROPRIATIONS SUBCOMMITTEE

FY 1995 Governor's Recommendation

The Governor is recommending \$61.2 million from the General Fund for operations for the 9 departments of the Administration Appropriations Subcommittee. This is an increase of \$6.8 million (12.6%) compared to estimated FY 1994. The Governor is also recommending \$15.0 million for salary adjustments.

Figure 1 illustrates the history of General Fund appropriations and FTE positions.

FIGURE 1



In FY 1993, the General Fund appropriation for the Administration Subcommittee increased by 60.5% primarily due to the \$28.8 million appropriation for GAAP deficit, which was included with the Department of Management's General Fund appropriation.

FY 1994 Budget Adjustments - The departments were required to reduce the FY 1994 budget by the following adjustments prior to calculating the budget for FY 1995:

- *A decrease of \$708,000 due to FY 1994 onetime salary bonuses.*
- *A decrease of \$15,000 due to onetime costs in the Department of Revenue and Finance for the Iowa Special Olympics.*

When comparing the FY 1995 Governor's recommendation to the adjusted FY 1994 funding level, there is an increase of \$7.6 million (14.2%).

SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

- **DEPARTMENT OF GENERAL SERVICES (DGS)**
 - Information Services Division (ISD) - An increase of \$210,000. Major changes included:
 - An increase of \$10,000 to revise the Voter Registration (VR) mail-in forms to comply with the National Voter Registration Act of 1993.
 - An increase of \$29,000 for maintenance fees for software purchased during FY 1993.
 - An increase of \$204,000 for the first year of a 3-year lease purchase agreement to acquire a used computer. The new unit would be networked with the existing mainframe. The office mail program, including the managing software, would be downloaded from the mainframe. According to the ISD, the downloading would allow for sufficient capacity through FY 1995 on the present computer system.
 - Communications Division - An increase of \$6.2 million to be transferred to the Iowa Communications Network Fund. Funding is needed to meet the anticipated shortfall between the cost to operate the network and projected revenues.
 - Property Management Division - An increase of \$100,000 to compensate for rising service contract costs for Property Management equipment, as well as street maintenance costs formerly paid for through the Executive Council and washing of the Capitol Complex windows. Money may also be used to repair parking gates, to

replace building entry rugs, small air conditioning repairs, parking lot, sidewalk, and street repairs, repairs to the west mall approach to the Capitol Building, and replace equipment which has exceeded its useful life, according to the DGS. The Governor is also recommending an increase of \$15,000 to refinish the floor of the New Historical Building.

- Rent - An increase of \$69,000 to cover current lease escalation factors and the costs associated with acquiring space and relocating Colony Building tenants.
- Utilities - An increase of \$93,000 to meet projected rate and usage increases and an increase in annual State of Iowa Facility Improvement Corporation (SIFIC) payment. The SIFIC provides funding for energy improvement projects.
- **DEPARTMENT OF MANAGEMENT (DOM)** - An increase of \$48,000 to fund law enforcement training reimbursements. The appropriation is used to pay for reimbursements of law enforcement training expenses incurred by local law enforcement agencies when law enforcement officers resign, within 4 years of receiving training.
- **DEPARTMENT OF REVENUE AND FINANCE (DRF)**
 - Information and Management Services Division - An increase of \$267,000 to initiate a technology fund which would annually enhance the FY 1993 expansion of the DRF's microcomputer resources.
 - An increase of \$852,000 to accelerate the implementation of the Integrated Revenue Information System (IRIS). The audit and accounts receivable components of the system are to be accelerated. The acceleration will, according to the DRF, generate additional total revenues of \$4.5 million to \$7.0 million over FY 1995 and FY 1996. Besides providing the additional revenue, the computerized applications will reduce the time spent by the examining staff on manual support activities.
 - An increase of \$148,000 to purchase Central Lien Index equipment and to develop software to link the Department of Human Services Child Support system with the DRF Lien Index.
- **OFFICE OF THE TREASURER** - An increase of \$250,000 from the Lottery Fund to fund a match grant for the World Food Prize.

ISSUES

The Administration Appropriations Subcommittee may wish to examine the following issues:

- Alternative funding for maintenance of the Capitol Complex.
- Status and results of the DRF's Centralized Collections project. The Collections Task Force of the Governor's Committee on Spending Reform identified approximately \$1.0 billion of debt owed the State. To complete the centralization effort, the Governor is recommending:
 - Vehicle registration clearance
 - Publishing names of delinquent debtors
 - Professional licensing clearance
 - Centralized Lien Index, which would make a child support judgment a lien against any real property owned by a child support obligor in the State. The index would be established to eliminate the need to file liens separately in all 99 counties. Computer terminals installed in each county courthouse would provide access to abstractors or others doing lien searches.
 - Drivers license clearance
- The progress of the implementation of HF 2454 (Governmental Efficiencies).
- The Secretary of State's continued Office Automation Program.
- Personnel for the DRF's Increased Tax Enforcement Program and the decreasing rate of collections.
- The role of the Office of State-Federal Relations in procuring funding alternatives for the ICN as well as the Office's role in the State's effort to acquire disaster relief for 1993 Iowa Flood victims. The possibility of funding the Office by an administrative fee from federal grants received by recipient departments.

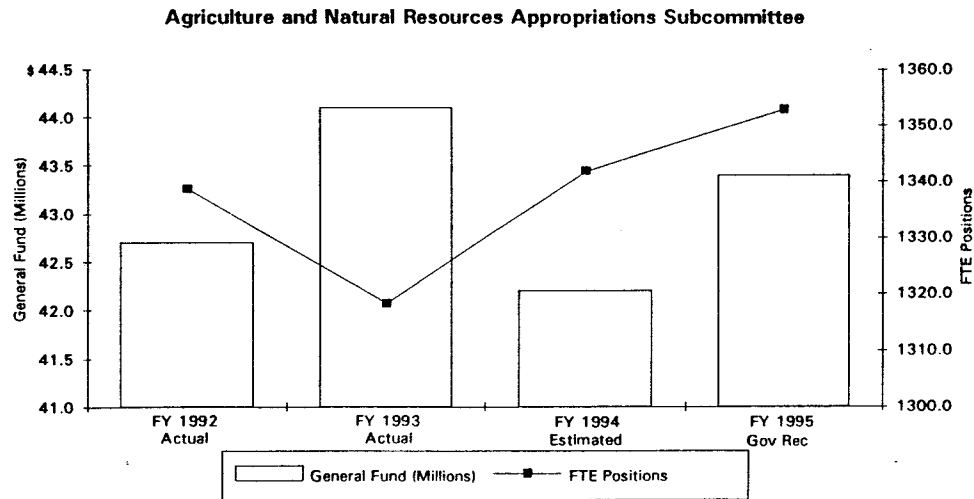
AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE

FY 1995 Governor's Recommendation

The Governor is recommending \$43.7 million from the General Fund for operations for the 2 departments of the Agriculture and Natural Resources Appropriations Subcommittee. This is an increase of \$1.2 million (2.8%) compared to estimated FY 1994. All dollar amounts and percentages include General Fund appropriations from the former Commercial Feed, Fertilizer, Pesticide, Dairy Trade, Milk, and Marine Fuel Tax Funds Non-Capitals Funds, but do not include Marine Fuel Tax Capitals which are included in the Capitals Section of the document.

Figure 1 illustrates the history of General Fund appropriations and FTE positions.

FIGURE 1



FY 1994 Budget Adjustments - The departments were required to reduce the FY 1994 General Fund budget by \$503,000 due to FY 1994 onetime salary bonuses.

When comparing the FY 1995 Governor's recommendation to the adjusted FY 1994 funding level, there is an increase of \$1.7 million (4.0%).

SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

■ DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP (DALS)

- An increase of \$10,000 (1.1%) for the Pseudorabies Eradication Program to continue the monitoring and eradication efforts in all Iowa counties.
- An increase of \$3,000 (4.0%) for the Interstate Grain Marketing Compact to fund an increase in dues.
- An increase of \$131,000 for salary annualization across all divisions of the department.
- An appropriation from the General Fund of \$900,000 to continue the activities of the Organic Nutrient Management Program. The Program was previously funded through a onetime appropriation from the Household Hazardous Waste Account of the Groundwater Protection Fund.

■ DEPARTMENT OF NATURAL RESOURCES (DNR)

- An increase of \$500,000 and 10.0 FTE positions to provide funding and staff for the Environmental Protection Division to ensure State primacy over federal drinking water regulations.
- An increase of \$45,000 and 1.0 FTE position to improve the State's response to applications for permits for livestock facilities.
- An increase of \$89,000 due for salary annualization.
- A decrease of \$203,000 due to eliminating the FY 1994 onetime funding of salary bonuses.

ISSUES

The Agriculture and Natural Resources Appropriations Subcommittee may wish to examine the following issues:

- Revenues and expenditures from the Air Toxics Fund.
- Unexpended balances in the Snowmobile and Boat Funds.
- The Governor is recommending \$7.0 million for the Resource Enhancement and Protection (REAP) Program.
- The Governor is recommending an increase of \$500,000 and 10.0 FTE positions to increase DNR's drinking water staff to meet federal requirements.
- The Governor is recommending \$45,000 and 1.0 FTE position to improve DNR's processing of livestock facility permits.
- The Governor is recommending \$900,000 to continue funding the Organic Nutrient Management Program.
- Unencumbered balances in the DALs Cost Share Programs.

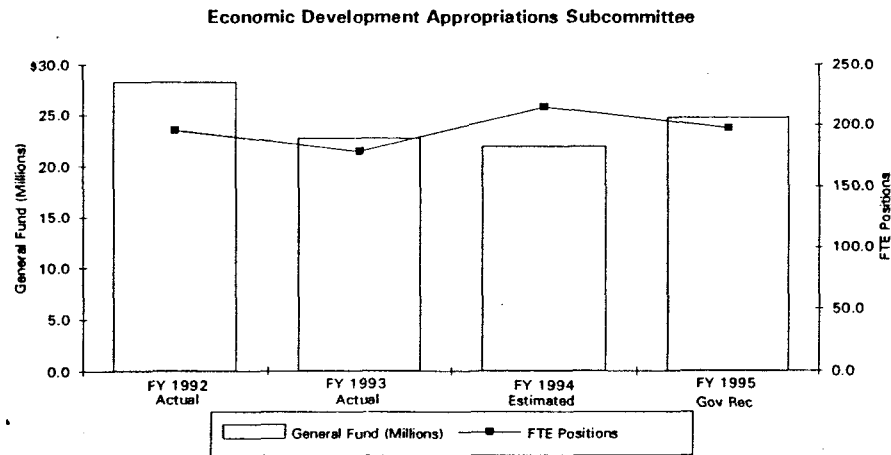
ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE

FY 1995 Governor's Recommendation

The Governor is recommending \$24.7 million from the General Fund for operations of the 5 departments of the Economic Development Appropriations Subcommittee. This is an increase of \$2.8 million (12.8%) compared to estimated FY 1994. Additionally, the Governor is recommending \$5.5 million from the General Fund for 3 Board of Regent programs funded by the Subcommittee which is no change compared to estimated FY 1995.

Figure 1 illustrates the history of General Fund appropriations and FTE positions.

FIGURE 1



The FTE positions reflected in Figure 1 are funded by all funding sources.

FY 1994 Budget Adjustments - The departments were required to reduce the FY 1994 budget by the following adjustments prior to calculating the budget for FY 1995:

- *A decrease of \$64,000 due to FY 1994 onetime salary bonuses of the DED-related Programs.*
- *A decrease of \$17,000 due to FY 1994 onetime salary bonuses of the Regent-related Programs.*
- *A decrease of \$14,000 as part of the restructuring of the Advertising Sales Program.*

When comparing the FY 1995 Governor's recommendation to the FY 1994 funding level, there is an overall increase of \$2.9 million (10.6%).

SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

- **DEPARTMENT OF ECONOMIC DEVELOPMENT (DED)**
 - An increase of \$3.0 million for the Strategic Investment Fund to meet the existing level of demand for the Community Economic Betterment Account (CEBA) Program.
 - An increase of \$40,000 for the Business Development Division to target marketing efforts to the Canadian market.
 - An increase of \$47,000 for the Rural Development Programs to compensate for the decreasing level of repayments from the Iowa Community Development Loan (ICDL) Fund.
 - An increase of \$153,000 for the Mainstreet/Rural Mainstreet Program to provide support of an additional 6 - 8 communities through on-site technical assistance and training for downtown revitalization.
 - An increase of \$300,000 for Tourism Advertising to re-establish a regional television campaign.
 - An increase of \$150,000 for the Welcome Center Program for the construction of the Northwood and Pottawattamie County Welcome Centers.
 - An increase of \$154,000 for the International Trade Operations which includes \$100,000 to support Iowa as the host state for the 1995 annual meeting of the US/Midwest/Japan Association, which will bring CEO's from Japan's corporations to Iowa and \$50,000 for coordination of trade promotion with Mexico.
 - An decrease of \$600,000 for the Job Retraining Program. The Program has approximately \$600,000 in a revolving fund which the Governor is recommending be used to cover the education.

- An increase of \$80,000 for the Workforce Coordinator. This is in addition to recommending \$73,000 in other funds for the Coordinator. This will be used to administer the Workforce Development Centers being established with the Department of Employment Services and the DED with the cooperation of several other State agencies.
- A decrease of \$350,000 and 1.0 FTE position for the Iowa Product Development Corporation (IPDC) to transfer the Industrial Technology Assistance Program (ITAP) to the Wallace Technology Transfer Foundation (WTTF). The General Assembly transferred the ITAP from the WTTF to the IPDC during the 1993 Legislative Session.
- **WALLACE TECHNOLOGY TRANSFER FOUNDATION** - An increase of \$350,000 to transfer the ITAP Program to the WTTF from the IPDC. The General Assembly transferred the ITAP Program to the IPDC during the FY 1993 Legislative Session.

ISSUES

The Economic Development Appropriations Subcommittee may wish to examine the following issues:

- The level of demand for and the operation of the CEBA Program. The CEBA Program has obligated nearly all available funds for FY 1994 and received a Section 8.39, Code of Iowa, appropriations transfer of \$400,000 which has also been obligated. The DED has stated that an additional \$3.0 million could be used during the remainder of FY 1994, as applications for qualifying projects continue to exceed available resources. The Governor is recommending a transfer of \$3.5 million to the Strategic Investment Fund for the CEBA Program.
- The Governor is recommending that the Strategic Investment Fund be expanded to include a new component which would provide financial assistance to businesses in order to enhance competitiveness through the utilization of new machinery or new production processes. No specific funding was recommended for this programmatic expansion.
- Continued coordination and prioritization of economic development programs during a period of declining revenues.
- Coordination between DED and IFA in the implementation of the federal HOME Program and Community Development Block Grant (CDBG) flood relief funds.
- No funding request was received from INTERNET for FY 1995, as the General Assembly has repealed the organization effective at the end of FY 1994. However, funding for several other agencies was passed through the INTERNET budget during the past several years and the General Assembly may wish to consider:

- Continued funding for the private, nonprofit Iowa Peace Institute. While no departmental request was received from the Institute, the Governor is recommending \$96,000.
- Continued funding for the International Development Foundation. While no departmental request was received for the Foundation, the Governor is recommending that the Foundation be transferred to the Center for Agricultural Research and Development at the State University of Iowa and funded at \$100,000.
- Continued funding for the Partner State Program. While no departmental request was received for the Program, the Governor is recommending \$96,000.
- Review the status of the Heartland Technology Network and the relationship between the DED and the universities and community colleges in this effort. The Governor is recommending continued support of the Wallace Foundation and its manufacturing modernization initiatives.
- The status of the Advertising Sales Program of the DED. Due to the flooding of the past year, many companies noted that they could not purchase advertising in State publications as the funds were needed for flood related activities. The staff person assigned to the Program has resigned, and the DED has considered contracting the Program. Should the DED continue the Program? The Governor is recommending eliminating the \$14,000 General Fund appropriation for the position to coordinate the Program and that the DED restructure the Program.
- The status of utilization of the Deaf Interpreters Fund for hiring interpreters for interactions between business operators and hearing impaired Iowans.
- The Targeted Small Business Incubator for Des Moines has not yet begun operation and no manager has yet been hired by the City of Des Moines. The General Assembly provided \$50,000 in FY 1993, which the City, received and another \$50,000 for FY 1994 which the DED is currently holding. If the Incubator is not operational in FY 1994, should further funding be delayed until the City has hired the staff for the Incubator? The Governor is recommending \$50,000 for FY 1995, the third year of funding for the Incubator.
- The Governor is recommending legislation which would allow the establishment of Quality Jobs Enterprise Zones to provide special State and local tax treatment and expedite environmental permitting. This would require legislative authorization.
- The Governor is recommending the establishment of a value-added agricultural development program within the DED. The purpose of the program would be to provide technical and financial assistance to existing and new agricultural enterprises conducting business within the State. The estimated cost of the program is \$4.0 million from funds other than the General Fund.

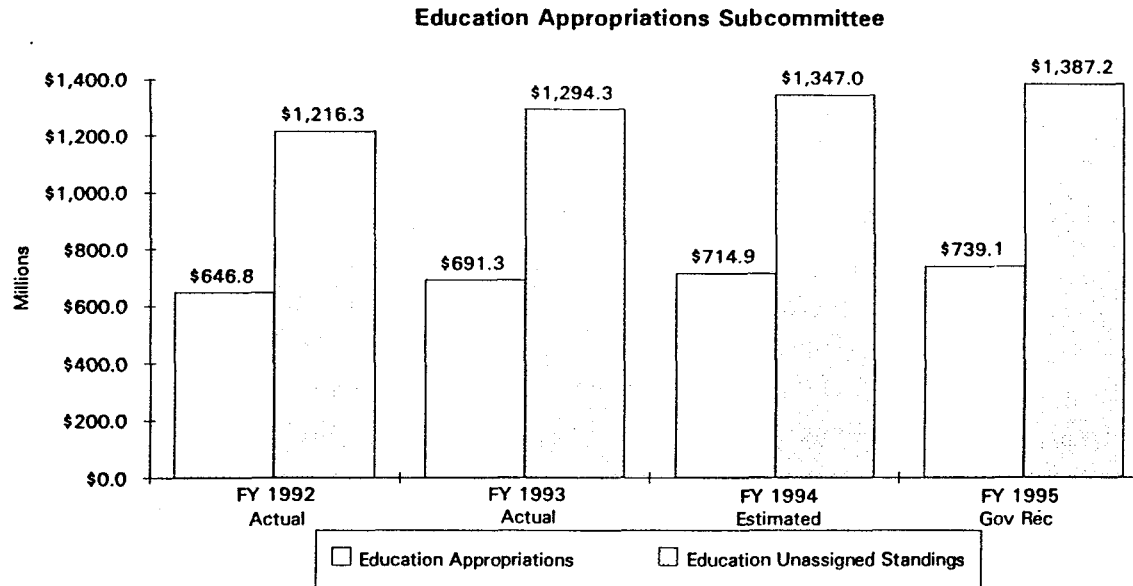
EDUCATION APPROPRIATIONS SUBCOMMITTEE

FY 1995 Governor's Recommendation

The Governor is recommending \$739.1 million from the General Fund for the 4 departments of the Education Appropriations Subcommittee, an increase of \$24.2 million (3.4%) compared to estimated FY 1994. This figure does not include the Unassigned Standings.

Figure 1 illustrates the history of General Fund appropriations for both the Education Appropriations Subcommittee and Education Unassigned Standings.

FIGURE 1



FY 1994 Budget Adjustments - The 4 departments were required to reduce the FY 1994 budget by the following adjustments prior to calculating the budget for FY 1995:

- *A decrease of \$7.6 million due to FY 1994 onetime salary bonuses.*
- *A decrease of \$60,000 due to a onetime appropriation for a gymnasium floor replacement at the Iowa Braille and Sight Saving School.*

When comparing the FY 1995 Governor's recommendation to the adjusted FY 1994 funding level, there is an increase of \$31.9 million (4.5%).

SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

- **COLLEGE STUDENT AID COMMISSION (CSAC)**
 - A decrease of \$5,000 due to the onetime salary bonus included in the FY 1994 appropriation.
 - An increase of \$2,000 for salary annualization.
 - An increase of \$1.1 million for additional funding for the Tuition Grant Program to increase the average grant to \$2,275 for 14,330 students.
 - An increase of \$25,000 for a 3-year demonstration project to help communities establish local scholarship foundations.
- **DEPARTMENT OF CULTURAL AFFAIRS (DCA)** - a decrease of \$47,000 due to the onetime salary bonus included in the FY 1994 appropriation.
- **DEPARTMENT OF EDUCATION (DE)**
 - A decrease of \$175,000 due to the onetime salary bonus included in the FY 1994 appropriation.
 - An increase of \$74,000 for salary annualization.
 - An increase of \$4.0 million to community colleges for inflation and growth. The LFB estimates a \$31.8 million increase is needed to fully fund the formula with allowable growth at 2.5%.

Education Subcommittee

- An increase of \$65,000 for nonpublic textbooks and materials to fully fund the estimated claims. In FY 1993 payment of claims were prorated at approximately 84.0%.
 - A decrease of \$1.9 million for corrections education due to transfer of the entire program to the Department of Corrections.
 - An increase of \$100,000 to create the Office of Educational and Distance Learning to provide technical assistance in utilization of the Iowa Communications Network (ICN).
 - An increase of \$74,000 for the State Library to fund the projected growth in usage for Open Access and Access Plus.
 - An increase of \$295,000 for Iowa Public Television (IPTV) to provide ICN technical support to educational institutions (\$75,000) and funding for services currently provided by the federal Star Schools Grant, which expires on September 30, 1994 (\$220,000).
 - New funding of \$179,000 to establish a School and Community Planning Program. This Program would assist communities with local efforts to establish education and work force goals, facilitate local educational improvement initiatives and link community economic development and education activities.
 - New funding of \$50,000 for the Iowa Mathematics and Science Coalition to support efforts to strengthen the teaching of math and science.
- **BOARD OF REGENTS**
- A decrease of \$7.3 million due to the onetime salary bonus included in the FY 1994 appropriation.
 - An increase of \$1.0 million for salary annualization.
 - Increases at the University of Iowa (SUI) for:
 - Fire safety - \$625,000.
 - Library inflation - \$426,000.
 - Graduate Assistant Health Insurance - \$350,000.
 - A Center for Health Service and Policy Analysis - \$200,000.
 - Primary Health Care - \$330,000.

- Increases at Iowa State University (ISU) for:
 - Fire Safety - \$500,000.
 - Library inflation - \$350,000.
 - Expansion of the Center for Industrial Research and Service (CIRAS) - \$75,000.
 - Transfer the International Development Foundation to the Center for Agricultural Research and Development (CARD) from the Department of Economic Development- \$100,000.
 - The Coalition for Agricultural Image Promotion (CAIP) through the Iowa Farm Bureau - \$50,000.
 - The Iowa Livestock Alliance Network - \$250,000.
 - The Iowa Research Council - \$50,000.
 - Comprehensive Agricultural Research Program - \$3.0 million.
- Increases at the University of Northern Iowa (UNI) for:
 - Manufacturer's Network - \$150,000.
 - Enrollment Growth - \$550,000.
 - Library Inflation - \$85,000.
- An increase of \$2.2 million for tuition replacement.
- An increase of \$4,000 for the Iowa School for the Deaf (ISD) and the Iowa Braille and Sight Saving School (IBSSS) clothing and transportation.
- An increase of \$17.4 million for salary increases at the 5 institutions of the Board of Regents.
- An increase of \$75,000 for capital projects at the ISD. (Included in the capitals recommendations.)
- An increase of \$20,000 for disabled student access at the IBSSS. (Included in the capitals recommendations.)
- Bonding authority for:
 - A Wellness Center at UNI for \$11.5 million.
 - A gymnasium replacement at the Price Laboratory at UNI for \$2.5 million.
 - Remodeling of Schaeffer Hall at SUI for \$8.0 million.

Education Subcommittee

- An Intensive Livestock Facility at ISU for \$2.0 million.
- Livestock Units at ISU for \$3.0 million.
- **EDUCATION UNASSIGNED STANDINGS**
 - The Governor recommended the following in various parts of the budget regarding the ICN:
 - An increase of \$6.2 million to fulfill the ICN financial obligations.
 - An increase of \$100,000 to create the Office of Educational and Distance Learning to provide technical assistance in utilization of the ICN.
 - An increase of \$295,000 for Iowa Public Television (IPTV) to provide ICN technical support to educational institutions (\$75,000) and funding for services currently provided by the federal Star Schools Grant, which expires on September 30, 1994 (\$220,000).
 - Contracting with a private sector telecommunications company to assist the State in managing and operating the ICN.
 - A decrease of \$100,000 for transportation of nonpublic students due to a decrease in the estimated claims.
 - An increase of \$40.3 million for School Foundation Formula which includes allowable growth of 2.5% (\$40.0 million), enrollment growth (\$5.0 million), special education (\$3.3 million), reduction due to an estimated decrease in supplemental weights (\$2.0 million), and a reduction due to a taxable valuation estimated increase of 1.5% (\$6.0 million).

ISSUES

The Education Appropriations Subcommittee may wish to examine the following issues:

- Implementation of the Primary Care Program by the College Student Aid Commission at the University of Osteopathic Medicine and Health Sciences.
- Tuition Replacement appropriation carryover. The Governor is recommending that funds remaining in FY 1994 revert to the General Fund.
- Other sources of income available to the institutions under the control of the State Board of Regents.
- Staffing changes at the DE.

- Reorganization of the DCA, Historical Division.
- Vocational Rehabilitation's progress on matching additional federal funds with other funds.
- Board of Educational Examiners' caseload and new initiatives.
- The proration of claims for Textbooks of Nonpublic Students. In FY 1993 payment of claims were prorated at approximately 84.0%. The Governor is recommending an increase of \$65,000 to fully fund the estimated claims.
- Funding of the Family Resource Centers that was created in Chapter 256C, Code of Iowa.
- Funding and reviewing the Technology Commission recommendations. The Governor is recommending an increase of \$100,000.
- Funding the increased demand for the Open Access and Access Plus Programs at the State Library. The Governor is recommending an increase of \$74,000 to fund the increased demand.
- Funding the State Library and Regional Library collaborative project to computerize card catalogs.
- Responsibilities of the DE and IPTV now that the ICN is operational.
- Progress on new and expanded programs in FY 1994 at the DE.
- The DE's progress on the Management Information System.
- Funding regional and statewide cultural caucuses as required in Section 303.6, Code of Iowa.
- The community college funding formula and the distribution of funds to the community college. The Governor is recommending an increase of \$4.0 million for inflation and growth.
- Under current law, Educational Excellence is frozen at the FY 1993 funding level which results in an increase of \$750,000 compared to estimated FY 1994, since estimated FY 1994 was reduced below FY 1993. The Governor is recommending the same funding level as estimated FY 1994.
- Funding the New Iowa Schools Development Corporation (NISDC). In FY 1994, NISDC was funded from Phase III of the Educational Excellence Program. The Governor is recommending to continue funding from Phase III.
- Review of the new programs funded from the Educational Excellence appropriation.
- Funding the ICN estimated FY 1995 cumulative deficit of \$6.3 million. Iowa Public Television requested an additional \$3.2 million to fund the cumulative deficit according to the Certification of Participation financial issues dated June 15, 1993. A new estimated cumulative deficit of \$6.3 million was presented to the Fiscal Committee

on November 17, 1993. This would require a total FY 1995 appropriation of \$11.3 million. Options are available to reduce the deficit. The Governor is recommending an increase of \$6.2 million to fund the deficit.

- Funding the activities and FTE positions that were funded by the Star Schools Grant. The Star Schools Grant is a federal grant of \$4.0 million that Iowa received in Federal Fiscal Year (FFY) 1993 and FFY 1994 for a total of \$8.0 million. The grant is completed in September 1994. The Governor is recommending an increase of \$220,000 to continue activities currently supported by the STAR School Grant.
- Governance and management of the ICN. The Governor is recommending contracting with a private sector telecommunications company to assist the State with the Network.
- Should Part III of the ICN be started, who will be included, how should they be hooked up, and how will Part III be funded?
- Should the list of eligible ICN users be expanded to collect additional revenue?

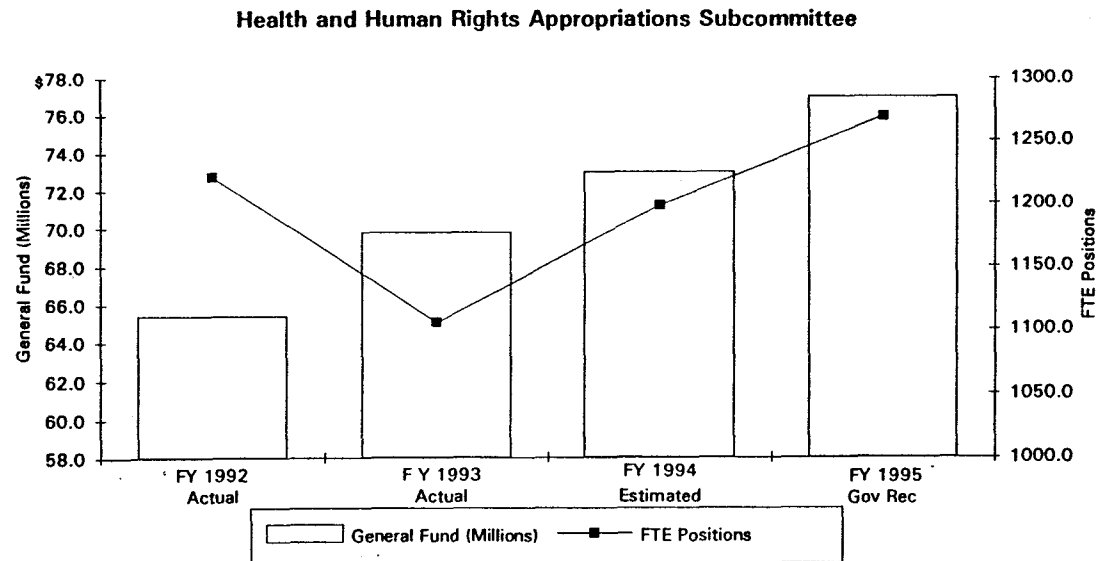
HEALTH AND HUMAN RIGHTS APPROPRIATIONS SUBCOMMITTEE

FY 1995 Governor's Recommendation

The Governor is recommending \$77.0 million from the General Fund for operations for the 6 departments of the Health and Human Rights Appropriations Subcommittee. This is an increase of \$4.0 million (5.5%) compared to estimated FY 1994.

Figure 1 illustrates the history of General Fund appropriations and FTE positions.

FIGURE 1



FY 1994 Budget Adjustments - The departments were required to reduce the FY 1994 budget by the following adjustments prior to calculating the budget for FY 1995:

- *A decrease of \$540,000 due to FY 1994 onetime salary bonuses.*
- *A decrease of \$130,000 due to onetime costs in the Department of Public Health including:*
 - *\$63,000 for startup funds for automated birth certificates (Planning and Administration Division).*
 - *\$45,000 for startup funds for computers (Professional Licensure Division).*
 - *\$13,000 for startup funds for conversion to Computerized Adaptive Testing System (Board of Nursing Examiners).*
 - *\$9,000 for startup funds for investigator paging system (Board of Medical Examiners).*

When comparing the FY 1995 Governor's recommendation to the adjusted FY 1994 funding level, there is an increase of \$4.7 million (6.5%).

SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

- A decrease of \$540,000 due to eliminating the FY 1994 onetime funding of salary bonuses for the 6 departments.
- An increase of \$376,000 for salary annualization for the 6 departments.
- **DEPARTMENT OF ELDER AFFAIRS (DEA)** - An increase of \$100,000 to expand the Case Management Program.
- **DEPARTMENT OF PUBLIC HEALTH (DPH)**
 - A decrease of \$63,000 to eliminate the FY 1994 onetime startup funds for automated birth certificates.
 - A decrease of \$45,000 to eliminate the FY 1994 onetime startup funds for computers for the Professional Licensure Division.
 - An increase of \$143,000 and 3.0 FTE positions within the Health Services Delivery Division to develop, implement, and maintain rural health provider recruitment and retention efforts.
 - An increase of \$104,000 and 2.0 FTE positions within the Planning and Administration Division to provide regulatory oversight of Accountable Health Plans.

- An increase of \$100,000 within the Planning and Administration Division to provide funding to allow ongoing evaluation of Iowa's health care system.
- An increase of \$100,000 to cover costs of travel and other business related expenses of board members within the Professional Licensure Division.
- An increase of \$43,000 for design and installation of a computer-based disciplinary case tracking system for the Boards of Medical and Pharmacy Examiners.
- An increase of \$41,000 for equipment replacement for the Bureau of Radiological Health. The replaced equipment includes portable probes, radiation detection equipment, and air pressure gauges.
- An increase of \$36,000 to cover actual costs of examinations within the Professional Licensure Division.
- An increase of \$12,000 to replace federal funding from the Governor's Alliance on Substance Abuse Grant.
- **DEPARTMENT OF HUMAN RIGHTS (DHR)** - An increase of \$45,000 to expand the Volunteer Mentor Program by hiring an individual to recruit, train, match, and monitor mentors.
- **IOWA VETERANS HOME (VAC)**
 - An increase of \$2.1 million for annualized maintenance of the 2 heavy care nursing units opened in FY 1994.
 - An increase of \$1.4 million for partial-year funding of a heavy care nursing unit to be opened in FY 1995.
 - A decrease of \$45,000 to convert two 28-bed skilled nursing units to two 21-bed special care units for demented and wandering patients.
 - An increase of \$164,000 for inflation in the J. A. Jones Company contract for the housekeeping and dietary functions of the Home.

ISSUES

The Health and Human Rights Appropriations Subcommittee may wish to examine the following issues:

- To effectively deal, in a timely manner, with the investigations and/or adjudication of cases by the Civil Rights Commission (CRC).

Health & Human Rights Subcommittee

- To continue to fund programs in the DEA, so that the elder population can best avoid premature institutionalization and priority can be given to supporting family caregivers. The Governor is recommending an increase of \$100,000 to expand the Case Management Program.
- The Health Data Commission (HDC), which the General Assembly repealed effective July 1, 1994. The Governor is recommending continuing the HDC by extending the repeal until FY 1996.
- The fiscal implications of research, prevention, treatment, spread, and ongoing care associated with Acquired Immune Deficiency Syndrome (AIDS).
- To determine the ability of the Chronic Renal Disease Program to adequately address the financial needs of a growing number of clients.
- The viability of substance abuse grants as it relates to treatment and prevention, juvenile issues, chemically exposed infants, waiting lists for treatment, and the quality of treatment for individuals without insurance or resources.
- The DHR, which the General Assembly repealed effective July 1, 1997. The examination should include the role of the Department as related to advocates and/or providers of service.
- The role of Program Performance-Based Budgeting.
- The feasibility of establishing a voluntary adoption registry.
- The possibility of allowing county clerks of court to retain copies of birth certificates regardless of the marital status of the mother.
- Rural health care provider recruitment and retention. The Governor is recommending an increase of \$143,000 and 3.0 FTE positions to develop, implement, and maintain rural health provider recruitment and retention efforts.
- Regulatory oversight of Accountable Health Plans. The Governor is recommending an increase of \$104,000 and 2.0 FTE positions to provide regulatory oversight of Accountable Health Plans.
- Evaluation of Iowa's health care system. The Governor is recommending an increase of \$100,000 to provide funding to allow ongoing evaluation of Iowa's health care system.
- The Revenue Enhancement Program at the IVH. The Governor is recommending an increase of \$3.5 million for annualized maintenance of the 2 heavy care nursing units opened in FY 1994 and for partial-year funding of a heavy care nursing unit to be opened in FY 1995.
- Subcontracting of certain services at the IVH.

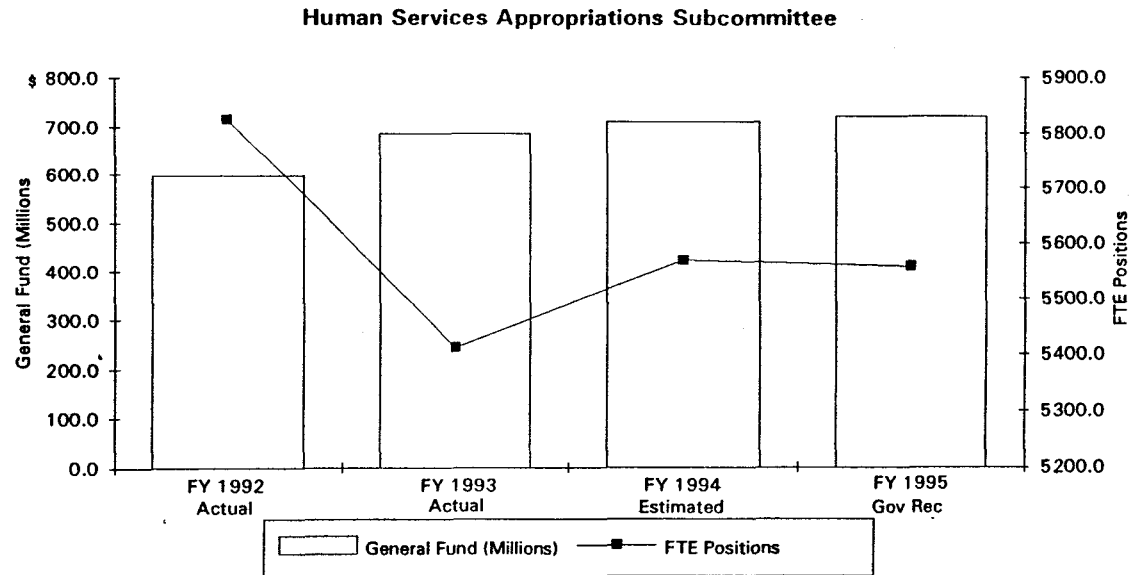
HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE

FY 1995 Governor's Recommendation

The Governor is recommending \$720.0 million for operations from the General Fund for the Department of Human Services (DHS), an increase of \$11.7 million (1.7%) compared to estimated FY 1994.

Figure 1 illustrates the history of General Fund appropriations and FTE positions.

FIGURE 1



FY 1994 Budget Adjustments - DHS was required to reduce the FY 1994 budget by \$2.6 million due to FY 1994 onetime salary bonuses prior to calculating the budget for FY 1995.

When comparing the FY 1995 Governor's recommendation to the adjusted FY 1994 funding level, there is an increase of \$14.3 million (2.0%).

SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

▪ **FEDERAL FINANCIAL PARTICIPATION (FFP)**

- The Governor's recommendation is based upon an annualized match rate of 62.80%, which is a decrease of 0.38% compared to the FY 1993 FFP rate of 63.18%. This reduction in the FFP rate will increase the State funding needed for the following programs, as indicated. The amounts are included in the Governor's recommendation.
 - Medical Services - \$6.8 million
 - Children and Family Services - \$342,000
 - Economic Assistance - \$484,000

▪ **MEDICAL SERVICES**

- An increase of \$3.9 million (1.2%) in State funding for Medical Assistance (MA) compared to estimated FY 1994 expenditures. The change includes:
 - An increase of approximately \$4.3 million due to projected increases in the number of eligibles and service utilization.
 - A decrease of \$18.0 million due to the Governor's estimated FY 1994 reversion of \$18.0 million. The FY 1994 reversion is due to nearly flat utilization compared to FY 1993.
 - A decrease of \$2.0 million due to the implementation of a statewide managed mental health care system. The savings estimate is based upon discussions with vendors of managed care systems whose experience indicates savings of approximately 15.0% compared to current expenditures.
 - An increase of \$2.5 million due to the increase in the Medicare premium which takes effect January 1, 1995.

- An adjustment of provider reimbursement levels to meet the State Plan and federal requirements. Reimbursement increases and associated State costs are:

Service Category	FY 1995 Reimbursement Rate Increases	FY 1995 State Budget Impact (in thousands)	FY 1994 Reimbursement Rate Increases
EPSDT services	10.0%	\$ 76.5	50.0%
Obstetric care	10.0%	748.6	10.0%
Inpatient hospital services	4.2%	3,512.6	5.5%
Outpatient hospital reimbursement	4.2%	1,263.2	1.0%
Home health provider reimbursement	4.9%	432.9	5.0%
Rural health provider reimbursement	4.9%	13.1	4.9%
Skilled nursing facilities	4.9%	441.7	4.3%
Nursing facilities	7.0%	8,560.0	6.3%
Drug product cost reimbursement	5.5%	1,555.4	8.5%
Total		\$ 16,604.0	

- An increase for Intermediate Care Facilities (ICFs) from the 69th to the 70th percentile. This means that 70.0% of the ICFs which have the lowest allowable costs are reimbursed for all of these costs, while the remaining 30.0% of the facilities receive only partial reimbursement.
- A transfer of Psychiatric Medical Institutions for Children (PMIC) costs to Child and Family Services (CFS). This change reduces the appropriation request for the MA Program by \$6.5 million and increases the CFS appropriation request by \$6.5 million. No substantive policy change is associated with the transfer.
- An increase of \$6.6 million due to the change in the FFP rate.
- An increase of \$374,000 (6.8%) in State funding for Medical Contracts. The primary areas of change are:
 - An increase of \$287,000 for contractual services to develop plastic identification cards for Medicaid eligible recipients to replace the current paper cards.
 - An increase of \$60,000 for contractual services to develop a point-of-sale reimbursement system.
 - An increase of \$41,000 for implementation of managed mental health care.

- A decrease of \$198,000 due to the MA Program estimated FY 1994 reversion.
- An increase of \$185,000 due to the change in the FFP rate.
- **CHILD AND FAMILY SERVICES (CFS)**
 - An increase of \$5.8 million (6.2%) in State funding for child welfare services compared to estimated FY 1994 expenditures. The change includes:
 - A transfer of \$6.5 million from the Medical Assistance budget for Psychiatric Medical Institutions for Children (PMICs).
 - A transfer of \$884,000 to the State's Emergency Assistance (EA) Program. Federal rules require that all federal Emergency Assistance funding be used for a single program. In order to permit maximization of federal Emergency Assistance funding for CFS, the EA Program will be funded entirely with State dollars and the federal Emergency Assistance funding will be used in CFS.
 - An increase of \$342,000 due to the change in the FFP rate.
 - An increase of \$19.0 million (11.7%) in the total amount of dollars projected to be available for comparable child welfare services (i.e., adjusted for the transfer of PMICs). The increase is due to additional federal funding, and is in addition to the \$25.6 million increase in MA federal funding for CFS that was budgeted in FY 1994.

Only children who are not eligible for MA funding will be reviewed for EA qualification, as the federal match rate for MA (projected to be 62.8% in FY 1995) is higher than that for EA (projected to be 50.0%). Emergency Assistance funding is limited to 180 days of services, once each year.
- Implements several new programs for adjudicated delinquent children who present a low to moderate risk to the community. The overall emphasis is upon offering services previously provided in group foster care in a community setting, consistent with the Department's effort to separate the location of services from the types of services. The programs include:
 - Life Skills Development will serve 500 adjudicated youth per year, with a State cost of \$500,000. The services include subject specific training to develop interpersonal skills, including anger management, victim empathy, relationships, accepting responsibility, and problem solving.
 - School-Based Supervision will provide services at up to 20 sites. Total State cost is \$600,000, with \$200,000 paid by DHS, \$200,000 by the Judicial Department, and \$200,000 by the involved school districts. The Program will serve non-adjudicated and adjudicated youth ages 12 to 17 who have truancy

and other behavior problems in schools. The services include 1 or 2 contract staff based in target schools, focusing on addressing truancy and school behavioral problems as they occur. Family assistance and resource development would also be available to some students.

- Adolescent Monitoring and Outreach will expand services from the current 3 areas of the State to other areas with an additional 350 cases being served. Total State cost is \$1.1 million, including a \$500,000 transfer from Court-ordered Services for Juveniles. Services include daily provider contacts and intensive tracking and supervision to hold youth accountable. Includes advocacy with other service providers. Some youth will receive electronic monitoring.
- Supervised Community Treatment will serve 165 cases per month with a total State cost of \$702,000. The Program will service adjudicated youth who experience significant social, behavioral, or emotional problems that place them at risk of group care and who have not responded to less intensive services. Services include daily skill-building activities (independent living, social skills, employment), therapy and counseling, family counseling, snacks and meals, supervision and support, educational support, and aftercare.
- An increase of \$2.2 million in funding for children in group foster care to intensify services and shorten length of stay. Assumes that the number of children in group foster care in FY 1995 will remain at the FY 1994 budgeted level of 1,350.
- A decrease in State funding for Family Foster Care by \$2.9 million. However, total funding for these cases will increase by \$14.9 million. Caseloads are budgeted to increase by 213 children (9.1%). Day and respite care are expanded. Subsidized adoption caseloads are budgeted to increase by 108 children (7.4%).
- An increase in funding for Wraparound Services of \$225,000 (23.1%). All Family Preservation Services will be delivered by contract staff. Service levels for Family Centered and Family Preservation Services are maintained at the FY 1994 levels, with average monthly caseloads of 3,440 and 447 families, respectively.
- A decrease of \$1.1 million (69.0%) in funding for the National Adoption and Foster Care Information System to reflect completion of system development, pilot phase-in, and statewide implementation by February 1, 1995.
- A transfer of \$500,000 from Court-ordered Services for Juveniles to fund the expansion of services for delinquent youth.
- Places PMIC placements under a combined group foster care/PMIC cap of 1,733, which reflects the current level plus annualization of 37 beds added during FY 1994. Determination of service necessity for PMIC placements is placed under the review of the Clinical Assessment and Consultation Teams (CACTs), instead of the current Iowa Foundation for Medical Care (IFMC) review process. An additional CACT is created to absorb caseload growth and the new PMIC cases.

▪ **ECONOMIC ASSISTANCE**

- The 1993 General Assembly changed the Aid to Families with Dependent Children (AFDC) Program to the Family Investment Program (FIP).
- A decrease of \$6.1 million (14.1%) in State funding for FIP compared to the FY 1994 appropriation.

The number of one-parent families receiving FIP benefits is projected to decrease by 755 (2.2%) with the average cost per case projected to decrease by \$27.07 (7.6%). The number of two-parent families receiving FIP benefits are projected to decrease by 239 (9.2%) with the average cost per case projected to decrease by \$66.73 (18.9%). The change in average cost per case and total number of cases is due to the FIP Program. Welfare reform provisions in the FIP are projected to result in a reduction of 470 two-parent and 270 one-parent families in the FIP, with savings in the FIP appropriation of \$6.3 million in FY 1995.

When controlling for increases in Promise Jobs, Transitional Child Care, Medical Assistance, and Field Operations, the total net effect of welfare reform is an estimated \$1.4 million cost in FY 1995. Total child support recoveries and federal incentive payments applied to the FIP budget are projected to be \$15.5 million, an increase of \$1.0 million (7.2%) compared to FY 1994.

- A decrease of \$6.9 million due to welfare reform changes enacted during FY 1994.
- An increase of \$405,000 due to the change in the FFP rate.
- An increase of \$4.4 million (56.4%) for the Promise Jobs Program which provides education and training services to clients who are currently on the waiting list.
 - The increase in funding is expected to provide training for an additional 13,374 clients due to the FIP. The increase in Promise Jobs is an integral part of welfare reform and is one mechanism of producing welfare reform savings due to more individuals being employed.
- An increase of \$78,000 due to the change in the FFP rate.
- An increase of \$597,000 (13.7%) for Child Support Recoveries. Of the total increase, \$317,000 is for assumed caseload growth of 7.0% during FY 1995, which will pay for contracted services for child support recovery. The remainder is primarily due to inflation increases (\$90,000) and new child support initiatives, including mass levies and implementation of a centralized lien index (\$50,000) and software development required by the federal Family Support Act (\$96,000).
- An increase of \$884,000 (100%) for Emergency Assistance. The increase is due to the transfer of \$884,000 in State funds from the Children and Family Services (CFS) appropriation which allows for matching the same

amount of federal funds in the CFS appropriation. The amount of federal funding for this Program will decrease by \$884,000. Overall, there is no net increase in State appropriations because of the change.

- An increase of \$588,000 (71.3%) to continue development of the X-PERT automated eligibility determination system. This is a 2-year project which will require the addition of substantial computer capacity in the Department of General Services. The increase includes \$461,000 for FY 1995 development, including the purchase of equipment and the evaluation stage of the project, and \$127,000 to implement FIP control group requirements which were not originally planned in FY 1994.
- **SERVICES FOR PERSONS WITH MENTAL ILLNESS/MENTAL RETARDATION/DEVELOPMENTAL DISABILITIES/BRAIN INJURIES (MI/MR/DD/BI)**
 - An increase of \$485,000 (0.3%) and a decrease of 35.0 (1.2%) FTE positions compared to the estimated FY 1994 appropriation.
 - A decrease of \$215,000 (0.5%) at the 4 Mental Health Institutes compared to the estimated FY 1994 appropriation.
 - A decrease of \$1.8 million and 35.0 (2.0%) FTE positions at the 2 State Hospital Schools (SHS) compared to the estimated FY 1994 appropriation. This includes:
 - A decrease of \$600,000 and 18.0 FTE positions to annualize the closing of a living unit at the Woodward SHS (16 clients) and the Glenwood SHS (15 clients) in FY 1994.
 - A decrease of \$629,000 and 19.0 FTE positions from closing an additional living unit in FY 1995 at each SHS, affecting the same number of clients as the FY 1994 closings.
 - An increase of \$162,000 for an inflationary adjustment for food, utilities, and other supplies at the SHS.
 - An increase of \$84,000 and 2.0 FTE positions for establishment of coordinated worker safety programs and additional work place safety training to reduce claims at the SHS.
 - A transfer of \$249,000 from the MH/MR/DD Special Services fund to the MI/MR/DD/BI Community Services Fund to be allocated to the 11 counties that receive an enhanced *per diem* for 5 years as long as clients remain.
 - An increase of \$2.5 million in funding for MH/MR/DD State Cases to fund the projected growth in State Cases caseloads. Two-thirds of these cases are MR clients, while one-half of the new applicants are from the MI population.

■ **MANAGING AND DELIVERING SERVICES**

- An increase of \$323,000 (0.9%) and 21.5 (1.1%) FTE positions for Field Operations compared to the estimated FY 1994 appropriation. The change includes:
 - An increase of \$421,000 and 16.0 FTE positions for additional Child Protective Investigation (CPI) staff. All of these positions are investigation staff; no additional clerical or supervisory staff are to be hired. Staff reallocations of 11.0 family preservation/reunification workers and 5.0 refugee services workers offset the additional CPI FTE positions. The family preservation/reunification staff will be replaced with contracted workers, providing the same level of service.
 - An increase of \$100,000 to establish a CPI Training Academy.
 - An increase of \$315,000 and 15.0 FTE positions to meet new federal mandates that increase the amount of time to determine eligibility and to address the increased number of MA cases.
 - An increase of 1.5 FTE positions to provide Clinical Assessment and Consultation Team (CACT) support to children placed in PMICs.
- An increase of \$297,000 and 2.0 (0.6%) FTE positions for General Administration compared to the estimated FY 1994 appropriation. This includes an increase of \$55,000 and 2.0 FTE positions to implement managed health care for persons with mental illness under the MA Program.

ISSUES

The Human Services Appropriations Subcommittee may wish to examine the following issues:

- The costs of operating the MA Program, while not increasing at the rate of prior years, continue to increase, despite the use of innovative cost-containment efforts.

One cost containment method utilized in the Prior Authorization (PA) Program for prescription drugs. Prior Authorization requires approval of the fiscal agent before a certain drug, or class of drugs, is prescribed. Recommended alternatives to the drugs on the PA list are allowed to be prescribed without authorization. For the period of October 1992 through September of 1993, the savings (net of administrative costs) were estimated to be \$2.0 million (all funds). Seven new drugs (or classes of drugs) were added to the PA list for FY 1994. Estimated FY 1994 savings due to adding those drugs is \$384,000 (all funds), which is reflected in the FY 1994 budget.

The Subcommittee may also wish to examine expanded use of managed care in the Medicaid Program. Recent experience indicates that a potential for cost savings may exist. The Governor is recommending the implementation of a statewide managed mental health care contract for Medicaid eligible individuals. The Governor's recommendation assumes \$2.0 million in savings in FY 1995.

- The original savings estimate for FIP was \$9.5 million in FY 1995, with current estimates of \$6.3 million in savings. However, when controlling for increases in Promise Jobs, Transitional Child Care, Medical Assistance, and Field Operations, the total net effect of welfare reform is an estimated \$1.4 million cost in FY 1995. The reduction in FIP savings is due to 2 primary factors, first, the federal requirement that a control group (which operates under the old AFDC requirements) of 4,000 individuals and second, the delay in the waiver approval from the federal government of 6 months. The Subcommittee will want to monitor savings during the second half of FY 1994 and FY 1995 to ensure that the financial goals of welfare reform are being met.
- The FY 1995 Governor's recommendation is the first time that projected federal funding for Children and Family Services will exceed State funding. The substantial increase in federal funding that has occurred in recent years, combined with a major shift in the paradigm for serving children with serious and multiple problems, has permitted a massive expansion of funding for preventive and community-based services, and a substantial decrease in the utilization of group foster care services, including out-of-state care.
- Boot Camps for juvenile offenders. The Governor is recommending developing short-term, highly structured programs emphasizing self-esteem, discipline, and proper behavior. A strong aftercare component is to be included. The Governor is also recommending a major expansion in community-based services for delinquent juveniles.
- The group foster care Average Daily Population (ADP) continues to be substantially less than the budgeted level of 1,350 (the year to date ADP through November 30 was 1,078, which is 272 children (20.1%) less than budgeted). At the present time there is no indication that the ADP is likely to increase to the level upon which the FY 1995 Governor's recommendation is based. Further reductions in funding for group foster care may be appropriate.
- During the first 2 years of the statutory cap on the number of children in group foster care, there was much discussion about the impact of the cap. It appears that the Child Welfare system has now adjusted to the cap and the substantial expansion in the availability of preventive and alternative services. The General Assembly established a task force on child welfare, and this group is continuing to meet and has made recommendations.
- The General Assembly established a task force on the funding and structure of the MH/MR/DD/BI Service System. The MI/MR/DD/BI Service Delivery System Restructuring Task Force has been meeting and has made recommendations.

Human Services Subcommittee

- DHS continues a major commitment to automate and improve the quality of management information. The systems being designed involve nearly every program in the Department and have the potential for substantial improvements in service quality and staff productivity. The efforts should be closely monitored to ensure that they are cost-effective and consistent with long-term program goals.
- A variety of programs believed to be cost-effective have either been started or expanded during the last few years. However, there has not been any comprehensive method of measuring their impact. A consistent definition of cost-effectiveness and standards for measuring program impact could be developed.

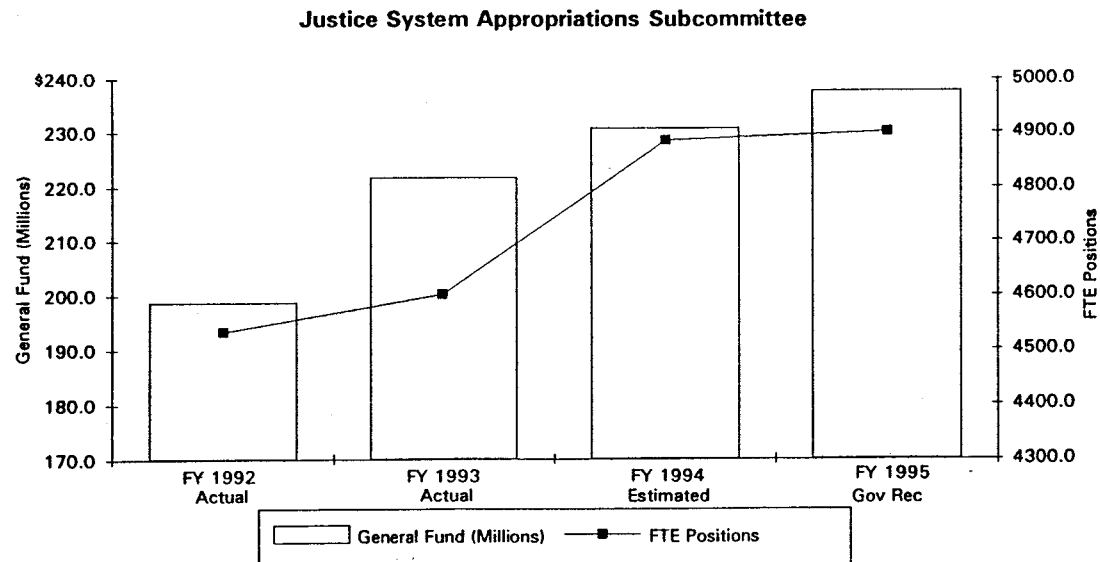
JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE

FY 1995 Governor's Recommendation

The Governor is recommending \$237.7 million for operations from the General Fund for the 4 departments of the Justice System Appropriations Subcommittee. This is an increase of \$7.1 million (3.1%) compared to estimated FY 1994. In addition, the Governor is recommending \$250,000 for major maintenance and capital improvements for the Department of Corrections.

Figure 1 illustrates the history of General Fund appropriations and FTE positions.

FIGURE 1



FY 1994 Budget Adjustments - The departments were required to reduce the FY 1994 budget by the following adjustments prior to calculating the budget for FY 1995:

- *A decrease of \$3.3 million due to FY 1994 onetime salary bonuses.*
- *A decrease of \$134,000 due to onetime expenditure authorizations. The onetime expenditures include:*
 - *\$103,000 funding allocation to the Office of Consumer Advocate for continuation of contracting services with an energy efficiency or demand side management consulting firm.*
 - *\$31,000 for Parole Board data processing equipment.*

When comparing the FY 1995 Governor's recommendation to the adjusted FY 1994 funding level, there is an increase of \$10.5 million (4.6%).

SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

- **DEPARTMENT OF JUSTICE (DOJ)**
 - A decrease of \$97,000 due to eliminating the FY 1994 onetime funding of salary bonuses.
 - A decrease of \$103,000 due to eliminating the FY 1994 onetime funding allocation to the Office of Consumer Advocate for continuation of contracting services with an energy efficiency or demand side management consulting firm.
 - The Farm Mediation Service and Farm Legal Assistance Programs are scheduled to be repealed on July 1, 1995. Funding for the 2 Programs is to be allocated from the Civil Reparations Trust Fund.
- **DEPARTMENT OF CORRECTIONS (DOC) - INSTITUTIONS**
 - An increase of \$317,000 to fund an additional 86.9 inmates above the current budgeted capacity.
 - An increase of \$683,000 for cost increases due to inflation in the cost of support items such as, food, utilities, medications, repairs, professional treatment services, and paper supplies.
 - An increase of \$238,000 and 5.0 FTE positions for round-the-clock nursing coverage at Anamosa.
 - An increase of \$101,000 and 1.0 FTE position to replace federal funding from the Governor's Alliance on Substance Abuse (GASA) Grant for drug abuse treatment programs at Anamosa and Newton.

▪ **DOC - CENTRAL OFFICE**

- An increase of \$52,000 to replace GASA federal funding for the Substance Abuse Treatment Program Coordinator position.
- Shifting \$1.9 million from the Department of Education to the DOC for inmate education.

▪ **DOC - COMMUNITY-BASED CORRECTIONS (CBC)**

- An increase of \$525,000 to replace GASA federal funding for the Treatment Alternatives to Street Crime (TASC) Program in all CBC Districts. There are 12.6 FTE positions associated with this GASA funding.
- An increase of \$116,000 to replace GASA federal funding for the Electronic Monitoring Program (Electronic Bracelets). There is 0.8 FTE position associated with this GASA funding.

▪ **JUDICIAL DEPARTMENT** - The Governor is not recommending the following items, but pursuant to statutory law, is passing through the Department's requests.

- An increase of \$2.3 million and 5.0 FTE positions to expand the Iowa Court Information System (ICIS) to 12 additional counties. The increase includes \$118,000 for personal services, \$50,000 for fiber optics network upgrades, \$342,000 for the development of the Jury Management software application, and \$1.8 million for further expansion of the ICIS into 12 additional counties.
- An increase of \$438,000 to implement recommendations provided by the Equality in the Courts Task Force and provide sensitivity training and educational programs to all employees of the Judicial Department regarding racial, ethnic, and cultural diversities.
- An increase of \$190,000 for an additional 6.0 FTE positions for Juvenile Court. The additional FTE positions will assist the Juvenile Court in addressing the increase in referrals and caseloads in Districts 2, 5, 6, 7, and 8.
- An increase of \$575,000 to acquire office furniture and equipment to be used for all components of the Judicial Department.
- An increase of \$83,000 for an additional 2.0 FTE positions and office equipment for the Court of Appeals.
- An increase of \$92,000 for an additional 4.4 FTE positions for District Court administration in District 1.
- An increase of \$93,000 for increased costs of audits of Clerks of District Court, worker's compensation expenses, Board of Law Examiners and Shorthand Reporters expenses, and educational programs for judges.

- An increase of \$243,000 to fund 4 District Associate Judges and 4 Court Reporters in Districts 2, 4, and 5. The District Associate Judges and Reporters will replace 12 part-time Magistrate positions.

ISSUES

The Justice System Appropriations Subcommittee may wish to examine the following issues:

- **DOJ**
 - The victim assistance programs.
 - Funding for the Farm Mediation Service and Farm Legal Assistance Programs.
 - Funding for currently authorized FTE positions.
- **DOC**
 - Expiration of the GASA federal funding for TASC, Electronic Monitoring, and prison drug treatment programs. The Governor is recommending replacing the federal funds at the FY 1994 level of funding with General Fund moneys.
 - Adequate staffing levels and funding for currently authorized FTE positions. The Governor is recommending an increase in the number of nurses at Anamosa but is not recommending any changes in staffing for correctional officers.
 - Efforts to reduce layers of management.
 - Capital repairs and maintenance of the existing facilities. The Governor is recommending \$250,000 for major maintenance and repairs.
 - Inflationary costs for correctional institutions, particularly food and medical care. The Governor is recommending \$683,000 due to inflation.
 - Staffing and funding for the CBC Violator Program.
 - Connection to the ICN fiber optics system and the development of educational programs.

- Correctional facility capacity and the growing inmate population. The Governor is recommending expansion of available prison space with the addition of 600 new beds at Clarinda. The City of Clarinda proposes to construct a new 750 bed facility to replace the existing 152 bed facility and lease the new facility to the State beginning in FY 1996.
- Boot Camps for juvenile offenders. The Governor is recommending developing a short-term, highly structured program emphasizing self-esteem, discipline, and proper behavior. A strong aftercare component is to be included.
- **JUDICIAL DEPARTMENT**
 - Implementation of the Equality in the Courts Task Force recommendations.
 - Conversion of Magistrate positions to District Associate Judges.
 - Development of a long-term strategic plan to expand ICIS into the remaining 71 counties in the State.
 - Continual evaluation of the level of expenditures for the ICIS, which was to have linked the entire Court System throughout the State.
 - Evaluation of progress made to reduce the backlog in caseloads in various counties.
 - Efforts to restore Clerks of Court office hours for public access in certain counties.
 - Collections of outstanding fines, fees, court costs, and restitution.
 - Efforts to reduce layers of management.
 - Review of the increase in workload demands as a result of changing to computers for docketing and managing Clerks of Court records.
 - Evaluation of accounts receivable management measures and collection tools.
 - Efforts to establish greater cooperative relationships with other State agencies by sharing case data, revenue collections data, and other pertinent Court information.
 - Funding for currently authorized FTE positions.
- **PAROLE BOARD** - Parole and work release grants and revocations.

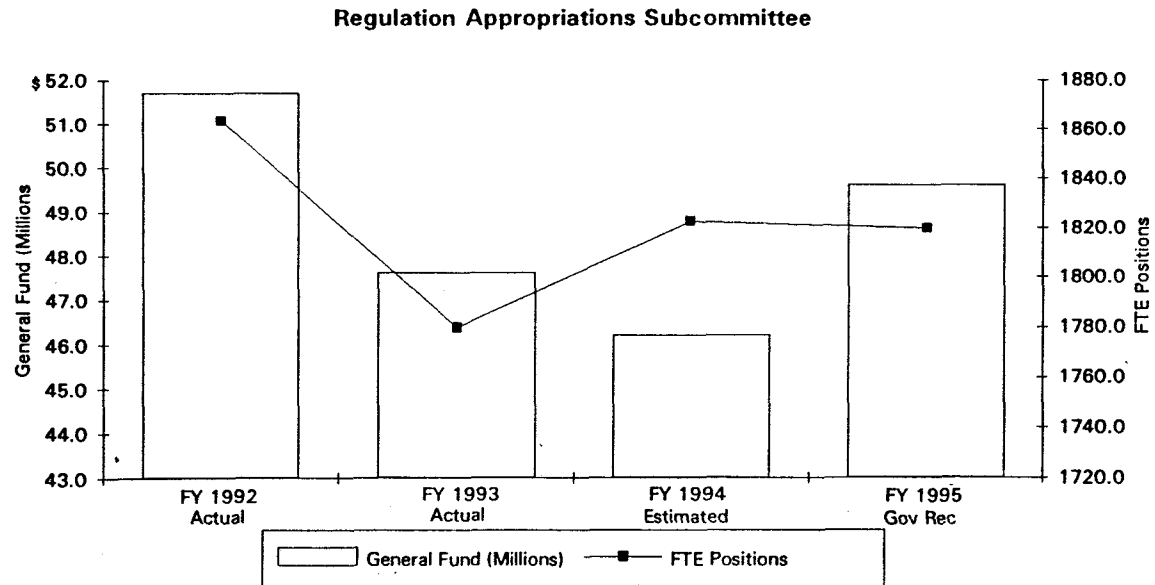
REGULATION APPROPRIATIONS SUBCOMMITTEE

FY 1995 Governor's Recommendation

The Governor is recommending \$49.6 million from the General Fund for operations for the 6 departments of the Regulation Appropriations Subcommittee. This is an increase of \$3.4 million (7.3%) compared to estimated FY 1994.

Figure 1 illustrates the history of General Fund appropriations and FTE positions.

FIGURE 1



FY 1994 Budget Adjustments - The departments were required to reduce the FY 1994 budget by the following adjustments prior to calculating the budget for FY 1995:

- *A decrease of \$543,000 due to FY 1994 onetime salary bonuses.*
- *A decrease of \$25,000 due to onetime funding authority for computer equipment in the Insurance Division of the Department of Commerce.*

When comparing the FY 1995 Governor's recommendation to the adjusted FY 1994 funding level, there is an increase of \$3.9 million (8.6%).

SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

■ **DEPARTMENT OF COMMERCE**

- Banking Division - An increase of \$87,000 to provide laptop computers for the examination staff.
- Insurance Division - An increase of \$51,000 for a Flood Recovery Project Manager and \$100,000 to begin regulation of Health Insurance Purchasing Cooperatives (HIPCs).

■ **DEPARTMENT OF EMPLOYMENT SERVICES (DES)**

- Industrial Services Division - An increase of \$119,000 and 2.0 FTE positions to provide additional informal mediation to resolve workers' compensation disputes.
- Labor Services Division - An increase of \$50,000 and 2.0 FTE positions to increase services under the Occupational Safety and Health Administration (OSHA) Consultation Program. The Program provides technical assistance to employers seeking to provide safer working conditions for employees.
- Workforce Development Initiative - New funding of \$600,000 to begin a Workforce Development Initiative. The Governor intends this level of funding to help draw federal funds of \$2.3 million to convert several Job Service Offices into Workforce Development Centers in pilot areas and provide an Integrated Management Information System (IMIS) to provide core services for persons seeking employment, training, and/or jobless benefits. The initiative is a result of Iowa Invest legislation and involves 5 departments in addition to DES. The other Departments are Education, Economic Development, Elder Affairs, Human Services, and Human Rights.

- **THE INDIGENT DEFENSE PROGRAM** - An increase of \$2.4 million (26.8%). This level of funding is \$100,000 more than actual spending for FY 1993. The Department of Inspections and Appeals (DIA) is to use \$100,000 to implement automated claims processing for adult indigent defense payments.
- **DEPARTMENT OF INSPECTIONS AND APPEALS**
 - Investigations Division - An increase of \$186,000 (35.5%) to replace federal funds lost due to a decrease in the federal match rate and to investigate divestiture of assets abuse in nursing home care eligibility under Title XIX.
 - Health Facilities Division - An increase of \$108,000 (7.7%) and 2.0 FTE positions to provide inspection of residential care facilities.
 - Racing and Gaming Commission (Riverboat Division) - An increase of \$7,000 (1.2%) and 1.0 FTE position to monitor compliance with Indian Gaming Compacts. A portion of the cost for this position is to be generated by receipts from Indian tribes.

ISSUES

The Regulation Appropriations Subcommittee may wish to examine the following issues:

- Indigent Defense - Review the up-front payment plan implemented September 1, 1993, and consider making the revenues generated a direct offset to the General Fund appropriation for Indigent Defense. The Governor is recommending \$2.4 million for FY 1995. This includes \$100,000 to provide automated payments of adult indigent defense claims submitted by court-appointed attorneys.
- Iowa Ethics and Campaign Disclosure Board - Fiscal impact of new duties related to the Ethics Bill and relocation of the Board office. The Governor is recommending additional funding of \$46,000 to provide support and data processing to increase public access to campaign and ethics information.
- Department of Commerce
 - Review the restructuring of the Department that occurred in FY 1994, including reallocation of the Administrative Services Division and implementation of a rotation of division heads as Department Director.
 - Review the service provided by a private contractor in the liquor distribution warehouse in the Alcoholic Beverages Division.

- Laptop computers. The Governor is recommending \$87,000 to provide laptop computers to the examination staff of the Banking Division.
- HPICs. The Governor is recommending \$100,000 seed money to the Insurance Division to begin regulation of HPICs.
- Flood Recovery Project Manager. The Governor is recommending \$51,000 for a Flood Recovery Project Manager in the Insurance Division.
- Department of Employment Services Division
 - Review a prior proposal to make the Industrial Services Division self-funding through assessments against employers, employees, and workers' compensation insurance companies. The Governor is recommending \$119,000 to increase mediation of disputes.
 - Review the OSHA inspection and penalty procedures. The Governor is recommending \$51,000 to expand the OSHA Consultation Program.
 - Workforce Development Initiative. The Governor is recommending \$600,000 to continue the workforce initiative implemented in FY 1994.
- Utilization of funded positions. Some departments within the Regulation Subcommittee have a high percentage of vacant funded positions.
- Monitoring of Indian Gaming compacts by the Racing and Gaming Commission. The Governor is recommending the addition of 1.00 FTE position to monitor gaming compacts with the cost to be reimbursed by Indian tribes.

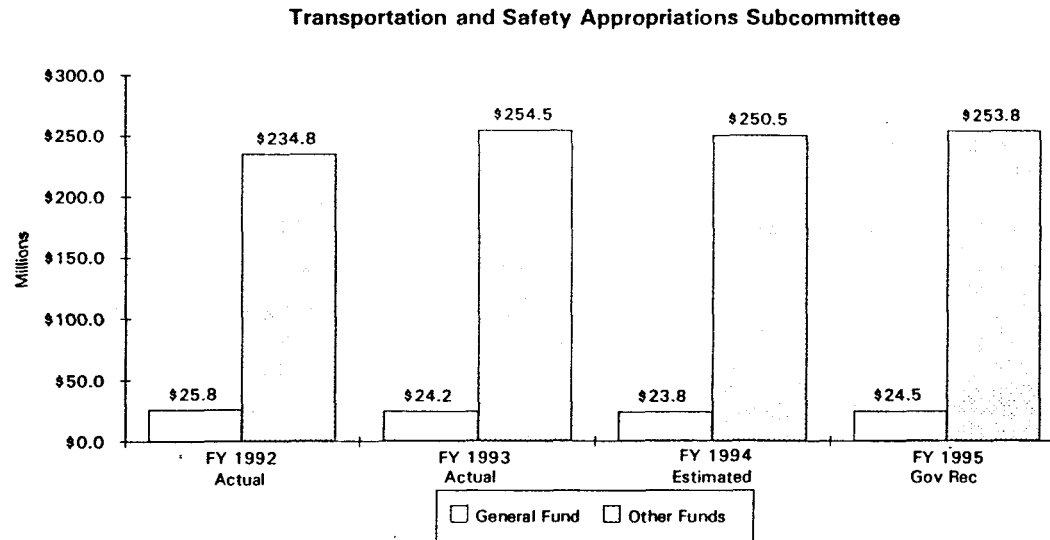
TRANSPORTATION AND SAFETY APPROPRIATIONS SUBCOMMITTEE

FY 1995 Governor's Recommendation

The Governor is recommending \$278.2 million for operations for the 4 departments of the Transportation and Safety Appropriations Subcommittee for FY 1995. This is an increase of \$3.9 million (1.4%) compared to estimated FY 1994. Of this amount, \$24.5 million is being requested from the General Fund, an increase of \$684,000 (2.9%), and \$253.7 million from other funds, an increase of \$3.2 million (1.3%).

Figure 1 shows appropriation levels since FY 1992 for the 4 departments within the Transportation and Safety Appropriations Subcommittee.

FIGURE 1



FY 1994 Budget Adjustments - The departments were required to reduce the FY 1994 General Fund budget by \$158,000 due to FY 1994 onetime salary bonuses.

When comparing the FY 1995 Governor's General Fund recommendation to the adjusted FY 1994 funding, there is an increase of \$842,000 (3.6%).

SIGNIFICANT GENERAL FUND CHANGES RECOMMENDED

- **IOWA LAW ENFORCEMENT ACADEMY (ILEA)**
 - An increase of \$30,000 for continued education and training for ILEA instructors.
 - An increase of \$53,000 for the purchase of computers, printers, and a local area network within the Academy which is necessary to link to other State government programs.
- **DEPARTMENT OF PUBLIC DEFENSE (DPD)**
 - An increase of \$93,000 and 1.8 FTE positions for the Emergency Management Division (EMD) to provide a 25.0% State match on federal funds for programs which were previously 100% federally funded.
 - An increase of \$145,000 and 3.0 FTE positions for the EMD for personnel to assist in all areas of the Division.
- **DEPARTMENT OF PUBLIC SAFETY (DPS)**
 - An increase of \$175,000 for the Division of Criminal Investigation (DCI) to replace a federal grant passed through from the Governor's Alliance on Substance Abuse (GASA) Office.
 - A decrease of \$50,000 for the purchase of laboratory equipment and supplies. These funds will be replaced with federal asset forfeiture funds.
 - An increase of \$274,000 and 4.0 FTE positions for the Division of Narcotics Enforcement (DNE) to replace funding for 4 special agents which were funded on a GASA grant that expires in FY 1995.
- **DEPARTMENT OF TRANSPORTATION (DOT)** - An increase of \$92,000 for additional funding of the State Aviation Program.

SIGNIFICANT OTHER FUND CHANGES RECOMMENDED

- **DPS** - An increase of \$164,000 and 5.0 FTE positions for additional communication operators in the State Patrol.
- **DOT**
 - An increase of \$331,000 to acquire and maintain electronic data processing equipment.
 - An increase of \$100,000 to provide Total Quality Management training for DOT staff.
 - An increase of \$150,000 for additional lease costs associated with the relocation of drivers license stations.
 - An increase of \$288,000 to upgrade existing telecommunication lines to implement electronic imaging technology.
 - An increase of \$225,000 for overtime costs for field maintenance personnel.
 - An increase of \$2.3 million for increased costs of salt and sand for snow and ice control.
 - An increase of \$180,000 for increased costs of aggregate and asphalt materials.
 - An increase of \$150,000 for contract scale maintenance at locations throughout the State.
 - An increase of \$100,000 to maintain the Motor Carrier Base State Registration System.
 - An increase of \$100,000 for increased lease costs of equipment used in the production of drivers licenses.

ISSUES

The Transportation and Safety Appropriations Subcommittee may wish to examine the following issues:

- The Hawkeye Institute of Technology (HIT) is currently certified by the ILEA to conduct training of law enforcement officers. In FY 1993, the ILEA was concerned about the quality of law enforcement training at the HIT and the impact the HIT Program was having on the ILEA's budget. Legislative intent language was added in SF 232, which prohibited the ILEA from eliminating the HIT Program. What is the affect of the HIT Program on the ILEA's FY 1994 budget and is the HIT Program adequately training law enforcement officers?

- The ILEA central facility is in need of renovation in several areas in order to prevent more costly repairs in the future. The ILEA reported that approximately \$776,000 of deferred maintenance costs currently exist at the facility. How will the ILEA's capital requests over the next several years improve the condition of the facility?
- Additional staffing levels needed to adequately operate the EMD of the DPD.
- Funding for backlog maintenance at the 50 National Guard armory facilities. According to the most recent report, there is a total of \$4.4 million of repairs needed to the State's armories.
- Additional funding required in FY 1995 to maintain agents and drug enforcement programs in the DCI and DNE that have been funded with 75.0% federal money over the last 4 years through the GASA. Federal funding for the staff and programs will expire in FY 1995.
- The DPS proposes to increase the strength of the State Patrol by 100 troopers over a 10 to 12 year period. The number of troopers was increased by 6 in FY 1994, and the Department is requesting an additional 10 for FY 1995. The Governor is not recommending an increase in the number of troopers for FY 1995.
- The Governor is recommending funding for 5 new communication operators in FY 1995 in an effort to lessen the workload of the existing operators.
- The DPS is requesting funding to establish a State Medical Examiner's Office as part of the DCI Laboratory. The request includes funding for the State Medical Examiner's salary and additional medical examiner staff. The State Medical Examiner services are currently contracted with fees paid by local units of government when services are rendered. Under this proposal, the cost to the General Fund will be partially offset by charging fees for autopsies to local governments and depositing the revenue in the General Fund. How will this improve the services performed by the State Medical Examiner and what will the net cost be to the General Fund? The Governor is not recommending expansion of the State Medical Examiner's Office for FY 1995.
- Legislative alternatives for programming additional funding for traffic safety programs that resulted from Iowa not enacting a mandatory motorcycle helmet law by September 30, 1993. Iowa will shift \$2.0 million of the federal highway construction funds to traffic safety projects beginning in Federal Fiscal Year (FFY) 1995, and \$4.0 million each succeeding year.
- Road Use Tax Fund revenues are projected to increase at an average annual rate of 1.0% over the next 5 years. However, off-the-top allocations are estimated to increase at a rate of 2.5% annually. The result is slower growth in the amount of funds available for road construction, rehabilitation, and maintenance. To further compound this problem, travel on the State road system is at the highest level, resulting in increased wear on Iowa's highway system. Furthermore, fuel consumption has remained relative constant as automobiles become more fuel efficient, resulting in slower growth in fuel tax revenues.

- Chapter 327J, Code of Iowa, establishes the Passenger Rail Service Revolving Fund to be used for the operation and maintenance of rail passenger service. The Iowa DOT has been working with Illinois, Nebraska, and AMTRAK to initiate passenger rail service through central Iowa, connecting Chicago with Omaha. However, the only funding available through Passenger Rail Service Revolving Fund are private donations and federal funds, if they become available. The current balance in the Fund (\$2,500) is not sufficient to finance rail passenger service. The DOT will be submitting a bill to fund the AMTRAK service with \$4.0 million from the General Fund in FY 1995, and \$2.0 million each succeeding year.
- The DOT is currently reorganizing to shift the operational focus of the Department from a modal to an intermodal system. This is being done in an effort to improve the DOT's services to the public. The existing 7 operating divisions will be reorganized into 7 transportation units which include the Directors Staff, Field Services, Transportation Project Development, Transportation Systems Maintenance, Transportation Planning and Programming, Operation and Finance, and Motor Vehicle. The DOT anticipates the new organizational structure will be functional in FY 1995. Consideration needs to be given to making a single appropriation for all DOT operations in FY 1995. Funds would be transferred from this single appropriation to the appropriate operating units.
- The process for funding highway improvements at the State and local level has changed significantly. Prior to the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA), the Federal-Aid Highway Program had been directed toward 4 systems -- Interstate, Primary, Secondary, and Urban. The distribution of funds was distinctive between State, county, and city jurisdictions. With the enactment of ISTEA, distribution of federal highway funds will be largely based on the State's population distribution, independent of highway jurisdiction (i.e., primary, secondary, city) and mode of transportation.
- Iowa currently provides an exemption from Motor Carrier Safety Regulations for private carriers, not for hire, hauling intrastate within 100 miles of the driver's work reporting location. Federal regulations require the State to either remove this exemption or risk losing approximately \$1.0 million in federal Motor Carrier Safety Act Program (MCSAP) funds in FFY 1995.
- Review of the relocation and consolidation of DOT drivers license stations, drivers license renewal by mail, and an update on the status of the pilot project to transfer the DOT drivers license functions to county treasurers' offices.
- Update on the implementation of the Motor Carrier Base State Registration System.
- Review of the Airport Improvement Program and Railroad Assistance. The Governor is recommending \$2.3 million for airport improvements and \$2.1 million for rail projects in FY 1995. What projects have been funded over the past 2 years from these appropriations?

CAPITAL IMPROVEMENTS

FY 1995 Governor's Recommendation

The Governor is recommending \$3.2 million from the General Fund and \$15.4 million in other funds for capital improvements for FY 1995.

SIGNIFICANT CHANGES RECOMMENDED

The following table summarizes the Governor's FY 1995 recommended appropriations for capital improvements to State agencies. The table does not include existing capital commitments.

Governor's Recommendation FY 1995 Capital Improvements

	<u>General Fund</u>	<u>Other Funds</u>
Corrections (DOC)	\$ 250,000	\$ 0
General Services (DGS)	1,100,000	
Human Services (DHS)	150,000	0
Natural Resources (DNR)	1,650,000	5,019,600
Public Safety (DPS)	0	3,054,500
Regents	95,000	0
Transportation (DOT)	0	7,335,000
Total	<u>\$ 3,245,000</u>	<u>\$ 15,409,100</u>

Capitals

Major capital appropriation recommendations include:

- \$4.2 million from the Primary Road Fund for the construction of new DOT maintenance facilities at Correctionville, Jefferson, Anamosa, and S.E. Des Moines.
- \$2.7 million from the Road Use Tax Fund to the DPS for the construction of new patrol posts at Fort Dodge and Davenport.
- \$2.5 million from the Fish and Game Fund to the DNR for capital improvements and land acquisition related to wildlife preservation.
- \$2.4 million from the Resource Enhancement and Protection (REAP) Fund to the DNR for capital improvements and land acquisition.
- \$1.7 million from the General Fund (Marine Fuel Tax revenue) to the DNR for lake and boating access improvements.
- \$1.0 million from the General Fund to the DGS for continued exterior renovation of the State Capitol and \$100,000 for health/safety/deferred maintenance projects.
- \$250,000 from the General Fund to the DOC for health/safety/deferred maintenance projects.
- \$150,000 from the General Fund to the DHS for health/safety/deferred maintenance projects at State institutions.
- \$95,000 from the General Fund to the Board of Regents for health and safety projects.

GOVERNOR'S RECOMMENDATION FOR BONDING AUTHORITY

Board of Regents bonding authority for:

- A Wellness Center at UNI for \$11.5 million.
- A gymnasium replacement at the Price Laboratory at UNI for \$2.5 million.
- Remodeling of Schaeffer Hall at SUI for \$8.0 million.
- An Intensive Livestock Facility at ISU for \$2.0 million.
- Livestock Units at ISU for \$3.0 million.

ISSUES

The General Assembly may wish to examine the following issues:

- Funding for projects where health and safety concerns have been identified. These projects result from facilities not meeting minimum code compliance which include fire, electrical, plumbing, and water codes. The State may be liable in the event of an injury or death attributable to the defect. Departments are requesting \$11.0 million from the General Fund in FY 1995 for health and safety projects. The Governor is recommending \$595,000 from the General Fund for health and safety projects in FY 1995.
- Funding for deferred maintenance projects. Budget reductions over the past several years have caused departments to reduce funding for maintenance in an effort to maximize funds for operations. Deferring routine maintenance results in accelerated deterioration of facilities and increases cost associated with correcting defects. The departments are requesting \$7.1 million from the General Fund in FY 1995 for deferred maintenance projects. A portion of the Governor's \$595,000 appropriation for health and safety projects will also fund deferred maintenance projects.
- The Governor is recommending the authorization of the Board of Regents to issue \$27.0 million in new bonds for capital projects in FY 1995.
- The Governor is recommending expansion of available prison space with the addition of 600 new beds at Clarinda. The City of Clarinda proposes to construct a new 750 bed facility in FY 1995 to replace the existing 152 bed facility and lease the new facility to the State beginning in FY 1996.

FEDERAL FUNDING ISSUES

FEDERAL BUDGET ENFORCEMENT ACT

The federal Budget Enforcement Act (BEA) of 1990 created a new multi-year process intended to govern federal budget actions through Federal Fiscal Year (FFY) 1995. The BEA changed the objective of federal budget control away from specific budget deficit targets to specific targets for various types of discretionary spending: defense, international, and domestic. It further set up a "pay-as-you-go" system for entitlements, requiring that any legislative action on entitlements which increases the federal deficit must be offset by reductions in other entitlements or increases in revenues. Certain items classified as onetime "emergencies" are excluded from the BEA controls. Any violations of BEA targets will produce an offsetting across-the-board percentage reduction among all of the programs in that area.

The BEA provisions strengthen the temptation in Congress to pay for new programs by mandating the expense to state and local government. This is reinforced by the desire at the federal level to minimize any increases in federal taxes.

OBRA 1993

The Omnibus Budget Reconciliation Act of 1993 (OBRA 93) changes both mandatory and entitlement programs to meet the requirements of the budget resolution passed by Congress in March. A package of revenue increases and mandatory spending reductions, offset by some spending increases, reduces the estimated federal deficit by \$329.0 billion over the next 5 years. Additional savings required under the budget resolution from reductions in discretionary spending (\$102.0 billion) and expected reductions in interest payments (\$65.0 billion) bring the total projected reduction in the deficit to \$496.0 billion over the next 5 years.

Major changes in spending which will significantly affect the State of Iowa's budget include:

- Changes in rules for the Medical Assistance Program designed to contain costs. The changes include expanding restrictions on transfer of assets, requiring recoveries from estates, and allowing states to impose additional restrictions on prescription drugs. *No estimate of the Iowa fiscal impact is available.*

- Increases in Medicare Part B premiums. The increases will lead to higher state payments for dual eligible and qualified Medicare beneficiaries. *No estimate of the Iowa fiscal impact is available.*
- Establishes a new entitlement program to expand access to immunization for persons 18 years old and younger. States are required to provide the vaccine made available under this provision to all qualified public and private health care providers willing to participate in the Program. The provider is permitted to charge only a limited fee to cover actual costs of administration. States are responsible for administrative expense including expenses formerly paid by Medical Assistance. *No estimate of the Iowa fiscal impact is available.*
- Charges states a user fee for administering State Supplemental SSI benefits. States will be charged a flat fee of \$20.00 per year in FY 1994 and \$40.00 per year in FY 1995. *This provision is expected to cost Iowa \$49,000 in FY 1994 and \$115,000 in FY 1995.*
- Creates a new capped entitlement program for family support and preservation. Most of the funds are for services, although money is reserved for evaluation, research, training, and technical assistance, as well as for state courts to assess foster care and adoption proceedings. *This provision is estimated to increase federal funding to Iowa by \$446,000 in FY 1994 and \$1.1 million in FY 1995.*
- Expands Food Stamp eligibility and includes provisions which will promote client self-sufficiency and improve Program management. The provisions may assist Iowa's welfare reform efforts by making employment more attractive. *No estimate of the Iowa fiscal impact is available.*
- Reduces federal match rates. Under current law certain types of expenditures related to the administration of Food Stamps and Aid to Families with Dependent Children, known in Iowa as the Family Investment Program (AFDC/FIP), are reimbursed at an enhanced rate. This enhanced funding will be eliminated. *No estimate of the Iowa fiscal impact of the Food Stamp change is available. The AFDC/FIP change is estimated to reduce federal funding to Iowa by \$181,000.*

Iowa is projected to receive substantial ***increases*** in federal funding for several programs, compared to the estimated cost of maintaining the current level of services. These include:

- Low Income Home Energy Assistance - \$9.1 million
- Subsidized Housing - \$1.8 million
- Immunization - \$1.3 million
- Women, Infants, and Children Supplemental Feeding Program - \$1.1 million
- Urban Mass Transit Administration Transportation Formula Grants - \$1.0 million

Fed Funding Issues

Iowa is projected to receive substantial decreases in federal funding for several programs, compared to the estimated cost of maintaining the current level of services. These include:

- EPA Wastewater Construction - \$0.7 million
- Drug Control and System Improvement Grants - \$0.5 million
- Corporation for Public Broadcasting - \$0.4 million

The General Assembly may want to review the impact of these changes in federal funding and the effect upon the need for State funding during the 1994 Legislative Session.

TAX PROVISIONS

When the federal government changes tax policies, Iowa is generally affected in 2 ways. Initially, the amount of taxable income reported on Iowa individual and corporate income tax returns is likely to change by the amount that is deducted due to federal deductibility. (Currently, 100% of federal income tax is deductible on individual returns and 50.0% is deductible on corporate returns.) Thus, if the federal government passes a provision that increases taxes, Iowa will lose revenue. Likewise, if the provision decreases federal taxes, Iowa stands to gain revenue. Overall, the OBRA falls into the prior category, though some provisions will have a negative effect on federal revenues.

The second effect deals with the State's policy regarding "coupling", or conforming, to federal tax law. Iowa historically couples State tax law with federal tax law, though it is not constitutionally bound to do so. Coupling with federal changes that affect individuals is more common than coupling with changes that affect corporations. As a result, when the federal government raises the amount of deductions that are allowed, or changes what is included in taxable income, the State has the opportunity to conform to the changes and similarly change what is allowed in taxable income. Thus, the policy of conformity generally has the opposite effect from the policy of federal deductibility.

There are 8 revenue provisions in OBRA that are expected to have ripple effects on State revenues. The following is a list of the tax changes, a brief explanation of each change, and effective date of enforcement. The list is not a comprehensive explanation of every tax change in OBRA.

- **Individual Income Tax Rate:** Individual and married taxpayers will pay a new 36.0% marginal tax rate at incomes of \$115,000 and \$140,000, respectively. In addition, all returns that exceed \$200,000 in taxable income, excluding capital gains, will pay a surtax of 10.0% on income that exceeds that threshold. A minor change in the way Alternative Minimum Tax (AMT) is calculated is included in the rate change analysis. Also included will be the effect of lifting the cap on self-employment income subject to the Medicare Hospital Insurance (MHI) portion of the Social Security (FICA) tax. The AMT and rate changes are effective retroactive to January 1, 1993. The MHI adjustment became effective January 1, 1994.
- **Social Security Benefits:** OBRA adds a second income tier for determining the portion of Social Security benefits that are included in taxable income. Individual Social Security recipients earning more than \$34,000 in gross income will include up to 85.0% of the benefits in the taxable income. Married filers will begin paying taxes on up to 85.0% of the benefits beginning at gross incomes of \$44,000. The 85.0% inclusion is intended to approximate the amount of income that is included for taxpayers with private qualified pension benefits. The Office of Management and Budget estimates that approximately 13.0% of Social Security recipients will be subject to the 85.0% inclusion. This provision became effect January 1, 1994.
- **Earned Income Tax Credit (EITC):** OBRA changes the EITC by making a full credit available at a lower amount of earned income, but phasing out the credit over a higher amount of earned income. The credit will also be allowed to workers without children, but to a much more limited extent. The federal EITC is refundable, but the Iowa EITC is not. Since many of the workers affected by this change pay little or no taxes, the effect of the inflated credit was not expected to have a large impact on state governments with tax policies in line with Iowa's. The new EITC went into effect on January 1, 1994.
- **Corporate Income Tax Rate:** The new corporate tax rates apply only to those corporations with federal taxable income that exceeds \$10.0 million. For these corporations, a new 35.0% marginal tax rate will be applied. Additionally, a 3.0% tax will be assessed on income between \$15.0 million and \$18.3 million. A flat 35.0% tax rate will be collected from corporations whose taxable income exceeds \$18.3 million. The number of Iowa corporations that exceed the thresholds varies dramatically from year to year. The new rates will be applied retroactively to January 1, 1993.
- **Expired Provisions:** There are several provisions in OBRA that expired in 1992 that have been retroactively reinstated. The major provisions are the extension of employer-provided educational assistance, the targeted jobs tax credit, and the research tax credit.
- **Business Meals and Entertainment:** OBRA raises the disallowance for these expenses from 20.0% to 50.0%. The change in these deductions is retroactive to January 1, 1993.

- **Corporate AMT:** Currently, the AMT income (AMTI) of a corporation is increased by an amount equal to 75.0% of the amount by which Adjusted Current Earnings (ACE) exceed AMTI. A corporation generally must make 2 depreciation calculations for purposes of the AMT, one of which takes into account ACE. The OBRA eliminates the depreciation component of the ACE adjustment, so that corporations will compute AMT depreciation using the same rules that apply to individuals. The provision is effective for property placed in service after December 31, 1993.
- **Small Business Expense Deduction:** Currently, a small business (defined here as a business that expends less than \$200,000 on new capital in a single tax year) may expense rather than depreciate \$10,000 of new equipment purchases. The OBRA raises this expense level to \$17,500. Because Iowa has proportionally more small businesses than the nation as a whole, it is difficult to determine the impact on State revenues by simply determining Iowa's proportional share of the federal impact. The impact illustrated below is inflated slightly to account for Iowa's unique corporate structure. The State's exposure, if it conforms to federal standards, could be considerably larger. Similarly, the windfall to the State could be much greater if the State does not conform.

BUDGET IMPACT

The LFB estimates the federal deductibility effects of OBRA on State revenues to be \$0.4 million in FY 1994, and \$ -8.8 million in FY 1995. The Governor has recommended coupling with all the OBRA provisions. The following table shows the deductibility impacts (which are reflected in current REC revenue estimates) and the impact from coupling. The deductibility impacts will be realized regardless of State action, but the conformity impacts will only occur with legislative action on the Governor's recommendation.

Impact of OBRA by Revenue Provision

(in millions)

Provision	Deductibility Impact ¹		Coupling Impact ² (Governor's Recommendation)	
	FY 1994	FY 1995	FY 1994	FY 1995
Individual Income Tax Rate	\$ -3.9	\$ -8.6	\$ 0.0	\$ 0.0
Social Security	-0.8	-3.1	4.0	16.0
EITC	0.0	0.0	0.0	-0.5
Corporate Tax Rate	0.0	-0.9	0.0	0.0
Expired Provisions	0.5	1.5	-2.7	-1.5
Business Meals, Entertainment	0.0	-1.0	0.5	6.0
Elimination of Depreciation Component of ACE	0.3	0.7	-0.5	-1.5
Small Business Expense Deduction	4.0	2.3	-7.5	-4.2
Other Provisions	0.3	0.3	-2.2	0.8
Total	<u>\$ 0.4</u>	<u>\$ -8.8</u>	<u>\$ -8.4</u>	<u>\$ 15.1</u>

¹ These numbers represent LFB estimates of the effects of OBRA directly resulting from federal deductibility.

² These numbers represent the Governor's estimates of the effects of conforming to federal law (IRC Update), and do not include the separate effects of federal deductibility.

The 2 most significant provisions are the rate change for the individual income tax and the inclusion of Social Security benefits in taxable income. The effect of the income tax rate change, which after 5 years will average approximately \$11.0 million, is due entirely to federal deductibility. Because the State does not conform to federal rates, coupling will have no impact on this provision.

The change in income tax rates, as indicated, affects only those families with incomes in excess of \$140,000. In actuality, the rate changes affect primarily those filers with incomes in excess of \$200,000. Whereas, filers with incomes between \$100,000 and \$200,000 will realize a 0.1% reduction in effective tax rates (due to federal deductibility) and filers with incomes that exceed \$200,000 will realize a 4.3% average reduction in their State tax bill.

The introduction of the second tier for calculating the inclusion of Social Security benefits affects only those who receive Social Security or Railroad Retirement benefits. The Legislative Tax Model's output indicates that if the State does not conform to federal law, approximately 40,000 filers will save approximately \$85 each tax year, due to federal deductibility. If the State conforms to federal law, those individuals would have to pay an average of \$438 in additional State income taxes. With the increased federal liability, a filer's average net loss to the State would be an additional \$311.

DEVELOPMENTS AND MANDATES

Several developments will affect the amount of federal funds Iowa receives in FFY 1995. The developments include:

- Updated per capita income data. Federal funding for many of the largest DHS programs is based upon the Federal Medical Assistance Percentage (FMAP). Federal funding based on this data will increase in State Fiscal Year (FY) 1995. This rate is computed using each state's per capita personal income and that of the nation as a whole for the 3 most recent years. The FFY 1995 FMAP rate will be based upon income data for calendar years 1990 to 1992. The FMAP rate is published each November for the FFY that will begin the following October.
- Federal mandates. The National Conference of State Legislatures (NCSL) identifies bills approved by Congress which have an impact upon state budgets. The NCSL has identified mandates upon states which were approved by the 102nd Congress. Most of these bills do not impose additional costs upon the State budget but either impose limits on how federal funding can be spent or limit state authority to increase revenues.

Federal funding is dynamic and subject to frequent change. Priorities may change and factors used by funding formulas are constantly being updated. Increased federal funding often results in program expansion or reduction in the amount of State appropriations. Any greater reliance upon federal funding increases the risk that the State may have to choose between reducing the level of service in popular programs or spending additional State dollars to replace lost federal funding.

LEGISLATIVE OVERSIGHT AND INFORMATION

Since 1990, the General Assembly has line-item appropriated federal funds by funding source for a number of departments. In the 1993 Legislative Session, SF 406 made line-item appropriations of federal funds to 8 departments: Public Safety, Public Health, Human Services, Economic Development, Transportation, Natural Resources, Public Defense, and Education.

The LFB has expanded efforts to monitor federal funding issues which include the following:

- Review updates from the Federal Funds Information for States (FFIS) and the State-Federal Relations Office, and present significant items in the LFB's Fiscal Update publication.
- Contact State and federal officials and staff who can provide information concerning opportunities for increasing the amount of federal funding Iowa receives.
- Include additional detailed information concerning each federal grant received by a department in the budget forms distributed to appropriations subcommittees.
- Compile a list of applications for federal funding which departments have submitted.

The LFB continues to review ways to inform legislators and legislative staff concerning federal funding issues and opportunities.

The LFB receives NCSL's "Mandate Monitor", as well as *Issue Briefs* from FFIS. These publications provide a variety of information about federal funding and mandate issues. Please contact the LFB for more information.

APPENDIX A

FY 1995 GENERAL FUND GOVERNOR'S RECOMMENDATION

	<u>Estimated FY 1994</u>	<u>DOM Bonus Adj FY 1994</u>	<u>Onetime Auth FY 1994</u>	<u>Adjusted FY 1994</u>	<u>Dept Req FY 1995</u>	<u>Gov Recomm FY 1995</u>	<u>Gov. Rec. vs Adj. FY 1994</u>	<u>Gov. Rec. vs Est. FY 1994</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	<u>(8)</u>
SUMMARY OF APPROPRIATIONS								
Administration	\$ 54,345,683	\$ -708,056	\$ -15,000	\$ 53,622,627	\$ 70,282,131	\$ 76,209,813	\$ 22,587,186	\$ 21,864,130
Ag. & Natural Resources	42,530,930	-502,775	0	42,028,155	44,931,424	43,705,924	1,677,769	1,174,994
Economic Development	27,338,204	-80,964	-14,000	27,243,240	34,652,975	30,125,609	2,882,369	2,787,405
Education	714,898,145	-7,573,979	-60,000	707,264,166	736,567,905	739,127,887	31,863,721	24,229,742
Health & Human Rights	72,964,128	-540,158	-130,123	72,293,847	77,457,884	76,970,961	4,677,114	4,006,833
Human Services	708,290,116	-2,640,885	0	705,649,231	742,494,130	719,995,648	14,346,417	11,705,532
Justice System	230,567,499	-3,259,623	-134,000	227,173,876	244,005,251	237,629,545	10,455,669	7,062,046
Regulation	46,229,018	-543,318	-25,000	45,660,700	49,411,000	49,604,998	3,944,298	3,375,980
Transportation & Safety	23,796,022	-158,204	0	23,637,818	25,242,951	24,479,816	841,998	683,794
Unassigned Standings	1,600,762,754	0	0	1,600,762,754	1,652,692,542	1,637,974,829	37,212,075	37,212,075
Capital Projects	2,738,000	0	0	2,738,000	79,210,028	3,245,000	507,000	507,000
Total Appropriations	\$ 3,524,460,499	\$ -16,007,962	\$ -378,123	\$ 3,508,074,414	\$ 3,756,948,221	\$ 3,639,070,030	\$ 130,995,616	\$ 114,609,531

Note: The FY 1995 Governor's Recommendation does not include an appropriation of \$36.1 million to the Cash Reserve Fund.

Column #4 - 'Adjusted FY 1994' is the Estimated FY 1994 column (Col. #1) adjusted for onetime salary bonus adjustments (Col. #2) and other onetime authorizations (Col. #3).

Column #7 is the difference between the FY 1995 Governor's Recommendation (Col. #6) and the Adjusted FY 1994 (Col. #4).

Column #8 is the difference between the FY 1995 Governor's Recommendation (Col. #6) and the Estimated FY 1994 (Col. #1).

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 <u>(1)</u>	DOM Bonus Adj FY 1994 <u>(2)</u>	Onetime Auth FY 1994 <u>(3)</u>	Adjusted FY 1994 <u>(4)</u>	Dept Req FY 1995 <u>(5)</u>	Gov Recomm FY 1995 <u>(6)</u>	Gov. Rec. vs Adj. FY 1994 <u>(7)</u>	Gov. Rec. vs Est. FY 1994 <u>(8)</u>
ADMINISTRATION SUBCOMMITTEE								
<u>Legislative Branch</u>								
House of Representatives								
NCSL	\$ 82,594	\$ 0	\$ 0	\$ 82,594	\$ 85,531	\$ 85,531	\$ 2,937	\$ 2,937
Uniform State Laws								
Uniform State Laws	18,316	0	0	18,316	19,749	19,749	1,433	1,433
Total Legislative Branch	\$ 100,910	\$ 0	\$ 0	\$ 100,910	\$ 105,280	\$ 105,280	\$ 4,370	\$ 4,370
<u>General Services, Dept.</u>								
Gen Services Admin.	\$ 469,378	\$ -8,814	\$ 0	\$ 460,564	\$ 480,564	\$ 466,740	\$ 6,176	\$ -2,638
Communications	170,478	-4,353	0	166,125	166,125	170,151	4,026	-327
Information Services Div.	5,402,580	-76,480	0	5,326,100	5,615,503	5,612,366	286,266	209,786
Property Management	3,711,561	-83,140	0	3,628,421	3,994,205	3,776,740	148,319	65,179
Printing/Mail	845,396	-21,501	0	823,895	823,895	830,078	6,183	-15,318
Capitol Planning Comm.	1,256	0	0	1,256	4,000	1,256	0	0
Rental Space	522,034	0	0	522,034	590,934	590,934	68,900	68,900
Utilities	1,900,000	0	0	1,900,000	2,093,900	1,993,031	93,031	93,031
DGS Communications Div.	0	0	0	0	0	6,200,000	6,200,000	6,200,000
Terrace Hill Operations	166,721	-2,581	0	164,140	166,756	165,575	1,435	-1,146
Total General Services, Dept.	\$ 13,189,404	\$ -196,869	\$ 0	\$ 12,992,535	\$ 13,935,882	\$ 19,806,871	\$ 6,814,336	\$ 6,617,467
<u>Governor</u>								
General Office	\$ 1,038,673	\$ -11,680	\$ 0	\$ 1,026,993	\$ 1,038,673	\$ 1,038,673	\$ 11,680	\$ 0
Expense of Office	2,416	0	0	2,416	2,416	2,416	0	0
Terrace Hill Quarters	49,858	-1,115	0	48,743	49,858	49,858	1,115	0
Ad Hoc Committee Expense	1,610	0	0	1,610	1,610	1,610	0	0
Admin. Rules Coordinator	95,808	-702	0	95,106	95,808	95,808	702	0

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
National Governor's Assoc	74,435	0	0	74,435	74,435	74,435	0	0
Total Governor	\$ 1,262,800	\$ -13,497	\$ 0	\$ 1,249,303	\$ 1,262,800	\$ 1,262,800	\$ 13,497	\$ 0
Gov. Subst. Abuse Coord.								
Drug Enf. Ab. Prev. Coord	\$ 224,120	\$ -1,747	\$ 0	\$ 222,373	\$ 222,373	\$ 224,252	\$ 1,879	\$ 132
Cedar Rapids Subs Ab Cntr	32,894	0	0	32,894	32,894	32,894	0	0
Total Gov. Subst. Abuse Crd.	\$ 257,014	\$ -1,747	\$ 0	\$ 255,267	\$ 255,267	\$ 257,146	\$ 1,879	\$ 132
Management, Department of								
Management-General Office	\$ 1,658,978	\$ -17,250	\$ 0	\$ 1,641,728	\$ 1,661,118	\$ 1,661,118	\$ 19,390	\$ 2,140
Council of State Govts.	63,971	0	0	63,971	63,971	63,971	0	0
Law Enforcement Training	0	0	0	0	47,500	47,500	47,500	47,500
Salary Adjustment	157,043	0	0	157,043	14,400,000	15,000,000	14,842,957	14,842,957
Total Management, Dept. of	\$ 1,879,992	\$ -17,250	\$ 0	\$ 1,862,742	\$ 16,172,589	\$ 16,772,589	\$ 14,909,847	\$ 14,892,597
Personnel, Department of								
Administration	\$ 1,331,287	\$ -17,544	\$ 0	\$ 1,313,743	\$ 1,313,743	\$ 1,313,743	\$ 0	\$ -17,544
Field Services	721,597	-10,917	0	710,680	728,791	728,791	18,111	7,194
Program Management	680,908	-12,552	0	668,356	686,989	686,989	18,633	6,081
Compen. & Benefits	853,313	-16,208	0	837,105	855,398	855,398	18,293	2,085
Workers' Comp. - New	5,884,740	0	0	5,884,740	6,509,217	5,884,740	0	0
Total Personnel, Department	\$ 9,471,845	\$ -57,221	\$ 0	\$ 9,414,624	\$ 10,094,138	\$ 9,469,661	\$ 55,037	\$ -2,184
Revenue And Finance, Dept								
Administration	\$ 1,125,542	\$ -15,092	\$ 0	\$ 1,110,450	\$ 1,117,226	\$ 1,117,226	\$ 6,776	\$ -8,316
Audit and Compliance	10,165,157	-157,555	0	10,007,602	10,265,603	10,158,045	150,443	-7,112
Financial Management	7,161,843	-128,415	0	7,033,428	7,138,597	7,089,910	56,482	-71,933
Information Services	2,361,755	-26,622	0	2,335,133	2,615,140	3,466,716	1,131,583	1,104,961
Local Gov't Service	1,302,853	-18,324	0	1,284,529	1,570,118	1,195,405	-89,124	-107,448
Technical Services	2,609,466	-28,308	0	2,581,158	2,631,020	2,385,295	-195,863	-224,171

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
Collection Costs & Fees	45,008	0	0	45,008	45,000	45,000	-8	-8
Monroe Cty Mach. Equipmt.	331,269	0	0	331,269	0	0	-331,269	-331,269
Iowa Special Olympics	15,000	0	-15,000	0	0	0	0	-15,000
Total Revenue And Finance	\$ 25,117,893	\$ -374,316	\$ -15,000	\$ 24,728,577	\$ 25,382,704	\$ 25,457,597	\$ 729,020	\$ 339,704
Secretary of State								
Admin. & Elections	\$ 468,401	\$ -5,864	\$ 0	\$ 462,537	\$ 462,537	\$ 468,928	\$ 6,391	\$ 527
Business Services	1,540,856	-22,175	0	1,518,681	1,519,007	1,531,886	13,205	-8,970
Total Secretary of State	\$ 2,009,257	\$ -28,039	\$ 0	\$ 1,981,218	\$ 1,981,544	\$ 2,000,814	\$ 19,596	\$ -8,443
State-Federal Relations								
State - Fed. Relations General Office	\$ 207,928	\$ -2,166	\$ 0	\$ 205,762	\$ 230,460	\$ 230,460	\$ 24,698	\$ 22,532
Treasurer of State								
Treasurer-General Office	\$ 843,808	\$ -16,951	\$ 0	\$ 826,857	\$ 861,467	\$ 841,763	\$ 14,906	\$ -2,045
Iowa Special Olympics	4,832	0	0	4,832	0	4,832	0	0
Total Treasurer of State	\$ 848,640	\$ -16,951	\$ 0	\$ 831,689	\$ 861,467	\$ 846,595	\$ 14,906	\$ -2,045
Total Administration Subcom	\$ 54,345,683	\$ -708,056	\$ -15,000	\$ 53,622,627	\$ 70,282,131	\$ 76,209,813	\$ 22,587,186	\$ 21,864,130

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
AG. & NATURAL RESOURCES SUBCOMMITTEE								
<u>Ag. & Land Stewardship</u>								
Administrative Division	\$ 1,249,079	\$ -22,881	\$ 0	\$ 1,226,198	\$ 1,243,790	\$ 1,243,790	\$ 17,592	\$ -5,289
Ag Marketing Bureau	823,345	-12,531	0	810,814	1,029,078	819,078	8,264	-4,267
Farmer's Market Coupon	187,505	-743	0	186,762	188,750	188,750	1,988	1,245
Regulatory Division	4,401,566	-83,574	0	4,317,992	4,355,297	4,339,797	21,805	-61,769
Pseudorabies Eradication	900,000	0	0	900,000	925,000	910,000	10,000	10,000
Laboratory Division	3,355,641	-54,067	0	3,301,574	3,328,723	3,328,723	27,149	-26,918
Interstate Grain Compact	75,000	0	0	75,000	78,000	78,000	3,000	3,000
Soil Conservation Div.	5,218,933	-126,228	0	5,092,705	5,376,655	5,146,655	53,950	-72,278
Soil Consv Cost Share	5,918,606	0	0	5,918,606	6,318,606	5,918,606	0	0
Soil Consv Loan Program	0	0	0	0	400,000	0	0	0
Organic Nutrient Mgt.	0	0	0	0	400,000	900,000	900,000	900,000
Total Ag. & Land Stewrdshp	\$ 22,129,675	\$ -300,024	\$ 0	\$ 21,829,651	\$ 23,643,899	\$ 22,873,399	\$ 1,043,748	\$ 743,724
<u>Natural Resources, Dept.</u>								
REAP Appropriation	\$ 7,000,000	\$ 0	\$ 0	\$ 7,000,000	\$ 8,000,000	\$ 7,000,000	\$ 0	\$ 0
Natural Resources Dept.	12,901,255	-202,751	0	12,698,504	12,787,123	13,332,123	633,619	430,868
Non-SF546 Marine Fuel Tax	200,000	0	0	200,000	200,000	200,000	0	0
Total Natural Resources, Dep	\$ 20,101,255	\$ -202,751	\$ 0	\$ 19,898,504	\$ 20,987,123	\$ 20,532,123	\$ 633,619	\$ 430,868
<u>Regents, Board of</u>								
Iowa State University								
Livestock Tech Transfer	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 300,402	\$ 300,402	\$ 402	\$ 402
Total Ag. & Natural Resources	\$ 42,530,930	\$ -502,775	\$ 0	\$ 42,028,155	\$ 44,931,424	\$ 43,705,924	\$ 1,677,769	\$ 1,174,994

GENERAL FUND APPROPRIATIONS

Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
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ECONOMIC DEVELOPMENT SUBCOMMITTEE

Economic Development, Dept

Administrative Services

General Administration	\$ 910,634	\$ -10,804	\$ -14,000	\$ 885,830	\$ 928,434	\$ 892,883	\$ 7,053	\$ -17,751
Primary Research	327,111	-3,653	0	323,458	326,295	326,295	2,837	-816
Film Office	181,664	-722	0	180,942	232,664	182,664	1,722	1,000
Total Administrative Services	1,419,409	-15,179	-14,000	1,390,230	1,487,393	1,401,842	11,612	-17,567

Business Development

Business Development	3,005,534	-10,908	0	2,994,626	3,385,894	3,047,840	53,214	42,306
Small Business Program	308,000	-2,187	0	305,813	318,165	310,338	4,525	2,338
Procurement Office	97,671	-805	0	96,866	97,971	98,689	1,823	1,018
Business/Rural Incubators	50,000	0	0	50,000	50,000	50,000	0	0
Strategic Investment Fund	4,221,021	-4,395	0	4,216,626	7,221,204	7,216,626	3,000,000	2,995,605
Total Business Development	7,682,226	-18,295	0	7,663,931	11,073,234	10,723,493	3,059,562	3,041,267

Community & Rural Develop

Community Assistance	567,057	-5,825	0	561,232	571,025	571,025	9,793	3,968
Mainstreet/Rural Main St.	350,484	-2,212	0	348,272	503,944	503,944	155,672	153,460
Rural Development Prog.	349,566	-1,465	0	348,101	772,242	422,883	74,782	73,317
Community Dev Block Grant	386,855	-3,798	0	383,057	390,375	380,045	-3,012	-6,810
Total Community & Rural Devel.	1,653,962	-13,300	0	1,640,662	2,237,586	1,877,897	237,235	223,935

International Division

International Trade	581,690	-5,841	0	575,849	784,748	736,114	160,265	154,424
Foreign Trade Offices	586,000	-701	0	585,299	594,503	585,299	0	-701
Export Trade Asst. Prog.	317,000	0	0	317,000	317,000	317,000	0	0
Ag Products Adv Council	1,330	0	0	1,330	1,330	1,330	0	0
Total International Division	1,486,020	-6,542	0	1,479,478	1,697,581	1,639,743	160,265	153,723

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
Tourism Division								
Tourism Operations	707,727	-5,840	0	701,887	710,176	710,176	8,289	2,449
Tourism Advertising	2,437,000	0	0	2,437,000	2,867,000	2,737,000	300,000	300,000
Welcome Center Program	250,000	0	0	250,000	400,000	400,000	150,000	150,000
Total Tourism Division	3,394,727	-5,840	0	3,388,887	3,977,176	3,847,176	458,289	452,449
Workforce Development Div								
Youth Work Force Conserv.	954,000	-1,445	0	952,555	1,024,828	951,574	-981	-2,426
Job Retraining Program	761,000	0	0	761,000	981,103	161,000	-600,000	-600,000
Workforce Investment Prog	477,000	0	0	477,000	476,691	476,691	-309	-309
Labor Management Councils	136,642	-721	0	135,921	100,000	100,467	-35,454	-36,175
Workforce Coordinator	0	0	0	0	0	80,000	80,000	80,000
Total Workforce Development Div	2,328,642	-2,166	0	2,326,476	2,582,622	1,769,732	-556,744	-558,910
Iowa Finance Authority								
Housing Improvement Fund	0	0	0	0	1,600,000	0	0	0
INTERNET								
INTERNET	682,000	0	0	682,000	0	0	-682,000	-682,000
Partner State Program	0	0	0	0	0	96,000	96,000	96,000
Peace Institute	0	0	0	0	0	96,000	96,000	96,000
Total INTERNET	682,000	0	0	682,000	0	192,000	-490,000	-490,000
Wallace Foundation								
Wallace Foundation	2,000,000	0	0	2,000,000	3,375,000	2,350,000	350,000	350,000
Iowa Product Development								
Iowa Product Development	1,205,995	-2,910	0	1,203,085	1,151,742	853,085	-350,000	-352,910
Total Economic Development	\$ 21,852,981	\$ -64,232	\$ -14,000	\$ 21,774,749	\$ 29,182,334	\$ 24,654,968	\$ 2,880,219	\$ 2,801,987

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
Regents, Board of								
University of Iowa								
SUI Advanced Drug Devel.	\$ 492,157	\$ -1,013	\$ 0	\$ 491,144	\$ 491,389	\$ 491,389	\$ 245	\$ -768
Iowa State University								
Institute for Phys. Res.	3,249,436	-11,777	0	3,237,659	3,937,863	3,937,863	700,204	688,427
ISU Small Bus. Center	1,043,630	-3,942	0	1,039,688	1,041,389	1,041,389	1,701	-2,241
IPRT - Matching Funds	700,000	0	0	700,000	0	0	-700,000	-700,000
Total Iowa State University	4,993,066	-15,719	0	4,977,347	4,979,252	4,979,252	1,905	-13,814
Total Regents, Board of	\$ 5,485,223	\$ -16,732	\$ 0	\$ 5,468,491	\$ 5,470,641	\$ 5,470,641	\$ 2,150	\$ -14,582
Total Economic Development	\$ 27,338,204	\$ -80,964	\$ -14,000	\$ 27,243,240	\$ 34,652,975	\$ 30,125,609	\$ 2,882,369	\$ 2,787,405

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
EDUCATION SUBCOMMITTEE								
<u>College Aid Commission</u>								
Operations and Loan Prog.								
Scholarship & Grant Admin	\$ 299,950	\$ -5,192	\$ 0	\$ 294,758	\$ 312,662	\$ 296,470	\$ 1,712	\$ -3,480
Osteopathic Univ - Grants	379,260	0	0	379,260	379,260	379,260	0	0
Osteopathic - Prim. Care	245,000	0	0	245,000	245,000	245,000	0	0
Student Aid Programs	1,469,790	0	0	1,469,790	1,539,540	1,469,790	0	0
Higher Ed Strategic Plan	28,445	0	0	28,445	28,445	28,445	0	0
Ia Community Scholarship	0	0	0	0	0	25,000	25,000	25,000
Total Operations and Loan Prog.	2,422,445	-5,192	0	2,417,253	2,504,907	2,443,965	26,712	21,520
Standing Loan & Grant Prg								
Tuition Grant Standing	31,523,930	0	0	31,523,930	33,775,000	32,600,000	1,076,070	1,076,070
Scholarship Prog Standing	474,800	0	0	474,800	474,800	474,800	0	0
Voc. Tech. Grant Standing	1,385,780	0	0	1,385,780	1,503,500	1,385,780	0	0
Work-Study Prog. Standing	2,898,840	0	0	2,898,840	2,898,840	2,898,840	0	0
Total Standing Loan & Grant Prg	36,283,350	0	0	36,283,350	38,652,140	37,359,420	1,076,070	1,076,070
Total College Aid Commiss.	\$ 38,705,795	\$ -5,192	\$ 0	\$ 38,700,603	\$ 41,157,047	\$ 39,803,385	\$ 1,102,782	\$ 1,097,590
<u>Cultural Affairs, Dept.</u>								
Iowa Arts Council	\$ 1,048,390	\$ -7,270	\$ 0	\$ 1,041,120	\$ 1,041,120	\$ 1,041,120	\$ 0	\$ -7,270
State Historical Society	2,316,367	-33,661	0	2,282,706	2,282,706	2,282,706	0	-33,661
Historical Sites	225,866	-2,192	0	223,674	223,674	223,674	0	-2,192
Cultural Affairs - Admin	210,608	-3,139	0	207,469	257,469	207,469	0	-3,139
Cultural Grants	703,116	-490	0	702,626	702,626	702,626	0	-490
Total Cultural Affairs, Dept.	\$ 4,504,347	\$ -46,752	\$ 0	\$ 4,457,595	\$ 4,507,595	\$ 4,457,595	\$ 0	\$ -46,752

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
Education, Department of								
Administration								
DE Administration	\$ 4,891,353	\$ -69,378	\$ 0	\$ 4,821,975	\$ 4,876,975	\$ 4,941,404	\$ 119,429	\$ 50,051
Vocational Ed. Admin.	637,404	-9,094	0	628,310	628,310	631,884	3,574	-5,520
Board of Ed. Examiners	172,178	-1,445	0	170,733	215,233	171,249	516	-929
Vocational Rehab.	3,482,489	-19,569	0	3,462,920	3,482,489	3,473,754	10,834	-8,735
Independent Living	20,762	-147	0	20,615	21,602	21,620	1,005	858
State Library	2,310,848	-13,277	0	2,297,571	2,443,961	2,377,075	79,504	66,227
Regional Library System	1,425,000	0	0	1,425,000	1,576,278	1,425,000	0	0
Iowa Public Television	5,908,450	-62,466	0	5,845,984	6,010,025	6,160,833	314,849	252,383
Center For Assessment	300,000	0	0	300,000	300,000	300,000	0	0
Parental Involvement	5,000	0	0	5,000	0	0	-5,000	-5,000
Technology Commission	40,000	0	0	40,000	358,000	140,000	100,000	100,000
National Assess. Ed. Prog	50,000	0	0	50,000	0	0	-50,000	-50,000
School/Community Planning	0	0	0	0	0	179,000	179,000	179,000
Total Administration	19,243,484	-175,376	0	19,068,108	19,912,873	19,821,819	753,711	578,335
Grants & State Aid								
Teacher Salaries	535,755	0	0	535,755	535,755	535,755	0	0
Corrections Education	1,850,600	0	0	1,850,600	1,850,600	0	-1,850,600	-1,850,600
Vocational Ed. Secondary	3,308,850	0	0	3,308,850	3,308,850	3,308,850	0	0
School Food Service	2,716,859	0	0	2,716,859	2,716,859	2,716,859	0	0
Textbook Nonpublic Sch	551,000	0	0	551,000	551,000	616,000	65,000	65,000
Voc Ag. Youth Org.	59,400	0	0	59,400	59,400	59,400	0	0
IMAGES	60,000	0	0	60,000	60,000	60,000	0	0
Math and Science Coal.	0	0	0	0	0	50,000	50,000	50,000
Total Grants & State Aid	9,082,464	0	0	9,082,464	9,082,464	7,346,864	-1,735,600	-1,735,600

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994	DOM Bonus Adj FY 1994	Onetime Auth FY 1994	Adjusted FY 1994	Dept Req FY 1995	Gov Recomm FY 1995	Gov. Rec. vs Adj. FY 1994	Gov. Rec. vs Est. FY 1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Community College								
CC - General Aid	95,070,486	0	0	95,070,486	101,983,217	99,070,486	4,000,000	4,000,000
CC - 4th Quarter Aid	16,450,231	0	0	16,450,231	16,450,231	16,450,231	0	0
Total Community College	111,520,717	0	0	111,520,717	118,433,448	115,520,717	4,000,000	4,000,000
Total Education, Department	\$ 139,846,665	\$ -175,376	\$ 0	\$ 139,671,289	\$ 147,428,785	\$ 142,689,400	\$ 3,018,111	\$ 2,842,735
Regents, Board of								
Board Office Operations								
Regents Board Office	\$ 1,098,098	\$ -9,100	\$ 0	\$ 1,088,998	\$ 1,102,961	\$ 1,090,723	\$ 1,725	\$ -7,375
Tuition Replacement	23,608,580	0	0	23,608,580	26,195,739	25,843,645	2,235,065	2,235,065
Southwest Iowa Grad. Cntr	68,165	0	0	68,165	68,634	68,165	0	0
Tri State Graduate Center	67,750	0	0	67,750	68,049	67,750	0	0
Quad Cities Graduate Cntr	144,104	0	0	144,104	145,127	144,104	0	0
Regents Salary Adjustment	0	0	0	0	0	17,400,000	17,400,000	17,400,000
Total Board Office Operations	24,986,697	-9,100	0	24,977,597	27,580,510	44,614,387	19,636,790	19,627,690
University of Iowa								
Univ. of Iowa - General	184,764,829	-2,801,746	0	181,963,083	187,225,708	184,110,721	2,147,638	-654,108
SUI Indigent Patient	28,377,653	-273,108	0	28,104,545	28,491,027	28,182,097	77,552	-195,556
SUI Psychiatric Hospital	6,882,669	-81,527	0	6,801,142	6,894,331	6,821,774	20,632	-60,895
SUI Hospital School	5,547,993	-96,373	0	5,451,620	5,544,617	5,479,934	28,314	-68,059
SUI Oakdale Campus	2,794,494	-47,586	0	2,746,908	2,895,052	2,767,936	21,028	-26,558
SUI Hygienic Lab	3,064,813	-62,129	0	3,002,684	3,051,389	3,021,202	18,518	-43,611
SUI Family Practice Prog	1,796,693	-18,554	0	1,778,139	1,780,764	1,779,326	1,187	-17,367
SCHS - Hemophilia, Cancer	428,687	-6,509	0	422,178	424,207	422,671	493	-6,016
SUI Ag Health And Safety	244,713	-1,190	0	243,523	243,811	243,811	288	-902
SUI Statewide Tumor Regis	187,173	-1,477	0	185,696	185,696	185,696	0	-1,477
SUI Sub. Abuse Consortium	61,299	-541	0	60,758	60,889	60,889	131	-410
SUI Cntr for Biocatalysis	1,280,797	-948	0	1,279,849	1,280,078	1,280,078	229	-719
SUI Driving Simulator	270,877	-2,025	0	268,852	269,342	269,342	490	-1,535

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 <u>(1)</u>	DOM Bonus Adj FY 1994 <u>(2)</u>	Onetime Auth FY 1994 <u>(3)</u>	Adjusted FY 1994 <u>(4)</u>	Dept Req FY 1995 <u>(5)</u>	Gov Recomm FY 1995 <u>(6)</u>	Gov. Rec. vs Adj. FY 1994 <u>(7)</u>	Gov. Rec. vs Est. FY 1994 <u>(8)</u>
SUI-Defense Tech. Convers	0	0	0	0	900,000	0	0	0
SUI Primary Health Care	330,000	0	0	330,000	0	660,000	330,000	330,000
Total University of Iowa	236,032,690	-3,393,713	0	232,638,977	239,246,911	235,285,477	2,646,500	-747,213
Iowa State University								
Iowa State Univ- General	148,358,392	-2,280,804	0	146,077,588	150,068,647	147,185,798	1,108,210	-1,172,594
ISU Ag Experiment	27,769,269	-285,902	0	27,483,367	30,688,851	30,600,424	3,117,057	2,831,155
ISU Coop Extension	17,893,930	-246,513	0	17,647,417	17,784,363	17,703,873	56,456	-190,057
ISU Leopold Center	560,560	-6,002	0	554,558	555,331	555,331	773	-5,229
Livestock Disease Resrch	275,969	0	0	275,969	276,186	276,186	217	217
Iowa Research Council	0	0	0	0	0	50,000	50,000	50,000
Ia Livestock Alliance Net	0	0	0	0	0	250,000	250,000	250,000
Total Iowa State University	194,858,120	-2,819,221	0	192,038,899	199,373,378	196,621,612	4,582,713	1,763,492
Univ. of Northern Iowa								
UNI - General	65,971,680	-958,986	0	65,012,694	67,557,866	65,852,919	840,225	-118,761
UNI Recycl/Reuse Center	239,745	0	0	239,745	0	239,745	0	0
Total Univ. of Northern Iowa	66,211,425	-958,986	0	65,252,439	67,557,866	66,092,664	840,225	-118,761
Special Schools								
Iowa School for the Deaf	6,227,939	-94,133	0	6,133,806	6,237,691	6,151,492	17,686	-76,447
Iowa Braille & Sight Sch	3,517,607	-71,506	-60,000	3,386,101	3,466,890	3,400,643	14,542	-116,964
Tuition & Transportation	6,860	0	0	6,860	11,232	11,232	4,372	4,372
Total Special Schools	9,752,406	-165,639	-60,000	9,526,767	9,715,813	9,563,367	36,600	-189,039
Total Regents, Board of	\$ 531,841,338	\$ -7,346,659	\$ -60,000	\$ 524,434,679	\$ 543,474,478	\$ 552,177,507	\$ 27,742,828	\$ 20,336,169
Total Education Subcom	\$ 714,898,145	\$ -7,573,979	\$ -60,000	\$ 707,264,166	\$ 736,567,905	\$ 739,127,887	\$ 31,863,721	\$ 24,229,742

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
HEALTH & HUMAN RIGHTS SUBCOMMITTEE								
<u>Blind, Iowa Commission</u>								
Blind, Department of Department for the Blind	\$ 1,380,253	\$ -17,787	\$ 0	\$ 1,362,466	\$ 1,370,334	\$ 1,370,334	\$ 7,868	\$ -9,919
<u>Civil Rights Commission</u>								
Civil Rights Commission General Office	\$ 1,090,080	\$ -5,118	\$ 0	\$ 1,084,962	\$ 1,084,962	\$ 1,084,962	\$ 0	\$ -5,118
<u>Elder Affairs, Department</u>								
State Administration	\$ 432,829	\$ -6,253	\$ 0	\$ 426,576	\$ 426,576	\$ 430,287	\$ 3,711	\$ -2,542
Aging Programs & Services	2,219,891	0	0	2,219,891	2,569,893	2,319,893	100,002	100,002
Total Elder Affairs, Dept.	\$ 2,652,720	\$ -6,253	\$ 0	\$ 2,646,467	\$ 2,996,469	\$ 2,750,180	\$ 103,713	\$ 97,460
<u>Health, Dept. of Public</u>								
Planning & Administration	\$ 2,017,236	\$ -19,066	\$ -62,823	\$ 1,935,347	\$ 1,947,397	\$ 2,149,397	\$ 214,050	\$ 132,161
Professional Licensure	658,366	-7,436	-45,000	605,930	645,895	745,895	139,965	87,529
Health Delivery Systems	1,160,121	-4,380	0	1,155,741	1,160,037	1,303,037	147,296	142,916
Health Data Commission	290,250	0	0	290,250	290,250	290,250	0	0
Health Protection	2,251,256	-15,713	0	2,235,543	2,276,543	2,276,543	41,000	25,287
Sub Abuse & Hlth Promo	610,465	-5,802	0	604,663	604,663	604,663	0	-5,802
Sub Abuse Prog Grants	8,390,159	0	0	8,390,159	8,390,159	8,390,159	0	0
Family & Community Health	3,052,335	-9,839	0	3,042,496	3,042,496	3,042,496	0	-9,839
SIDS Autopsies	9,675	0	0	9,675	9,675	9,675	0	0
Public Health Nursing	2,511,871	0	0	2,511,871	2,511,871	2,511,871	0	0
Home Health Aide	8,586,716	0	0	8,586,716	8,586,716	8,586,716	0	0
Well Elderly Clinics	585,337	0	0	585,337	585,337	585,337	0	0
Physician Care for Kids	411,187	0	0	411,187	411,187	411,187	0	0

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
Primary & Prevent Health	75,000	0	0	75,000	75,000	75,000	0	0
Healthy Family Program	665,000	0	0	665,000	665,000	665,000	0	0
Dental Examiners	259,980	-2,931	0	257,049	267,049	257,049	0	-2,931
Medical Examiners	982,203	-13,254	-9,000	959,949	1,020,949	979,949	20,000	-2,254
Nursing Examiners	873,653	-9,537	-13,300	850,816	874,166	874,166	23,350	513
Pharmacy Examiners	646,787	-6,563	0	640,224	662,224	652,224	12,000	5,437
Total Health, Dept. of Public	\$ 34,037,597	\$ -94,521	\$ -130,123	\$ 33,812,953	\$ 34,026,614	\$ 34,410,614	\$ 597,661	\$ 373,017
Human Rights, Department								
Central Administration	\$ 228,188	\$ -3,443	\$ 0	\$ 224,745	\$ 228,188	\$ 226,961	\$ 2,216	\$ -1,227
Community Action Agencies	3,526	0	0	3,526	3,526	3,526	0	0
Deaf Services	290,418	-4,015	0	286,403	293,675	288,900	2,497	-1,518
Persons With Disabilities	101,518	-743	0	100,775	101,518	101,518	743	0
Latino Affairs	96,128	-722	0	95,406	96,128	96,128	722	0
Status of Women	347,773	-2,952	0	344,821	393,014	391,769	46,948	43,996
Status of African Am.	84,243	-725	0	83,518	86,002	86,002	2,484	1,759
Criminal & Juvenile Just.	363,991	-6,142	0	357,849	363,991	363,991	6,142	0
Total Human Rights, Dept.	\$ 1,515,785	\$ -18,742	\$ 0	\$ 1,497,043	\$ 1,566,042	\$ 1,558,795	\$ 61,752	\$ 43,010
Veterans Affairs, Comm of								
Vet Affairs Admin	\$ 149,370	\$ -2,208	\$ 0	\$ 147,162	\$ 148,244	\$ 148,244	\$ 1,082	\$ -1,126
War Orphans Ed Fund	6,000	0	0	6,000	6,000	4,800	-1,200	-1,200
Iowa Veterans Home	32,132,323	-395,529	0	31,736,794	36,259,219	35,643,032	3,906,238	3,510,709
Total Veterans Affairs, Com	\$ 32,287,693	\$ -397,737	\$ 0	\$ 31,889,956	\$ 36,413,463	\$ 35,796,076	\$ 3,906,120	\$ 3,508,383
Total Health & Human Rights	\$ 72,964,128	\$ -540,158	\$ -130,123	\$ 72,293,847	\$ 77,457,884	\$ 76,970,961	\$ 4,677,114	\$ 4,006,833

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994	DOM Bonus Adj FY 1994	Onetime Auth FY 1994	Adjusted FY 1994	Dept Req FY 1995	Gov Recomm FY 1995	Gov. Rec. vs Adj. FY 1994	Gov. Rec. vs Est. FY 1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
HUMAN SERVICES SUBCOMMITTEE								
Human Services, Dept. of								
Human Services, Dept. of								
Council on Human Invest.	\$ 123,000	\$ 0	\$ 0	\$ 123,000	\$ 124,200	\$ 139,200	\$ 16,200	\$ 16,200
Economic Assistance								
Family Investment Program	43,247,427	0	0	43,247,427	36,734,109	37,139,476	-6,107,951	-6,107,951
Emergency Assistance	883,750	0	0	883,750	1,767,500	1,767,500	883,750	883,750
Promise Jobs	7,718,000	0	0	7,718,000	11,993,000	12,071,270	4,353,270	4,353,270
Child Support Recoveries	4,354,667	-33,388	0	4,321,279	4,951,546	4,951,546	630,267	596,879
X-PERT	824,121	-1,624	0	822,497	1,411,703	1,411,703	589,206	587,582
Total Economic Assistance	57,027,965	-35,012	0	56,992,953	56,857,858	57,341,495	348,542	313,530
Medical Services								
Medical Assistance	342,058,555	0	0	342,058,555	360,924,100	345,996,100	3,937,545	3,937,545
Medical Contracts	5,542,950	0	0	5,542,950	6,075,000	5,917,350	374,400	374,400
State Supplementary Asst.	18,792,860	0	0	18,792,860	19,483,000	18,967,000	174,140	174,140
Total Medical Services	366,394,365	0	0	366,394,365	386,482,100	370,880,450	4,486,085	4,486,085
Serving A, C, & F								
Toledo Juvenile Home	4,764,491	-80,791	0	4,683,700	4,823,679	4,799,897	116,197	35,406
Eldora Training School	8,118,053	-139,440	0	7,978,613	8,122,785	8,137,981	159,368	19,928
Child and Family Serv	67,538,435	0	0	67,538,435	74,412,903	74,189,863	6,651,428	6,651,428
Community Based Services	1,624,226	0	0	1,624,226	1,624,226	1,656,126	31,900	31,900
Ct Ordered Serv Juvenile	3,590,000	0	0	3,590,000	3,090,000	3,090,000	-500,000	-500,000
Child Care Services	7,680,962	0	0	7,680,962	9,976,962	7,397,259	-283,703	-283,703
Juv. Detention - 72 Hours	170,000	0	0	170,000	0	0	-170,000	-170,000
Total Serving A, C, & F	93,486,167	-220,231	0	93,265,936	102,050,555	99,271,126	6,005,190	5,784,959

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
Serving MH/MR/DD/BI								
Cherokee Mental Health	14,519,662	-231,288	0	14,288,374	14,526,766	14,425,374	137,000	-94,288
Clarinda Mental Health	6,002,720	-106,843	0	5,895,877	6,109,910	6,008,952	113,075	6,232
Independence Mental Hlth	17,269,372	-280,665	0	16,988,707	17,569,371	17,153,764	165,057	-115,608
Mt Pleasant Mental Health	4,893,270	-48,750	0	4,844,520	5,030,861	4,882,026	37,506	-11,244
Glenwood Hospital-School	36,488,330	-698,416	0	35,789,914	35,446,165	35,497,594	-292,320	-990,736
Woodward Hospital-School	31,101,047	-588,531	0	30,512,516	30,207,541	30,292,087	-220,429	-808,960
Community MH/MR Fund	28,708,109	0	0	28,708,109	28,956,958	28,956,958	248,849	248,849
Family Support Subsidy	1,050,000	0	0	1,050,000	1,082,550	1,082,550	32,550	32,550
DD Special Needs Grants	53,212	0	0	53,212	53,212	53,212	0	0
MH/MR/DD Special Services	370,069	0	0	370,069	121,220	121,220	-248,849	-248,849
State Cases	4,031,891	0	0	4,031,891	6,498,492	6,498,492	2,466,601	2,466,601
Gamblers Assistance Prog.	250,000	0	0	250,000	250,000	250,000	0	0
Total Serving MH/MR/DD/BI	144,737,682	-1,954,493	0	142,783,189	145,853,046	145,222,229	2,439,040	484,547
DHS Administration								
Field Operations	37,244,529	-329,451	0	36,915,078	40,888,727	37,567,639	652,561	323,110
General Administration	9,190,615	-101,698	0	9,088,917	10,151,851	9,487,716	398,799	297,101
Volunteers	85,793	0	0	85,793	85,793	85,793	0	0
Total DHS Administration	46,520,937	-431,149	0	46,089,788	51,126,371	47,141,148	1,051,360	620,211
Total Human Services, Dept.	\$ 708,290,116	\$ -2,640,885	\$ 0	\$ 705,649,231	\$ 742,494,130	\$ 719,995,648	\$ 14,346,417	\$ 11,705,532
Total Human Services Subcom	\$ 708,290,116	\$ -2,640,885	\$ 0	\$ 705,649,231	\$ 742,494,130	\$ 719,995,648	\$ 14,346,417	\$ 11,705,532

GENERAL FUND APPROPRIATIONS

Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
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JUSTICE SYSTEM SUBCOMMITTEE

Attorney General

General Office A.G.	\$ 4,826,993	\$ -74,545	\$ 0	\$ 4,752,448	\$ 4,752,448	\$ 4,752,448	\$ 0	\$ -74,545
Pros. Attor. Training	113,773	-447	0	113,326	113,326	113,326	0	-447
Victim Assistance Grants	1,359,812	0	0	1,359,812	1,359,812	1,359,812	0	0
Area GASA Pros. Attorney	104,372	-1,445	0	102,927	102,927	102,927	0	-1,445
Consumer Advocate	2,163,558	-20,162	-103,000	2,040,396	2,040,396	2,040,396	0	-123,162
Total Attorney General	\$ 8,568,508	\$ -96,599	\$ -103,000	\$ 8,368,909	\$ 8,368,909	\$ 8,368,909	\$ 0	\$ -199,599

Corrections, Department

Corr. - Institutions

Ft. Madison Inst.	\$ 24,593,681	\$ -332,607	\$ 0	\$ 24,261,074	\$ 26,635,984	\$ 24,705,497	\$ 444,423	\$ 111,816
Anamosa Inst.	18,130,950	-240,901	0	17,890,049	19,394,296	18,462,080	572,031	331,130
Oakdale Inst.	15,363,839	-212,726	0	15,151,113	16,384,757	15,478,173	327,060	114,334
Newton Inst.	5,222,453	-60,419	0	5,162,034	5,342,967	5,293,526	131,492	71,073
Mt Pleasant Inst.	13,141,782	-177,552	0	12,964,230	14,175,213	13,219,851	255,621	78,069
Rockwell City Inst.	5,302,937	-69,131	0	5,233,806	5,378,698	5,341,798	107,992	38,861
Clarinda Inst.	6,279,833	-73,691	0	6,206,142	6,791,741	6,308,034	101,892	28,201
Mitchellville Inst.	6,062,800	-79,332	0	5,983,468	6,107,163	6,081,317	97,849	18,517
Total Corr. - Institutions	94,098,275	-1,246,359	0	92,851,916	100,210,819	94,890,276	2,038,360	792,001

Corr. - Central Office

Central Office	2,195,045	-25,119	0	2,169,926	2,814,077	2,223,408	53,482	28,363
Training Center	382,390	-4,417	0	377,973	422,482	381,095	3,122	-1,295
County Confinement	237,038	0	0	237,038	237,038	237,038	0	0
Fed Prisoners/Contract	341,334	0	0	341,334	341,334	341,334	0	0
Corr. Expansion-Phase I	625,860	0	0	625,860	625,860	625,860	0	0
Corr. Expansion-Phase II	3,188,273	0	0	3,188,273	3,186,995	3,186,995	-1,278	-1,278
Corrections Education	0	0	0	0	0	1,850,600	1,850,600	1,850,600

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994	DOM Bonus Adj FY 1994	Onetime Auth FY 1994	Adjusted FY 1994	Dept Req FY 1995	Gov Recomm FY 1995	Gov. Rec. vs Adj. FY 1994	Gov. Rec. vs Est. FY 1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total Corr. - Central Office	6,969,940	-29,536	0	6,940,404	7,627,786	8,846,330	1,905,926	1,876,390
CBC Districts								
CBC District I	6,102,050	-105,885	0	5,996,165	6,464,484	6,138,546	142,381	36,496
CBC District II	4,752,378	-80,915	0	4,671,463	5,346,967	4,758,826	87,363	6,448
CBC District III	3,015,037	-48,320	0	2,966,717	3,266,029	3,049,366	82,649	34,329
CBC District IV	2,187,133	-33,404	0	2,153,729	2,328,888	2,261,800	108,071	74,667
CBC District V	8,115,370	-111,792	0	8,003,578	8,957,582	8,291,030	287,452	175,660
CBC District VI	6,103,625	-103,097	0	6,000,528	6,427,001	6,167,469	166,941	63,844
CBC District VII	4,222,793	-68,952	0	4,153,841	4,356,961	4,223,831	69,990	1,038
CBC District VIII	3,594,538	-52,430	0	3,542,108	3,647,530	3,627,205	85,097	32,667
CBC Statewide	85,817	0	0	85,817	85,817	85,817	0	0
Total CBC Districts	38,178,741	-604,795	0	37,573,946	40,881,259	38,603,890	1,029,944	425,149
Total Corrections, Dept.	\$ 139,246,956	\$ -1,880,690	\$ 0	\$ 137,366,266	\$ 148,719,864	\$ 142,340,496	\$ 4,974,230	\$ 3,093,540
Judicial Branch								
Judicial Branch	\$ 80,979,426	\$ -1,271,310	\$ 0	\$ 79,708,116	\$ 85,152,230	\$ 85,152,230	\$ 5,444,114	\$ 4,172,804
Juv. Vict. Restitution	98,000	0	0	98,000	131,663	131,663	33,663	33,663
ICIS Computer	857,500	0	0	857,500	857,500	857,500	0	0
Total Judicial Branch	\$ 81,934,926	\$ -1,271,310	\$ 0	\$ 80,663,616	\$ 86,141,393	\$ 86,141,393	\$ 5,477,777	\$ 4,206,467
Parole, Board of								
Parole Board								
Parole Board	\$ 817,109	\$ -11,024	\$ -31,000	\$ 775,085	\$ 775,085	\$ 778,747	\$ 3,662	\$ -38,362
Total Justice System Subcom	\$ 230,567,499	\$ -3,259,623	\$ -134,000	\$ 227,173,876	\$ 244,005,251	\$ 237,629,545	\$ 10,455,669	\$ 7,062,046

GENERAL FUND APPROPRIATIONS

Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
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REGULATION SUBCOMMITTEE

Auditor of State

Auditor of State

Auditor - General Office	\$ 1,228,220	\$ -67,296	\$ 0	\$ 1,160,924	\$ 1,296,700	\$ 1,196,248	\$ 35,324	\$ -31,972
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Ethics & Campaign Discl.

Campaign Finance	\$ 307,651	\$ -4,440	\$ 0	\$ 303,211	\$ 441,104	\$ 387,183	\$ 83,972	\$ 79,532
CFDC-Ethics Bd Member	2,000	0	0	2,000	0	0	-2,000	-2,000
CFDC-Ethics Attorney	43,202	0	0	43,202	0	0	-43,202	-43,202
CFDC-Ethics Admin Assist	39,202	0	0	39,202	0	0	-39,202	-39,202
CFDC-Ethics Equipment	38,150	0	0	38,150	0	0	-38,150	-38,150

Total Ethics & Campaign Dis	\$ 430,205	\$ -4,440	\$ 0	\$ 425,765	\$ 441,104	\$ 387,183	\$ -38,582	\$ -43,022
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Commerce, Department of

Commerce Administration

Commerce Administration	\$ 108,636	\$ -1,455	\$ 0	\$ 107,181	\$ 210,378	\$ 210,378	\$ 103,197	\$ 101,742
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Alcoholic Beverages

Alcoholic Beverages Div	1,963,007	-25,703	0	1,937,304	1,922,127	1,901,127	-36,177	-61,880
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Banking Division

Banking Division	5,314,308	-61,292	0	5,253,016	5,365,251	5,365,251	112,235	50,943
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Credit Union Division

Credit Union Division	1,039,372	-12,496	0	1,026,876	1,033,772	1,033,772	6,896	-5,600
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Insurance Division

Insurance Division	2,741,380	-62,933	-25,000	2,653,447	2,716,995	2,816,995	163,548	75,615
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Prof. Licensing & Reg

Professional Lic Div	905,563	-9,507	0	896,056	891,000	891,000	-5,056	-14,563
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GENERAL FUND APPROPRIATIONS

	Estimated FY 1994	DOM Bonus Adj FY 1994	Onetime Auth FY 1994	Adjusted FY 1994	Dept Req FY 1995	Gov Recomm FY 1995	Gov. Rec. vs Adj. FY 1994	Gov. Rec. vs Est. FY 1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Utilities Division								
Utilities Division	4,830,885	-49,496	0	4,781,389	4,771,826	4,771,826	-9,563	-59,059
Total Commerce, Dept.	\$ 16,903,151	\$ -222,882	\$ -25,000	\$ 16,655,269	\$ 16,911,349	\$ 16,990,349	\$ 335,080	\$ 87,198
Employment Services, Dept								
Labor Serv.	\$ 2,358,742	\$ -32,954	\$ 0	\$ 2,325,788	\$ 2,475,976	\$ 2,385,029	\$ 59,241	\$ 26,287
Industrial Serv.	1,905,959	-23,404	0	1,882,555	2,106,249	2,017,301	134,746	111,342
Workforce Devel. Initiative	0	0	0	0	0	600,000	600,000	600,000
Total Employment Services	\$ 4,264,701	\$ -56,358	\$ 0	\$ 4,208,343	\$ 4,582,225	\$ 5,002,330	\$ 793,987	\$ 737,629
Inspections & Appeals								
Inspections & Appeals								
Finance and Services Div.	\$ 491,297	\$ -10,085	\$ 0	\$ 481,212	\$ 484,920	\$ 484,920	\$ 3,708	\$ -6,377
Audits Division	346,635	-5,456	0	341,179	342,246	342,246	1,067	-4,389
Appeals and Fair Hearings	214,546	-2,229	0	212,317	213,140	213,140	823	-1,406
Investigations Division	523,803	-10,007	0	513,796	709,812	709,812	196,016	186,009
Health Facilities Div.	1,398,954	-19,557	0	1,379,397	1,623,067	1,506,548	127,151	107,594
Inspections Division	576,139	-9,196	0	566,943	571,275	569,418	2,475	-6,721
Employment Appeal Board	45,768	-778	0	44,990	45,247	45,247	257	-521
Foster Care Review Board	138,796	-2,933	0	135,863	195,335	138,977	3,114	181
Indigent Defense Approp.	8,778,665	0	0	8,778,665	11,029,000	11,129,000	2,350,335	2,350,335
Total Inspections & Appeals	12,514,603	-60,241	0	12,454,362	15,214,042	15,139,308	2,684,946	2,624,705
Public Defender								
Public Defender	7,836,602	-104,405	0	7,732,197	7,831,289	7,831,289	99,092	-5,313

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
Racing Commission								
Racetracks	1,724,661	-14,072	0	1,710,589	1,728,494	1,728,494	17,905	3,833
Riverboats	601,682	-6,319	0	595,363	685,028	609,028	13,665	7,346
Total Racing Commission	<u>2,326,343</u>	<u>-20,391</u>	<u>0</u>	<u>2,305,952</u>	<u>2,413,522</u>	<u>2,337,522</u>	<u>31,570</u>	<u>11,179</u>
Total Inspections & Appeals	<u>\$ 22,677,548</u>	<u>\$ -185,037</u>	<u>\$ 0</u>	<u>\$ 22,492,511</u>	<u>\$ 25,458,853</u>	<u>\$ 25,308,119</u>	<u>\$ 2,815,608</u>	<u>\$ 2,630,571</u>
Public Emp. Relations Brd								
Public Emp. Relations								
General Office	\$ 725,193	\$ -7,305	\$ 0	\$ 717,888	\$ 720,769	\$ 720,769	\$ 2,881	\$ -4,424
Total Regulation Subcom	<u>\$ 46,229,018</u>	<u>\$ -543,318</u>	<u>\$ -25,000</u>	<u>\$ 45,660,700</u>	<u>\$ 49,411,000</u>	<u>\$ 49,604,998</u>	<u>\$ 3,944,298</u>	<u>\$ 3,375,980</u>

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
TRANSPORTATION & SAFETY SUBCOMMITTEE								
<u>Law Enforcement Academy</u>								
ILEA Operations	\$ 895,359	\$ -16,950	\$ 0	\$ 878,409	\$ 1,100,000	\$ 1,034,150	\$ 155,741	\$ 138,791
ILEA Dare Coordinator	0	0	0	0	15,000	15,000	15,000	15,000
Total Law Enforcement Acad	\$ 895,359	\$ -16,950	\$ 0	\$ 878,409	\$ 1,115,000	\$ 1,049,150	\$ 170,741	\$ 153,791
<u>Public Defense, Dept. of</u>								
Military Division	\$ 3,770,663	\$ -30,516	\$ 0	\$ 3,740,147	\$ 3,718,896	\$ 3,718,896	\$ -21,251	\$ -51,767
Emergency Mgmt Div.	297,157	-4,374	0	292,783	561,858	530,717	237,934	233,560
Total Public Defense, Dept.	\$ 4,067,820	\$ -34,890	\$ 0	\$ 4,032,930	\$ 4,280,754	\$ 4,249,613	\$ 216,883	\$ 181,793
<u>Public Safety, Department</u>								
Administration	\$ 2,224,005	\$ -25,909	\$ 0	\$ 2,198,096	\$ 2,198,096	\$ 2,198,096	\$ 0	\$ -25,909
Investigation, DCI	7,110,809	-54,477	0	7,056,332	7,709,476	7,181,332	125,000	70,523
Narcotics Enforce.	2,162,813	-9,985	0	2,152,828	2,426,608	2,426,608	273,780	263,795
Undercover Funds	139,202	0	0	139,202	139,202	139,202	0	0
Fire Marshal	1,369,462	-5,979	0	1,363,483	1,363,483	1,363,483	0	-5,979
Capitol Security	1,111,221	-4,442	0	1,106,779	1,106,779	1,106,779	0	-4,442
ISP D.A.R.E. Project	29,529	0	0	29,529	0	0	-29,529	-29,529
Total Public Safety, Dept.	\$ 14,147,041	\$ -100,792	\$ 0	\$ 14,046,249	\$ 14,943,644	\$ 14,415,500	\$ 369,251	\$ 268,459
<u>Transportation, Dept.</u>								
Air & Transit	\$ 405,169	\$ -5,572	\$ 0	\$ 399,597	\$ 393,000	\$ 393,000	\$ -6,597	\$ -12,169
Rail Projects	2,110,553	0	0	2,110,553	2,110,553	2,110,553	0	0
State Aviation Approp.	2,170,080	0	0	2,170,080	2,400,000	2,262,000	91,920	91,920
Total Transportation, Dept.	\$ 4,685,802	\$ -5,572	\$ 0	\$ 4,680,230	\$ 4,903,553	\$ 4,765,553	\$ 85,323	\$ 79,751
Total Transportation & Safety	\$ 23,796,022	\$ -158,204	\$ 0	\$ 23,637,818	\$ 25,242,951	\$ 24,479,816	\$ 841,998	\$ 683,794

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
UNASSIGNED STANDINGS								
<u>Corrections, Department</u>								
Corr. - Central Office								
State Cases - Stdg.	\$ 66,370	\$ 0	\$ 0	\$ 66,370	\$ 66,370	\$ 66,370	\$ 0	\$ 0
<u>Education, Department of</u>								
Education, Dept. Of								
Trans of Nonpublic Pupils	\$ 6,894,293	\$ 0	\$ 0	\$ 6,894,293	\$ 6,894,293	\$ 6,794,293	\$ -100,000	\$ -100,000
Child Development	10,191,258	0	0	10,191,258	10,191,258	10,191,258	0	0
Educational Excellence	79,548,734	0	0	79,548,734	79,548,734	79,548,734	0	0
Instructional Support	14,798,227	0	0	14,798,227	14,798,227	14,798,227	0	0
School Foundation Aid	1,230,528,294	0	0	1,230,528,294	1,282,000,000	1,270,828,294	40,300,000	40,300,000
Total Education, Dept. Of	1,341,960,806	0	0	1,341,960,806	1,393,432,512	1,382,160,806	40,200,000	40,200,000
Iowa Public Television								
State Commun. Network	5,000,000	0	0	5,000,000	8,220,007	5,000,000	0	0
Total Education, Department	<u>\$ 1,346,960,806</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,346,960,806</u>	<u>\$ 1,401,652,519</u>	<u>\$ 1,387,160,806</u>	<u>\$ 40,200,000</u>	<u>\$ 40,200,000</u>
<u>Executive Council</u>								
Public Improvements	\$ 125,000	\$ 0	\$ 0	\$ 125,000	\$ 150,000	\$ 150,000	\$ 25,000	\$ 25,000
Drainage Assessment	25,000	0	0	25,000	25,000	25,000	0	0
Court Costs	50,000	0	0	50,000	82,237	82,237	32,237	32,237
Habeas Corpus Fees	20,000	0	0	20,000	22,978	22,978	2,978	2,978
Perf. of Duty Standing	7,400,000	0	0	7,400,000	3,000,000	3,000,000	-4,400,000	-4,400,000
Total Executive Council	<u>\$ 7,620,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,620,000</u>	<u>\$ 3,280,215</u>	<u>\$ 3,280,215</u>	<u>\$ -4,339,785</u>	<u>\$ -4,339,785</u>

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
Legislative Branch								
Legislature								
Legislative Expenses	\$ 18,475,193	\$ 0	\$ 0	\$ 18,475,193	\$ 20,111,978	\$ 20,111,978	\$ 1,636,785	\$ 1,636,785
Governor								
Governor's Office, Iowa								
Interstate Extradition	\$ 3,676	\$ 0	\$ 0	\$ 3,676	\$ 3,676	\$ 3,676	\$ 0	\$ 0
Human Services, Dept. of								
Commission of Inquiry	\$ 1,800	\$ 0	\$ 0	\$ 1,800	\$ 1,800	\$ 1,800	\$ 0	\$ 0
Non Resident Transfer	87	0	0	87	87	87	0	0
Non Resident Commitment	184,398	0	0	184,398	184,398	184,398	0	0
Total Human Services, Dept.	\$ 186,285	\$ 0	\$ 0	\$ 186,285	\$ 186,285	\$ 186,285	\$ 0	\$ 0
Management, Department of								
Indian Settlement Officer	\$ 58,750	\$ 0	\$ 0	\$ 58,750	\$ 23,750	\$ 23,750	\$ -35,000	\$ -35,000
Appeal Board Standing	5,000,000	0	0	5,000,000	5,000,000	5,000,000	0	0
Total Management, Dept.	\$ 5,058,750	\$ 0	\$ 0	\$ 5,058,750	\$ 5,023,750	\$ 5,023,750	\$ -35,000	\$ -35,000
Public Defense, Dept. of								
Public Defense, Dept. Of								
Compensation & Expense	\$ 750,000	\$ 0	\$ 0	\$ 750,000	\$ 76,000	\$ 100,000	\$ -650,000	\$ -650,000
Revenue And Finance, Dept								
Ag Land Tax Credit	\$ 39,100,000	\$ 0	\$ 0	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 0	\$ 0
Property Tax Replacement	56,287,557	0	0	56,287,557	56,287,557	56,287,557	0	0
Printing Cigarette Stamps	115,000	0	0	115,000	115,000	115,000	0	0
Homestead Tax Credit Aid	93,573,219	0	0	93,573,219	93,573,219	93,573,219	0	0
Extraordinary Prop. Tax	10,800,000	0	0	10,800,000	10,800,000	10,800,000	0	0

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
Peace Officer Retirement	2,942,726	0	0	2,942,726	2,942,726	2,942,726	0	0
Compensation	1,000,000	0	0	1,000,000	650,000	650,000	-350,000	-350,000
Franchise Tax Reimburse	8,800,000	0	0	8,800,000	8,800,000	8,800,000	0	0
Military Service Tax	2,820,682	0	0	2,820,682	2,820,682	2,820,682	0	0
Total Revenue And Finance	\$ 215,439,184	\$ 0	\$ 0	\$ 215,439,184	\$ 215,089,184	\$ 215,089,184	\$ -350,000	\$ -350,000
<u>Secretary of State</u>								
Iowa Servicemens Ballot	\$ 2,490	\$ 0	\$ 0	\$ 2,490	\$ 0	\$ 0	\$ -2,490	\$ -2,490
Constitutional Amendments	0	0	0	0	2,565	2,565	2,565	2,565
Total Secretary of State	\$ 2,490	\$ 0	\$ 0	\$ 2,490	\$ 2,565	\$ 2,565	\$ 75	\$ 75
<u>Transportation, Dept.</u>								
Transportation, Dept.								
Public Transit Assistance	\$ 6,200,000	\$ 0	\$ 0	\$ 6,200,000	\$ 6,200,000	\$ 5,950,000	\$ -250,000	\$ -250,000
<u>Treasurer of State</u>								
Treasurer Of State								
TRANS Note Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Total Unassigned Standings	\$ 1,600,762,754	\$ 0	\$ 0	\$ 1,600,762,754	\$ 1,652,692,542	\$ 1,637,974,829	\$ 37,212,075	\$ 37,212,075

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 (1)	DOM Bonus Adj FY 1994 (2)	Onetime Auth FY 1994 (3)	Adjusted FY 1994 (4)	Dept Req FY 1995 (5)	Gov Recomm FY 1995 (6)	Gov. Rec. vs Adj. FY 1994 (7)	Gov. Rec. vs Est. FY 1994 (8)
CAPITAL PROJECTS								
<u>Corrections Capitals</u>								
Corrections Capital								
Health/Life/Fire Safety	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 2,800,000	\$ 250,000	\$ -50,000	\$ -50,000
<u>Employment Services Caps</u>								
Employment Services Caps								
DES Capitals FY95	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,020,630	\$ 0	\$ 0	\$ 0
<u>General Services Capitals</u>								
Health/Life/Fire Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,101,655	\$ 100,000	\$ 100,000	\$ 100,000
Critical Deferred Maint	0	0	0	0	148,500	0	0	0
General Services Capitals	0	0	0	0	2,422,459	1,000,000	1,000,000	1,000,000
General Services ISD Caps	0	0	0	0	279,450	0	0	0
Total General Services Cap.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,952,064	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
<u>Human Services Capitals</u>								
Health/Life/Safety	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 801,979	\$ 150,000	\$ -150,000	\$ -150,000
Critical Deferred Mainten	0	0	0	0	193,000	0	0	0
Total Human Services Cap.	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 994,979	\$ 150,000	\$ -150,000	\$ -150,000
<u>Natural Resources Capital</u>								
GF-Marine Fuel Tax Caps	\$ 1,650,000	\$ 0	\$ 0	\$ 1,650,000	\$ 0	\$ 0	\$ -1,650,000	\$ -1,650,000
GF-Marine Fuel Tx Caps	0	0	0	0	1,650,000	1,650,000	1,650,000	1,650,000
Total Natural Resources Cap.	\$ 1,650,000	\$ 0	\$ 0	\$ 1,650,000	\$ 1,650,000	\$ 1,650,000	\$ 0	\$ 0

GENERAL FUND APPROPRIATIONS

	Estimated FY 1994 <u>(1)</u>	DOM Bonus Adj FY 1994 <u>(2)</u>	Onetime Auth FY 1994 <u>(3)</u>	Adjusted FY 1994 <u>(4)</u>	Dept Req FY 1995 <u>(5)</u>	Gov Recomm FY 1995 <u>(6)</u>	Gov. Rec. vs Adj. FY 1994 <u>(7)</u>	Gov. Rec. vs Est. FY 1994 <u>(8)</u>
<u>Public Defense Capitals</u>								
Boone Armory Maint.	\$ 108,000	\$ 0	\$ 0	\$ 108,000	\$ 0	\$ 0	\$ -108,000	\$ -108,000
Public Defense Capitals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>297,100</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Public Defense Capitals	<u>\$ 108,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 108,000</u>	<u>\$ 297,100</u>	<u>\$ 0</u>	<u>\$ -108,000</u>	<u>\$ -108,000</u>
<u>Regents Capitals</u>								
Regents Capital								
Board of Regents Capitals	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,940,000	\$ 95,000	\$ 95,000	\$ 95,000
<u>Education Capitals</u>								
Education Capital								
Voc. Rehab. Capitals	\$ 30,000	\$ 0	\$ 0	\$ 30,000	\$ 250,000	\$ 0	\$ -30,000	\$ -30,000
<u>Commerce Capitals</u>								
Commerce Capital								
Liq. Fac. Roof Repair	\$ 350,000	\$ 0	\$ 0	\$ 350,000	\$ 0	\$ 0	\$ -350,000	\$ -350,000
<u>Veterans Affairs Capitals</u>								
Veterans Affairs Capital								
Veterans Affairs Capitals	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,191,255	\$ 0	\$ 0	\$ 0
<u>Law Enforcement Caps</u>								
ILEA Capitals								
ILEA Capitals FY-95	\$ 0	\$ 0	\$ 0	\$ 0	\$ 84,000	\$ 0	\$ 0	\$ 0
<u>Personnel Capitals</u>								
Personnel Capitals								
Personnel Capitals	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,000	\$ 0	\$ 0	\$ 0
Total Capital Projects	<u>\$ 2,738,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,738,000</u>	<u>\$ 79,210,028</u>	<u>\$ 3,245,000</u>	<u>\$ 507,000</u>	<u>\$ 507,000</u>

APPENDIX B

GLOSSARY OF BUDGET TERMS

Accrual: The basis of accounting in which revenues are recorded when earned and expenditures are recognized in the period in which benefit is derived. It provides for the matching of expense against related revenue.

Allocation: Funds and/or personnel which are apportioned or designated to a function, program, or activity.

Appropriation: A legislative allocation of money for a specific purpose.

75.0% Base Budgeting: A form of modified base budgeting used by the State of Iowa in which agency managers assume for budgeting purposes that 75.0% of the current appropriation becomes the base for the next fiscal year's budget.

Budget Unit: A predetermined grouping of one or more organizations that indicates an individual entity within a department. There may be one or more budget units within a department. A budget unit generally equals an appropriation made by the General Assembly.

Capital Appropriation: An appropriation for long term additions to or betterment of State property, e.g., land, buildings, or equipment.

Cost-Of-Living Adjustment (COLA): An annual increase made in the personal services line-item at the start of the fiscal year to take account of increases in the cost-of-living. This adjustment is determined through the collective bargaining process.

Decision Package: An individual request for funding made by the department for personnel, services, equipment, capitals, etc. Decision Packages are either requests to return the budget to 100% of the previous year's appropriation from the 75.0% base budget, or they are new requests for funding, over and above the previous year's appropriation. Decision packages are listed in priority order for each budget unit.

Estimated Revenues: A projection compiled by the Revenue Estimating Conference for General Fund receipts.

Expenditures: Disbursements and payables for services rendered and goods received including authorized encumbrances for a specific appropriated period.

Estimated Expenditures: A projection compiled according to legislative action, adjusted for salary, cost-of-living, and merit increases.

FY or Fiscal Year: The 12-month financial period used for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management. The fiscal year of the State of Iowa is July 1 to June 30.

FTE or Full Time Equivalent Positions: One full-time equivalent position represents 2,080 working hours, which is the regular number of hours 1 full-time person works in 1 fiscal year.

General Fund: The fiscal entity whose receipts are not earmarked for dedicated purposes and which supports the general functions of State government.

Goals: A broad statement of purpose or intended achievement as established by policy makers or program administrators.

Grants and Aids: State money that passes through State departments for local needs.

Item-veto: The action by the Governor whereby a section of an appropriation bill is vetoed.

Line-item: A term to describe funds requested and/or appropriated on a detailed or itemized basis (personal services, travel, equipment, etc.).

Merit Increase: The normal pay increase granted at the time of an employee's review date. Currently, a merit increase is the equivalent of 1 merit step or approximately 4.0% of the employee's salary.

New/Expanded Programs: Departmental requests that are above and beyond current operations of the department.

Objective: A specific statement of intent or action that serves to achieve a stated goal.

Operations: An appropriation of funds for the performance of the normal functions of a department or a division.

Organization: A responsibility center within the management structure of a department.

Performance Measures: Criteria used to assess progress toward the objectives in the implementation of a program.

Reversion: Following the close of a fiscal year, all unencumbered or unobligated balances revert to the State treasury and to the credit of the fund from which the appropriation was made.

Standing Limited Appropriation: An appropriation of a specific dollar amount established by the Code of Iowa. An example is the Indian Settlement Officer, Section 331.60, Code of Iowa: "There is appropriated annually from the General Fund of the State to the County of Tama the sum of three-thousand, three-hundred, sixty-five dollars to be used by the County only for the payment . . .".

Standing Unlimited Appropriation: An appropriation made by statute, but no dollar amount is mentioned in the Code of Iowa. An example reads as follows: "There is hereby appropriated out of any funds in the State treasury not otherwise appropriated a sum sufficient to pay for . . .".

Supplemental Appropriation: Additional funds appropriated for the current fiscal year in addition to the original appropriation.

APPENDIX C

ISSUE REVIEW SERIES

As part of the continuing effort to provide legislative oversight, the staff of the LFB monitors a variety of issues that develop in State agencies. Many of these are reported through the *Fiscal Update* newsletter, but some require more detailed review to present sufficient information and some may require legislative action. To meet this need, the LFB has developed an *Issue Review* series, which presents selected issues to the Fiscal Committee. Where appropriate, each paper contains a specific issue topic, a brief background on information related to the topic, the current situation, affected agencies, Code of Iowa authority, alternatives the General Assembly may wish to consider, and budgetary impacts.

The following *Issue Reviews* have been distributed to the Fiscal Committee during the 1993 Interim and are available from the LFB:

(Listed alphabetically)

- An Overview of the Iowa Judicial System
- Auditor Reimbursements
- Bills with New or Expanded Penalties Passed During the 1993 Session
- Boot Camps as an Alternative to Street Crime
- Capitol Restoration - Update
- Case Management Program
- Centralized Collections - Update
- Deferred Maintenance of State Facilities
- Department of Public Defense - Cash Flow
- Disproportionate Share Program and Indirect Medical Education
- Early Retirement Program Update
- Effect of OBRA on State Revenues
- Federal Income Tax Deductibility
- Foster Care Caseloads Continue to Decrease
- Growth in the Prison Population
- Guaranteed Loan Reserve Fund
- Health Data Commission
- Home and Community Based Waiver for Persons with Mental Retardation
- Incentive Regulation
- Indigent Defense Update
- Indirect Cost Reimbursements Received by Board of Regents
- Insurance Costs & Existing Reserves
- Iowa Groundwater Protection Fund
- Iowa Lottery - Historical Review
- Iowa Lottery - Profits Compared to Projections
- Iowa's Prison System Compared to Surrounding States
- Juvenile Justice Update
- Layers of Management
- Medicaid Children Services Initiative: Update on Implementation
- Motorcycle Helmet Legislation Impact to Iowa
- Office Space Needs on the Capitol Complex
- Parking on the Capitol Complex

ISSUE REVIEW SERIES (cont'd):

- Permanent School Fund
- Privatization of Rest Area Maintenance
- Real Estate Broker Trust Accounts
- Regent Fund Balances - FY 1993
- Regent Treasurers' Temporary Investments
- Regents Accounting System Data Transfer to the Iowa Financial Accounting System
- Regents Salary Report Follow-up
- Revenue Enhancement Program at the Iowa Veterans Home
- Road Use Tax Fund
- School Budget Review Committee
- Self Insurance of State Facilities
- Sharing and Reorganization Incentives for Local School Districts
- State Assistance and Tax Credits Related to Education
- State Health Insurance Costs - 50 State Comparison
- State of Iowa Obligations
- State Operated Retirements Systems
- State Vehicle Fleet - Vehicle Dispatch Division
- Status of Legislative Computer Models
- Tax Increment Finance Options
- Taxing Nonresident Retirement Pensions
- The Funding Responsibility of Indian Operated Casinos
- TRANS Note Issuance
- Treatment Alternatives to Street Crime
- Update on Courts Automation Initiatives
- Update on Implementation of DHS Major Initiatives
- Update on Implementation of DHS Medicaid Initiatives
- Update on Sales & Advertising in State Publications
- Update on Trust Fund Transfer Status
- Update on Unpaid Fines, Fees & Court Costs
- Woodward State Hospital School Surveyed

In addition to the *Issue Review* series, the LFB staff have provided the following informational memorandums to the Fiscal Committee:

- Drug Prior Authorization Program
- Duane Arnold Energy Center
- Flood Information Followup
- Followup of CEBA Program Wages and Repayments
- FY 1992 & FY 1993, 8.39, Code of Iowa, Appropriation Transfers
- ICN Update (provided on a monthly basis)
- Impact on State Income Tax Revenues - Flood-related Deductions
- Review of Retirement Programs Provided by Public Universities
- Status of Centralized Debt Collection Program
- Status of Group Foster Care and the Statutory Cap
- Update on the Advertising Sales Program

The LFB also organized and coordinated a 3-day Fiscal Committee Meeting regarding the flood which was held August 23-25 and included an overall assessment of flood damage, overall impact to the State, and impact specifically to the agriculture, business, and commerce sectors. A bound volume of responses entitled "*Responses to August 1993 Fiscal Committee Questions*," was published and distributed to the Fiscal Committee at the September meeting.

APPENDIX D

STAFF LISTING

LEGISLATIVE FISCAL BUREAU

Dennis C. Prouty, Director
Capitol, Second Floor
281-5279

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
DEPUTY DIRECTOR	Tim Faller	281-4615	Capitol-Second
FISCAL ANALYSIS	Holly Lyons	281-7845	Capitol-Second
POLICY ANALYSIS	Dwayne Ferguson	281-6561	Lucas-Ground
DATA BASE	Glen Dickinson	281-4616	Lucas-Ground
ADMINISTRATION	Douglas Wulf	281-3250	Lucas-Ground
APPROPRIATIONS SUBCOMMITTEES			
ADMINISTRATION			
General Services	Tami Fujinaka	281-4613	Lucas-Ground
Revenue and Finance	Tami Fujinaka		
Secretary of State	Tami Fujinaka		
State/Federal Relations	Tami Fujinaka		
Governor	Tami Fujinaka		
Management	Tami Fujinaka		
Personnel	Tami Fujinaka		
Treasurer	Tami Fujinaka		

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
AGRICULTURE & NATURAL RESOURCES			
Agriculture	Darlene Kruse	281-4612	Lucas-Ground
State Fair Authority	Darlene Kruse		
Natural Resources	Jeff Robinson	281-6767	Lucas-Ground
ECONOMIC DEVELOPMENT			
Economic Development	Douglas Wulf	281-3250	Lucas-Ground
Wallace Tech/INTERNET	Douglas Wulf		
EDUCATION			
Board of Regents	Sue Lerdal	281-7794	Capitol-Second
College Aid Commission	Sue Lerdal		
Cultural Affairs	Jon Studer	281-6256	Lucas-Ground
Education	Jon Studer		
HEALTH & HUMAN RIGHTS			
Blind	Bob Snyder	281-4614	Capitol-Second
Civil Rights	Bob Snyder		
Elder Affairs	Bob Snyder		
Veterans Affairs	Bob Snyder		
Human Rights	Valerie Thacker	281-5270	Lucas-Ground
Public Health	Valerie Thacker		

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
HUMAN SERVICES			
County Based Services	Jon Neiderbach	281-6301	Lucas-Ground
Foster Care	Jon Neiderbach		
General Administration	Jon Neiderbach		
Institutions	Jon Neiderbach		
MH/MR/DD Enhanced Services	Jon Neiderbach		
SSBG	Jon Neiderbach		
FIP, WIN, Food Stamps	Larry Sigel	281-6764	Lucas-Ground
Child Support Recovery	Larry Sigel		
Field Operations	Larry Sigel		
Medical Services	Larry Sigel		
JUSTICE SYSTEM			
Corrections	Dwayne Ferguson	281-6561	Lucas-Ground
Justice Department	Leroy McGarity	281-7942	Lucas- Ground
Parole Board	Leroy McGarity		
Judicial Department	Leroy McGarity		
REGULATION			
Commerce	Mary Shipman	281-4617	Capitol-Ground
Employment Services	Mary Shipman		
Inspections and Appeals	Mary Shipman		
Auditor	Mary Shipman		
Campaign Finance Disclosure	Mary Shipman		
PER Board	Mary Shipman		

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
TRANSPORTATION & SAFETY			
Iowa Law Enforcement Academy	Leah Churchman	281-7846	Lucas-Ground
Public Defense	Leah Churchman		
Public Safety	Leah Churchman		
Transportation	David Reynolds	281-6934	Lucas-Ground
WAYS AND MEANS			
Standing Committees	Jon Muller	281-4611	Capitol-Second
	Brad Hudson	281-7799	Capitol-Second
EDUCATION STANDING COMMITTEES			
School Finance and	Brad Hudson	281-7799	Capitol-Second
Education Standing Issues	Jon Studer	281-6256	Lucas-Ground
DATA BASE SUPPORT			
	David Hinman	281-6765	Lucas-Ground
	Raymond Knapp	281-5335	Lucas-Ground
ADMINISTRATIVE STAFF			
	Sandra Laust	281-4594	Capitol-Second
	Charlotte Mosher	281-5279	Capitol-Second
	Nicole Navara	281-6766	Lucas-Ground