

State of Iowa
Projected Condition of the General Fund

(In Millions)

	Actual FY 2019	Estimated FY 2020	Projected FY 2021
Resources			
Net Receipts (Dec. 12, 2019, REC Est.)	\$ 7,858.9	\$ 8,014.6	\$ 8,249.0
Surplus Carryforward	71.0	195.6	237.3
Total Available Resources	\$ 7,929.9	\$ 8,210.2	\$ 8,486.3
Expenditure Limitation			\$ 8,403.8
Appropriations and Expenditures			
Appropriations	\$ 7,480.2	\$ 7,643.7	\$ 7,643.7
Adjustments to Standing Appropriations	- 2.8	- 5.6	0.0
Built-In and Anticipated Expenditures	0.0	0.0	336.7
Supplemental/Deappropriations	168.6	106.6	0.0
Total Appropriations	\$ 7,646.0	\$ 7,744.7	\$ 7,980.4
Reversions	- 5.4	- 5.0	- 5.0
Net Appropriations	\$ 7,640.6	\$ 7,739.7	\$ 7,975.4
Ending Balance – Surplus	\$ 289.3	\$ 470.5	\$ 510.9
Under (Over) Expenditure Limitation			\$ 423.4

State of Iowa Reserve Funds

(In Millions)

	Actual FY 2019	Estimated FY 2020	Projected FY 2021
<u>Cash Reserve Fund</u>			
Funds Available			
Balance Brought Forward	\$ 442.4	\$ 571.6	\$ 587.9
General Fund Transfer from Surplus	127.3	289.3	470.5
Special General Fund Appropriation	113.1	0.0	0.0
Total Funds Available	\$ 682.8	\$ 860.9	\$ 1,058.4
Transfer to Economic Emergency Fund	- 111.2	- 273.0	- 439.7
Balance	\$ 571.6	\$ 587.9	\$ 618.7
<i>Maximum 7.5%</i>	\$ 571.6	\$ 587.9	\$ 618.7
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<u>Economic Emergency Fund</u>			
Funds Available			
Balance Brought Forward	\$ 177.9	\$ 185.6	\$ 196.0
Excess from Cash Reserve Fund	111.2	273.0	439.7
Executive Council – Performance of Duty	- 14.2	- 7.0	- 16.7
Transfers to and from the General Fund	0.0	0.0	0.0
Total Funds Available	\$ 274.9	\$ 451.6	\$ 619.0
FY 2019 Perf. of Duty Expense*	-4.9	0.0	0.0
Excess Surplus	\$ - 84.4	\$ - 255.6	\$ - 412.8
Balance	\$ 185.6	\$ 196.0	\$ 206.2
<i>Maximum 2.5%</i>	\$ 190.5	\$ 196.0	\$ 206.2
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<u>Distribution of Excess Surplus</u>			
Transfer to General Fund	\$ 71.0	\$ 195.6	\$ 237.3
Transfer to Taxpayer Relief Fund	13.4	60.0	175.5
Total	\$ 84.4	\$ 255.6	\$ 412.8
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<u>Combined Reserve Fund Balances</u>			
Cash Reserve Fund	\$ 571.6	\$ 587.9	\$ 618.7
Economic Emergency Fund	185.6	196.0	206.2
Total	\$ 757.2	\$ 783.9	\$ 824.9
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<u>Statutory Maximum</u>			
Cash Reserve Fund	\$ 571.6	\$ 587.9	\$ 618.7
Economic Emergency Fund	190.5	196.0	206.2
Total	\$ 762.1	\$ 783.9	\$ 824.9

* An adjustment of \$4.9 million was made to the FY 2019 Performance of Duty appropriation to account for actual year-end expenditures exceeding the previous estimate of \$14.2 million. The adjustment occurred during the FY 2019 "hold-open" period, which was after the excess FY 2018 General Fund surplus dollars were transferred back to the General Fund for FY 2019.

Taxpayer Relief Fund

(In Millions)

	Actual FY 2019	Estimated FY 2020	Projected FY 2021*
Funds Available			
Balance Brought Forward	\$ 8.4	\$ 13.5	\$ 73.5
General Fund Surplus Transfer	13.4	60.0	175.5
Interest	0.1	0.0	0.0
Total Funds Available	\$ 21.9	\$ 73.5	\$ 249.0
Expenditures			
Transfer to the General Fund	\$ - 8.4	\$ 0.0	\$ 0.0
Ending Balance	\$ 13.5	\$ 73.5	\$ 249.0

Taxpayer Relief Fund Calculation

(Dollars in Millions)

	FY 2018	FY 2019	FY 2020
Actual /Estimated	\$ 7,383.9	\$ 7,858.9	\$ 8,014.6
Adjusted Revenue Estimate	- 7,370.5	- 7,621.9	- 7,839.1
Difference	\$ 13.4	\$ 237.0	\$ 175.5

* The \$60.0 million statutory limit is repealed beginning in FY 2021.

**Adjusted Revenue Estimate
and Reserve Fund Goal Calculations**

(In Millions)

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
REC Estimates	\$ 7,364.5	\$ 7,527.0	\$ 7,848.4	\$ 8,249.0
Revenue Adjustments	6.0	94.9	-9.3	0.0
Adjusted Revenue Estimate	<u>\$ 7,370.5</u>	<u>\$ 7,621.9</u>	<u>\$ 7,839.1</u>	<u>\$ 8,249.0</u>
Reserve Fund Goals				
Cash Reserve Fund (7.5%)	\$ 552.8	\$ 571.6	\$ 587.9	\$ 618.7
Economic Emergency Fund (2.5%)	184.3	190.5	196.0	206.2
Total	<u>\$ 737.1</u>	<u>\$ 762.1</u>	<u>\$ 783.9</u>	<u>\$ 824.9</u>

FY 2021 General Fund Built-In and Anticipated Expenditures
(In Millions)

	LSA
	Estimates
<u>Built-In Changes</u>	
1. Human Services – Medical Assistance	\$ 211.0
2. Human Services – Hawki Program	22.0
3. Management – Technology Reinvestment Fund	17.5
4. Education – Instructional Support Program	14.8
5. Human Services – Adoption Subsidy Program	5.3
6. Management – State Appeal Board Claims	5.3
7. College Aid – College Work Study	2.8
8. Education – Nonpublic School Transportation	2.6
9. Education – Child Development (At-Risk Program)	2.1
10. Human Services – Child and Family Services	1.6
11. Economic Development Authority – World Food Prize	0.6
12. Economic Development Authority – Tourism Marketing	0.3
13. Cultural Affairs – County Endowment Fund	0.1
14. Education – K-12 School Foundation Aid	-3.8
Subtotal	<u>\$ 282.2</u>
<u>Anticipated Expenditure Changes</u>	
15. Management – Salary Adjustment	\$ 44.6
16. Human Services – Adoption Subsidy Program	6.3
17. Human Services – Eldora State Training School	2.1
18. Public Defender – Indigent Defense	1.5
Subtotal	<u>\$ 54.5</u>
Total	<u>\$ 336.7</u>

Note:

A 1.0% increase in the State percent of growth rate for School Foundation Aid would increase the FY 2021 appropriation by approximately \$40.8 million.

State Tax Credit Expected Claims Projection

(In Millions)

<u>Tax Credit Program</u>	<u>Actual FY 2017</u>	<u>Actual FY 2018</u>	<u>Actual FY 2019</u>
<u>Capped Programs</u>			
High Quality Jobs Program	\$ 33.7	\$ 37.2	\$ 34.4
Historic Preservation Tax Credit	43.5	60.2	36.4
Redevelopment Tax Credit	2.9	5.1	8.6
School Tuition Organization Tax Credit	11.2	11.9	10.8
Workforce Housing Tax Incentive Program	0.2	8.8	13.1
All Other Programs	53.8	43.7	41.2
Total Capped Programs	<u>\$ 145.4</u>	<u>\$ 166.9</u>	<u>\$ 144.5</u>
<u>Uncapped Programs</u>			
Biodiesel Blended Fuel Tax Credit	\$ 17.7	\$ 18.3	\$ 17.2
Earned Income Tax Credit	69.6	68.7	66.9
Iowa Industrial New Jobs Training Program (260E)	41.3	39.1	35.7
Research Activities Tax Credit	75.3	71.2	81.4
Tuition and Textbook Tax Credit	15.3	15.3	14.5
All Other Programs	18.8	20.1	19.7
Total Uncapped Programs	<u>\$ 238.0</u>	<u>\$ 232.6</u>	<u>\$ 235.3</u>
Tax Credit Program Total	<u>\$ 383.5</u>	<u>\$ 399.5</u>	<u>\$ 379.9</u>

Notes:

These estimates are based on the Tax Credit Expected Claims Projection published by the Department of Revenue in December 2019 in the Tax Credits Contingent Liabilities Report. The table above reflects the tax credits that were claimed by fiscal year.

The numbers may not equal totals due to rounding.